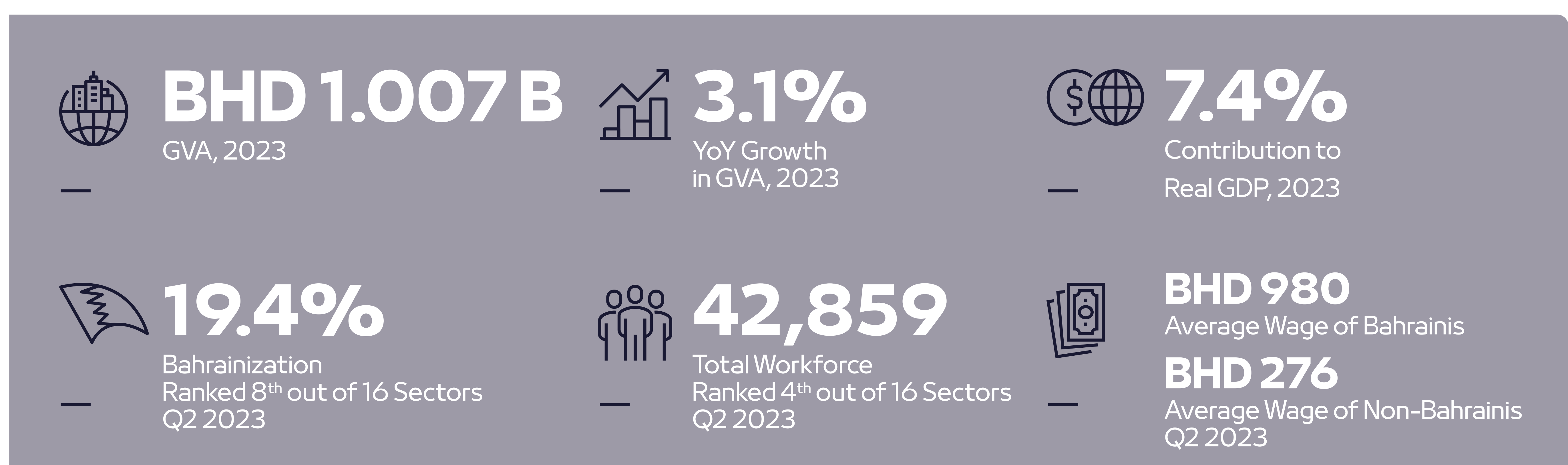


Transportation & Logistics

Last Updated: March 2024

Bahrain's historical significance as a trading hub in the region has contributed to the development of its Transportation and Logistics sector. Supported by a diverse economy and proactive government initiatives, substantial investments are being made in infrastructure projects that are propelling the sector forward. With the Bahrain Metro project currently underway, the transportation and logistics sector is expected to register consistent annual growth.



Sector Opportunities & Trends

01. Bahrain's Logistics Zone (BLZ)

Bahrain Logistics Zone (BLZ) provides ready-made plug-and-play solutions as the region's first boutique logistics park. It serves as a gateway to GCC markets, offering businesses a convenient base to establish and operate freely within a customs-bonded area. Located in Hidd, the BLZ presents users with pre-built and fully-equipped facilities, allowing them to seamlessly set up and commence operations without the need for extensive setup or customization.

02. Express Cargo Village

Bahrain's upcoming Express Cargo Village at the airport is set to transform the logistics sector. Leveraging the country's strategic location and size, this advanced hub enables efficient, multi-modal logistics and connectivity. With a 40% reduction in setup costs and a two-hour turnaround time for containers, businesses will be able to benefit from streamlined supply chain management and expedited delivery via Bahrain's robust connectivity and logistics infrastructure.

03. Technological advancements within the sector

- **Use of Artificial Intelligence (AI):** AI's data analysis, predictive abilities, and learning capacity are revolutionizing the logistics sector. In 2024, the trend will be perceptible in route planning, demand forecasting, asset management, autonomous code generation and more.
- **IoT & Supply Chain Visibility:** IoT transforms supply chain management with crucial data, visibility and connectivity. Sensor tech and cloud apps interconnect elements for transparency, efficiency and responsiveness. Smart labels are an example of an IoT-enabled technology that will make a big impact on the logistics sector.

