

# **GCC Air Freight Transport - Market Share Analysis, Industry Trends & Statistics, Growth Forecasts (2024 - 2029)**

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## **Abstracts**

The GCC Air Freight Transport Market size is estimated at USD 16.81 billion in 2024, and is expected to reach USD 24.08 billion by 2029, growing at a CAGR of 7.46% during the forecast period (2024-2029).

### **Key Highlights**

According to IATA's May 2023 data, cargo volumes for the Middle East carriers decreased by 6.8 percent year-over-year in April of 2023. This was a slight decrease from the 5.5 percent in March 2023. However, compared to April of 2022, the capacity grew by 10%.

This could be due to the air freight industry adapting to the recovery of passenger demand, which brings with it belly capacity. However, IATA also noted some tailwinds, such as an improvement in the purchasing managers index in April, which is a sign of global export demand and of an improving purchasing manager's index in China.

The location of the region in trans-continental trade has promoted its focus on the development of domestic and transit commodity logistics hubs. To take advantage of the geographical advantages, the governments of the Gulf countries are investing heavily in the improvement and expansion of their airport infrastructure.

The Middle East will become one of the world's fastest-growing aviation markets in the next ten years due to the massive economic transformation that many Gulf and other countries are undergoing, and many of them have become key transportation hubs for people and cargo, as well as the expansion of aviation into Africa and the success of

cargo operations in countries such as Turkey and a number of Gulf countries.

The GCC air freight market is likely to experience a temporary downturn in the near future due to a lack of demand and an oversupply of both air and ocean cargo capacity, which has caused rates to drop drastically.

In the medium to long term, air cargo is expected to grow in the GCC region as a result of government policies and partnerships, as well as moves towards integration and cooperation. This will help to improve the efficiency of multimodal networks and facilitate trade.

## GCC Air Freight Transport Market Trends

### Booming international segment

The GCC region has been experiencing a significant increase in air cargo demand, particularly in the international segment. This is driven by various factors, including the rise of e-commerce, globalization, and the region's strategic location as a hub for trade between Asia, Europe, and Africa. The demand for air cargo services has been steadily rising, creating opportunities for airlines and logistics companies.

The GCC countries have been actively diversifying their economies, reducing their reliance on oil and gas. This has led to increased trade activities and economic growth, which in turn has boosted the demand for air cargo services. The international segment of the air cargo market has benefited from the expansion of industries such as manufacturing, retail, and e-commerce.

The region has witnessed rapid growth in e-commerce, with more consumers embracing online shopping. This has resulted in increased cross-border trade and a surge in international air cargo shipments. E-commerce players are relying on air cargo services to ensure fast and efficient delivery of goods to customers across borders, creating immense opportunities for logistics providers.

To meet the growing demand for air cargo services, the GCC countries have been investing in expanding and upgrading their aviation infrastructure. This includes the construction of new airports, expansion of existing facilities, and implementation of advanced technologies. These infrastructure investments enhance the capacity and efficiency of the international air cargo market, attracting more players and fostering growth.

## Robust growth projection for Saudi Arabia

The air cargo industry in Saudi Arabia experienced significant growth in 2023. With the country's strategic location and strong economic growth, the demand for air cargo services has been on the rise.

The country has been actively diversifying its economy and promoting trade. This has led to an increase in import and export activities, driving the need for efficient air cargo transportation. The country's focus on sectors like manufacturing, petrochemicals, and e-commerce has contributed to the growth of the air cargo industry.

To meet the growing demand, Saudi Arabia has been investing in the expansion and development of its airports. For example, King Abdulaziz International Airport in Jeddah and King Khalid International Airport in Riyadh have undergone significant upgrades to handle larger volumes of air cargo. These expansions have improved the capacity and efficiency of air cargo transportation.

Saudi Arabia has established strong air cargo connectivity with major global markets. Airlines operating in the country have expanded their networks, connecting Saudi Arabia to key destinations worldwide. This enhanced international connectivity has facilitated the movement of goods and contributed to the growth of the air cargo industry.

The air cargo industry in Saudi Arabia has embraced technological advancements to enhance efficiency and streamline operations. Automation, digitalization, and advanced tracking systems have improved cargo handling, tracking, and documentation processes. These technological advancements have contributed to the overall growth and effectiveness of air cargo transportation.

## GCC Air Freight Transport Industry Overview

The GCC air freight forwarding market is highly competitive and fragmented, with many international and local players actively competing for market share. Technology integration in the logistics industry is high, and the emergence of digital players in the

pool is increasing.

The growth of e-commerce also contributes to the emergence of digital players in the region. Competition within the industry is expected to intensify as the entire domestic logistics infrastructure develops rapidly. Major players are FedEx, DHL, Qatar Airways Group, Qatar Airways Services, and Jazeera Airways.

Additional Benefits:

The market estimate (ME) sheet in Excel format

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