

# **Saudi Arabia Refrigerated Truck - Market Share Analysis, Industry Trends & Statistics, Growth Forecasts (2024 - 2029)**

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## **Abstracts**

The Saudi Arabia Refrigerated Truck Market size is estimated at USD 250 million in 2024, and is expected to reach USD 340 million by 2029, growing at a CAGR of 6.30% during the forecast period (2024-2029).

The recreational vehicle financing market exhibits a moderately consolidated landscape, dominated by a few major global players such as Carrier Transicold, Thermo King, Daikin, Frigoblock, Red Sea Global, Zanotti, and others. These companies have established a stronghold in the market through extensive product portfolios, technological advancements, and strategic collaborations.

Saudi Arabia has a well-developed transportation network, including road, rail, air, and sea transportation systems. The road network is extensive, covering more than 170,000 kilometers, and the government has been investing in upgrading and expanding it. The refrigerated truck market in Saudi Arabia is driven by several factors that contribute to its growth and development. One of the primary drivers is the increasing demand for temperature-controlled transportation of perishable goods, such as food products and pharmaceuticals. With a growing population and expanding retail sector, there is a heightened need for efficient and reliable refrigerated transportation services to ensure the quality and safety of these goods. Additionally, Saudi Arabia's strategic location as a trading hub in the Middle East further fuels the demand for refrigerated trucks, as they facilitate the import and export of perishable items across the region.

Saudi Arabia's transportation industry has been growing rapidly due to the country's Vision 2030 program and the National Transport and Logistics Strategy. This has led to a USD 20.47 billion logistics market that is expected to recorded a 6.95% CAGR to

reach USD 32.12 billion by 2026. To support this growth, the transportation ecosystem needs to expand, digitize, and interconnect, including increasing air cargo capacity, improving integrated transport infrastructure, and developing marine and railway ports.

The refrigerated truck market in Saudi Arabia also faces several challenges and presents numerous opportunities for growth and innovation. One of the main challenges is the harsh climate, which puts additional strain on refrigeration systems and requires specialized maintenance and upkeep. Moreover, the market is highly competitive, with numerous local and international players vying for market share. However, this competition also presents opportunities for OEMs to differentiate themselves through innovative technologies, improved fuel efficiency, and enhanced customer service. Furthermore, the growing awareness of food safety and quality standards, such as HACCP and GDP, offers potential for refrigerated truck manufacturers to develop and market specialized solutions that meet these requirements. Some notable OEMs in the market include Carrier Transicold, Thermo King, Daikin, Frigoblock, Hubbard Systems, Zanotti, GAH Refrigeration, Ficos, which have established a strong presence in the region through local partnerships and distribution networks. These companies are committed to developing tailored solutions for the Saudi Arabian market, taking into consideration factors such as extreme weather conditions, diverse terrain, and specific logistical requirements.

As the country continues to invest in infrastructure development and logistics, the demand for efficient and reliable refrigerated transportation is expected to rise. OEMs will likely continue to innovate and develop advanced technologies to cater to the evolving needs of the market, such as alternative energy sources, connected fleet management systems, and autonomous driving capabilities. Additionally, the adoption of sustainable practices and the reduction of carbon emissions are likely to become increasingly important, which may lead to the development of electric or hybrid refrigerated trucks in the future. Overall, the refrigerated truck market in Saudi Arabia is poised for continued growth and development, driven by both domestic and global trends and challenges.

## Saudi Arabia Refrigerated Truck Market Trends

### Heavy Commercial Vehicle (HCV) increase the Demand in the Market

The Heavy Commercial Vehicle (HCV) segment holds significant importance in the Saudi Arabia refrigerated truck market, as these vehicles play a crucial role in the

transportation of perishable goods across the nation. The recent market overview has shown a steady growth in the demand for HCVs in the refrigerated truck industry due to various factors such as expanding logistics infrastructure, increasing trade activities, and a growing consumer preference for fresh and high-quality products. In 2022, 97,006 commercial vehicles were sold, which was a 49.54% growth compared to 2020 (64835 units).

Several driving factors contribute to the increasing demand for Heavy Commercial Vehicles (HCVs) in the Saudi Arabian refrigerated truck market. Firstly, the country's strategic location as a trade hub between Asia, Europe, and Africa has led to a surge in import and export activities, necessitating the need for efficient transportation solutions. In 2022, the number of trucks departing from Saudi Arabia via the King Fahd Bridge was around 183 thousand trucks, up from around 166 thousand trucks in 2020. Additionally, the rapid urbanization and economic growth in the region have led to an increase in the demand for food and other essential goods, further fuelling the need for HCVs in the refrigerated truck market.

