

# GEOPOLITICAL SITUATION & IMPACT ON SUPPLY CHAIN

| DHL Technology Conference  
| Shaping Tomorrow's Supply Chains, Today

# SPEAKERS |



**PAUL DOWLING**  
CUSTOMER OPERATIONS MANAGER MENA  
DHL Express



**PAUL LATTOUF**  
REGIONAL SECTOR HEAD – TECHNOLOGY  
DHL Global Forwarding

DHL Technology Conference  
Shaping Tomorrow's Supply Chains, Today

# CONTENT

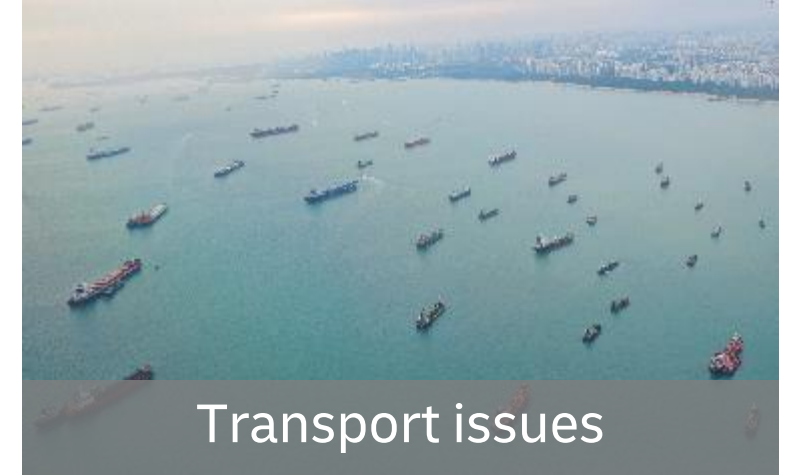
**01** Recent disruptions and deep dive on MEA Crisis

