

Midocean University

College of Management

Master of Project Management



**Economic Challenges' impact of transforming Kingdom of Saudi Arabia to a logistic hub
in international Maritime transport sector**

(Promoting the content and goals of Vision 2030)

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بسم الله الرحمن الرحيم

(وقل إعملوا فسيرى الله عملكم ورسوله والمؤمنون)

صدق الله العظيم

إلهي لا يطيب الليل إلا بشكرك ولا يطيب النهار إلا بطاعتك .. ولا تطيب اللحظات إلا بذكرك .. ولا تطيب الآخرة إلا بعفوك .. ولا

تطيب الجنة إلا برؤيتك

الله جل جلاله

إلى من بلغ الرسالة وأدى الأمانة .. ونصح الأمة .. إلى نبي الرحمة ونور العالمين ..

سيدنا محمد صلى الله عليه وسلم

إلى والدينا وأهلنا وكل من فروا لنا الجو المناسب وتنازلوا عن الكثير في سبيل تحقيقنا لهذا الحلم

يجز اللسان عن التعبير عن مدى الشكر والامتنان

نشكركم جميعكم على جهودكم معنا

الشكر

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فذلك الفضل من عند الله وإن لم يكن فيه خير وأعوذ بالله من أن لا يكون- فذلك مما جنت يدانا.

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First chapter

It deals with the entrance to the study in terms of the introduction, the problem of the study, its objectives and questions, the importance of the study, its assumptions and limits, the terminology of the research and its structure.

1- Introduction

Background and Context

Saudi Arabia's Vision 2030 aims to transform the country's economy by reducing its dependence on oil and diversifying it towards other sectors. One of the critical sectors identified for development is the logistics industry, specifically the maritime transport sector. One of the GCC's largest economies, Saudi Arabia is working to establish itself as a regional logistics hub through its Vision 2030 programs, which is fostering expansion in the logistics industry. Due to its significant economic influence and advantageous geographic position, Saudi Arabia is determined to establish itself as a leading logistical hub in the region. The Kingdom is strategically located between Europe, Asia, and Africa, making it an ideal hub for maritime trade. "The Kingdom has the largest economy in the Arabian Peninsula, Levant, and Iraq. Which contributes about 38% of the gross domestic product and 21% of the population in this area" Ministry of Transport and Logistic Services (2021). The current research focuses on the impact of economic challenges on Saudi Arabia's journey towards becoming a leading logistical hub in the international maritime transport sector, and how the sector promotes the goals of Vision 2030.

In recent years, the Kingdom of Saudi Arabia has been working to diversify its economy, reduce its dependence on oil, and develop non-oil sectors, including the logistics sector. The Saudi Vision 2030 aims to

transform the country into a global logistics hub, and the international maritime transport sector plays a vital role in achieving this goal. The country is currently poised to launch a new stage of development and growth that will propel it into a prominent regional position, particularly in the international maritime transport industry and its related logistical services. This involves reviving the transportation sector, which would support the upcoming renaissance of the Kingdom and energize the expansion of public-private partnerships, strengthening the latter's contribution to the nation's total income. Driving economic development, maritime transport, and ports are considered the most significant pillars for facilitating the process of international trade in Saudi Arabia. Moreover, the Kingdom strives to achieve the development of logistical services by activating current and future plans and projects. In addition to providing investment opportunities in the field of maritime transport industry by developing a constructive plan for the development of marine transportation, it is relying on the national forces working in the field through specialized training and interest in improving maritime transport services that it represented in supplying ships with fuel, building and maintaining. While some problems have been resolved, other international maritime transport sector obstacles persist. Are these obstacles still have major impacts on Saudi Arabia's international maritime transport sector economically? Does Saudi Arabia have the ingredients that qualify it to become a leading logistical hub in the region in the international maritime transport sector? Therefore, this research aims to explore the impact of economic challenges on the Kingdom of Saudi Arabia in the international maritime transport sector and how international maritime transport contributes to achieving the goals of the Saudi Vision 2030.

Saudi Arabia's economy heavily relies on oil exports, which make up a significant portion of the country's gross domestic product (GDP). However, due to fluctuating oil prices and an increasing global

shift towards renewable energy, the Kingdom has realized the need to diversify its economy. Vision 2030 was launched in 2016 to drive this diversification and create new opportunities for economic growth.

One of the key areas of focus identified in Vision 2030 is the logistics industry, particularly the maritime transport sector. The Kingdom aims to transform itself into a leading logistical hub in the region and connect three continents, Europe, Asia, and Africa. To achieve this, the government has invested heavily in the development of ports and other supporting infrastructure.

However, several economic challenges have impacted the progress of Saudi Arabia's logistics industry. These challenges include the COVID-19 pandemic, rising costs, and new regulations. The current study aims to examine these challenges and their impact on Saudi Arabia's journey toward becoming a leading logistical hub in the international maritime transport sector.

Problem Statement:

Maritime transport is one of the oldest means of transportation used by humans. In addition, global ports and the maritime merchant fleet play a major role in facilitating the movement of goods. The ocean shipping sector is the most basic way to ship cargo on a global level. More than 6000 container ships operate daily in the world's oceans. That means that ships distribute around 90% of the goods transported globally (Walker et al., 2019).

There are many ocean shipping sector obstacles. Therefore, this study came to answer the following main question:

- Does Saudi Arabia possess the qualities necessary to position itself as the region's top logistical hub for the field of global maritime transport?

- Are these challenges still having a significant economic influence on Saudi Arabia's international maritime transport sector?

A set of sub-questions branch out from this main question:

- What are the most significant challenges facing the Kingdom of Saudi Arabia in international maritime transport in recent years?
- What is the economic impact of the difficulties faced by the Kingdom in international maritime transport?
- What effect do these difficulties have on the Kingdom's status as a logistical hub?

How has Saudi Arabia become a leading logistical hub in the region in the international maritime transport sector?

Saudi Arabia's strategic location on the Arabian Peninsula has made it an attractive destination for international shipping companies. The country has invested heavily in developing its ports and logistics infrastructure to become a leading logistical hub in the region. According to the World Bank's Logistics Performance Index (LPI) 2020, Saudi Arabia ranked 36th out of 160 countries globally, up from 55th in 2018.

The country has five main ports: Jeddah Islamic Port, King Abdul Aziz Port Dammam, King Fahd Industrial Port Yanbu, King Fahd Industrial Port Jubail, and Jizan Port. The ports have modern facilities and equipment to handle a range of cargo types, including containerized, bulk, and general cargo. The government has also established several economic cities, including King Abdullah Economic City, Jazan

Economic City, and Prince Abdulaziz Bin Mousaed Economic City, to attract investment and stimulate economic growth.

What is the impact of the Covid-19 pandemic on the Saudi economy in the international maritime transport sector?

The Covid-19 pandemic has affected global trade, including the international maritime transport sector, due to supply chain disruptions, port closures, and a decrease in demand. The pandemic has also led to a decline in oil prices, which has affected the Saudi economy, as oil exports are a significant source of revenue.

However, the Saudi government has taken several measures to mitigate the impact of the pandemic on the economy. For example, the government has announced a \$32 billion stimulus package to support businesses and citizens affected by the pandemic. The government has also implemented measures to ensure the continuity of trade, such as the establishment of a Covid-19 clearance center at the King Abdul Aziz Port in Dammam to facilitate the clearance of goods and reduce delays.

How does international maritime transport promote the content and goals of Vision 2030?

International maritime transport plays a crucial role in achieving the goals of the Saudi Vision 2030. The development of the logistics sector, including the international maritime transport sector, is a key pillar of the Vision 2030. The Vision aims to transform the country into a global logistics hub, increase non-oil exports, and attract foreign investment.

The development of the international maritime transport sector supports these goals by facilitating trade and reducing the cost of doing business. It also enhances the country's connectivity to global markets,

which can help diversify the economy and reduce dependence on oil exports. Furthermore, the development of the sector can create job opportunities for Saudis and improve the skills of the local workforce.

What obstacles can help raise the country's economy and achieve great success?

Despite the progress made in developing the logistics sector in Saudi Arabia, several obstacles still exist. These obstacles include high logistics costs, inadequate infrastructure, and a lack of skilled labor. To overcome these obstacles, the government has implemented several initiatives, such as the National Industrial Development and Logistics Program (NIDLP) and the Saudi Logistics Hub Program (SLHP), to develop the logistics sector

Research Objectives

This research aims to:

- Recognize how Saudi Arabia become a leading logistical hub in the region in the international maritime transport sector.
- Recognize the Effect of the COVID-19 pandemic on the Saudi Economic in the international maritime transport sector.
- Understand that international maritime transport promotes the content and goals of Vision 2030.
- Recognize that some obstacles can help to raise the economics of the country and achieve great success.

Research Importance:

1-Theoretical importance:

- The current research focuses on how international maritime trade affects Saudi Arabia's economic development.
- The study examines a crucial issue, such as the challenges that the Kingdom encountered in previous years concerning international maritime transport and their effects on the economy.
- Present study concentrates on these obstacles, such as the Covid-19 pandemic, cost raising, and new regulations.
- The current study concentrates on how international maritime transport promotes the content and goals of Vision 2030.

2-Expected scientific importance:

Our feeling of the confidence of our wise leadership in the pivotal role of the maritime transport system in transforming the Kingdom into a global logistics center in the region, this will be achieved - God willing- through the system's direct role in regulating transportation in its comprehensive sense, and providing a solid ground for the launch of transportation services.

