

# Almajdouie **logistics**

NEWSLETTER ISSUE 17 | FEBRUARY 2020



**BIG CHALLENGES**  
require **SMART SOLUTIONS**



# SAFETY IS A SHARED RESPONSIBILITY



**CREATING A SAFER  
WORKING ENVIRONMENT**



**IN MEMORY:** Almajdouie Logistics was awarded the pipe hauling service contract in the '80s, enabling us to support the Kingdom's development

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# Exploring new opportunities for 2020

**In many ways, 2019 was a transformative year for Almajdouie Logistics that saw us reap the rewards of hard work, determination and careful strategic planning. We introduced new services, expanded our regional footprint and earned global recognition for our services. Although we faced some challenges along the way, we overcame all obstacles and remain firmly on track for growth in 2020.**

I am looking forward to this year with hope and optimism about achieving greater success. We have a great team and an excellent work culture focused on teamwork and collaboration. These are the qualities that will help us achieve our ambitious long-term goals.

The world is rapidly changing, and digitalisation has altered the way we do business. Accordingly, we are adding new technology across our organisation that will streamline efficiency and enable us to keep pace with an increasingly competitive business landscape. I am confident that our team will be ready to adapt quickly to the new realities of our industry.

The key to building on our success is providing the best possible customer service, which can only be achieved by working together, with our partners, clients and each other. To ensure that our business continues to grow, we consistently elevate the quality of our services and stay up to date with our customers' evolving requirements.

This promises to be a transformative year for Saudi Arabia as the Kingdom moves confidently towards the goals outlined in its Vision 2030, especially in terms of logistics. According to a recent report issued by Bloomberg, Saudi Arabia currently commands a 55% share of the logistics industry in the GCC region. This demonstrates that government-led plans to position the Kingdom as a strategic gateway connecting three continents are gaining rapid momentum. Leveraging more than 50 years of expertise in our industry, Almajdouie Logistics is ready to support this national transformation however possible.

Now, it is time to focus on the wealth of new opportunities 2020 brings. I'd like to express my sincere gratitude to every member of the Almajdouie Logistics team for their tireless efforts and commitments to our shared vision, which are the foundation that our success is built upon.

I would also like to thank our clients for their valued support and the strong spirit of cooperation we share. Our firm understanding of each other's objectives is of the utmost importance and helps to ensure we achieve our mutual goals.

On behalf of Almajdouie Logistics, I wish you all a fruitful 2020.



# Disruption in the logistics industry

**mlcGO Head of Operations Karim Chehayta discusses the major causes of disruption in the logistics industry in 2019 and the new trends we can expect in 2020.**

Last year, fluctuating oil prices, mergers between shipping lines and logistics companies, a surge in on the spot business deals, and limitations on project logistics contracts were among the biggest disruptors impacting the logistics industry. Almajdouie Logistics took these in stride by focusing on the bigger picture and taking strategic measures to adapt to these changes as required.

The main factors likely to cause disruption in 2020 are ongoing trends such as automation and digitalisation. One of the most obvious disruptors to watch for is growth in logistics and transportation start-ups. These technological innovators are bringing new life to the principles of safety, sustainability, transparency, and efficiency. As these start-ups gain momentum, they continue to cause ripples throughout the industry by streamlining freight management, route optimisation, and vehicle tracking solutions. Moreover, competition is becoming increasingly complex as leading retail players expand their logistics capabilities, effectively shifting from customers to competitors.

The integration of digital technology into all areas of business is fundamentally changing how companies operate and deliver value to customers, which is a major area of focus for Almajdouie Logistics.

We are currently building our capacity and capabilities in this area through ventures such as mlcGO, an independent digital platform aimed at meeting the needs of e-Commerce and on-demand trucking customers in Saudi Arabia.