**02** Business continuity and minimizing risk

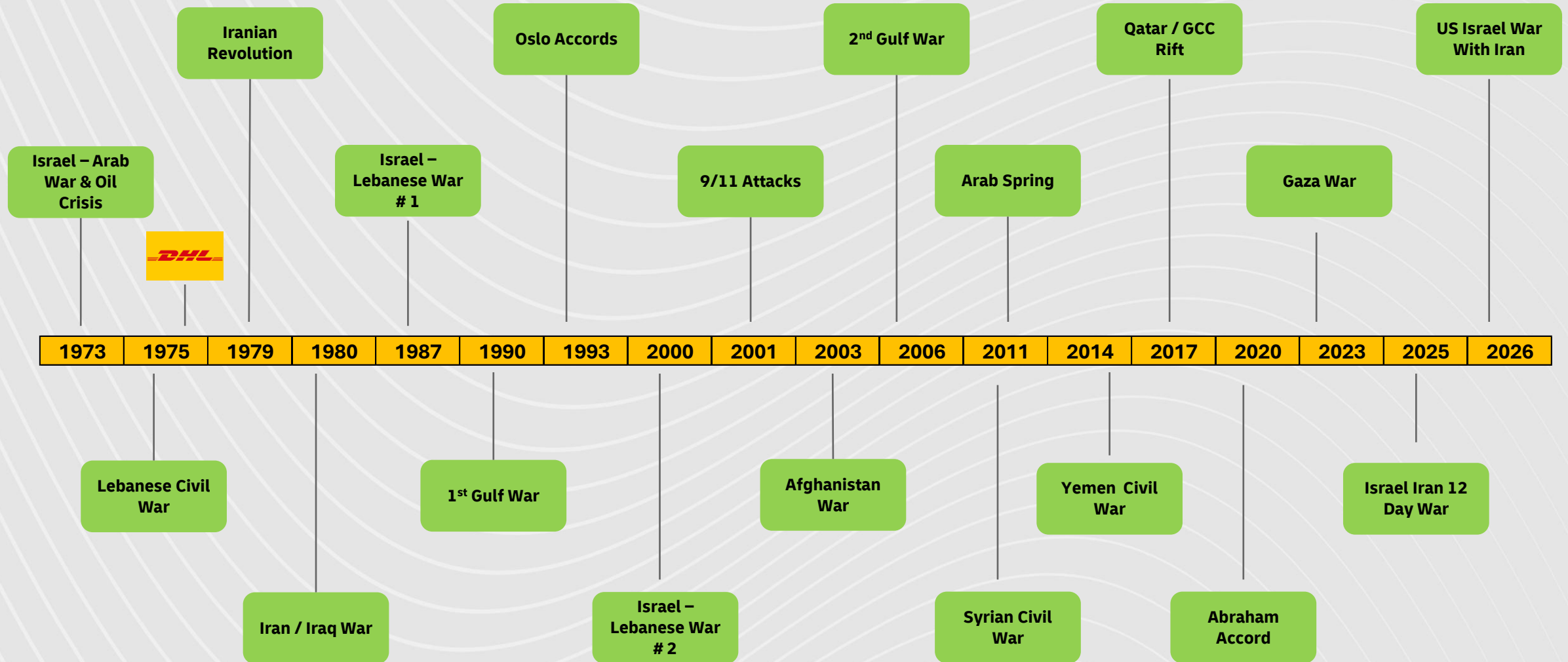
**03** Open discussion



# RECENT DISRUPTIONS



# Middle East Geo Political Timeline



# Timeline for Current Crisis - Day 47

## Feb 28th

- Conflict begins & Iran responds.
- Gulf States attacked
- Airspace closed across the Gulf.
- All flights are suspended.
- Gulf destined ships divert to alternate ports

## March 2nd

- Iran closes the Strait of Hormuz
- >200 oil tankers & 130 container vessels blocked inside the Gulf.
- Removal of War Risk Insurance coverage announced

## March 4th

- DGF implement alternative solutions for Gulf traffic
- Use of ports on the Indian Ocean and Red Sea + road connection to final destination

## March 5th to April 8th

- Airports & airspace closed in Bahrain, Kuwait and Iraq
- Regional commercial air carriers operating at ~ 60% capacity

## April 11th

- Peace talks end early in Pakistan,
- Both parties too far apart.
- US impose a secondary blockade on the Strait of Hormuz

## March 1st

- DHL risk assessment around staff and assets.
- Contingency planning commences within DHL Group
- Alternative airports and sea ports solutions assessed.
- Intra GCC traffic moved to road immediately

## March 4th

- Emirates commence repatriation flights
- International airlines suspend operations for month of March..
- Significantly reduced cargo capacity.
- Saudia, Oman Air, RJ and MEA operating