Increasing collected revenues by (increasing productivity rates, introducing new services, and expanding existing services). Injecting new investments in the ports, which is represented in modernizing equipment and supplies and introducing equipment and new equipment and deepening the berths, in order to receive the modern generation of ships and what is expected of them productivity of giant ships in the coming years.

- Developing national industrial exports in Saudi ports through:

a) Reducing freight rates and providing good and accessible services to attract more shipping lines and a new and increasing number of ships in Saudi ports.

b) Raising the performance rates of handling operations by using the latest machines and equipment, and creating a network of an integrated system of modern automated systems that connects the operating and related sectors, thus providing excellent services, straightforward procedures, and competitive costs for the surrounding ports. In view of the nature of work in Saudi ports, it is clear that the regulations governing operations multiple, due to the multiplicity of government agencies operating in the port, which have a direct impact on work methods and the procedures followed in the Kingdom's ports, and accordingly, those authorities should contribute to the development of ports their systems along with the ports, and work together to simplify the procedures affecting the workflow, including It is suitable for the next stage with the aim of attracting trade and the flow of goods and ships to the Kingdom's ports (Mawani ,2023).

Research Variables:

1-Economic factors:

The cost of carrying products by water has significantly increased since March 2020. Interruptions, excessive port traffic, and delayed cargo unloading on ships have accompanied Price rises. Transportation Secretary Pete Buttigieg spoke about the impact of these disruptions on inflation during a tour of the Port of Long Beach in January 2022, saying, "There's no question that when you have a scarcity of access to

shipping, you're going to see upward pressure on prices, and that's going to be part of our challenge when it comes to inflation."

The majority of commodities enter the United States by maritime shipping, which accounts for 57% of the typical imported good's total value. Maritime shipping is an important component of the American supply chain. The sharp increase in maritime freight costs coincides with the sharp increase in import prices, suggesting that increasing maritime freight expenses may be a contributing factor in the recent increase in import prices.

In this essay, we investigate the assertion that the recent rise in inflation can be attributed to the increase in transportation costs. We specifically examine whether the cost of imports has gone up higher for goods that are often shipped by sea or those shipped by other means, like the sea.

Inflation and shipping cost SEA



(Rubinton and Isaacson, 2022).

Figure 1 displays both the total price index for all imported items as well as the price indices for seaborne freight. The indices are normalized to have values of 100 in January 2020. Since the pandemic began, import prices have increased by around 10% while total shipping costs have increased by more than 600%. Throughout the epidemic, the cost of airfreight has also increased, but it has not gone up by nearly as much—only 50% against 600% for ocean freight.

We use the information on the inflation of import prices for various items along with information on how each good enters the United States to further investigate this link. The United Nations Conference on Trade and Development (UNCTAD), the World Bank, and Equitable Maritime Consultancy provided statistics on transportation types for 2016 and the various volumes of products shipped by various modes of transportation. Their knowledge includes both maritime shipping and unusual modes of transit. The Bureau of Labor Statistics (BLS) for a wide range of products entering the country, including consumer goods like furniture and clothing, food items like meats, fruits, and vegetables, and commodities like plastic, compiles data on import prices. Oil and petroleum-based materials are removed from the sample.



(Rubinton and Isaacson, 2022).

The percentage of imports that are carried by sea, which we define as the number of items transported by sea divided by the total number of imports of that good, is shown in Figure 2 together with the change in pricing for each type of import. Since the value for the portion transported by sea dates back to 2016, it is untouched by any modifications in shipping practices brought on by the pandemic. We evaluate the increase in import prices between 2019: Q4 and 2021: Q4 to assess price changes since the pandemic started.

One category of imports is represented by each black dot in Figure 2. For instance, 40% of imported insulated conductors come from boats, and the cost of this product has increased by 7% since 2019: Q4. Contrarily, 76% of coffee is delivered by sea, and over that time, the price of this commodity has increased by 37%, far higher than the inflation rate for the typical good.

The scatterplot and line of best fit through the points are displayed on the graph. The rising slope of the line suggests that since the start of the pandemic, prices have changed more significantly due to a higher proportion of imports being transported by boat in 2016. For items that are already 10 percentage points more dependent on maritime freight, import inflation has been 2.5 percentage points higher on average. Aluminum is one of many commodities whose prices have changed significantly without a significant maritime import component. The graph demonstrates, however, that, generally speaking, having a higher proportion of maritime imports has resulted in higher price rises throughout the pandemic. According to statistical analysis, it is improbable that this link happened by chance.

Due to pandemic interruptions and increasing import demand, carrying products by sea now has record-high expenses. This has caused many, including UNCTAD and industry experts⁴, to theorize that the recent rise in import price inflation is due to the cost of shipping. We find evidence to suggest that increased import prices are a result of greater shipping costs, however, we cannot be certain of this. Moreover, import price inflation has been higher for imports that depend more heavily on maritime freight. According to research, consumer and producer prices will rise as a result of the rise in import prices.⁵ As a result, everyone's prices are likely to rise as marine shipping expenses rise (Rubinton and Isaacson, 2022).

2-Natural factors:

Climate: A few aspects of the climate directly and significantly affect marine navigation. This effect could have a good or bad outcome. These are the influencing factors that are most crucial:

One of the factors that affect temperature indirectly is wind, and it has two effects on maritime navigation. The trade winds and the sail are the most significant winds employed in this industry.

The latter is detrimental, as shown by the following *examples*:

1. Damaging marine transportation equipment, especially if the wind speed is too high.
2. The halting of the movement of ships to and from the ports. During the blowing of the winds, especially during severe storms, the navigational activity stops near the port and the ships remain far out at sea out of fear that they may be destroyed as a result of the storms pushing them against the rocks and barriers surrounding the port (Fedl Ibrahim, 2023).

3-Factors related to the internal environment of the country Political conditions:

The propensity of international shipping nations to trade with politically stable nations and steer clear of tumultuous political environments and conflicts where their interests can jeopardize those of their trading partners such as Maritime piracy is one phenomenon that has existed for a long time.

Due to its rising effects on international trade safety and freedom of navigation, it constituted a persistent danger to the security and stability of the international community. The international community has always sought to define measures and procedures for actors to confront this phenomenon and punish those responsible, so defining what this crime is and figuring out the necessary controls for its occurrence is without a doubt one of the important priorities they have sought (Bahajat Abdullah, 1985).

4-Time inefficiency:

The port's ability to manage effectively cargo flows at the terminals and elsewhere is demonstrated by the average turnaround time. It can be described as the typical amount of time a ship needs to spend in a port (the difference between the time of entrance and the time of departure). The dwell time falls under the same category and is defined as "the number of days a container may remain at a container terminal following its discharge from a ship before being charged a storage fee" (Le-Griffin and Murphy, 2006). Port and terminal authorities to free up space and boost storage yard capacity can change the container dwell duration. The process of worldwide comparison is difficult.

First, the regulations regarding operating hours vary amongst ports (i.e. number of hours and shifts that terminal gates are open). Once more, authorities may prolong such hours in order to boost production without adding to the infrastructure already in place. Yet, there is a chance that stacking expenses would rise along with the land usage rate. So, transit time also has a relationship with the other indicator of the quantity and regularity of ship visits.

Second, the precise definition of turnaround time, which refers to whether it refers to the time spent inside the port or to the entire trip of the vessel, including also the entrance channel and queue time outside to/from the port, is not always obvious in official port data. As a result, so-called productivity metrics, like dividing port traffic volume by the whole length of the quay, are typically used (Qi, X.,Song, D.P. ,2012).

5- "Stay per vessel":

The main purpose of a ship's stay in a port is to load and unload cargo. In addition to signing in and out of seafarers at ports, ships occasionally add fuel and perform minor ship repairs.

6-Agreements on Price Fixing:

A written, verbal, or conduct-based agreement to raise, lower, maintain, or stabilize prices or price levels is known as price fixing. Antitrust laws typically mandate that each business establish prices and other competitive terms independently, without consulting a competitor.

7-Productivity:

One of factors that determine how well a port performs, along with efficacy and resilience. Efficiency frequently refers to the effectiveness of ports' operations and the maximizing of output produced with available resources or the production of a specific output with the fewest resources possible.

8- Transportation using containers:

When the ship docks, container port trucks that can transport a single 40-foot container or two 20-foot containers bring the container from the port storage facility close to the ship. Now, the enormous port cranes lift the container from the truck and transfer it to the shipload in accordance with the cargo plan.

Variable	Model I		Model II		Model III	
	Coefficient	t	Coefficient	t	Coefficient	t
Distance (ln)	0.096968	2.22	0.056329	1.12	0.060829	1.13
Value per weight (ln)	0.542058	14.50	0.535265	14.01	0.536632	14.38
Frequencies (ln)	-0.182408	-2.04	-0.117146	-1.64	-0.092485	-1.43
Containerisation (ln)	-0.025043	-0.23	-0.024177	-0.22	-0.022543	-0.20
Price-fixing agreements	-0.083535	-0.26	-0.114585	-0.37	-0.090948	-0.29
Coop. working agreements	0.070133	1.47	0.061185	0.54	0.043433	0.92
Factor1, 'time inefficiency'					0.034831	1.13
Factor2, 'productivity'	-0.062132	-3.02				
Factor3, 'stay per vessel'			0.001371	0.04		
Number of obs=6203			Number of obs=6203		Number of obs=6203	
F(7, 4484)=19.50			F(7, 4484)=643.97		F(7, 4484)=14.66	
Prob>F=0.0000			Prob>F=0.0000		Prob>F=0.0000	
R ² =0.5762			R ² =0.5752		R ² =0.5754	
Adj R ² =0.4139			Adj R ² =0.4124		Adj R ² =0.4128	
Root MSE=0.98683			Root MSE=0.98804		Root MSE=0.98774	

(Qi, X., Song, D.P., 2012).