In 2020, our goals are to build on our success by offering last-mile delivery to serve e-Commerce businesses, creating three new fulfilment centres and setting up a series of hubs to further support our operations.

e-Commerce is rapidly transforming industrial and logistics real estate globally. Besides driving overall demand, e-Commerce is shaping physical space requirements and characteristics. Increasingly, we are seeing demand for fulfilment centres closer to population centres, warehouses with taller ceilings to accommodate new technology and even former retail locations within city centres being transformed into logistics space or warehouses.

Saudi Arabia has taken key steps over the past few years to enhance its competitiveness in this respect, including facilitating import and export processes and announcing the creation of special zones, such as the Integrated Bonded Logistics Zone in Riyadh. These and other initiatives are expected to play a key role in the Kingdom's wider logistics strategy moving forward.

At Almajdouie Logistics, we believe that planning for market shifts and embracing modern technology are key to developing the right strategy for the supply chain.





**Almajdouie Logistics General Manager - Heavy Lift, Eyad Arafah explains how the company is leveraging its project logistics expertise to explore new opportunities in Saudi Arabia's growing renewable energy sector.**

Saudi Arabia is taking significant steps towards achieving its ambitious Vision 2030 goals, which include shifting domestic energy production towards more renewable resources. Almajdouie Logistics is watching the development of the Kingdom's renewable energy sector with great interest, and during 2019, we strategically invested in new equipment that will allow us to handle more diverse project logistics operations and keep pace with a rapidly evolving market environment.

In November, Saudi energy group ACWA announced the completion of the Sakaka solar photovoltaic (PV) IPP, which was the first large scale PV facility tendered by Saudi Arabia. The plant, Saudi Arabia's second operational solar park, was grid-connected a month and a half ahead of schedule and has begun a commercial operation pilot phase. Almajdouie Logistics provided transportation solutions for the project and is looking forward to being involved in many other upcoming wind and solar initiatives.

The company has already secured a number of crucial infrastructure and logistics projects spread across diverse sectors such as energy, power generation, mining, civil construction, and others. We are currently playing an active role in a number of crucial infrastructure and logistics projects including the RasTanura Clean Fuel project, the Harad Gas Plant, the Maaden Ammonia project, and the Harmain Railway project to name a few.

As specialists in handling and transporting large and heavy cargo, Almajdouie Logistics is exploring new opportunities linked to the Kingdom's diversification efforts and is in line to bid on mega projects such as the NEOM megacity project. Powered solely by renewable energy, Neom will operate as an independent economic zone and serve as a platform for nine specialised sectors (energy, biotech, food, mobility, advanced manufacturing, technological and digital sciences, tourism, media, and entertainment), all strategically designed to attract international investment.

With so many national transformation projects gaining momentum, this is an exciting time for the Kingdom and its project logistics market.



# Almajdouie Logistics Celebrates Four Years of Success in a Row



**Almajdouie Logistics has won the Frost & Sullivan KSA Logistics Service Provider of the Year Award for the fourth year in a row. Frost & Sullivan Global President and Managing Partner, Aroop Zutish presented the award to Almajdouie Logistics CEO, Mohammed Ali Almajdouie at the 2019 Middle East Best Practices Awards Banquet, which took place in Dubai, UAE.**

Mr. Almajdouie said: "Winning this prestigious award for four consecutive years is a great honour. I would like to thank all our stakeholders and employees for their hard work and dedication, without which this achievement would not have been possible. In the past year, we have launched a range of innovative new services with our customers' evolving requirements in mind, and we look forward to building on our achievements in 2019 and beyond."

Mr. Almajdouie added: "This recognition reflects the combined efforts of our entire team, the diversity of our services, and inspires us to work even harder to surpass our high standards. We appreciate the efforts of Frost & Sullivan for conducting these awards, which help the entire logistics industry to grow by recognising quality and setting a benchmark for success."



# MdR recognised for commitment to safety

Ibn Rushd recognised MdR's exceptional commitment to safety during a celebration to mark the conclusion of its Face to Face campaign. The event, held in Yanbu, brought together the company's various contractors to appreciate their efforts during the campaign aimed at ensuring adherence to its safety guidelines. MdR also delivered a presentation on Gulf SQAS and supporting EHSQ at Ibn Rushd.