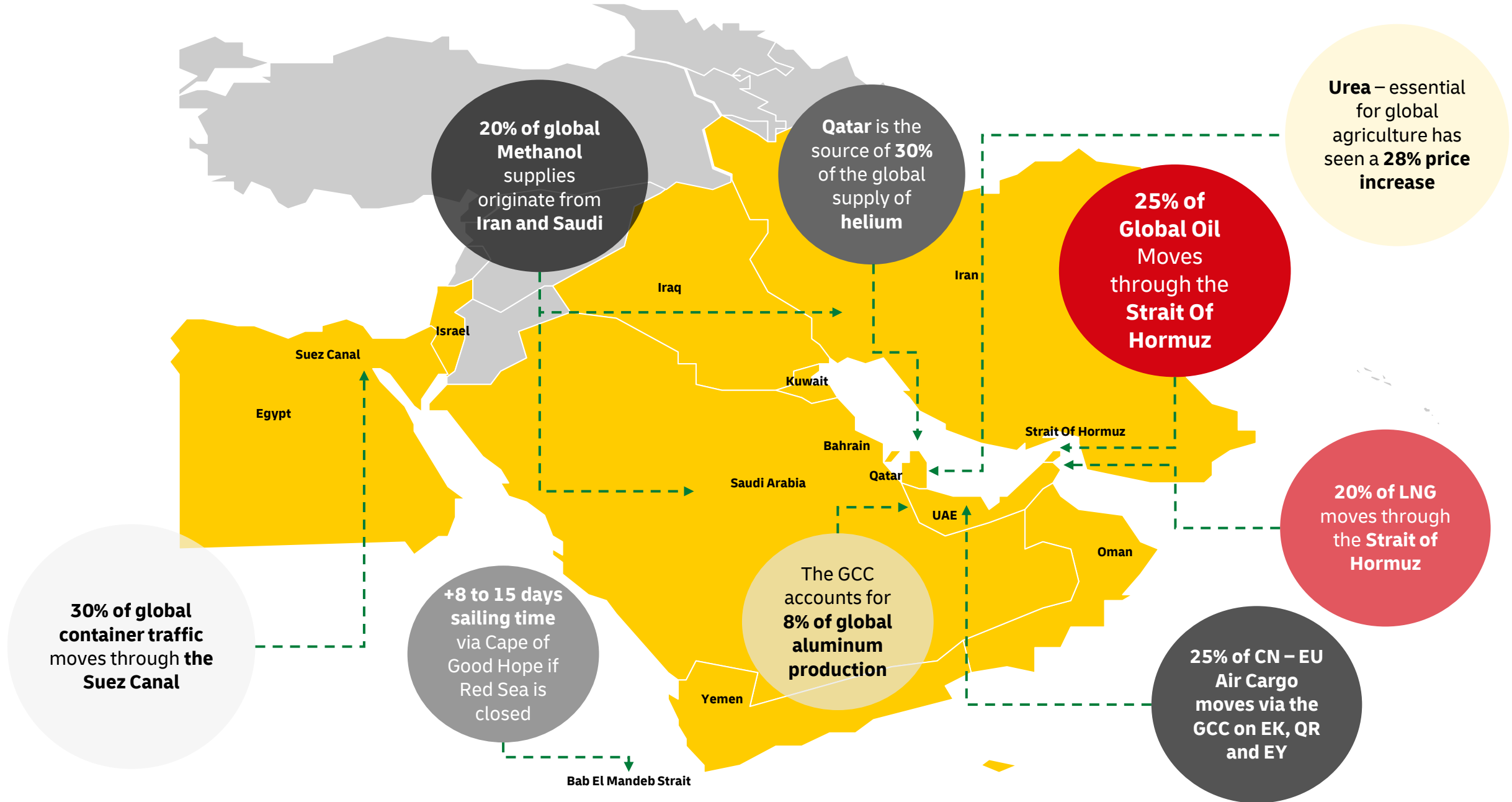
## March 5th

- DHL Network flights commence operations from Europe & Asia
- Riyadh & Muscat now acting as Hubs to replace Dubai and Bahrain.
- Staff transferred to Saudi and Oman to support operations

## April 8th

- 2 Week ceasefire announced.
- Hostilities cease.
- Strait of Hormuz to reopen.
- Very few ships move through the Strait of Hormuz