- **Big Data:** Big data analytics has become increasingly influential in the logistics industry. It will play a crucial role in anticipating disruptions, optimizing supply chains and ensuring operational resilience amidst global uncertainties and complex supply networks.
- **Cloud-Based Systems Adoption:** The rise of cloud-based solutions is a significant driver behind the digital transformation of the sector. These solutions offer enterprises various advantages, including the elimination of inefficiencies and hazards. They also enhance operational speed, cost-effectiveness, control, scalability and security.

04. Sustainable Logistics

In the coming years, sustainable logistics will be a key economic success factor as businesses integrate environmental factors into decision-making. The sector strives to reduce carbon emissions by adopting green solutions. Customers can contribute to emission reduction through sustainable aviation and marine fuel options.

05. Warehouse automation and robotics

Integrating automated systems in logistics facilities will accelerate operations and offer numerous benefits, including reduced errors, boosted efficiency, enhanced safety, optimized resource utilization, and improved flexibility and scalability.

06. Logistics Providers

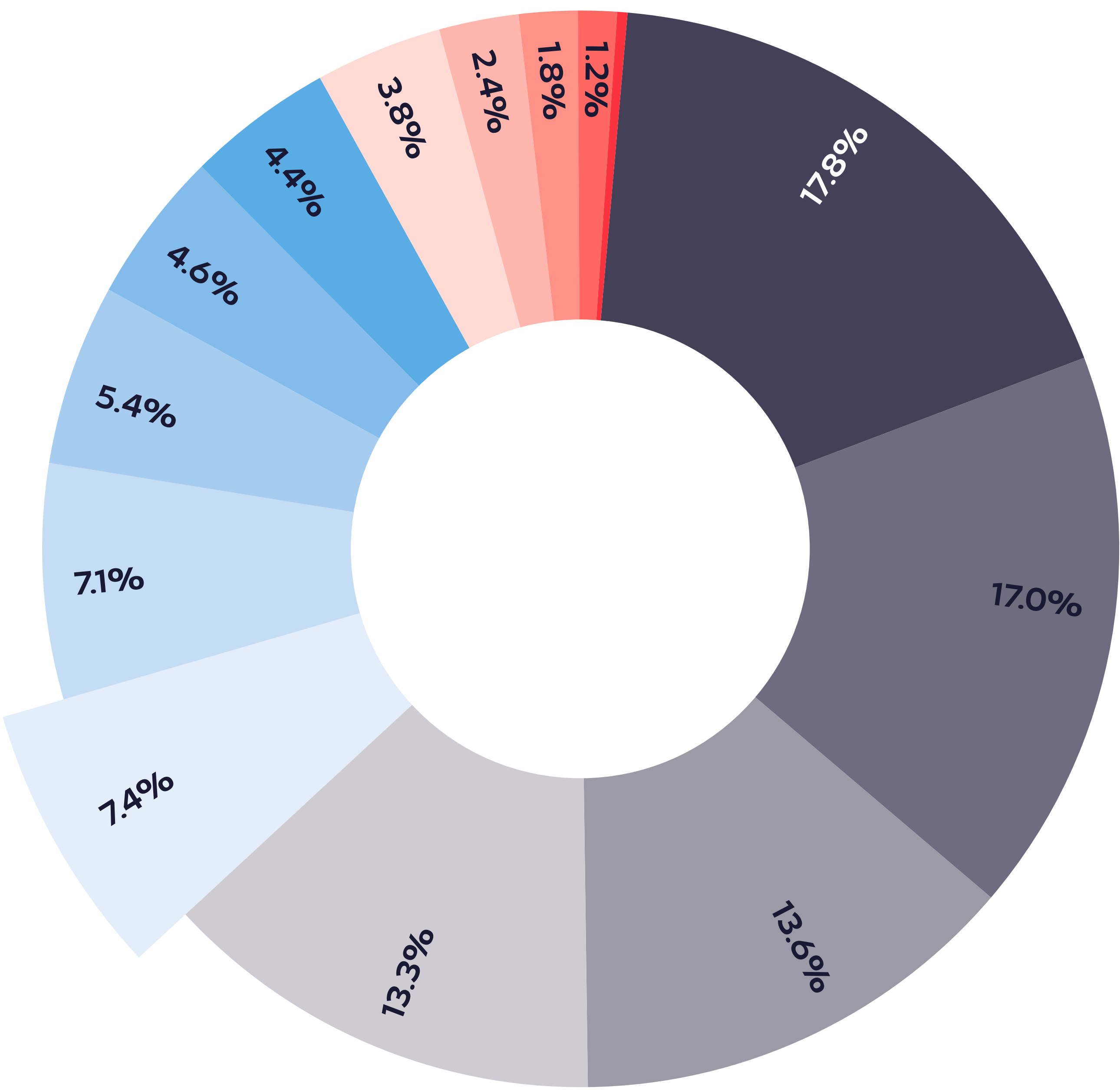
The emergence of innovative logistics providers offers a valuable opportunity for the manufacturing sector. By utilizing advanced logistics solutions, manufacturers can boost supply chain efficiency, streamline distribution and lower transportation expenses. Collaborating with these providers enables manufacturers to optimize operations, ensure timely delivery and concentrate on core competencies.

