

The background of the slide is an aerial photograph of a large container ship sailing on a dark blue sea. The ship is loaded with numerous colorful shipping containers in shades of red, orange, blue, and green. A white wake is visible behind the ship. In the bottom right corner, there is a stylized, pixelated map of the Middle East region in white. The text "Five priorities for accelerated reinvention" is displayed in a large, bold, black font on a white rectangular background in the lower-left quadrant.

# Five priorities for accelerated reinvention

---

## Transport and Logistics in the Middle East

PwC's 28<sup>th</sup> Annual Global CEO Survey

This year's survey shows that CEOs in our region understand the urgent need to adapt their organisation as powerful megatrends reshape the business landscape.

Driven by the rapid growth of transport and logistics in the region, CEOs in the Middle East remain confident in their revenue growth prospects. The abundance of opportunities is driving the need to adapt to the market and reinvent businesses. Transport and logistics CEOs are also increasingly embedding AI into their core strategies to stay competitive. However, they recognise the growing threats of geopolitical turmoil, as well as cyber risks as the industry continues to digitise and innovate. While optimistic, they are aware that the war for talent has clearly reached the industry in the Middle East. Sustainability remains a key focus, with CEOs proactively making climate-friendly investments - significantly more so than in other sectors.



## **Dominik Baumeister**

Partner, Transport and Logistics Leader,  
PwC Middle East

# Here are five priorities for business leaders in the Transport and Logistics sector for the year ahead

## Priority 1: Accelerate your reinvention plans

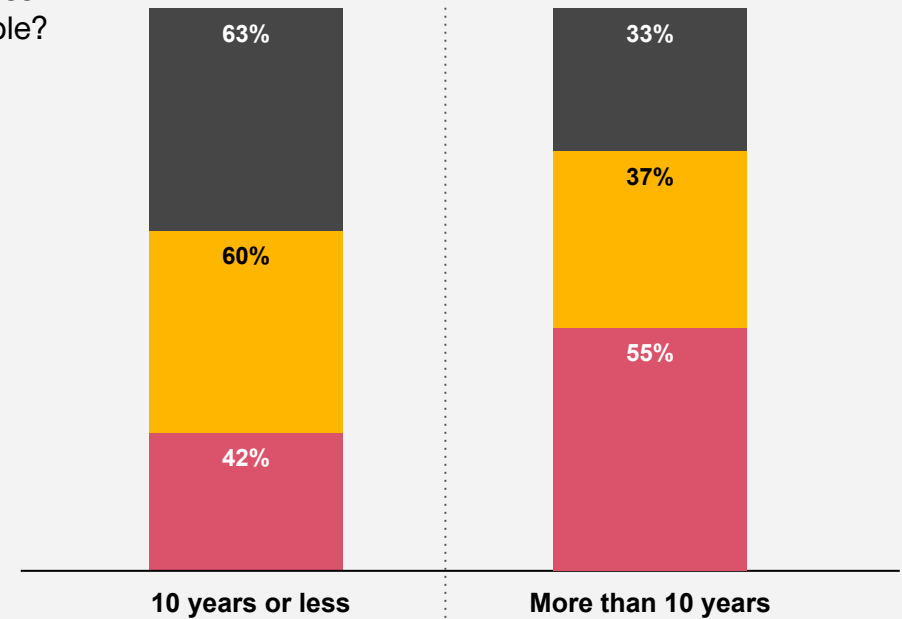
87% of transport and logistics CEOs are confident that their company's revenue will increase in the coming 12 months, rising to 93% over the next three years.

They have taken strategic steps to protect and grow revenue in recent years – 60% say they have targeted a new customer base, and half have pursued new routes to market.

Yet 63% believe that their company will not be economically viable in the next 10 years or less if it remains on its current path, highlighting the accelerated urgency to reinvent today, to ensure survival tomorrow.

**Q.** If your company continues running on its current path, for how long do you think your business will be economically viable?