# The Importance of the Middle East to the Global Economy



# CONTENT

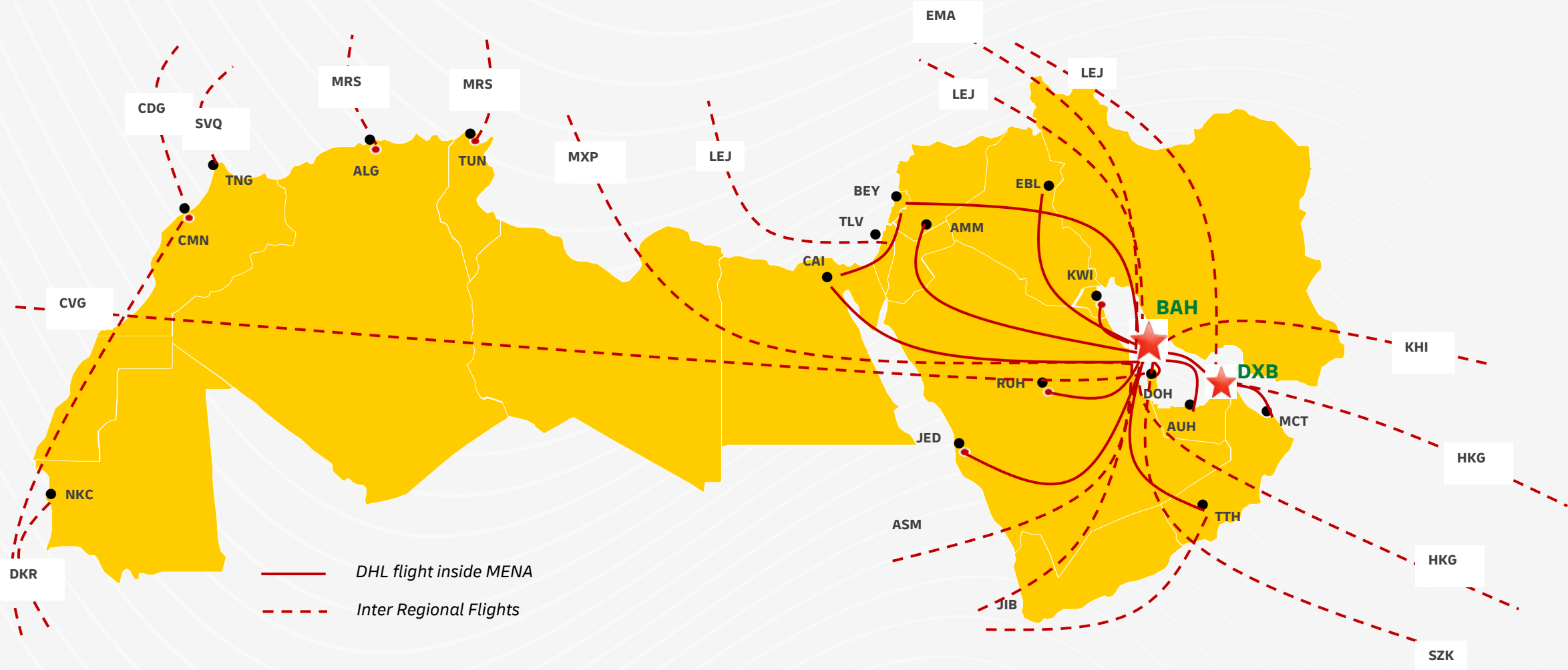
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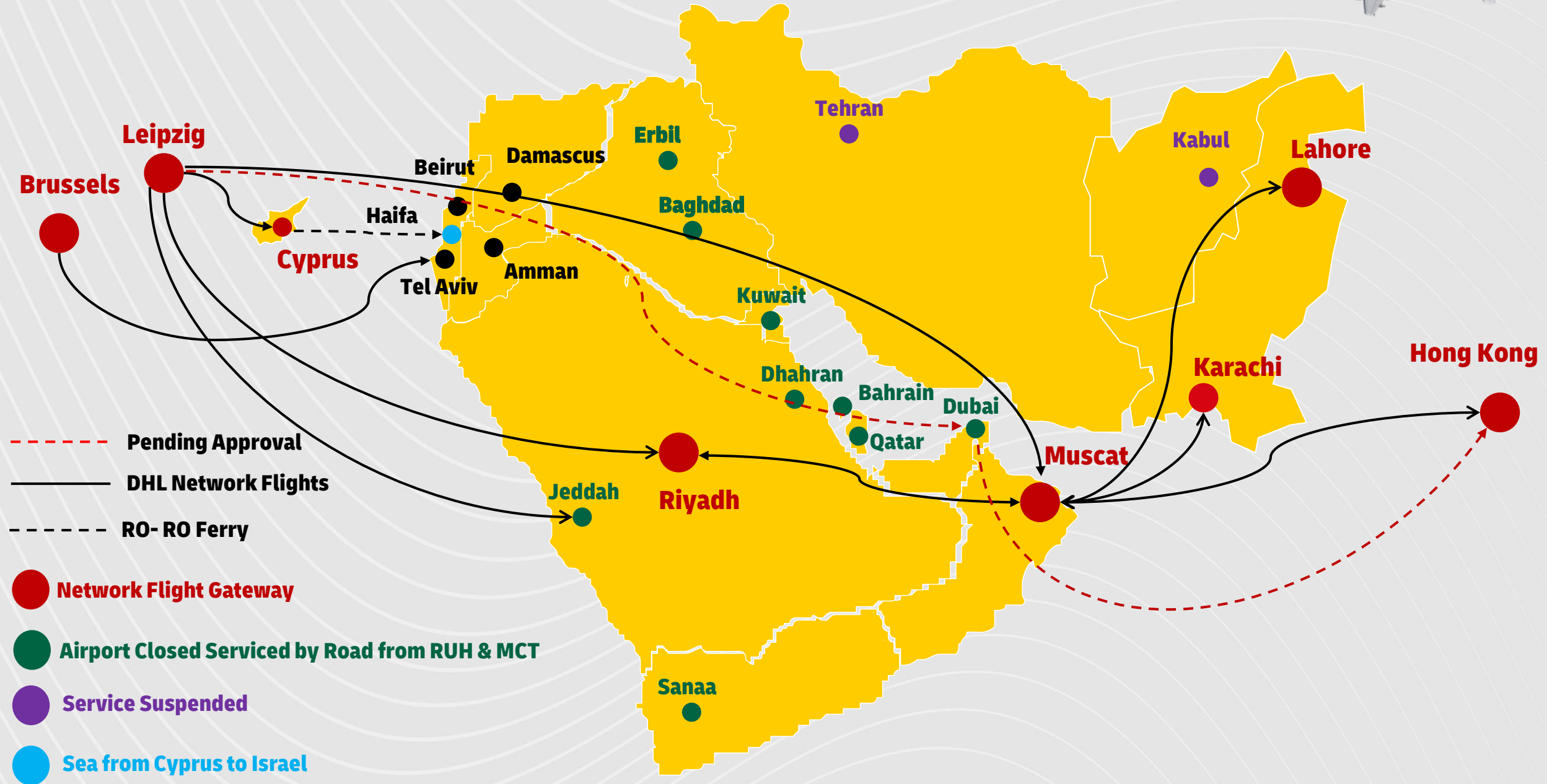