Transportation & Logistics Economic Indicators

iGA-National Accounts, 2023

Transport and Communication Sector Contribution to Real GDP

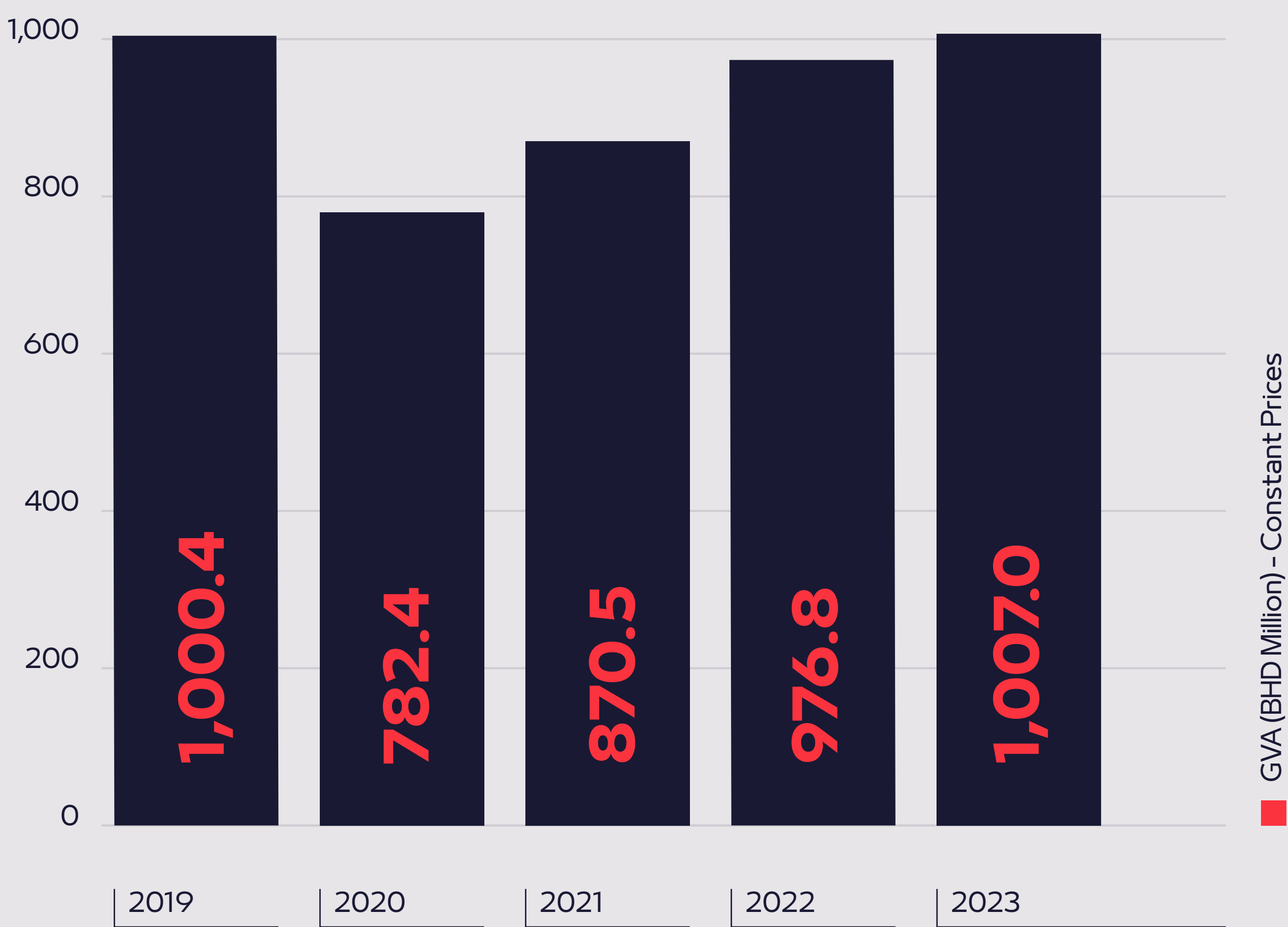
(%, 2023)