■ Global  
■ Middle East  
■ T&L



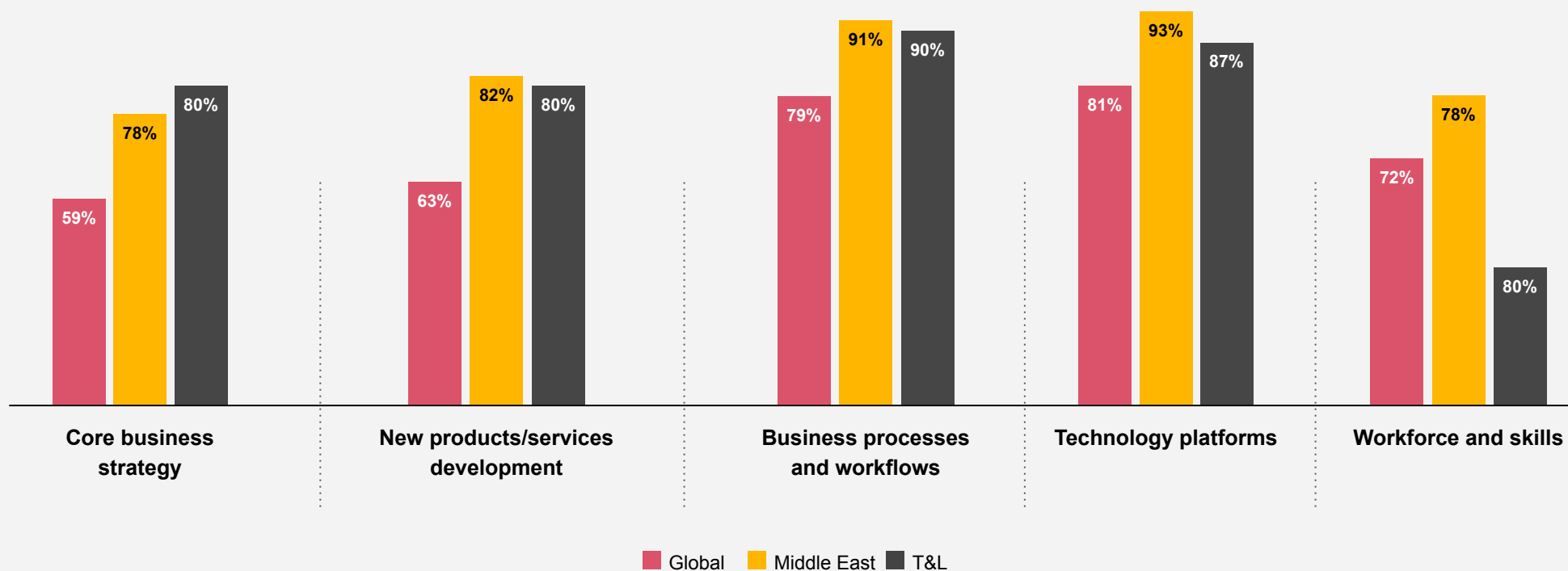
Note: Percentages may not total 100% due to rounding.



## Priority 2: Explore the potential of AI and GenAI

Middle Eastern transport and logistics CEOs are deploying AI and GenAI at speed to reap its benefits of productivity and profitability. The adoption of GenAI will play a key role in business model reinvention and strategic growth plans – 87% of CEOs in this sector say they have adopted GenAI in the past 12 months and, with high levels of trust in AI, and a further 80% expect that AI technology will be integrated into core strategy within three years – the highest of all the industries surveyed. And looking forwards, 68% of transport and logistics CEOs believe that AI and GenAI will increase profitability within the next 12 months, compared to 62% of their wider Middle East peers and only 49% globally.

**Q.** To what extent, if at all, do you predict AI (including generative AI) will be systematically integrated into the following areas in your company in the next three years?



Note: Percentages may not total 100% due to rounding.