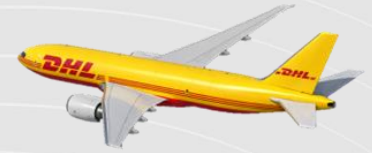
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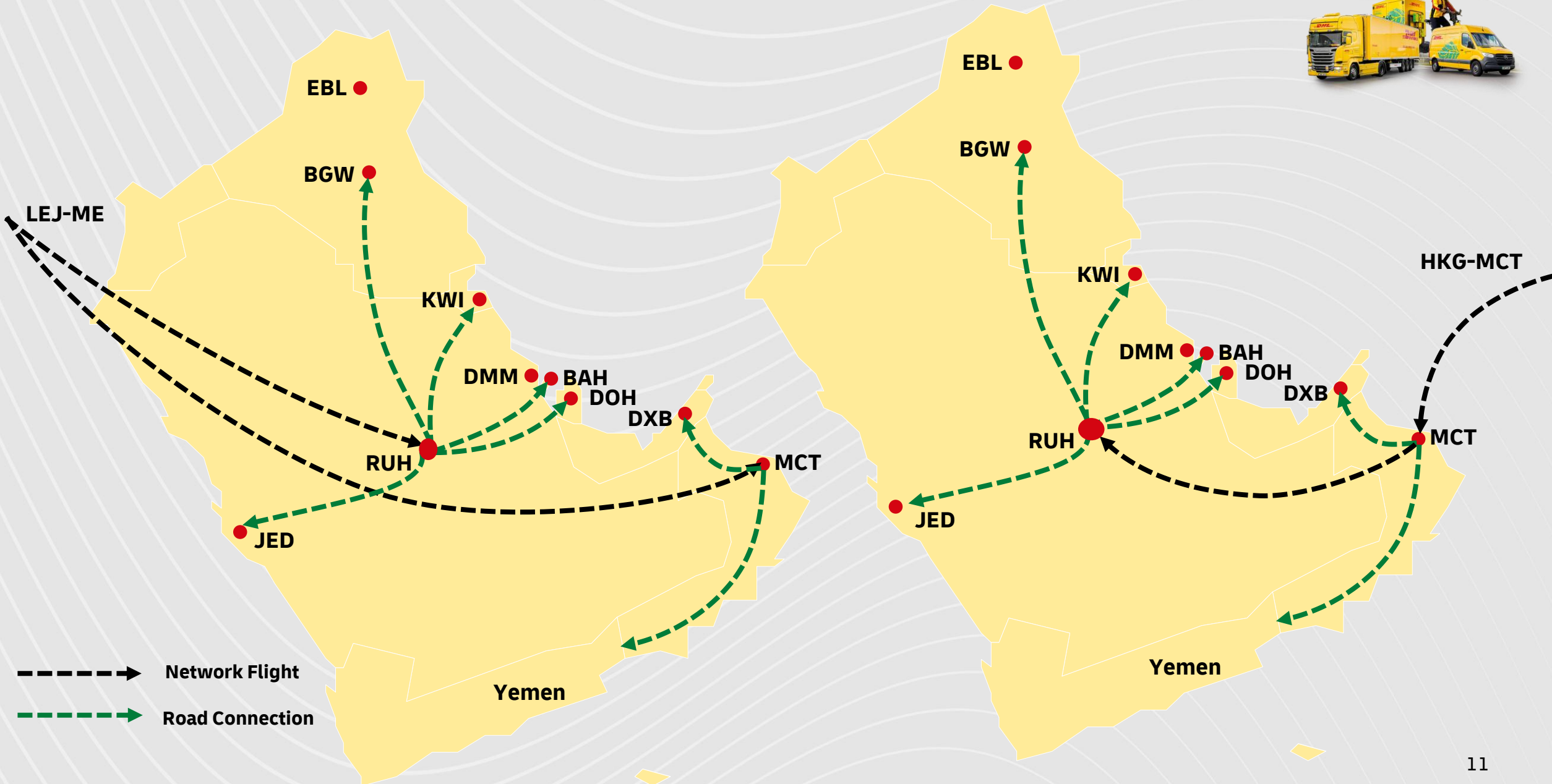
# Middle East Air Network Prior to Feb 28<sup>th</sup>