# Recognition for EGBZ employees

Ten mlcGO team members posted at Eastern Gateway Bonded Zone (EGBZ) who were recognised as Employees of the Month during 2019 were commended in a special ceremony hosted by mlcGO management. Every month, the company commends a team member who has displayed exemplary dedication and initiative in carrying out their duties. The accolade aims to reward and encourage outstanding team members who serve as an inspiration to the rest of the team.



# MdR spotlights expertise at 2019 GPCA Forum



Almajdouie De Rijke Limited (MdR) showcased its petrochemical logistics expertise at the 14th Annual Gulf Petrochemicals and Chemicals Association (GPCA) Forum, the foremost gathering of the chemical and petrochemical industry in the region. The event, which took place in Dubai, UAE, brought together more than 2,100 chemical executives from around the region and beyond to explore the challenges and opportunities shaping the industry.

Held under the theme 'Winning through Strategic Partnerships', the forum featured various workshops, seminars, and engaging panel discussions with chemical and petrochemical experts. Industry leaders shared case studies on how to deliver value for shareholders, businesses, and society, how to innovate for the future, and the development of a competitive downstream industry in the GCC.

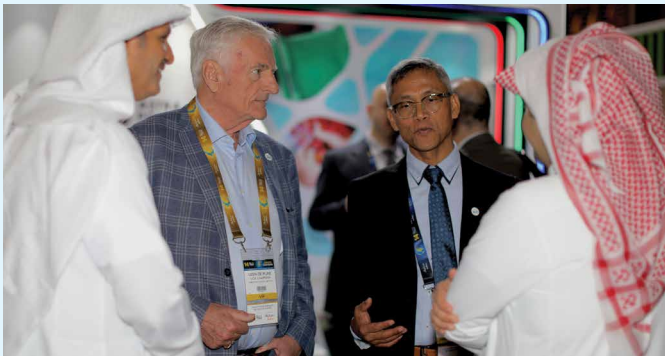


Almajdouie Group President, Abdullah Almajdouie gave an exclusive interview on the sidelines of the event, highlighting the importance of bringing value to the supply chain. He said: "In the beginning, customers were not confident about handing over their supply chain to a contractor. However, over time, the quality of our safe, efficient, and value-driven logistics services has earned us the trust of the leading petrochemical companies in Saudi Arabia. By outsourcing their logistics requirements to us, our customers can focus on what matters most, growing their business."



De Rijke Group President, Leen De Rijke also commented, saying: "The theme of this year's forum is that partnership is crucial for growth. This is particularly relevant to MdR, which is a joint venture between Almajdouie and De Rijke. By combining our competitive strengths and expertise we can provide a much wider service offering to our customers. I'm very glad that Mr Abdullah and I decided to form this partnership and I look forward to a bright future filled with possibilities for further growth."

MdR was established in 2006 to offer complete bespoke on-site logistics solutions to the growing petrochemical industry. Backed by a well-trained workforce, advanced IT-systems, and modern infrastructure, MdR serves major clients, including Sabic, Sadara, and Orpic, among others.



GPCA represents the downstream hydrocarbon industry in the Arabian Gulf. The association voices the common interests of more than 250 member companies from the chemical and allied industries, accounting for over 95% of chemical output in the Arabian Gulf region.



# New opportunities spotlighted at Saudi Logistics Conference 2019

Almajdouie Logistics was a Diamond Sponsor of the 3rd Saudi Logistics Conference, the biggest event of its kind in Saudi Arabia. Held under the patronage of His Excellency Dr. Nabeel Mohamed Al-Amudi, former minister of Transport, the event brought together senior decision makers, expert speakers, and representatives from leading regional and international companies to network and explore the latest challenges and opportunities shaping the logistics sector.