Financial & Insurance Activities	17.8%	Net Tax on Products	4.6%
Mining & Quarrying	17.0%	Trade	4.4%
Manufacturing	13.6%	Others ³	3.8%
Government Services	13.3%	Private Education Services	2.4%
Transport & Communication ²	7.4%	Hotels & Restaurants	1.8%
Construction	7.1%	Private Health Services	1.2%
Real Estate & Business Activities	5.4%	Agriculture & Fishing	0.3%

Transport and Communication Sector GVA¹

(BHD M, 2019 - 2023)



¹ Gross Value added (GVA) is the measure of the value of goods and services produced in an area, industry or sector of an economy

² Data extracted from National Accounts are categorized according to ISIC 3 – hence Transport & Communication are combined as a sector

³ Others include Electricity & Water, Other Social & Personal Services, Private Non-Profit Institutions, and Households with Employed Persons

Transportation & Logistics Sector Enterprises

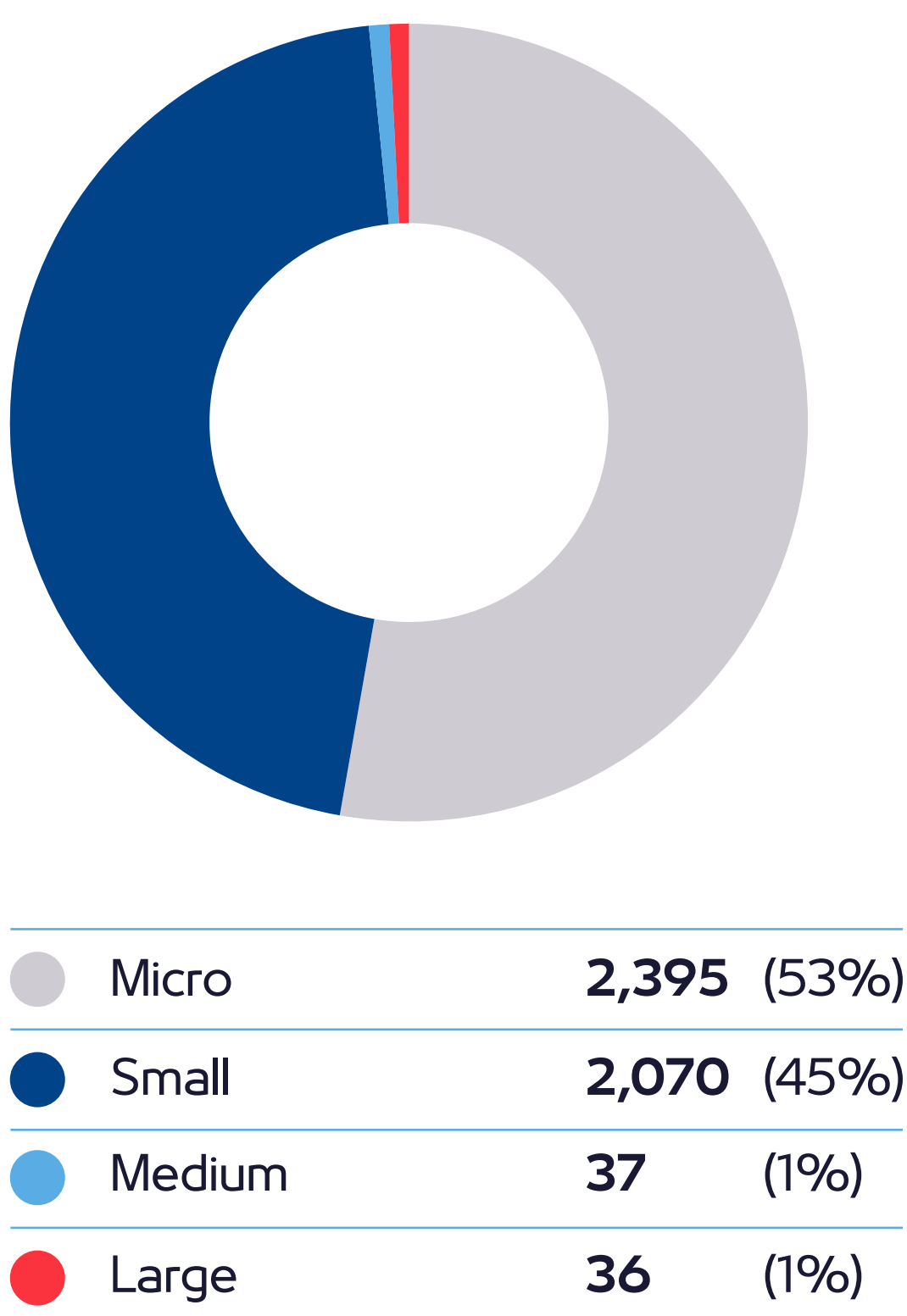
LMRA, Q2 2023 - BLMI

4,551
Active CRs

6.1%
of total Active
CRs in Bahrain

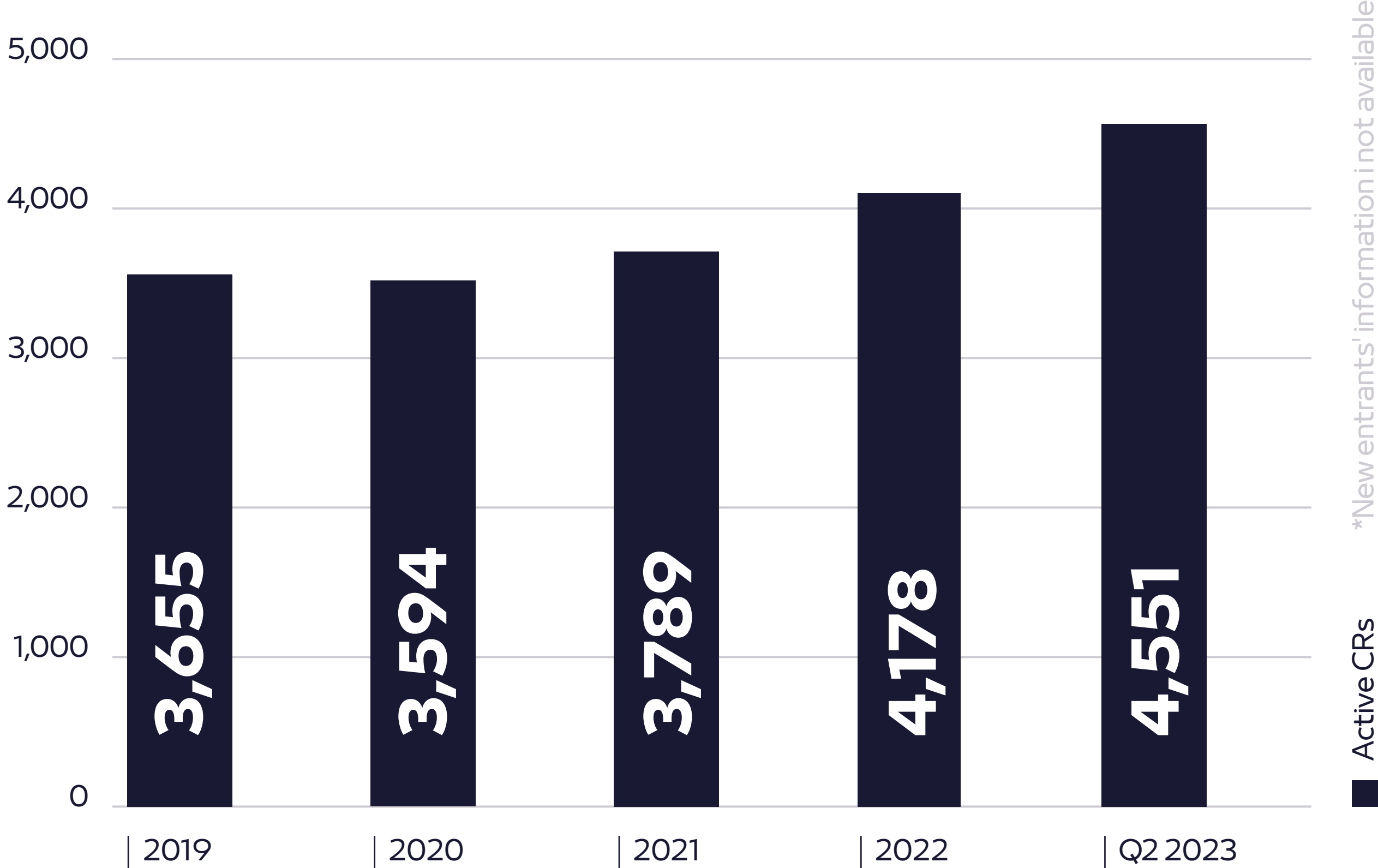
Transportation & Logistics Sector by Enterprise Size