Research Hypotheses:

There is a substantial connection considering how the study problem was previously presented, the following hypotheses can be made:

International maritime transit is one of the most crucial factors in the growth of international trade, and its significance comes from the fact that it influences the volume of exchange. The establishment of a maritime transport fleet and logistical services at the ports would increase the state's capacity and play a significant role in all logistical operations related to international trade, where the cost of transportation influences the fee of the commodity for port activities such as shipping, unloading, transit, storage, and distribution, which provides a competitive edge and helps to revive international trade. The Kingdom of Saudi Arabia deserves to be the best country in terms of logistics performance levels and maritime transport due to its significant geographic and strategic location. Furthermore, Arab ports can play two crucial roles, namely transporting goods, especially oil, gas, and other materials to global markets on the one hand, and importing goods coming from various countries to local markets on the other.

Research Terminology:

Logistic Hub:

“The hub concept has been often introduced in various terms in accordance with functionality: for example, logistics center, logistics zone, freight terminal, distribution center, and warehouse. Such a heterogeneous terminology on the concept of logistics hub seems still in usage by practitioners and academics alike. Having recognized this rather ambiguous concept and definition in the literature” (Hyung-Sik Nam and Dong-Wook Song, 2011)

Vision 2030:

“Vision 2030 was launched, and a roadmap was drawn up by His Royal Highness the Crown Prince, to harness the strengths God bestowed upon us — our strategic position, investment power, and place at the

center of Arab and Islamic worlds. The full attention of the Kingdom, and our Leadership, is on harnessing our potential to achieve our ambitions.” (www.vision2030.gov.sa)

International Maritime transport sector:

Maritime transport refers to a means of transport where goods (or people) are transported via sea routes.

Second Chapter

It deals with the Theoretical Framework of the Research and Previous Studies that dealt with the subject of the research. The following are several studies that dealt with the impact of economic challenges of the maritime transport sector on countries and the studies close to it to communicate points of similarity and difference with the current research.

Literature Review:

The maritime transport sector plays a crucial role in the global economy, with over 90% of international trade being carried by sea. The sector has also played a significant role in the development of several economies worldwide, including China, Singapore, and Dubai. These countries have invested heavily in their port infrastructure, and their efforts have paid off in terms of economic growth.

In Saudi Arabia, the maritime transport sector is a significant contributor to the country's economy, with the Kingdom having some of the busiest ports in the region. The country's strategic location also makes it an ideal hub for maritime trade. However, several economic challenges have impacted the sector's growth and development.

The COVID-19 pandemic has had a significant impact on the global economy, and the maritime transport sector is no exception. The pandemic has disrupted global supply chains, leading to a decline in trade volumes and increased costs. In Saudi Arabia, the pandemic led to a decline in oil prices, which impacted the country's overall economic performance. The pandemic also led to a decline in demand for goods, leading to a reduction in port activity.

Rising costs have also been a significant challenge in the development of the maritime transport sector in Saudi Arabia. The cost of developing and maintaining port infrastructure is high, and the Kingdom has had to invest heavily in this area. However, rising costs have also been driven by other factors such as inflation and currency fluctuations. These factors have made it challenging for Saudi Arabia to remain competitive in the global maritime transport market.

Finally, new regulations have also impacted the growth and development of the maritime transport sector in Saudi Arabia. For instance, the International Maritime Organization's (IMO) new sulfur emissions regulations require ships to use fuel with a lower sulfur content. The implementation of these regulations has led to an increase in the cost of shipping, which has impacted the overall competitiveness of the sector.

A study by Tahar Jouili with the title “The Role of Seaports in the Process of Economic Growth” aims to evaluate the effects of public investments in seaports on economic growth from 1987 to 2014. This goal is achieved through an empirical investigation of the Cobb-Douglas production function, an econometric model. The findings demonstrate that public investments in seaports make good contributions to the growth of the Tunisian economy, both directly through its added value and indirectly through the expansion of other economic activity (Tahar Jouili,2016).

In addition, research by G.S Dwarakisha, and Akhil Muhammad Salima with the title “Review on the Role of Ports in the Development of a Nation” aims to give a broad picture of the role ports play in the growth of a country by looking at research on the importance of ports and economic data from various ports throughout the world. The findings of the numerous port assessments from around the world obviously support the notion that ports are an essential component of a nation's economy. The development of ports would invariably strengthen the economy of the nation. Improved trade activity,

better supply, larger foreign reserves, and lower commodity prices all result from the expansion and development of ports (G.S Dwarkisha.Akhil Muhammad Salima.2015)

Dar Al-Fikr Al-Jami in Alexandria published Dr. Ayman Muhammad Al-2009 Nahrawi's book Arab Sea Ports. The fundamentals of transportation and seaports, economic globalization, international trade trends, as well as the characteristics of the growth of global marine transport in light of recent changes, were all topics covered in this study as the researcher addressed the broad framework. to compete in container terminals and seaports. Regarding the study's practical use, it provides a thorough overview of all Arab ports by discussing their capacity and facilities. The actual difficulties with sea transportation in Arab nations Case study of a collection of Arab nations Students Bahi Muhammad Al-Arabi, Berwiya Ayman, and Razzaq Mohsen Hatem prepared the material. Memorandum filed in 2022 at the Martyr Hama Al-Khidr University in El-Wadi, Republic of Algeria, to fulfill the prerequisites for an academic master's degree.

Dr. Hisham Salah Mohsen's article, "Iraqi Ports and Their Role in the Maritime Transport Movement (Umm Qasr Port and Reality and Prospects Future)" appeared in the Journal of the Faculty of Basic Education, volume 73, published by Al-Mustansiriya University in 2012. By using the port of Umm Qasr al-Iraq as a special case to highlight the significance of this impact on maritime transport movement and its economic return, the research aims to highlight the significance of the commercial port's role in activating and stimulating the maritime navigation movement. It also discussed the historical principles of the concept of the port and its classifications according to economic activities and its temporal development and clarified that most important Its fundamental growth is dependent on what accommodates the external changes in world trade and the various modes of transportation. The study also concentrated on the future prospects for the port of Umm Qasr, which is one of the most significant and essential ports in

Iraq, as well as the most significant issues that the port faces and solutions to them in order to accomplish organized commercial maritime trade.

The role of international freight forwarding companies to create a competitive advantage for industrial companies. This study aims to clarify the various stakeholders in the transportation process and the key services offered by freight forwarding businesses. It also demonstrates the crucial role that these businesses play in supporting industrial businesses as they concentrate on developing their products and by providing all the necessary resources, they can become leaders in their industry and gain a competitive edge.

Transport plays a crucial and significant role in achieving the spatial advantage of various products, whether in the transfer of raw materials or the transfer of the final product, whether to the factory or to different markets. From here, it must be emphasized the significance of managing the transportation system, which is made up of a number of different elements. Included are the means of transportation, the operational management of those means, and the service providers that help to deliver improved transportation services, this is the function performed by freight forwarding firms, who categorize their functions based on the type of service they offer, ranging from facilities to shippers to stage of success partners for those industrial firms.

The Arab ports are a significant component in the marine transport sector because of their geographic location, the frequency of ship visits, and their capacity to handle and store cargo, according to Dr. Abdul Qadir Fathi Lashin and a team of researchers on this topic.

The port market comprises two different forms of marine commerce flows: the transfer of commodities by transshipment or transit and commercial port traffic (26), Speaking of port competitiveness, it is split into two sections, the first of which, as we previously indicated, is represented by local competition, and

the second, by regional competition. Transporting goods from one port to another, the presence of areas allocated for transshipment, and the linkage of the port with other land transportation networks.

The adoption of competitive prices to entice ships to use this port as a pivotal port located in marine vehicles, the adoption of equipment and labor trained to unload and reload ships at competitively high rates. The existence of alliances and economic blocs with massive shipping companies that lead to a boom in the movement of ships frequently using the port, and the connection of the port to an integrated and appropriate system. Every month, commodities are transported to by road, rail, and other systems, with a concentration on the presence of integrated information systems that monitor the movement of containers and goods (Dr. Abdel Qader Fathi, 2008)

Notwithstanding the commercial and financial advantages that the multimodal transport system has provided, it was noticed that the Arab countries have not implemented this idea fully and that commodities are still transported using single-modal transport arrangements. This supporting industry is based primarily in areas where its role is not limited to transportation services and other facilities but instead extends beyond its role to influence production processes in terms of planning to make goods and products packaging operations, for example, take patterns that allow the exploitation of spaces and voids, whether inside containers or on the deck of ships. It is supported by two pillars: the first is represented by programming technology, and the second by equipment, machinery, and equipment technology.

Despite this, the majority of Arab nations, with the exception of a few, did not pay attention to the benefits that could be prevented by adopting this system or the term's broad definition. It has outlined strategies for resolving these issues and meeting these challenges, the most important of which is the adoption of an all-Arab maritime strategy that is comprehensive and integrated in order to deal with

international alliances and mergers in order to give the possibility of finding a way to survive in this sector, to build an Arab naval fleet, and to activate multimodal transport. Raising performance and efficiency levels across Arab nations, creating Arab marine cadres in ports to be competitive, and implementing contemporary information and communication technology principles (Dr,Abd AL-Hadi,2007)

According to Dr. Yousry Al-study, Hamal's use of information and communication technology in port management will undoubtedly result in a decrease in the costs of service provision, which will positively affect the level of prices and make them more competitive. It will also facilitate and simplify contractual procedures by reducing the time needed for document circulation and exchange. Also, it will improve the process of managing customer communication Today's use of information technology and port communication will increase the level of accuracy, speed, and ease in the transmission of papers and information as a result, allowing for improved customer service without time or space constraints and the ability to produce accurate strategic plans to utilize the digital exchange system (Dr. Yousry,2003).