The event featured a range of engaging panel discussions with top speakers. In attendance were top Almajdouie management, including Group President, Abdullah Almajdouie, Almajdouie Logistics CEO, Mohammed Almajdouie, and CEO of Majd Development Company, Ibrahim Almajdouie, as well as a number of other team members who showcased our diverse services at our exhibition stand.



Mr Mohammed Almajdouie said: "We would like to thank everyone who visited us at the Saudi Logistics Conference 2019. The event was a huge success and provided an ideal platform for us to network with our customers and peers and explore new business opportunities. Participating in leading events such as this provides us with valuable insight into the industry's latest developments and trends, which helps us to continuously improve our operations and services. We look forward to participating again next year."

During the event, Almajdouie Logistics General Manager - Eastern Region, Antony Cho participated in the panel discussion 'the development of the transportation industry - the revival of logistics services' alongside Eng. Bandar Al-Jabri, Chairman of the Logistics Committee at Asharqia Chamber of Commerce; Mr. Khaled Mohamed Dhafer, General Manager of Khaled Dhafer Logistics Services Co; Dr. Meshal Almofadhi, Logistics Consultant - Saudi Industrial Development Fund; and Eng. Khalid Albakry, Member of Council of Saudi Chambers, National Logistics Committee.

The conference highlighted the Kingdom's latest legislation, regulations, and investment opportunities to encourage competition and promote the Saudi logistics sector. Attendees explored key issues including, 'simplifying the concepts of supply chain technology and logistics', and 'the future of logistics services in the Kingdom in the digital age'. Discussions also focused on renewable energy and supply chain issues, future logistics projects, as well as the impact of big data on business decisions.

# Saudi Logistics Hub gains momentum

The Saudi Logistics Hub (SLH), a government initiative mandated to drive growth in Saudi Arabia's logistics sector, is spotlighting the current logistics landscape in the Kingdom through a series of global roadshows aimed at enhancing global trade relations and encouraging foreign investors to set up operations in the country.

This important process supports ongoing efforts to position the country as a strategic gateway connecting three continents in line with the Kingdom's Vision 2030. The country has made significant progress in this area, as reflected in the World Bank Group's Doing Business 2020 report, which ranked Saudi Arabia as the world's fastest economic reformer, jumping 30 positions to 62nd place. The Kingdom also demonstrated significant improvements in nine of the 10 Doing Business indicators, jumping 72 positions to 86th place in the Trading Across Borders ranking, and 103 positions to 38th place in the Starting a Business ranking.

According to a recent report issued by Bloomberg, Saudi Arabia currently commands a 55 per cent share of the logistics industry in the GCC region. Over the last decade, the Kingdom has invested more than US\$100 billion in its transport and logistics infrastructure, resulting in a comprehensive nationwide network.

The SLH is supporting this transformation by working to enhance the logistics sector's infrastructure, processes, procedures, and regulatory frameworks. This will enable logistics players to access one of the fastest-growing logistics markets in the world, benefit from reforms that reduce the time and cost of logistics operations, and capitalise on investment opportunities.







Mohammed Ali Almajdouie



Baheej Al Biqawi

## Senior management restructure for 2020

**To support our continued growth and development, Almajdouie Logistics has made key organisational changes. This restructuring places us in a stronger position to explore new opportunities.**

Mohammed Ali Almajdouie has been appointed as the new CEO of Almajdouie Logistics Company (MLC) and our independent digital platform, mlcGO. Charged with managing all matters related to MLC and mlcGO as per the approved policies and procedures, Mr Almajdouie will report directly to the Board of Directors. Mr. Almajdouie is an automotive industry veteran and previously served as the Managing Director of Changan, where played an instrumental role in the company's success.

We are also pleased to announce that Baheej Al Biqawi has been appointed as the new CEO of Joint Ventures and will play a major role supporting our future expansion and development in this crucial sector. Mr. Al Biqawi previously served as MLC CEO, contributing to many of our proudest achievements. We are confident that Mr. Almajdouie and Mr. Al Biqawi will continue to build on our overall success, taking MLC to new heights.