## Priority 3: Plan to mitigate a diverse range of threats

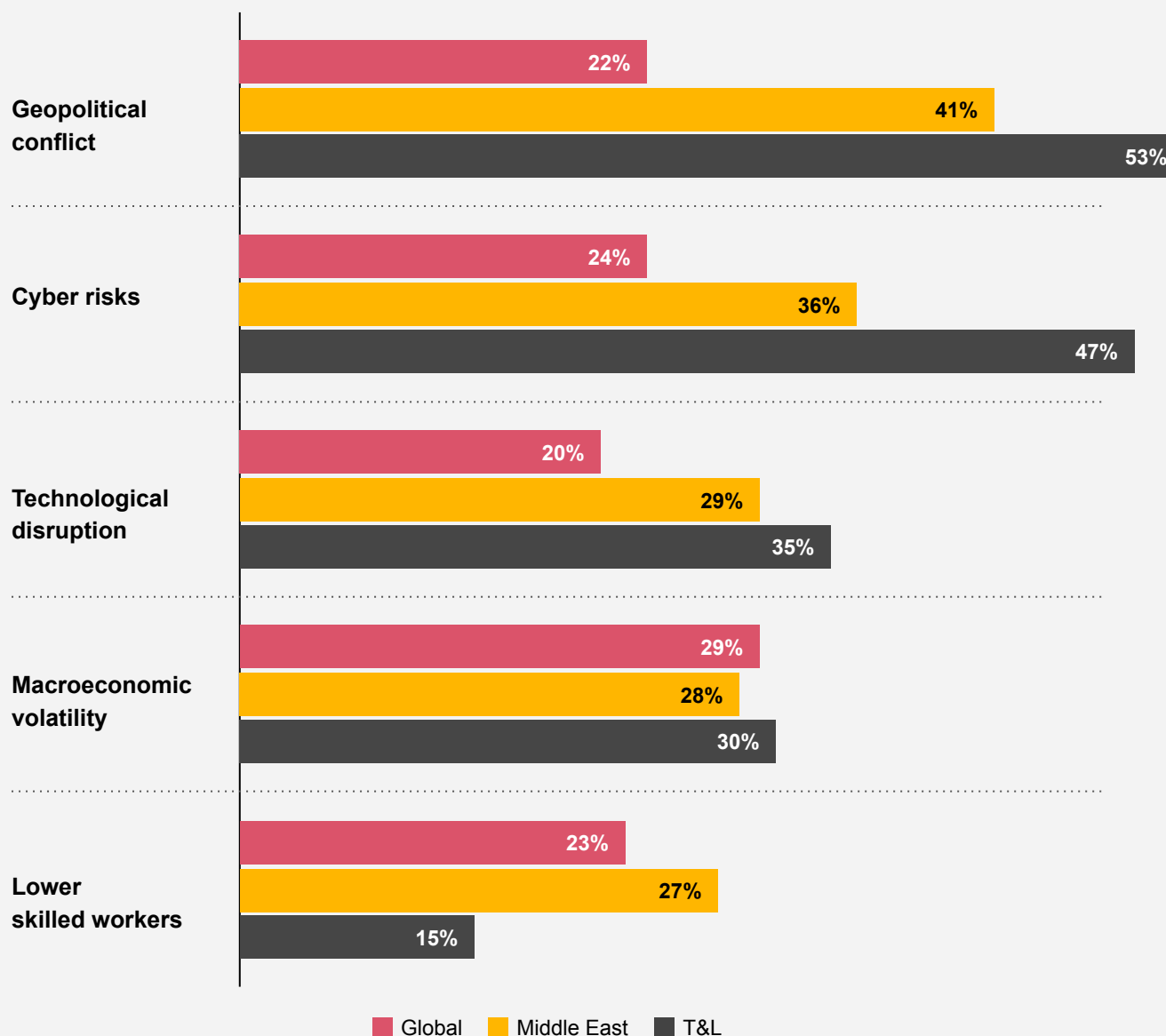
Significantly more CEOs in the Middle East transport and logistics industry believe that geopolitical risks are posing a significant threat to their business, compared to their global and other industry sector counterparts.

However, they also have a clear eye on digital threats.

As the industry continues to digitise at speed, cybersecurity will be an increasing concern.

Other potentially serious threats include the lack of key skills – 60% of CEOs in the sector, for example, are planning to increase headcount this year, but almost a third say they are concerned about the availability of key skills, which is already leading to increased competition when securing top talent from competitors.