# DHL Contingency Operation



# Distribution Across the Region

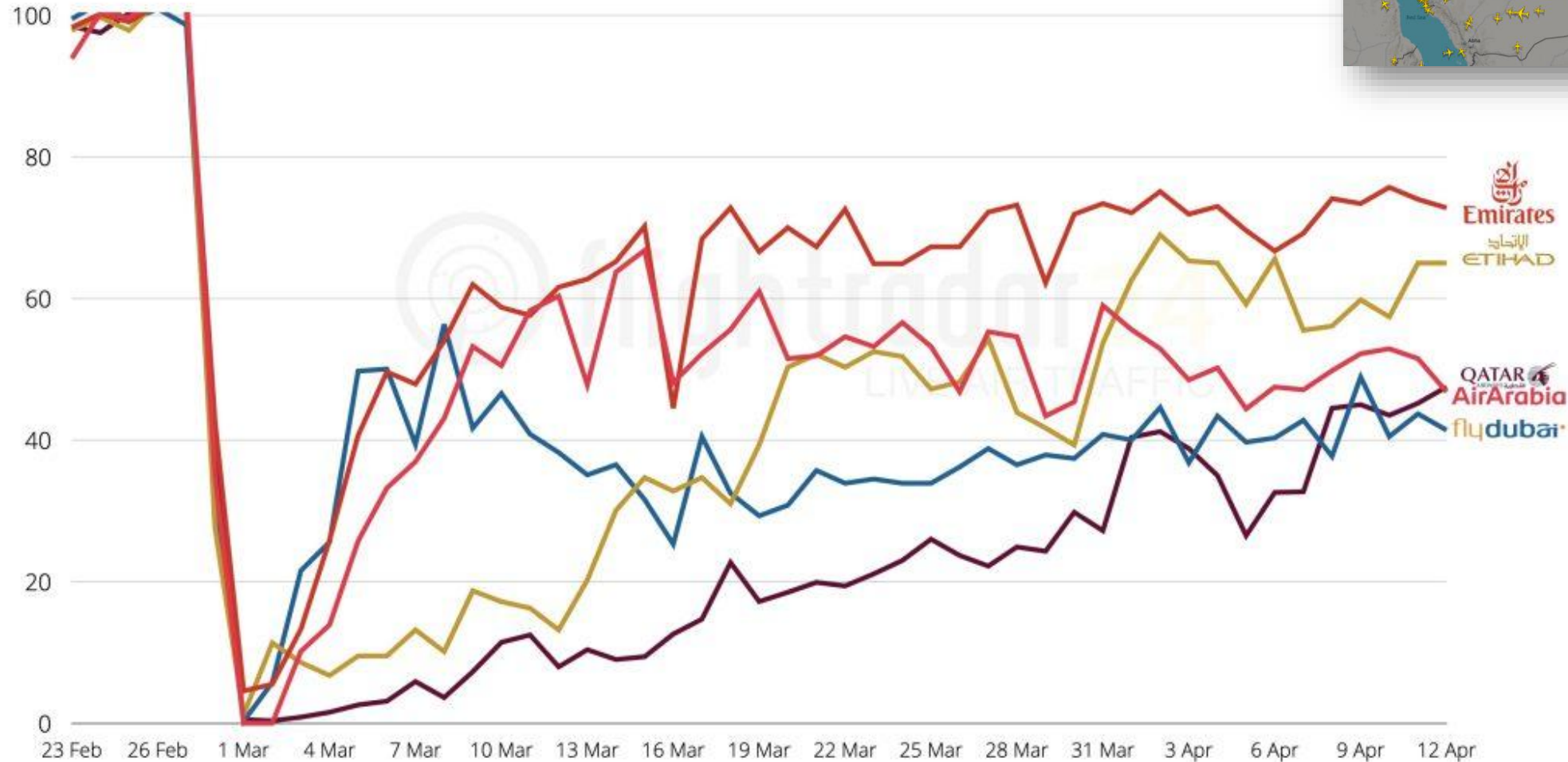


# Airline Recovery Across the Gulf – Flight Radar



### Flightradar24 Gulf airline recovery index

Index, where each airline's average flights 23-27 Feb = 100



# Congestion Update (as of 10<sup>th</sup> April)



**SOHAR**  
Congestion ratio: 71.4%

Total: 9  
Waiting: 7  
Steaming: 5  
Av. wait: 6.9h

**KHOR KAKKAN**  
Congestion ratio: 100%

Total: 7  
Waiting: 4  
Steaming: 8  
Av. wait: 0.8h

**JEDDAH**  
Congestion ratio: 57.1%

Total: 17  
Waiting: 11  
Steaming: 26  
Av. wait: 1h

- Severe
- Moderate
- Minimal

# DHL Ocean LCL Prime service: Jeddah to Jebel Ali

## Reduced Transit Time and Handling

Worldwide



Yellow Box to

Jeddah, KSA



By Road

8 Days

Jebel Ali

UAE

"DG shipments subject to approval on case to case basis"



Final destination Service by Road/Sea

**Qatar (3days)**

**UAE (1-2 days)**

**Bahrain (10 days)**

**Kuwait (5 days)**

**Oman (3-4 days)**



### Jeddah → Jebel Ali → GCC | Key Benefits

- Slightly higher cost, but significantly faster Transit Time in comparison to Oman or Khor Fakkan.
- With our own DHL trucking fleet, we provide schedule predictability and secured transport capacity.
- Reduced lead times, especially from Europe and key global trade lanes.
- Benefits from lower congestion, reliable trucking connections, and controlled DHL execution.
- Direct sealed-box movements (no CFS deconsolidation in Jeddah) reduced handling, no damage risk