## Almajdouie Logistics-GEFCO honoured with internal award

**Almajdouie Logistics-GEFCO, the first finished vehicle logistics company in Saudi Arabia, was recognised with the GEFCO Best Project Award at the annual GEFCO Awards 2019. The ceremony took place in Italy, coinciding with a top management meeting. The internal competition, now in its fourth edition, celebrates the most remarkable projects of the year.**

Almajdouie Logistics-GEFCO outpaced 10 other leading projects to scoop the award. The company was selected for its strong financial performance during the year, its commitment to GEFCO's Infinite Proximity culture, and for its operational efficiency, which saw customers' lead times and costs by 40 and 25 per cent, respectively.

Almajdouie Logistics-GEFCO also demonstrated that a project of this nature could be applied to new territories.





# How Terminal Handling is Critical to Supply Chain

As a handling area where products are unloaded, stored, or loaded for onward transfer via road, air, or sea, the terminal must be managed perfectly in a way that assure customers' products are handled properly & in efficient manner, explains Jubail Terminal Operation Superintendent, Adil Saad Al-Ghamdi.

Supply chain is about coordinating the movements of goods and materials from suppliers to customers. The terminal is at the heart of this process, and effective terminal handling is critical to its success.

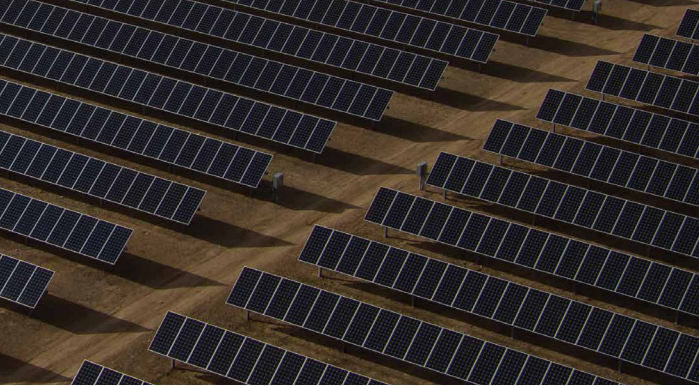
Almajdouie Logistics Company handles over 700 containers a day, or 250,000 containers a year, at Jubail terminal. These containers are of all types and sizes, including palletized petrochemicals, and the company also carries out container repairs at the site. Our clients include SABIC affiliates such as Ibn Zaher, Petrokemya, Chemanol, Tasnee, Alwaha, and Chevron; Ma'aden Aluminium; and Shipping lines such as MAERSK, Messina, HAPAG LLOYED, ONE LINE and Transmar.

Given such volumes, and the sometimes-sensitive nature of the goods being moved, it is essential to ensure that the terminal's daily operations run on schedule, within the allocated budget, and in line with the highest safety standards. Costs and workflows are monitored daily, and we stay in constant communication with our clients to align our plans with their requirements. We also seek their feedback regularly to ensure we are always meeting their expectations.

The secret ingredients to smooth workflow are solid procedures and excellent teamwork, which help us overcome any obstacles. Flexibility and responsiveness are highly required, to deal with unexpected situations.

Our OSHA-compliant health and safety system involves all employees and is run by managers who are committed to spread safety cultures between all operation stakeholders. We have a process to identify and manage hazards and we offer regular training on safe work practices. Above all, we foster an environment of mutual respect, caring, and open communication which is conducive to continuous improvement.

Regardless of the route you take in a career in supply chain, you will find yourself working with others. Being courteous and understanding and staying true to who you are will be the qualities that people will value.



The Sakaka Solar PV Plant, the first large scale PV facility tendered by Saudi Arabia, is now connected to the national grid. The project marks a major milestone in the Kingdom's journey towards sustainable development, in line with its Economic Vision 2030.

Almajdouie Logistics provided transportation solutions for the project and is proud to have contributed to a cleaner, brighter future for Saudi Arabia. Our involvement included providing heavy transport and customs clearance services.