**Q.** How exposed do you believe your company will be to the following key threats in the next 12 months? (SUMMARY NET: Highly or extremely exposed)

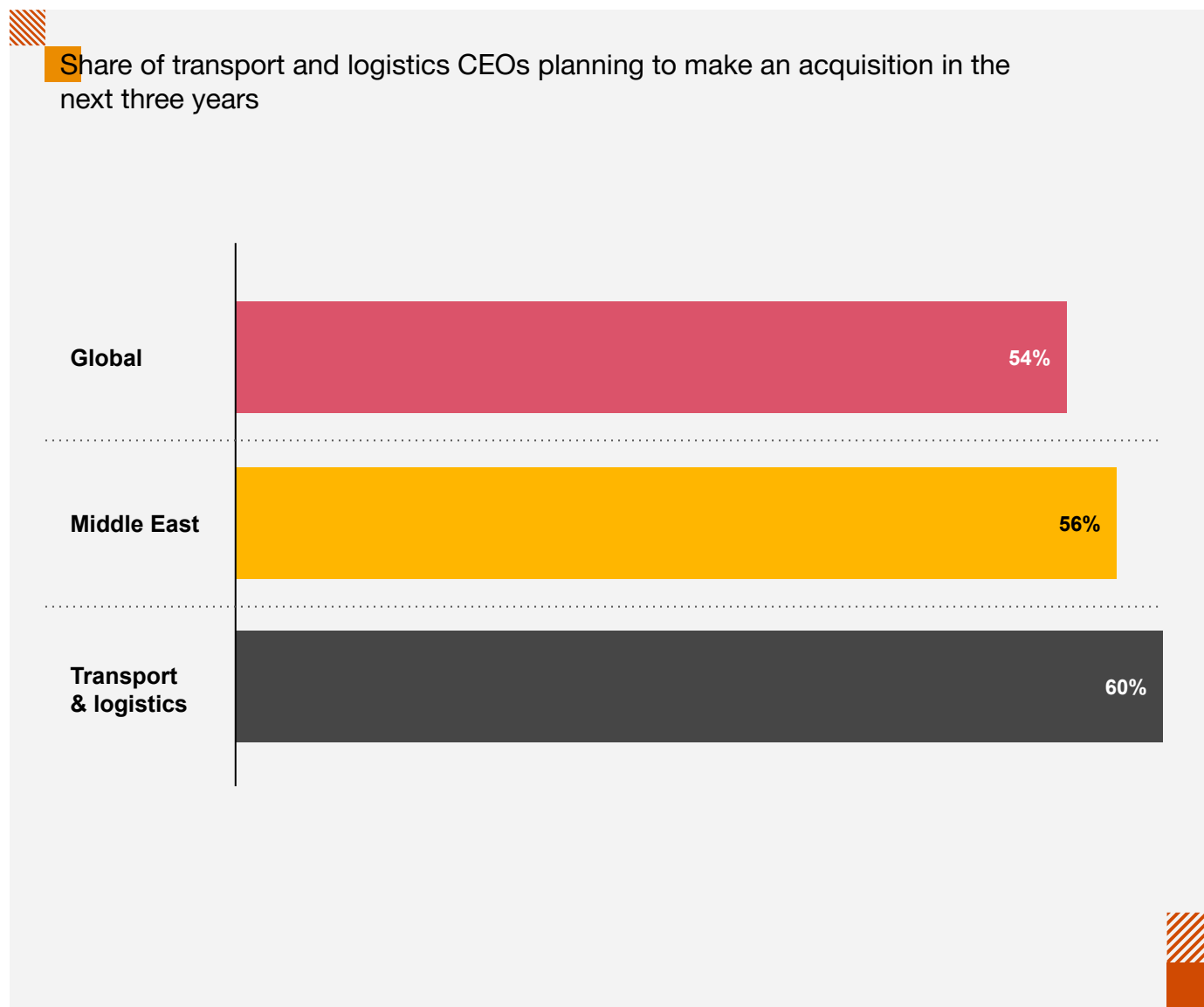


Note: Percentages may not total 100% due to rounding.

## Priority 4: Explore opportunities beyond traditional boundaries

As transport and logistics CEOs in the Middle East, and worldwide, seek new domains of growth, it has led to a blurring of boundaries between traditionally siloed logistics sub-sectors in recent years with companies now seeking to reap benefits of more integrated transport modes. For example, shipping companies are investing into logistics services and airlines are incorporating e-commerce.