Dr. Alamuddin Ali Badawy examined the requirements of multimodal transport and maritime transport in each nation. Modernizing seaports and building specialized, well-equipped cargo terminals in accordance with Dr. Alamuddin Ali Badawy's analysis of the needs of maritime and multimodal transportation in each nation. Modernizing seaports, building specialized, well-equipped cargo terminals with state oversight and backing, connecting them to various transportation networks, and equipping them with cutting-edge information exchange systems to guarantee a quick turnaround and high productivity for affordable modes of transportation.

In terms of depth, length, width, storage areas behind the berth, and machinery used in unloading, shipping, and storage activities, work to match the standards of seaports with those of modern ships.

Workers in all departments connect to and use the integrated information network in accordance with the tasks allocated to them in order to make the appropriate decisions and track goods until they leave the port gates. Planning the construction of dry ports close to seaports to increase storage space available there and keep ship-serving facilities such sites for unloading and reloading out of the way. Using an electronic examination of the containers in addition to physical inspection to check the integrity of the supporting documentation and invoices and the quality of the items (Dr. Alam El-Din Ali Badawy).

The Effect of Globalization on the Arab International Marine Transport Sector by Rabab Fathi Abdel Aziz, 2005 The third industrial technological revolution, the emergence of GATT and the World Trade Organization, the dominance of the United States of America and the collapse of the former Soviet Union, as well as the emergence of multinational corporations and the emergence of major economic blocs, are among the most significant changes that the global economic system has seen that contributed to the phenomenon of globalization. The development of transportation in general and the maritime transport business, in particular, was most affected by the changes seen in the international arena over the past century and the rise of the globalization phenomenon. The size of the ship, its speed, the machines employed, the many forms of communication, the commodities delivered, as well as the management, all benefited from technological advancement in the maritime transport sector. It is undeniable that contemporary, affordable, and effective marine transportation is essential for both industrial and commercial development, and that successful maritime activity requires the emergence of a sizable commercial industrial activity. The most significant aspects of maritime transportation in the twenty-first century are maritime transit, seaports, and multimodal transportation. First, the container system: Due to the tendency toward building massive container ships and the trend toward joint operation, containers play a significant role in bringing about significant economic changes and fundamental changes in marine

transport. Second, the modern port: With the introduction of containers and large corporations, pivot ports emerged, and the ports evolved into intermediary links between ship and land transport. The choice of the major shipping companies for the pivotal port in the region is no longer restricted on the basis of the port's strategic geographic location alone, but rather depends on the availability of an electronic information exchange network and offers an industrial area supporting the port (Rabab Fathi,2005).

In a letter to the Arab Academy for Science, Technology, and Marine Transport, Mahmoud Sami El-Shadly Ashour the Competitive Capabilities of the Sokhna Container Terminal as a Logistics Center 2004/2005, in order to fulfill the prerequisites for a doctoral degree. This study addressed the notion of competitiveness and its determinants before attempting to assess the fundamental determinants of the competitiveness of the nations, ports, and Red Sea container terminals, as well as the crucial role of investment. Supporting the Logistics Center's competitiveness and attempting to learn from events Some ports are expanding their logistical hubs.

It was also able to identify the strengths, weaknesses, possibilities, and difficulties for the port of Sokhna and its terminals in the Red Sea basin area in Sokhna, in addition to the significance of competitiveness in obtaining the competitive advantage of the maritime transport business (Mahmoud Ashour,2004).

Fouad Hussein Muhammad Al-Kibsi submitted a letter to the Arab Academy for Science, Technology, and Maritime Transport with the heading: The Importance of Applying Electronic Management in Improving the Level of Performance of Yemeni Seaports to fulfill the requirements for obtaining a doctoral degree (an applied study on the Red Sea Ports Corporation) The study provided a thorough examination of the significance of using electronic management in seaports General and the significance of

implementing that management to the Yemeni Red Sea Ports Corporation in particular by outlining its effects on the logistical services provided by the ports and the electronic information exchange by reviewing the implementation of electronic management in some international ports, which puts the Port of Rotterdam at the forefront, as well as outlining the implications of implementing a proposed model for electronic management on the corporation Yemeni Red.

The thesis came to a close with a number of findings that illustrated the significance of the technical requirements required for the application of electronic management, including the provision of the most recent systems, electronic programs, and computer hardware, as well as a computer network connected to all offices and then linked to an information center for the state that qualifies it for the process of linking with the Private Arab Data Bank. The researcher came to the conclusion that using electronic management is essential if you want to increase worker productivity, complete tasks more quickly, and spare personnel inside ports time and effort (Fouad Hussein Muhammad Al-Kibsi).

Mohamed Hoda, "Maritime Transport Economics" Every country cannot live in isolation from other countries because it cannot produce all the commodities it needs. Instead, it produces those commodities that have a comparative advantage in their production, and whoever is exported its surplus production of this commodity and its exchange for other commodities that it cannot produce or that can produce it, but at a relatively lower cost (Mohamed Hoda, 1983.).

The study "Economic Impact of Logistics Infrastructure Development in Saudi Arabia," by Abdelmohsen A. Nassani and Ali A. Al-Mudimigh, aims to assess the economic impact of logistics infrastructure development in Saudi Arabia and to identify the factors that contribute to the success of logistics projects. The authors note that logistics infrastructure development can lead to increased

economic growth, improved competitiveness, and enhanced trade, making it a crucial area of focus for policymakers and stakeholders.

The study uses data from various sources, including the World Bank's LPI and interviews with logistics experts, to evaluate the economic impact of logistics infrastructure development in Saudi Arabia. The authors find that investments in logistics infrastructure have led to increased efficiency, reduced costs, and improved competitiveness in the country's logistics sector. They also note that there is a strong correlation between logistics infrastructure development and economic growth.

The authors identify several key factors that contribute to the success of logistics projects in Saudi Arabia, including strong leadership, effective planning and execution, and the availability of skilled labor. They note that the government's commitment to developing the logistics sector, as evidenced by initiatives like the NIDLP, has been instrumental in driving progress in this area.

However, the authors also note that there are challenges that must be addressed to fully realize the potential of logistics infrastructure development in Saudi Arabia, including regulatory barriers, limited access to financing, and insufficient coordination between stakeholders. They recommend that policymakers work to address these challenges and promote a more collaborative and integrated approach to logistics infrastructure development.

Overall, the study underscores the importance of logistics infrastructure development in driving economic growth and competitiveness in Saudi Arabia and provides insights into the key factors that contribute to the success of logistics projects.

"Logistics Infrastructure and Economic Growth: Evidence from Saudi Arabia," by Omar Al-Ubaydli and Abdullah Al-Bahrani, examines the relationship between logistics infrastructure and economic growth in

Saudi Arabia and provides policy recommendations for improving the country's logistics capabilities. The authors note that logistics infrastructure plays a crucial role in a country's economic development, as it enables efficient transportation and distribution of goods and services.

The study uses data from various sources, including the World Bank's LPI and the International Monetary Fund's (IMF) World Economic Outlook, to evaluate the relationship between logistics infrastructure and economic growth in Saudi Arabia. The authors find that there is a positive correlation between logistics infrastructure development and economic growth in the country, with improvements in logistics infrastructure leading to increased productivity and competitiveness.

The authors identify several challenges that Saudi Arabia faces in improving its logistics infrastructure, including a lack of coordination between stakeholders, insufficient investment in logistics projects, and limited access to financing. They recommend that policymakers focus on improving coordination between different government agencies and private sector stakeholders, increasing investment in logistics infrastructure projects, and promoting public-private partnerships to leverage private sector expertise and financing.

The study also highlights the importance of investing in technology and innovation to improve logistics capabilities, such as the use of automation and data analytics to streamline operations and improve efficiency. The authors note that investing in these areas can help Saudi Arabia overcome some of the challenges it faces in developing its logistics sector and drive sustained economic growth and development.

Overall, the study provides valuable insights into the relationship between logistics infrastructure and economic growth in Saudi Arabia and offers practical policy recommendations for improving the country's logistics capabilities.

"The Economic Challenges of Transforming Saudi Arabia into a Global Logistics Hub," by Abdullah Al-Salamah, examines the economic challenges and opportunities of transforming Saudi Arabia into a global logistics hub, particularly in the maritime transport sector. The study analyzes the country's current logistics capabilities and identifies key areas for improvement to enhance its competitiveness. The author recommends that policymakers focus on investing in infrastructure, improving regulatory frameworks, and fostering partnerships with the private sector to promote sustained growth in the logistics sector.

"The Impact of Logistics Performance on Export Competitiveness: Evidence from Saudi Arabia," by Abdullah Al-Malki and Khalid Aldakhil, investigates the impact of logistics performance on export competitiveness in Saudi Arabia. The study finds that improvements in logistics performance lead to increased export competitiveness, as it enables firms to reduce costs, improve delivery times, and expand their reach to international markets. The authors recommend that policymakers focus on improving logistics infrastructure and reducing trade barriers to promote export-led growth.

