

Saudi Arabia Pharmaceutical Logistics Market Outlook to 2025

By : Editor Published On : 16 Oct, 2020 10:29 AM IST



INVC NEWS

New Delhi,

The report titled **“Saudi Arabia Pharmaceutical Logistics Market Outlook to 2025: Rising Demand for Pharmaceutical Drugs and Government Support to Healthcare Will Drive Market Growth”** provides a comprehensive analysis of the pharma logistics market in Saudi Arabia. The report focuses on overall market size in terms of revenue generated by pharma logistics companies; Saudi Arabia pharma logistics market segmentation by service mix (freight forwarding, warehousing, and value-added services); pharma freight forwarding market segmentation by freight mode (road freight, air freight, and sea freight); by type of transport (domestic freight and international freight); by 3PL Logistics and Integrated logistics; by type of delivery (normal delivery and express delivery); by flow corridors (the Middle East, European Countries, Asian Countries and Others); pharma warehousing market segmentation by 3PL Logistics and Integrated logistics; by cities (Riyadh, Jeddah, Dammam, and others) and by type of warehouses (Ambient and Cold Storage). The report also covers the trade scenario, trends, and developments, issues, and challenges, SWOT analysis, regulatory landscape, end-user analysis, value chain analysis, COVID-19 impact on the pharma transportation industry, decision-making process, COVID-19 impact on pharma warehousing industry, technological advancements & innovations, comparative landscape including cross-comparison of major players operating in KSA pharma logistics market and cross-comparison of major players operating in KSA pharma market. The report concludes with future market projections on the basis of overall logistics and pharma logistics revenue, by service mix and analyst recommendations highlighting the major opportunities and cautions.

Saudi Arabia Pharma Logistics Market

Saudi Arabia Pharma logistics market showcased a volatile growth trajectory. Pharma logistics revenue stood at USD ~ Million in 2019 and further grew at a CAGR of ~% during 2014-2019. The market witnessed a downfall during 2016-2017 due to oil price shock further leading to an economic slowdown. The pharma industry in Saudi Arabia is majorly dependent on the imports from various countries. Saudi Arabia's Vision 2030 and the NTP's priorities for job creation and economic diversification provided a strong incentive for

both the private and public sector to develop the life sciences industry in general, and pharmaceuticals. The Saudi Arabian Government's attempts to reduce its dependence on oil and increase inward investment through its Vision 2030 economic policy have allowed 100% FDI in the pharma sector boosting the growth of the market. Development in infrastructure facilities coupled with government initiatives has collectively improved the capacity of the ports during 2016-2018. Large investments in road infrastructure under Saudi Vision 2030, a 680 Km Saudi-Oman highway, and the UAE-Saudi Mafraq-Ghuwaifat International Highway underway. The government of Saudi Arabia is working on new multi-mode logistic stations and two new railway lines to link GCC countries in the east & Yanbu-Jeddah in the west.

Saudi Arabia Pharma Logistics Market Segmentation

By Service Mix (Freight Forwarding, Warehousing, and Value-Added Services): The logistics industry is fragmented with few players majorly focusing on the pharma end users. Large numbers of pharma companies are having their own warehouses and fleet for transportation and avoid outsourcing the logistics services. The warehousing segment of the pharma logistics market is the biggest contributor to growth in this sector and was observed to dominate with a market share of ~% in 2019. The market size for the warehousing segment of the pharma logistics market was recorded at USD ~ million in 2019. The cities of Jeddah and Riyadh have been the most populous cities in the kingdom.

Saudi Arabia Pharma Freight Forwarding Market:

The pharma industry is highly dependent on roads for pharmaceutical transport owing to the low barriers of entry in road freight. The Saudi government's efforts to curb pharmaceuticals expenditures and promote local manufacturing have resulted in various companies to set up manufacturing units within the country. The road was observed as the most prominent freight mode in Saudi Arabia for Pharma logistics, followed by air and sea in the year 2019. The pharmaceuticals sector is characterized by a growing domestic manufacturing base, mainly for generic and Over the Counter (OTC) drugs, as well as licensing arrangements with branded research-based foreign innovative drug manufacturing firms. Reduced imports of pharmaceutical products into the country to support the government's aim of propelling domestic pharmaceutical manufacturing

Saudi Arabia Pharma Warehousing Market:

KSA Warehousing industry ecosystem is dominated by domestic companies in terms of warehousing space, followed by international companies. Riyadh, Jeddah, and Dammam are key warehouse and logistics clusters in Saudi Arabia given their large population base, high spending power, and availability of multiple modes of transportation (rail, ship, and truck). The major Companies include Tranzone Logistics, Mosanada Logistics, LSC logistics, Hala Group, 3 Camels Logistics, Agility, Motion Supply Chain, and others. Not many logistics companies in Saudi Arabia are SFDA Certified which holds them from providing warehousing services to the pharma clients.

Strong demand is anticipated for full-fledged integrated distribution centers that include new-generation logistics facilities (built-to-suit automation model) along with the emergence of 3PL companies that handle stock distribution for companies with large & sophisticated supply chains.

Comparative Landscape in Saudi Arabia Pharma Logistics Market:

The competition was observed to be highly fragmented in both the freight forwarding and warehousing segment along with the presence of both international and domestic players. Nevertheless, the local/domestic players have a larger presence in the market and were observed to compete on the basis of key clientele, revenue matrix, logistics networking, average pricing, technological advancement, and value-added services.

Saudi Arabia Pharma Logistics Market Future Outlook and Projections:

The rising demand for a variety of drugs as a result of increasing cases of chronic and lifestyle-related diseases is also a crucial factor that will drive market growth. Pharma Sales is expected to grow at a single-digit CAGR till 2025, signalling increasing pharmaceutical imports and production. The government is also diverting the funds towards creating a robust healthcare infrastructure by building new hospitals which would further lead to an increase in the demand for the logistics services.

URL : <https://www.internationalnewsandviews.com/saudi-arabia-pharmaceutical-logistics-market-outlook-to-2025/>

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