The project was a huge undertaking and careful planning was required to ensure a successful outcome. We handled 250,000 cubic metres of materials, including solar panels and a transformer.

To maintain the highest levels of safety and help keep the project on track, our team coordinated closely with all relevant parties and participated in daily meetings, weekly reviews, and monthly milestone assessments.

Our team members involved with the project described the experience as a highlight in their professional careers and expressed their satisfaction at delivering the project ahead of schedule.



# Farewell celebration for outgoing SMME General Manager



Almajdouie Logistics held a farewell celebration for Sinotrans Almajdouie Middle East (SMME) General Manager Shao Hongtao, who is taking on a new role at Sinotrans Overseas Development Company in Beijing. Mr. Shao has played a key role within our organisation over the past seven years, helping to strengthen channels of cooperation between Saudi Arabia and China in the field of logistics.

Mr. Shao said: "SMME brings together two distinct company cultures to create a truly unique and dynamic company. Almajdouie Logistics has an outstanding reputation for quality in the region and I feel privileged to have been educated by the company. I consider it a huge benefit and a highlight of my career. Saudi Arabic is the most peaceful country I ever visited, and I will really miss the harmonious social environment."

SMME veteran Zhang Lin replaces Mr. Shao as the new SMME Deputy GM. Commenting on his successor, Mr. Shao said: "Lin is a vibrant young man who has spent the past eight years at SMME. He has all the logistics knowledge required to take on the important responsibilities of this role, and I'm confident he will lead SMME to new heights."

# mlcGO sponsors 3rd E-Commerce World and Smart Cities event



mlcGO proudly sponsored the 3rd E-Commerce World and Smart Cities exhibition & conference, held recently in Riyadh.

The event highlighted the ongoing digital transformation in Saudi Arabia, the challenges and opportunities shaping the e-commerce sector, and the importance of achieving the Kingdom's Vision 2030 goals. During the event, mlcGO Head of Operations Karim Chehayta shared his insights during an engaging panel discussion and mlcGO Brand Specialist Faris Abuhanoud delivered a workshop on the 'Importance of Becoming a Digital Citizen'.



# Freight Division scoops customs clearance award

International Ports Services Co. Ltd. awarded Almajdouie Logistics Best Customs Broker in recognition of 100% accuracy in clearance process with zero short ship or delays. Customer Services Manager Mr. Ghazi H. Buaisha (third from the right) presented the award.



# Management Development Programme graduates recognised

The first group of participants to graduate from the Management Development Programme (Integrated Supply Chain) were recognised with certificates during the Saudi Logistics Conference. The 24-week programme is offered jointly by the Middle East Logistics Institute (MELI), Michigan State University (MSU), and Bisk Education, Inc. (Bisk).

This collaboration for the delivery of MSU's executive education certificate programs to businesses and professionals in the Kingdom of Saudi Arabia is the latest development in an eight-year relationship between MSU and MELI in supply chain management and logistics.



MELI is currently offering blended learning certificate courses, delivered through a combination of online and classroom instruction. The agreement also adds business analytics certificate courses to MELI's portfolio, another subject area where MSU is recognised as a global leader.





# MAKE A CHANGE

## Almajdouie Logistics team celebrate Fun Day 2020

Almajdouie Logistics employees came together to bond and enjoy a range of exciting team building activities, games, and sports at the Almajdouie Logistics Fun Day 2020. Held under the theme "make a change, the event highlighted the importance of working together and encouraged team members to set new goals for personal and professional improvement.



# Cold Weather

## Safety Tips



Wear appropriate clothing and footwear



Choose tools that can be operated with gloves



Monitor the temperature



Warm-up inside



Limit time spent in cold storage facilities



Stay active



Keep clothing dry



Drink warm fluids

Working in cold weather can be hazardous to your health and potentially life threatening.

Follow the tips to work safely this winter.



# Warm Up!



**COMMITTED PARTNERS  
WITH A SHARED GOAL ALWAYS  
ACHIEVE MORE**