Partnerships, collaborations and acquisitions are important tools in the reinvention agenda – with 37% of transport and logistics CEOs saying their company has entered a new sector or industry in the past five years. Looking ahead, 60% of CEOs in the sector say they plan to make at least one acquisition within three years - second only to health industries in anticipated deal activity, and higher than the 56% of their wider Middle East peers and 54% globally.



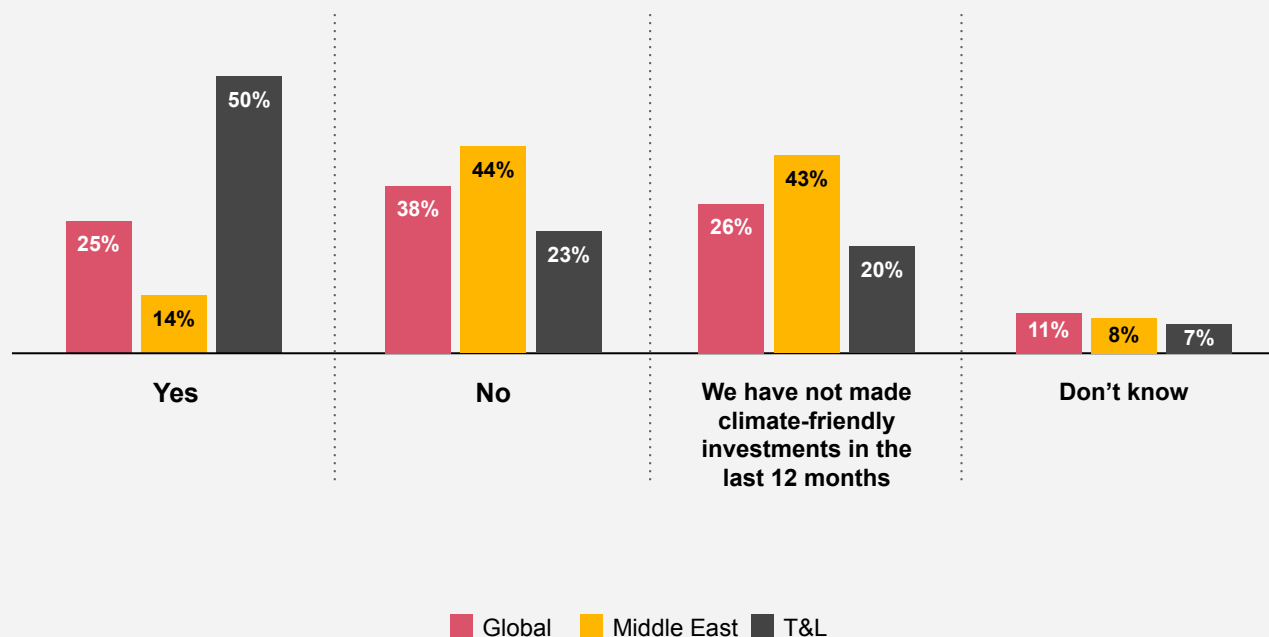
Note: Percentages may not total 100% due to rounding.

## Priority 5: Prepare for growing demands around sustainability

Transport and logistics CEOs are very committed to the sustainability agenda, with 90% having initiated climate-friendly investments over the past five years, the highest proportion of any sector.

CEOs in the industry are also more likely to accept a lower rate of return than the minimum acceptable rate set for other investments – but the expectations of stakeholders are likely to increase in the future as the energy transition increases momentum, and the industry continues to decarbonise.

**Q. In the last 12 months, has your company accepted rates of return for climate-friendly investments that were lower than the minimum acceptable rate of return your company uses for other investments?**



Note: Percentages may not total 100% due to rounding.



## About PwC

At PwC, our purpose is to build trust in society and solve important problems. We're a network of firms in 149 countries with more than 370,000 people who are committed to delivering quality in assurance, advisory and tax services. Find out more and tell us what matters to you by visiting us at [www.pwc.com](http://www.pwc.com).

Established in the Middle East for over 40 years, PwC Middle East has 30 offices across 12 countries in the region with around 12,000 people. ([www.pwc.com/me](http://www.pwc.com/me)).

PwC refers to the PwC network and/or one or more of its member firms, each of which is a separate legal entity. Please see [www.pwc.com/structure](http://www.pwc.com/structure) for further details.