(%, Q2 2023)



Transportation & Logistics Sector Active Commercial Registrations

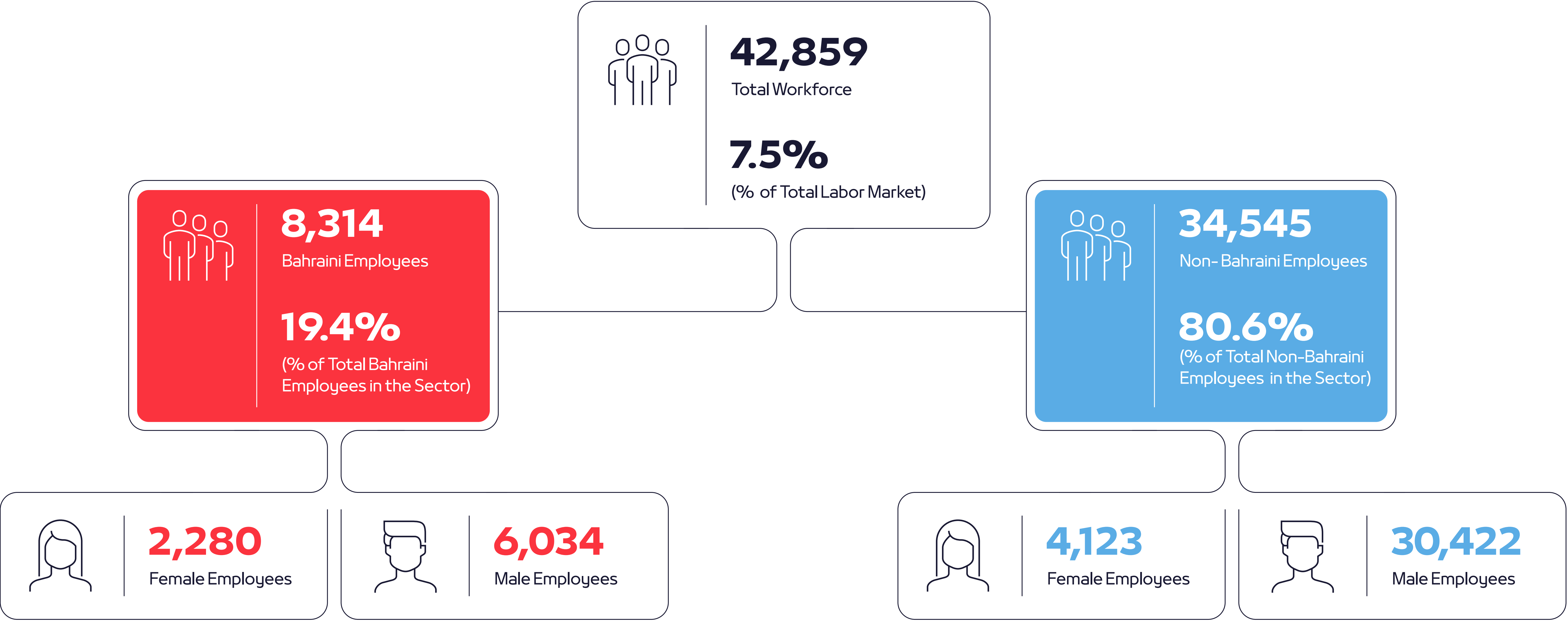
(2019 - Q2 2023)