The study uses data from various sources, including the World Bank's Logistics Performance Index (LPI), to evaluate the current state of logistics in Saudi Arabia. The authors find that while the country has made progress in recent years in improving its logistics infrastructure, there is still room for improvement. They note that the government has launched several initiatives aimed at boosting the logistics sector, including the National Industrial Development and Logistics Program (NIDLP), but more needs to be done to fully capitalize on the sector's potential.

The authors also identify several challenges that Saudi Arabia faces in improving its logistics capabilities, including a lack of skilled labor, limited domestic transport options, and inadequate coordination between different agencies and stakeholders. They recommend that the government invest

in training programs to develop the necessary skills, encourage private sector participation in logistics projects, and improve coordination between different government agencies to streamline logistics operations.

Overall, the study highlights the crucial role that logistics plays in Saudi Arabia's economic diversification and provides recommendations for how the country can further develop its logistics capabilities to drive sustained economic growth and development, Alghamdi, A., & Alotaibi, S. (2020).

"The Economic Challenges of Transforming Saudi Arabia into a Global Logistics Hub," by Abdullah Al-Salamah, examines the economic challenges and opportunities of transforming Saudi Arabia into a global logistics hub, particularly in the maritime transport sector. The study analyzes the country's current logistics capabilities and identifies key areas for improvement to enhance its competitiveness. The author recommends that policymakers focus on investing in infrastructure, improving regulatory frameworks, and fostering partnerships with the private sector to promote sustained growth in the logistics sector.

"The Impact of Logistics Performance on Export Competitiveness: Evidence from Saudi Arabia," by Abdullah Al-Malki and Khalid Aldakhil, investigates the impact of logistics performance on export competitiveness in Saudi Arabia. The study finds that improvements in logistics performance lead to increased export competitiveness, as it enables firms to reduce costs, improve delivery times, and expand their reach to international markets. The authors recommend that policymakers focus on improving logistics infrastructure and reducing trade barriers to promote export-led growth.

"The Role of Logistics in Saudi Arabia's Economic Diversification," by Ahmed Al-Eisa and Meshari Al-Anezi, examines the importance of logistics in Saudi Arabia's economic diversification and analyzes the country's current logistics capabilities. The study finds that the logistics sector plays a crucial role in

promoting economic growth and diversification, particularly in the context of Saudi Arabia's Vision 2030 reform agenda. The authors recommend that policymakers focus on investing in logistics infrastructure, improving the regulatory environment, and promoting public-private partnerships to enhance the competitiveness of the logistics sector.

"Assessment of the Maritime Logistics System in the Kingdom of Saudi Arabia," by Essam Shehabat and Khalid B. Al-Sultan, assesses the current state of the maritime logistics system in Saudi Arabia and identifies areas for improvement to enhance the country's competitiveness as a regional logistics hub. The study finds that the country's maritime logistics system is characterized by inefficiencies and bottlenecks, which lead to increased costs and longer lead times for businesses. The authors recommend that policymakers focus on investing in port infrastructure, improving regulatory frameworks, and promoting greater collaboration between stakeholders to enhance the overall efficiency of the maritime logistics system.

"A Proposed Framework for Developing Saudi Arabia as a Regional Logistics Hub," by Ahmed Al-Eisa and Meshari Al-Anezi, proposes a framework for developing Saudi Arabia as a regional logistics hub, with a focus on the country's strengths and weaknesses in the logistics sector. The study identifies key drivers of growth in the logistics sector, including infrastructure development, regulatory frameworks, and partnerships between public and private sector stakeholders. The authors recommend that policymakers work to address challenges related to infrastructure development, regulatory frameworks, and human capital development to promote sustained growth in the logistics sector.

"The Impact of Logistics Performance on Trade: Evidence from Saudi Arabia," by Khalid Aldakhil and Abdullah Al-Malki, examines the impact of logistics performance on trade in Saudi Arabia, using data from

the World Bank's Logistics Performance Index. The study finds that improvements in logistics performance lead to increased trade flows and greater integration into global value chains. The authors recommend that policymakers focus on investing in logistics infrastructure, improving regulatory frameworks, and promoting greater coordination between public and private sector stakeholders to enhance the country's competitiveness in the global trade landscape.

"Assessing the Impact of Logistics Infrastructure on Economic Growth: A Case Study of Saudi Arabia," by Abdullah Al-Malki, examines the impact of logistics infrastructure on economic growth in Saudi Arabia, using econometric methods to analyze data from 1985 to 2015. The study finds that improvements in logistics infrastructure lead to increased economic growth and productivity, particularly in the non-oil sector. The author recommends that policymakers focus on investing in logistics infrastructure, improving regulatory frameworks, and promoting greater coordination between stakeholders to enhance the country's competitiveness as a logistics hub.

"Logistics Industry in Saudi Arabia: Trends and Opportunities," by Raef Mousheimish and Hamza A. Mohammad, provides an overview of the trends and opportunities in the logistics industry in Saudi Arabia. The study analyzes the country's logistics infrastructure and regulatory frameworks, as well as the competitive landscape of the industry. The authors recommend that policymakers focus on investing in logistics infrastructure, improving the regulatory environment, and fostering partnerships between public and private sector stakeholders to promote sustained growth in the logistics sector.

"Saudi Arabia as a Hub for Logistics Services in the Middle East: An Assessment of Current Trends and Opportunities," by Khalid Al-Sultan and Essam Shehabat, examines the potential for Saudi Arabia to become a hub for logistics services in the Middle East, given its strategic location and growing economy.

The study analyzes the country's logistics infrastructure and regulatory frameworks, as well as the competitive landscape of the industry. The authors recommend that policymakers focus on investing in port infrastructure, improving the regulatory environment, and fostering partnerships between public and private sector stakeholders to enhance the country's competitiveness as a logistics hub.

"The Role of Logistics in the Economic Development of Saudi Arabia," by Faisal Al-Khalidi, examines the role of logistics in the economic development of Saudi Arabia, with a focus on the country's strengths and weaknesses in the logistics sector. The study analyzes the country's logistics infrastructure, regulatory frameworks, and human capital development, and identifies key drivers of growth in the logistics sector. The author recommends that policymakers focus on investing in logistics infrastructure, improving regulatory frameworks, and promoting greater coordination between public and private sector stakeholders to enhance the country's competitiveness as a logistics hub.

"Logistics Infrastructure and Economic Development: A Case Study of Saudi Arabia," by Abdelmohsen A. Nassani, examines the relationship between logistics infrastructure and economic development in Saudi Arabia, using econometric methods to analyze data from 1970 to 2014. The study finds that improvements in logistics infrastructure lead to increased economic development and productivity, particularly in the non-oil sector. The author recommends that policymakers focus on investing in logistics infrastructure, improving regulatory frameworks, and promoting greater coordination between public and private sector stakeholders to enhance the country's competitiveness as a logistics hub.

"Logistics Development in Saudi Arabia: A Framework for Effective Planning," by Khalid Aldakhil and Ali Al-Mudimigh, proposes a framework for effective planning of logistics development in Saudi Arabia, based on an analysis of the country's logistics infrastructure, regulatory frameworks, and competitive

landscape. The authors recommend that policymakers focus on investing in logistics infrastructure, improving regulatory frameworks, and fostering partnerships between public and private sector stakeholders to promote sustained growth in the logistics sector.

"Logistics in Saudi Arabia: An Overview," by Bander Al-Khafaji, provides an overview of the logistics industry in Saudi Arabia, including an analysis of the country's logistics infrastructure, regulatory frameworks, and competitive landscape. The study identifies key drivers of growth in the logistics sector, including infrastructure development, regulatory frameworks, and partnerships between public and private sector stakeholders. The author recommends that policymakers focus on investing in logistics infrastructure, improving regulatory frameworks, and promoting greater coordination between stakeholders to enhance the overall efficiency of the logistics sector.

"Logistics Challenges in Saudi Arabia: A Case Study of Jeddah Islamic Port," by Tawfik Halawani, examines the logistics challenges facing the Jeddah Islamic Port, one of the largest ports in Saudi Arabia, and proposes solutions to improve its efficiency and competitiveness. The study analyzes the port's infrastructure, regulatory frameworks, and supply chain management practices, and identifies key areas for improvement, such as reducing processing times, improving cargo handling processes, and enhancing communication and collaboration among stakeholders.

"Saudi Arabian Ports: Current Status and Future Developments," by Saleh A. Al-Saifi and Atif S. Al-Nassar, provides an overview of the current status and future developments of the port industry in Saudi Arabia, including an analysis of the country's port infrastructure, regulatory frameworks, and competitive landscape. *The study identifies key drivers of growth in the port sector, such as increased trade volumes*

and investments in infrastructure, and recommends that policymakers focus on improving the efficiency and competitiveness of the port sector to support the country's economic development goals.

"An Analysis of the Impact of Saudi Arabian Ports on the National Economy," by Ahmed A. Al-Toukhi and Khalid A. Al-Rabiah, examines the economic impact of the port industry in Saudi Arabia, using an input-output model to estimate the direct and indirect effects of the industry on the country's economy. The study finds that the port industry has a significant positive impact on the economy, particularly in terms of job creation and output growth. The authors recommend that policymakers continue to invest in port infrastructure and implement policies that promote the competitiveness of the industry.

"Logistics Challenges in the Kingdom of Saudi Arabia," by Turki F. Alshammari, provides an overview of the logistics challenges facing Saudi Arabia, including an analysis of the country's logistics infrastructure, regulatory frameworks, and competitive landscape. The study identifies key drivers of growth in the logistics sector, such as infrastructure development and increased trade volumes, and recommends that policymakers focus on improving the efficiency and competitiveness of the logistics sector to support the country's economic development goals.