# DHL Ocean LCL: Salalah - Sohar to Jebel Ali

Worldwide



Yellow Box to

**SALALAH – SOHAR,  
OMAN**



By Road

4 Days

**Jebel Ali  
UAE**

"DG shipments subject to approval on case to case basis"



Destination Point Service by Road/Sea

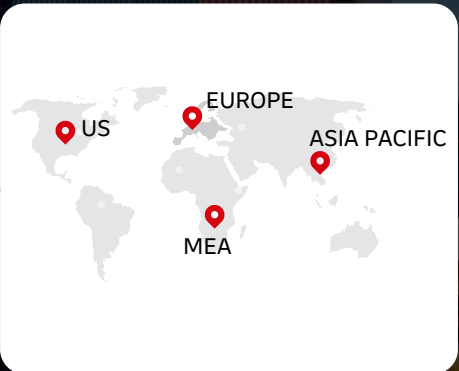
**Qatar (3days)**

**UAE (1-2 days)**

**Bahrain (10 days)**

**Kuwait (5 days)**

**Oman (3-4 days)**



**Salalah (Oman) → GCC | Key Benefits**

- Enhances network flexibility and continuity.
- Features low port congestion and fast cargo turnaround.
- Green corridor advantages support smoother customs clearance and faster Trucking option
- With our own DHL trucking fleet, we provide schedule predictability and secured transport capacity.
- Strengthens supply-chain stability during peak seasons or disruptions.

# DHL Ocean LCL: Khor Fakkan to Jebel Ali

Worldwide



Yellow Box to

Khor Fakkan,  
UAE



By Road

1 Day

Jebel Ali  
UAE

\*DG ship/DG shipments subject to approval on case to case basis"



Destination Point Service by Road/Sea

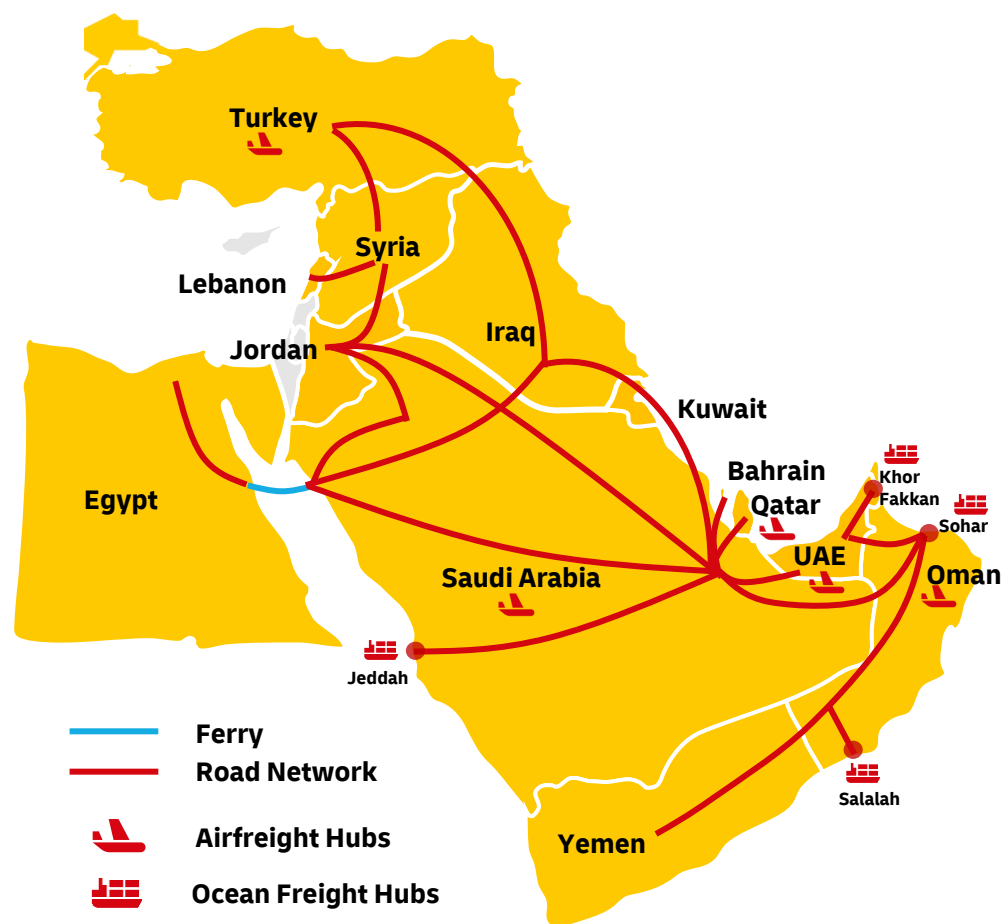
- Qatar (3days)
- UAE (1-2 days)
- Bahrain (10 days)
- Kuwait (5 days)
- Oman (3-4 days)



### Khor Fakkan → Jebel Ali → GCC | Key Benefits

- **Close geographic proximity to Jebel Ali**, supporting smooth onward connections within the UAE and into the wider GCC.
- **Established regional connectivity**, offering flexible vessel and feeder options across key trade lanes.
- **Simplified inland distribution**, with efficient final-mile access from within the UAE and no border complexity.