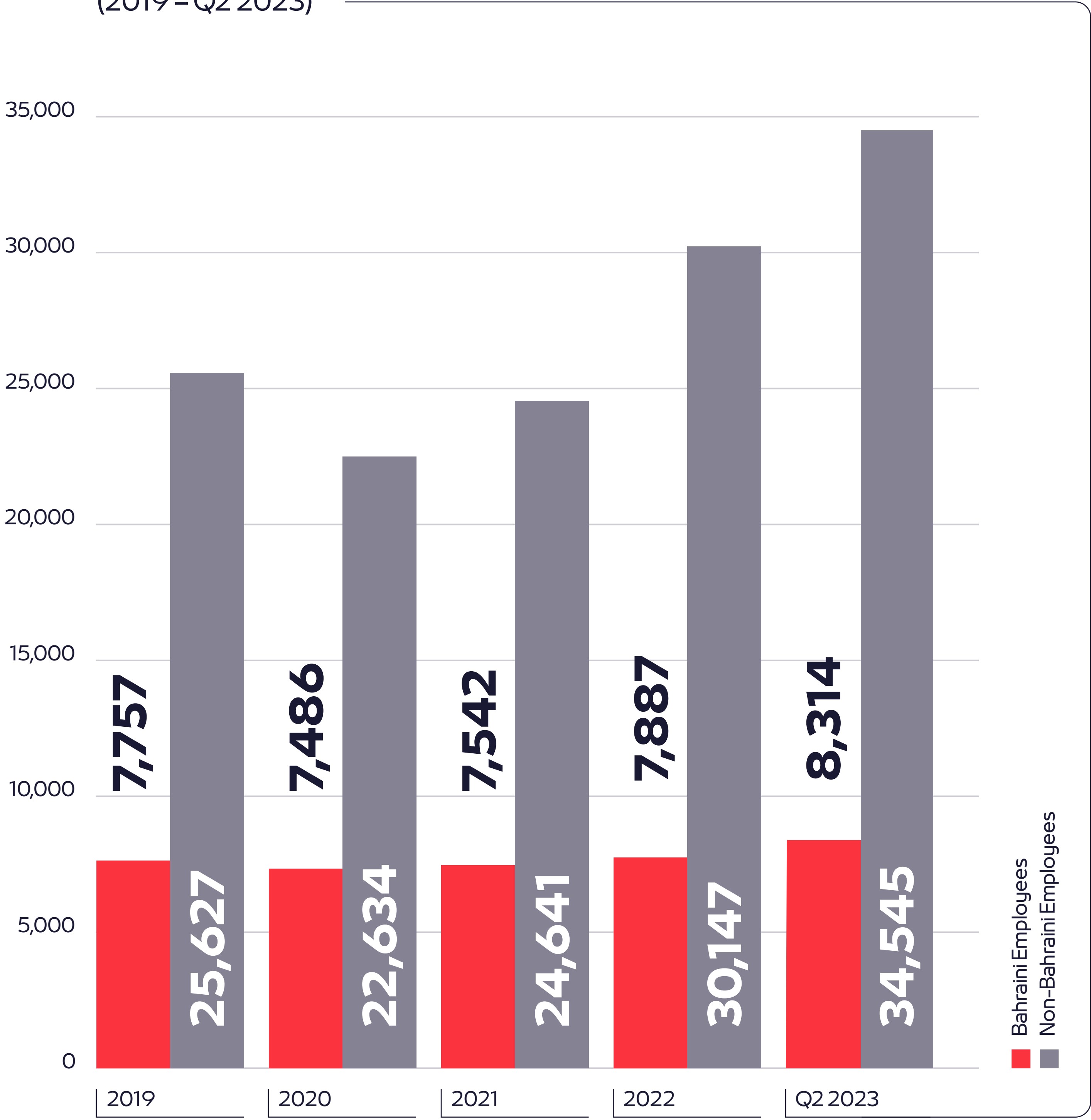
This sector includes land transport and transport via pipelines, water transport, air transport, warehousing and support activities for transportation postal and courier activities as per MOIC – ISIC 4 Classification.