"Logistics and Economic Development: A Case Study of Saudi Arabia," by M. Sadiq Sohail and Abdelmohsen A. Nassani, examines the relationship between logistics and economic development in Saudi Arabia, using econometric methods to analyze data from 1970 to 2010. The study finds that improvements in logistics infrastructure and regulatory frameworks have a positive impact on economic development and productivity. The authors recommend that policymakers focus on investing in logistics infrastructure, improving regulatory frameworks, and promoting greater coordination between stakeholders to enhance the overall efficiency of the logistics sector.

"Assessment of the Saudi Arabian Maritime Sector's Competitiveness: A Comparative Study," by Saleh A. Al-Saifi, examines the competitiveness of the Saudi Arabian maritime sector, using a comparative analysis approach to benchmark the country's performance against other leading maritime nations. The study identifies key strengths and weaknesses of the Saudi Arabian maritime sector, and recommends that policymakers focus on improving the efficiency and competitiveness of the sector to support the country's economic development goals.

"Saudi Arabia's Maritime Policy: A Critical Appraisal," by Bassam Fattouh and Laura El-Katiri, provides a critical appraisal of Saudi Arabia's maritime policy, analyzing the country's policy framework, regulatory environment, and competitive landscape. The study identifies key challenges facing the country's maritime sector, such as lack of infrastructure development and poor coordination among stakeholders, and recommends that policymakers focus on implementing policies that promote greater coordination and collaboration among stakeholders, and enhance the competitiveness of the sector.

"The Role of Logistics in Promoting Saudi Arabia's International Trade," by Ahmed A. Al-Toukhi, investigates the role of logistics in promoting Saudi Arabia's international trade, using an input-output model to estimate the direct and indirect effects of logistics on the country's economy. The study finds that logistics has a significant positive impact on Saudi Arabia's international trade, and recommends that policymakers focus on improving logistics infrastructure, enhancing the competitiveness of the logistics sector, and promoting greater coordination among stakeholders to support the country's economic development goals.

"The Economic Impact of Logistics and Transportation Industry on the Saudi Arabian Economy," by Amr A. Al-Saati and Rami A. Fouad, examines the economic impact of the logistics and transportation

industry on the Saudi Arabian economy, using a Social Accounting Matrix (SAM) approach to estimate the direct and indirect effects of the industry on the country's economy. The study finds that the logistics and transportation industry has a significant positive impact on the economy, particularly in terms of job creation and output growth. The authors recommend that policymakers continue to invest in logistics and transportation infrastructure and implement policies that promote the competitiveness of the industry.

"Saudi Arabian Ports: History, Development, and Current Challenges," by Michael D. Greenberg, provides an overview of the history, development, and current challenges facing the port industry in Saudi Arabia. The study analyzes the country's port infrastructure, regulatory frameworks, and competitive landscape, and identifies key areas for improvement, such as infrastructure development, regulatory reform, and greater coordination among stakeholders.

Study Result:

We are attempting to offer a number of recommendations that we believe are important and pertinent to our topic based on the data obtained, as follows:

1. All parts of the maritime transport industry in the Arab world must be taken into consideration in order to develop, whether that means establishing ports, a naval commercial fleet, or numerous road systems and transit options.
2. Striving to create specialized ports with all the necessary equipment, facilities, and stores to support shipping, discharge, and storage in order to develop international ports that can handle the commercial traffic between these nations and the rest of the world.

3. Put forth every effort to ensure the success of the logistical centers in international ports by modernizing the organizations that deal with them, the customs procedures, and the infrastructure, communications, and information network.

4-The requirement for a stable political system that aids in luring investors for the maritime transport sector and logistics services, which are currently lacking in the majority of Arab countries.

5- According to a recent report on commercial logistics published by About the World Bank, there is a significant disparity in the effectiveness of commercial logistics (logistics services index) among Arab countries. While the UAE leads the Arab countries in commercial logistics performance, ranking 27th globally out of 160 countries, we find that Algeria ranks 96th.

6- It was discovered, after reviewing and analyzing the indicators of the performance of the logistics services offered, that some Arab countries have retreated based on global indicators, such as Egypt, which demonstrated a decline as a result of the impact of political unrest, and other Arab countries that were affected by unfavorable internal developments recently, which led to the failure to fully utilize Arab ports.

7- As the function of the ports is fundamentally changing, the use of logistics aims to gain a competitive edge in the Arab seaports. Because the transport logistics are in line with the many and repeated changes in global demand, the development of the port has consequently become directly correlated with the degree of development in the logistical notion of functioning inside the port.

8- It is evident from the study that the six Arab nations distinguished by the size of containers in their ports are all among the top forty nations according to the index of connectivity with maritime shipping lines, with the United Arab Emirates occupying an advanced position (rank 14). The United Arab Emirates,

Morocco, Saudi Arabia, and Egypt are the other four Arab nations that are ranked among the top twenty nations in this index. The situation is different for the remaining Arab nations because none of their ports are among the top 100 container ports. This demonstrates the depth of the disparity in container size between the Arab nations, and it is representative of all of them. It is comparable to how Arab countries are ranked in terms of their connectivity to regular shipping lines, where four Arab nations hold advanced positions among the top twenty nations in terms of this index, while the value of this index falls relative to the other Arab nations, and thus their ranking among the countries of the world decreases accordingly.

Third Chapter:

Method and Methodology:

This research is descriptive research, as was mentioned in the methodology (first chapter); the main research objective is to show the economic Challenges' impact on transforming the Kingdom of Saudi Arabia in to a logistic hub in the international Maritime transport sector (promoting the content and goals of Vision 2030). Based on examining only a portion of the total population, selected in a way that reflects the structure of the whole. In achieving objectives through this research, the researcher employed the questionnaire survey - as a means of gathering information. This suggests that attitudes are mental positions that cannot be observed directly, but must be analyzed based on research results. The fact that attitudes are learned affirms they will be affected by information and experience.⁽¹⁾

Moreover, this chapter aims at analyzing the data that was collected from the research sample, testing the hypotheses, and reaching the results. The research is designed to combine both theoretical and empirical studies using different measures in measuring the variables included in the research hypotheses according to the type's variables.

Research Methodology:

Quantitative data was gathered also using questionnaires (close-ended questions), administered during intercepts.

The questionnaire was designed to collect information to explore the opinion, views, contributions and variables and study economic challenges' impact on transforming Kingdom of Saudi Arabia in to a

⁽¹⁾ Kotler, P. and Keller, K. (2009). Marketing management. 13th ed, London: Person Education ltd.

logistic hub in the international Maritime transport sector (promoting the content and goals of Vision 2030) where a survey questionnaire will be used to collect the required data from the students.

The Researcher was keen after the completion of data collection in every single sample to review these data in every form, in order to ensure the completeness of data, and the veracity of the information, and to check the rate of yield to these forms and the wastage in the data. After the completion of the review of the final form, The Researcher moved to a new stage, it is converting the raw data into numbers to be handled statistically, to achieve that, the researcher used manual coding to convert large quantities of raw data in the form of a questionnaire to shortlist data to fit the dump data and the statistical analysis process later. Preliminary data have been received in the form converted to digital codes in the manual coding, according to the rules and standards of the units of measurement that have been developed to measure the variables properties that involved in the study.

After the completion of the phase of encoding data in which the transfer of this data from its qualitative form to quantitative form, then this data has transferred the amount allocated to discharge cards. Therefore, according to the previous rules Serial numbers has to interview forms to reflect every single of forms of single of the vocabulary of the research community.

The questionnaire consists of 2 main variables as the following:

- The impact of economic challenges on the Kingdom in international maritime transport
- The contribution of international shipping to the economy of the Kingdom of Saudi Arabia.

The Research Community:

The study sample consisted of 274 singles of people at the ports of Jeddah, of the Kingdom of Saudi Arabia that deal with international transport maritime. To determine Economic Challenges' impact of

transforming Kingdom of Saudi Arabia to a logistic hub in international Maritime transport sector (promoting the content and goals of Vision 2030).

Research Limitations:

- Spatial boundaries: This study will be applied to the ports of Jeddah of the Kingdom of Saudi Arabia that deal with international transport maritime.

- Temporal limits: This study will be applied in March of the year 2023 AD.

- Human limits: This study will be applied to a random sample of private-sector employees who work in previously mentioned areas.

Research Methods:

This study is applied at ports of Jeddah, of the Kingdom of Saudi Arabia that deal with international transport maritime., where a survey questionnaire will be used to collect the required data from the sample study, to collect the data which are related to the three variables.

Statistical Methods are used :

The researcher in conducting statistical analyzes on the Statistical Package for the hypotheses as to rely on the following statistical methods program:

(SPSS) V28 win, which depends on the following statistical methods.

The chapter statistically analyzes the data gathered from the research sample, using the statistical program for Social Science (SPSS). The statistical analysis techniques include the following:

1. Cronbach's Alpha to test the reliability of questionnaire that used

2. Frequencies and percentages among the research variables
3. Correlation Coefficients to test the factor analysis of questionnaire that used
4. Descriptive statistics for all main variables and their dimensions.
5. Spearman Correlation Coefficients analysis to test the correlation among the study variables
6. ONE WAY ANOVA to test the difference between levels of Nomophobia according to area of clinic practice.

It is worthy to mention that an alpha level of 0.05 was used for all statistical tests.