# Road Freight: A Stable Alternative in Times of Disruption



## Key Capabilities:



- **Direct operations** across AE, SA, OM, KW, BH, QA, IQ, EG, LB, supported by **60+ dedicated experts**
- **Flexible fleet** combining dedicated assets in KSA, UAE and Oman with 5,000+ approved vendor trucks
- **Door to door solutions** connecting ports, airports and business locations; road-led **multimodal alternatives** linked to Air and Ocean hubs

## Control, Visibility and Risk Mitigation:



- **Full control** of cross border flows, with on ground teams supporting faster turnaround and congestion avoidance
- Full range of **equipment options**: dry, reefer, box trucks, low-beds and specialized equipment
- **Secure transport** for high-value cargo, with 24/7 GPS tracking and convoy solutions

# DHL Supply Chain

## Warehousing, value added services – status update 08 April

Aligned with ISO 22301, DHL Supply Chain has developed a Business Continuity Management strategy for effective response and flexibility ensuring a robust, consistent approach across all our global warehouse operations.

Warehouses/Distribution centers & Domestic Transport



- Regional distribution centers operate aligned to confirmed demand supported by essential staffing
- Our Incident Management Teams continuously adapt controls based on daily, site-specific risk assessments to ensure safe and reliable operations across the network
- Warehouse capacity available in the region to support critical infrastructure  
UAE: 12,000-15,000 sqm  
KSA: 8,000-12,000sqm, 4,000sqm in Jeddah
- Strong collaboration, partnership and communication remain fundamental to our approach
- Positive staff morale continually assessed and supported by visible onsite leadership and clear operational direction
- Temporary suspension may be necessary, but we are closely monitoring each site to safeguard our people while maintaining the service levels our customers expect

# Planning ahead: Major future investments to grow MEA logistics capacity

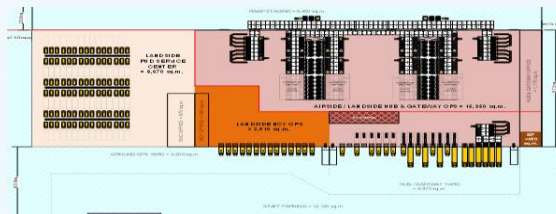


**EUR 120mn investment**  
 Strategically located inside the **Dubai World Central (DWC) area Free Zone opposite DWC airport**  
 Plot Area of 96,094m<sup>2</sup> with built up area of 69,418m<sup>2</sup>  
 LEED Silver certified  
 50 x Loading Bays with Dock levelers  
 Clear Height of 18 meters  
 Convenient access to DWC Airport and SeaPort  
 First operations schedules for Q2 2027



**EUR 130mn investment**  
 Located within **Riyadh's Special Integrated Logistics Zone**  
 Plot of 78,000m<sup>2</sup> with built up area of 53,000m<sup>2</sup>  
 Convenient access to **RUH airport**  
**Multi – User site**  
 Benefiting from SILZ operational and legislative exemptions  
 First operations scheduled for Q2 2027

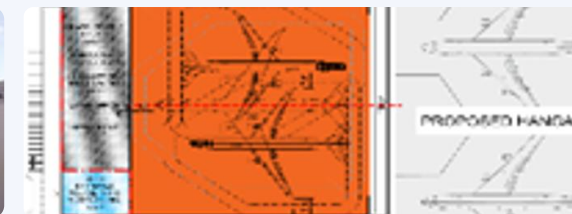
## AE: DWC Build-to-Suit Consolidated facility [DXB Hub Relocation]



**2026–2030: Capex = Eur 32.8M (PV = c.300M over 30-years)**

- Relocation of DXB Hub when airport closes in 2032–34
- 50,000 sqm airside ramp-facing plot under negotiation

## BH: BAH Aviation Maintenance Hangar



**2025–2028: Capex = Eur 69.6M (PV = 94.5M over 25-years)**

- Consolidation of Current Hangar, Workshop, RO; Live Q3'28
- 13,700 sqm greenfield airside/landside ramp-facing site

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