Transportation & Logistics Sector Employment

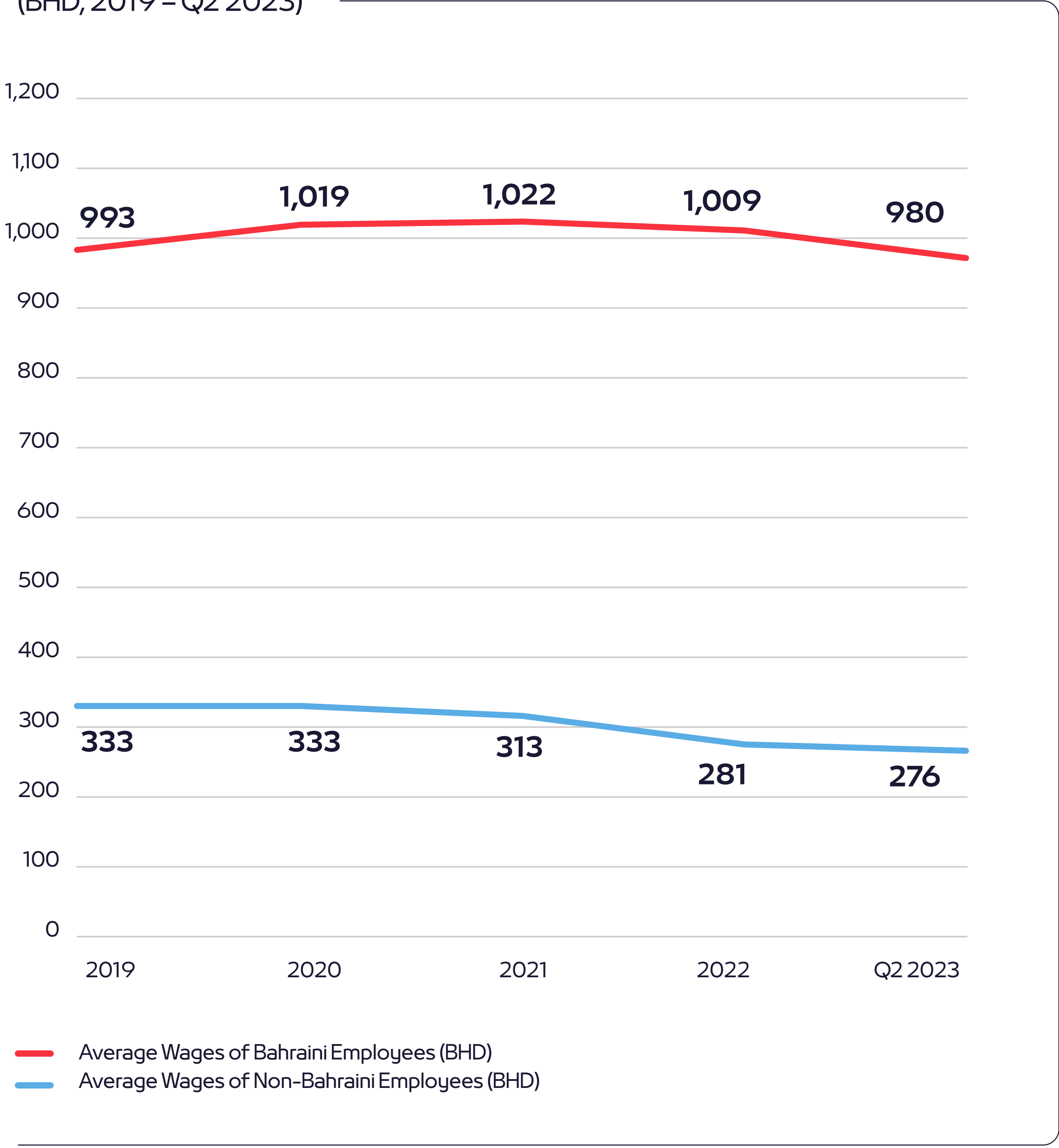
LMRA, Q2 2023 – BLMI



Transportation & Logistic Sector Growth In Employees by Citizenship (2019 – Q2 2023)



Transportation & Logistic Sector Average Wages by Citizenship (BHD, 2019 – Q2 2023)



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