Measurement Model Assessment:

This section of the study explains the procedures that the researcher has undertaken to examine the validity and reliability of the constructs. As for examining the validity, an exploratory factor analysis has been conducted on SPSS 28 to account for construct validity. For examining reliability, Cronbach's alpha has been extracted to evaluate the internal consistency of the measures that have been adopted for the purposes of this study.

First: Reliability Analysis

Reliability means that a measure or questionnaire should consistently reflect the construct that it is measuring ⁽²⁾. Reliability is used to measure the same scale items multiple times, ensuring that the same result is found every time, as long as the underlying phenomenon is not changing. Reliability is also a measure of internal consistency between different items of the same construct. When a multiple-item scale is provided to respondents, and yield similar score every time even if it is completed at two different points

⁽²⁾ Field, A. (2009). *Discovering Statistics Using SPSS: Introducing Statistical Method* (3rd ed.). Thousand Oaks, CA: Sage Publications.

in time, this is a reflection of internal consistency. Therefore, it can be said that reliability can be estimated in terms of average inter-item correlation, average item-to-total correlation, or more commonly, Cronbach's alpha ⁽³⁾. In this study, reliability of each scale has been tested through Cronbach's alpha to identify the internal consistency of the scale .

The alpha coefficient value depends on the number of items on the scale. In general, reliabilities less than 0.6 are considered poor, the 0.7 range, accepted, and over 0.8 good⁽⁴⁾

In a reliable scale all items should correlate with the total. So, if items don't correlate with the overall score from the scale with their values being less than about 0.3 it means there are problems, as a particular item does not correlate very well with the scale overall. Items with low correlations may have to be dropped ⁽⁵⁾. For the data in this study, all data have item-total correlations above.

The following table summarizes the reliability test results for the study variables. All of the variables show an alpha coefficient of more than 0.6.

Table (1) Reliability Analysis for Research Variables

No.	Variables	Cronbach's Alpha	number of phrase

⁽³⁾ Bhattacharjee, A. (2012). Social science research: principles, methods, and practices.

⁽⁴⁾ Sekaran, U. (2003). Research Methods for Business: A skill Building Approach. New York: Wiley.

⁽⁵⁾ Field, A. (2009). Discovering Statistics Using SPSS: Introducing Statistical Method (3rd ed.). Thousand Oaks, CA: Sage Publications.

1	The impact of economic challenges on the Kingdom in international maritime transport	0.754	7
2	The contribution of international shipping to the economy of the Kingdom of Saudi Arabia	0.841	7
3	all questionnaire	0.863	14

The results indicate that the research variables are measuring (The impact of economic challenges on the Kingdom in international maritime transport - The contribution of international shipping to the economy of the Kingdom of Saudi Arabia) in the organization and it is intended to stabilize the scale and lack of contradiction with himself, he saw that it gives the same results if re-applied to the same sample and test stability using Cronbach alpha coefficient. The Cronbach alpha for the impact of economic challenges on the Kingdom in international maritime transport was 0.754 respectively also for the contribution of international shipping to the economy of the Kingdom of Saudi Arabia was 0.841. The coefficient of consistency takes values ranging between zero and the right one, if there was no data on the stability of the value of this parameter equal to zero, and vice versa, where if there is a complete firming be the parameter value equal to the correct one. And therefore, the closer the value of reliability coefficient of the correct one indicates that the Stability high.

Correlation Analysis:

After ensuring the normality of data and the data clarity from the common method bias, it is important to check the correlation between variables. This test will be applied as the research hypotheses were structured based on a one-way relationship and all items were measured using a 5-point Likert scale. The

test will clarify the direction and strength of the relationship between variables, while it will also reveal if there is multi-collinearity between research variables (Hair, Babin, Anderson, & Black, 2018). Table 4.11. will present the results of the spearman correlation analysis between the mean of the research variables.

The impact of economic challenges on the Kingdom in international maritime transport:

Table (2) show Pearson Correlation between the impact of economic challenges on the Kingdom in international maritime transport and all his dimensions

		The impact of economic challenges on the Kingdom in international maritime transport
The Corona crisis has positively affected the international maritime transport sector in the Kingdom of Saudi Arabia.	Pearson Correlation	.563**
	Sig. (2-tailed)	0.000
	N	274
The Kingdom of Saudi Arabia has successfully overcome the Corona crisis, and its economy has not been significantly affected, especially in global maritime shipments	Pearson Correlation	.567**
	Sig. (2-tailed)	0.000
	N	274
The Kingdom of Saudi Arabia seeks to achieve the goals of Vision 2030 through global maritime transport	Pearson Correlation	.638**
	Sig. (2-tailed)	0.000
	N	274

Maritime piracy has strongly affected the maritime transport sector in the Kingdom of Saudi Arabia	Pearson Correlation	.674**
	Sig. (2-tailed)	0.000
	N	274
Economic crises affect the transformation of the Kingdom of Saudi Arabia into a logistical center in maritime transport	Pearson Correlation	.714**
	Sig. (2-tailed)	0.000
	N	274
Natural disasters affect international maritime. transport in the Kingdom of Saudi Arabia	Pearson Correlation	.651**
	Sig. (2-tailed)	0.000
	N	274
The rise in global shipping prices affects the process of transforming the Kingdom of Saudi. Arabia into a logistic center	Pearson Correlation	.646**
	Sig. (2-tailed)	0.000
	N	274
The impact of economic challenges on the Kingdom in international maritime transport	Pearson Correlation	1
	Sig. (2-tailed)	
	N	274
**. Correlation is significant at the 0.01 level (2-tailed).		

The results of the Pearson correlation analysis in table. Illustrated a significant positive relationship between all dimensions (The impact of economic challenges on the Kingdom in international maritime

transport dimensions) and variable (The impact of economic challenges on the Kingdom in international maritime transport). Where all the correlations were higher than 0.4, which indicates the existence of an internal consistency between the axis and its expressions

The contribution of international shipping to the economy of the Kingdom of Saudi Arabia:

Table (3) show Pearson Correlation between the contribution of international shipping to the economy of the Kingdom of Saudi Arabia and all his dimensions

Correlations		
The contribution of international shipping to the economy of the Kingdom of Saudi Arabia		
International shipping contributes to the rise of the .economy of the Kingdom of Saudi Arabia	Pearson Correlation	.740**
	Sig. (2-tailed)	0.000
	N	274
The Kingdom of Saudi Arabia is characterized by the availability of a well-established and solid infrastructure for logistical services and disaster response	Pearson Correlation	.736**
	Sig. (2-tailed)	0.000
	N	274

When containers are transported, appropriate services for loading and unloading operations are usually unavailable as quickly and cheaply as possible	Pearson Correlation	.595**
	Sig. (2-tailed)	0.000
	N	274
Damage to goods often results from incorrect packing	Pearson Correlation	.744**
	Sig. (2-tailed)	0.000
	N	274
Vision 2030 goal is to attract the regional headquarters of international companies to the Kingdom of Saudi Arabia.	Pearson Correlation	.786**
	Sig. (2-tailed)	0.000
	N	274
Innovative digital programs' implementation enhances the technical link with the operators in the ports of the Kingdom of Saudi Arabia	Pearson Correlation	.766**
	Sig. (2-tailed)	0.000
	N	274
Customs processes are typically time-consuming and complicated when clearing cargo	Pearson Correlation	.664**
	Sig. (2-tailed)	0.000
	N	274

The contribution of international shipping to the economy of the Kingdom of Saudi Arabia	Pearson Correlation	1
	Sig. (2-tailed)	
	N	274
**. Correlation is significant at the 0.01 level (2-tailed).		

The results of the Pearson correlation analysis in table. Illustrated a significant positive relationship between all dimensions (The contribution of international shipping to the economy of the Kingdom of Saudi Arabia dimensions) and variable (The contribution of international shipping to the economy of the Kingdom of Saudi Arabia). Where all the correlations were higher than 0.4, which indicates the existence of an internal consistency between the axis and its expressions.

Fourth Chapter

It deals with presenting, interpreting, analyzing, and discussing the results of the research.

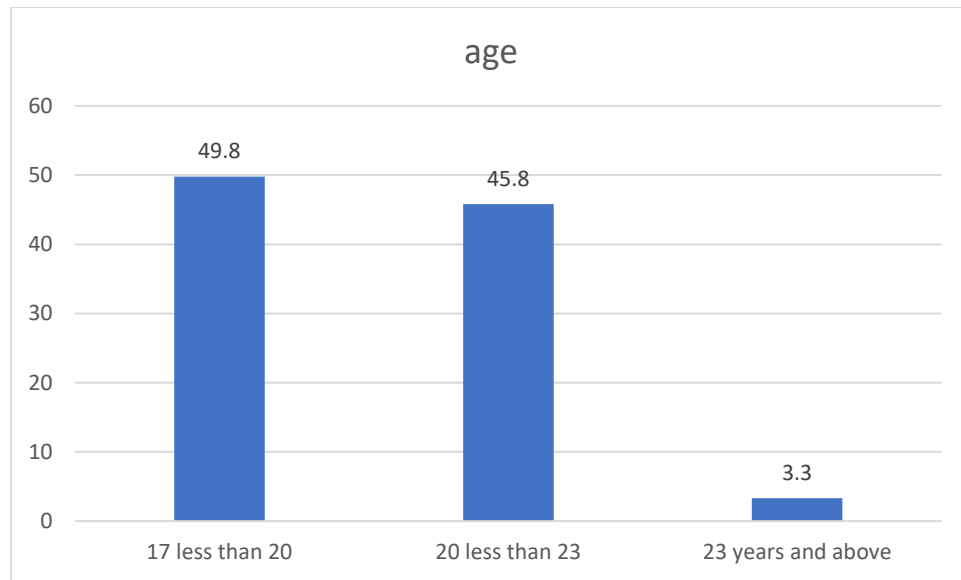
Descriptive Analysis:

Reporting descriptive statistics so that the researcher is familiar with the data and understands the relationships between variables. In summary, a descriptive analysis of respondent profile in terms of age, gender and educational level have been presented. Summary statistics of the Frequencies, Percentages, Mean and Standard deviation for each of the variables in the model are reported in this section.

