



# 7<sup>th</sup> freedom utilization in Saudi Arabia

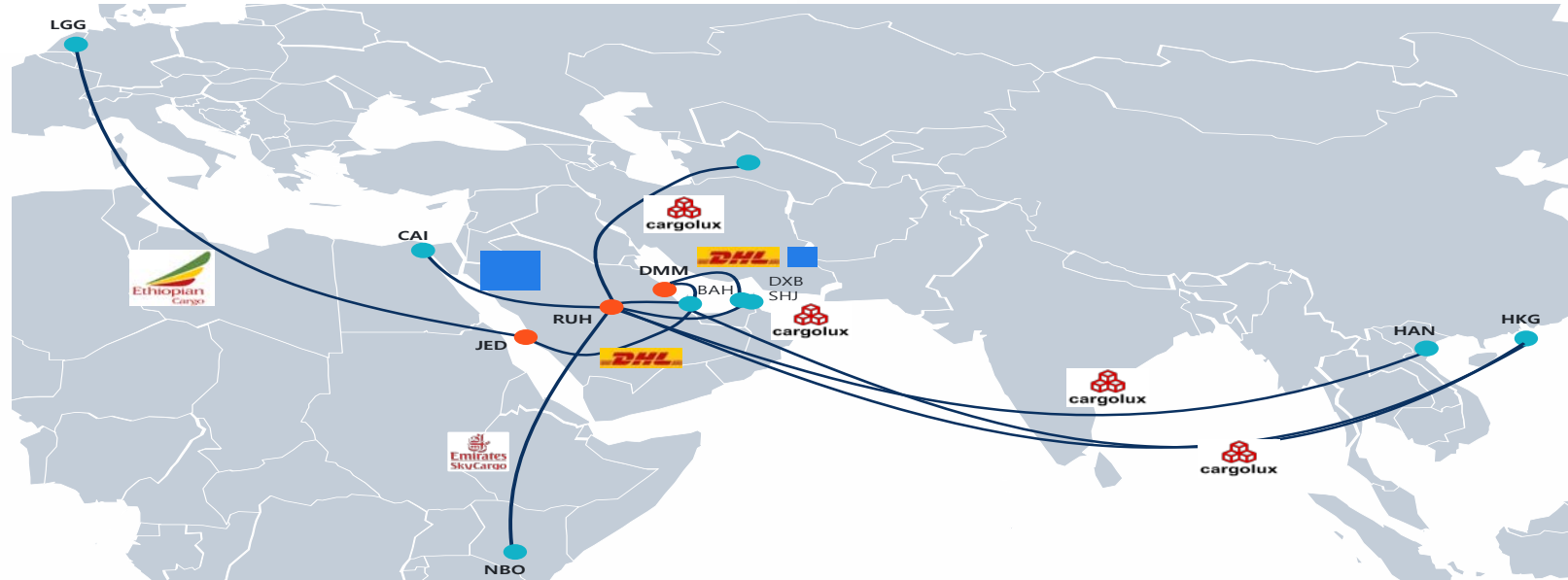


# Saudi Arabia vision 2030



Saudi Arabia has embraced 7<sup>th</sup> freedom right for air cargo in its main airports, attracting global operators to the Kingdom

7th freedom routes operated from KSA by global freighter carriers (2019)



Saudi Arabia considers these routes as vital not only to **facilitate trade** in the region, but also to contribute to a **vibrant aviation and logistics sector**.

98% of the total air cargo market of KSA in 2019 was concentrated in the above three major airports: JED, RUH and DMM

- **JED** is highly dominated by Saudia Airline, with **Ethiopian & DHL** enjoying 7<sup>th</sup> freedom rights
- **RUH** has a high share of foreign cargo players operating under 7<sup>th</sup> freedom, incl. **Cargolux, DHL, Lufthansa & Emirates**
- **DMM** hosts the highest share of foreign carriers, with DHL, Lufthansa and Cargolux flying under 7<sup>th</sup> freedom



## 7<sup>th</sup> freedom is key to streamline trade in Saudi Arabia and reduce the logistics cost of imported goods

- Saudi Arabia is heavily dependent on **air cargo to import** basic consumption goods, such as pharma, textile, perishables and electronics.
- 7<sup>th</sup> freedom allows Saudi Arabia to be a **stop-over** in regional and intercontinental routes flown by global cargo operators
- The drop of belly cargo capacity due to the COVID-19 pandemic has made **full-freighter traffic** more relevant and demanded, which relies more on 7<sup>th</sup> freedoms to operate
- The growth of **e-commerce** and its dependency on air cargo are making 7<sup>th</sup> freedom even more necessary to ensure on-time deliveries
- GACA envisions Jeddah and Riyadh Airports as **global cargo hubs**, and is promoting the establishment of global operators in those airports
- **Riyadh King Khaled International Airport** plays a pivot role in the facilitation of trade for the central region of Saudi Arabia. The airport is expanding its first-line cargo facilities and has reached a cargo handling capacity of **3 Million tons/year**
- **Jeddah King Abdulaziz International Airport** holds and increasing market share of transit traffics. Saudia (SAL) is already expanding its cargo facilities there to aim for over **1 Million tons/year** with state-of-art infrastructure and automation.

RUH south cargo terminal renovation



JED air cargo terminal (future development)



## All-cargo 7<sup>th</sup> Freedom as an Enabler for Air Cargo and the Broader Supply Chain in COVID-19 Times

Provides:

- Critical connectivity for global vaccine transport
- Growth opportunities for e-commerce
- Supply chain resilience
- A sense of certainty to mitigate the uncertainty around the return of belly capacity for passenger operations

## Value of Connectivity in COVID-19 Times

### CART Rec 16 → Connectivity → Global Economic Recovery

- **Connectivity** brings concrete value – fundamental to air transport
- If conditions are met: **good end-user experience** will generate **more cargo** (particularly e-commerce), **economic recovery** and hence **stronger traffic growth**
- **Connectivity** is in line with **Chicago Convention**

شكراً لكم  
Thank You