Besides, One of the significant challenges faced by the industry is the need for improved fuel efficiency and environmental sustainability. As global concerns about climate change and air pollution continue to grow, there is an increasing demand for eco-friendly transportation solutions. This presents an opportunity for manufacturers and service providers to invest in research and development of more energy-efficient and environmentally friendly HCVs.

As the market evolves, we will likely witness advancements in technology, infrastructure, and operational efficiency, which will further boost the demand for HCVs. However, stakeholders must address the challenges associated with sustainability and environmental impact to ensure long-term growth and success in this market.

Expansion of Food and Beverages industry is anticipated the market demand

The refrigerated truck market in Saudi Arabia is experiencing substantial growth due to the significant influence of the food and beverage (F&B) industry. The F&B market in Saudi Arabia is primarily demand-driven, with limited scope for local agricultural production, high disposable income, and exposure to diverse culinary traditions. Consequently, F&B imports hold paramount importance in the sector. With only 1.5% of the land area classified as arable, the country cannot meet the local market demand for

agri-food products, let alone cater to the growing preference for product variety. The harvested area in Saudi Arabia is significantly less than 1 million hectares (10,000 km<sup>2</sup>) in comparison to other markets with similar geographies like Mexico and Iran.

Although food and beverage imports constitute the major portion, local food processing in Saudi Arabia holds significance. In 2022, the country imported approximately USD 3 billion worth of intermediate food products, with the United States supplying approximately 11% of the total. This continuous growth in the industry has led to a higher demand for temperature-controlled transportation, thereby fueling the growth of the refrigerated truck market.

Several factors contribute to the increasing number of F&B refrigerated trucks in Saudi Arabia. The expanding retail sector, including supermarkets, hypermarkets, and convenience stores, necessitates a steady supply of fresh and chilled products. This, in turn, drives the demand for refrigerated trucks to transport goods efficiently. Additionally, the rise in food service businesses like restaurants, cafes, and catering services requires temperature-controlled transportation to ensure product quality and safety. Furthermore, the government's efforts to diversify the economy and reduce dependence on oil have led to the growth of various industries, including F&B, which in turn boosts the demand for refrigerated trucks.

Manufacturers can focus on developing advanced and energy-efficient refrigeration systems that can withstand extreme temperatures and reduce maintenance costs. Investing in better logistics infrastructure and improving cold chain management can help overcome distribution challenges and enhance overall market efficiency. Given the growing demand for diverse food products and the government's commitment to economic diversification, the future of the F&B refrigerated truck market in Saudi Arabia appears promising. As the retail and foodservice industries continue to grow, the need for efficient temperature-controlled transportation will also increase.

Moreover, technological advancements and the adoption of sustainable practices are expected to drive innovation in the refrigerated truck market. This may involve the development of electric or hybrid refrigerated trucks, which can reduce emissions and lower operating costs. In conclusion, the F&B refrigerated truck market in Saudi Arabia is anticipated to expand significantly in the coming years, driven by the dynamic growth of the F&B industry and the nation's commitment to economic diversification.

## Saudi Arabia Refrigerated Truck Industry Overview

The Saudi Arabia refrigerated truck exhibits a moderately consolidated landscape, dominated by a few major global players such as Carrier Transicold, Thermo King, Daikin, Frigoblock, Zanotti, Red Sea Global, Voith Turbo, Foton Group, Emerald Transportation Solutions, ISUZU, and others. These companies have established a stronghold in the market through extensive product portfolios, technological advancements, and strategic collaborations.

In October 2023, Thermo King introduced an alternative for large truck diesel refrigeration systems. This new offering is designed to minimize environmental impact and improve overall efficiency in the transportation sector.

In April 2023, Carrier Transicold, a leading transport and refrigeration solutions provider, announced its contribution to France's first electric hydrogen-powered truck. This innovative project aims to reduce carbon emissions and promote sustainable transportation.

In April 2023, Thermo King entered into a long-term agreement with ZF, a global technology company. The collaboration aims to develop advanced vehicle systems and improve overall efficiency in the transportation industry.

In May 2022, Carrier Transicold unveiled its new XR Series engineless truck refrigeration units, which offer enhanced performance and sustainability. These innovative units are expected to significantly reduce fuel consumption and greenhouse gas emissions in the transportation sector.

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