1- Demographic Characteristics

Table (4) show distribution sample according to age

age	Frequency	Percent
20 less than 25	138	49.8
25 less than 30	127	45.8
30 years and above	9	3.3



Hypotheses Testing:

There is no relationship exist between the impact of economic challenges on the Kingdom in international maritime transport and the contribution of international shipping to the economy of the Kingdom of Saudi Arabia.

To test this hypothesis, we used Pearson correlation to test the relationship between the impact of economic challenges on the Kingdom in international maritime transport and the contribution of international shipping to the economy of the Kingdom of Saudi Arabia as below.

Table (5) Shows the relationship between the impact of economic challenges on the Kingdom in international maritime transport and the contribution of international shipping to the economy of the Kingdom of Saudi Arabia

		The contribution of international shipping to the economy of the Kingdom of Saudi Arabia
The impact of economic challenges on the Kingdom in international maritime transport	Pearson Correlation	.579**
	Sig. (2-tailed)	.000
	N	274

The above table shows the person correlation between The impact of economic challenges on the Kingdom in international maritime transport and The contribution of international shipping to the economy of the Kingdom of Saudi Arabia and we find the Pearson correlation is 0.579 and this consider a highly positive coefficient correlation at sig-level 0.01 so we can say There is relationship exist between The impact of economic challenges on the Kingdom in international maritime transport and The contribution of international shipping to the economy of the Kingdom of Saudi Arabia .

The Kingdom of Saudi Arabia has set out to transform itself into a global logistics hub by leveraging its strategic location and investing heavily in its transport infrastructure. This transformation is a key component of the country's Vision 2030 plan, which aims to diversify the economy and reduce dependence on oil exports. While there are many potential economic benefits to this transformation, there are also several challenges that must be addressed.

Fifth Chapter: Appendixes

Recommendations

1. Infrastructure Development: One of the biggest challenges facing the Kingdom of Saudi Arabia in its efforts to become a logistics hub is the need to develop its infrastructure. This includes the construction of new ports, the expansion of existing ones, and the development of road and rail networks to support the movement of goods. Significant investments will need to be made in these areas to ensure that the country can handle the increased volume of cargo that will pass through its ports.

2. Regulatory Reforms: Another challenge that must be addressed is the need for regulatory reforms. The Kingdom of Saudi Arabia will need to create a more business-friendly environment that encourages foreign investment and simplifies the process of doing business. This includes streamlining customs procedures, reducing bureaucracy, and improving transparency.

3. Human Capital Development: The Kingdom of Saudi Arabia will need to develop a skilled workforce that is capable of managing the logistics hub. This includes training workers in areas such as supply chain management, logistics, and transportation. The government will need to invest in education and training programs to ensure that the workforce has the necessary skills to support the logistics hub.

4. Environmental Sustainability: The Kingdom of Saudi Arabia must also address the environmental impact of the logistics hub. This includes reducing the carbon footprint of the transport sector, managing waste and pollution, and protecting marine ecosystems. The government will need to invest in sustainable transport infrastructure and promote eco-friendly practices to ensure that the logistics hub is environmentally sustainable.

5. Competition: Finally, the Kingdom of Saudi Arabia will face competition from other countries that are also vying to become logistics hubs. The country will need to differentiate itself by offering unique advantages, such as its strategic location and its commitment to sustainable development. The government will need to develop a competitive strategy that promotes the strengths of the Kingdom of Saudi Arabia as a logistics hub.

Overall, transforming the Kingdom of Saudi Arabia into a logistics hub presents significant economic opportunities, but it also requires addressing several challenges. Infrastructure development, regulatory reforms, human capital development, environmental sustainability, and competition are all key factors that must be considered to ensure the success of this transformation.

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Abstract

The current study attempted to identify the Economic Challenges and impact of transforming the Kingdom of Saudi Arabia into a logistic hub in the international Maritime transport sector. In addition, the study aimed to identify the obstacles and their effects on promoting the Kingdom's Economics. As well as this research covered several difficulties, including the Covid-19 pandemic, cost raising, and new regulations. To achieve the objectives of the study, researchers used an applied research approach. In addition, the questionnaire tool was used to collect data from the study sample. The questionnaire was applied to a random sample of private-sector employees who work in ports, factories, and companies of the Kingdom of Saudi Arabia that deal with international transport maritime. The study and analysis were carried out on (279) questionnaires that were appropriate for the study, who work in King Abdulaziz International Port in Jeddah, and their ages range from 20 to over 30, as the study found also, this research found that Saudi Arabia succeeded in facing the challenges and raising its economy. Moreover, the Kingdom has worked to become a logistics hub for international maritime shipping to achieve the goals of Vision 2030. Based on the results of the study, the researchers presented a set of recommendations: All parts of the maritime transport industry in the Arab world must be taken into consideration in order to develop, whether that means establishing ports, a naval commercial fleet, or numerous road systems and transit options. In addition, striving to create specialized ports with all the necessary equipment, facilities, and stores to support shipping, discharge, and storage in order to develop international ports that can handle the commercial traffic between these nations and the rest of the world.

الملخص

هدفت الدراسة الحالية إلى التعرف على أثر التحديات الاقتصادية في تحول المملكة العربية السعودية إلى مركز لوجستي في قطاع النقل البحري الدولي. كما هدفت الدراسة للتعرف على أهم التحديات التي واجهت المملكة العربية السعودية وتأثيرها في تعزيز اقتصاد المملكة. بالإضافة لذلك، ناقشت الدراسة العديد من التحديات بما في ذلك جائحة كورونا، رفع التكاليف واللوائح الجديدة. ولتحقيق أهداف الدراسة استخدم الباحثون منهج البحث التطبيقي، كما تم استخدام أداة الاستبيان لجمع البيانات من عينة الدراسة. تم تطبيق الاستبيان على عينة عشوائية من العاملين في القطاع الخاص الذين يعملون في الموانئ والمصانع والشركات في المملكة العربية السعودية التي تتعامل مع النقل البحري الدولي. تمت الدراسة والتحليل على (279) استبانة كانت ملائمة للدراسة ممن يعملون في ميناء الملك عبدالعزيز الدولي في جدة و تتراوح اعمارهم ما بين ٢٠ وحتى أعلى من ٣٠ كما توصلت الدراسة إلى أن المملكة نجحت في مواجهة التحديات ورفع إقتصادها. بالإضافة إلى ذلك، سعت المملكة لتكون مركز لوجستي للشحن الدولي البحري سعياً في تحقيق أهداف رؤية 2030. و بناءً على نتائج الدراسة، قدم الباحثون مجموعة من التوصيات أهمها: يجب مراعاة كافة جوانب صناعة النقل البحري في الوطن العربي من أجل تطويرها، سواء كان ذلك بإنشاء موانئ أو أسطول تجاري بحري أو العديد من أنظمة الطرق وخيارات العبور. بالإضافة إلى ذلك، العمل على إنشاء موانئ متخصصة بكافة المعدات والمرافق والمخازن اللازمة لدعم الشحن والتفريغ والتخزين من أجل تطوير موانئ عالمية يمكنها التعامل مع الحركة التجارية بين هذه الدول وبقية دول العالم.

Questionnaire

Please put a tick (✓) in front of the degree of agreement that corresponds to your point of view with regard to each of the statements shown in the following table:

Age:

- 20 less than 25
- 25 less than 30
- 30 years and above

1- The impact of economic challenges on the Kingdom in international maritime transport

phrases	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
The Corona crisis has positively affected the international maritime transport sector in the Kingdom of Saudi Arabia.					
The Kingdom of Saudi Arabia has successfully overcome the Corona crisis, and its economy has not been significantly affected, especially in global maritime shipments.					

The Kingdom of Saudi Arabia seeks to achieve the goals of Vision 2030 through global maritime transport.					
Maritime piracy has strongly affected the maritime transport sector in the Kingdom of Saudi Arabia.					
Economic crises affect the transformation of the Kingdom of Saudi Arabia into a logistical center in maritime transport.					
Natural disasters affect international maritime transport in the Kingdom of Saudi Arabia.					
The rise in global shipping prices affects the process of transforming the Kingdom of Saudi Arabia into a logistic center.					

The contribution of international shipping to the economy of the Kingdom of Saudi Arabia

phrases	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
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International shipping contributes to the rise of the economy of the Kingdom of Saudi Arabia.					
The Kingdom of Saudi Arabia is characterized by the availability of a well-established and solid infrastructure for logistical services and disaster response.					
When containers are transported, appropriate services for loading and unloading operations are usually unavailable as quickly and cheaply as possible.					
Damage to goods often results from incorrect packing.					
Vision 2030 goal is to attract the regional headquarters of international companies to the Kingdom of Saudi Arabia.					
Innovative digital programs' implementation enhances the technical link with the operators in the ports of the Kingdom of Saudi Arabia.					
Customs processes are typically time-consuming and complicated when clearing cargo.					

The names of the arbitrators	positions
Khalid Mohammed	INTL Logistic Manager
Mohammad Hashim	Procurement and Logistics Engineer
Ayesh Saad	Supply Chain Management Petrochemicals