

From Corridors to Networks: The Next Phase of Middle East Connectivity

Transport Middle East – 30 September 2026



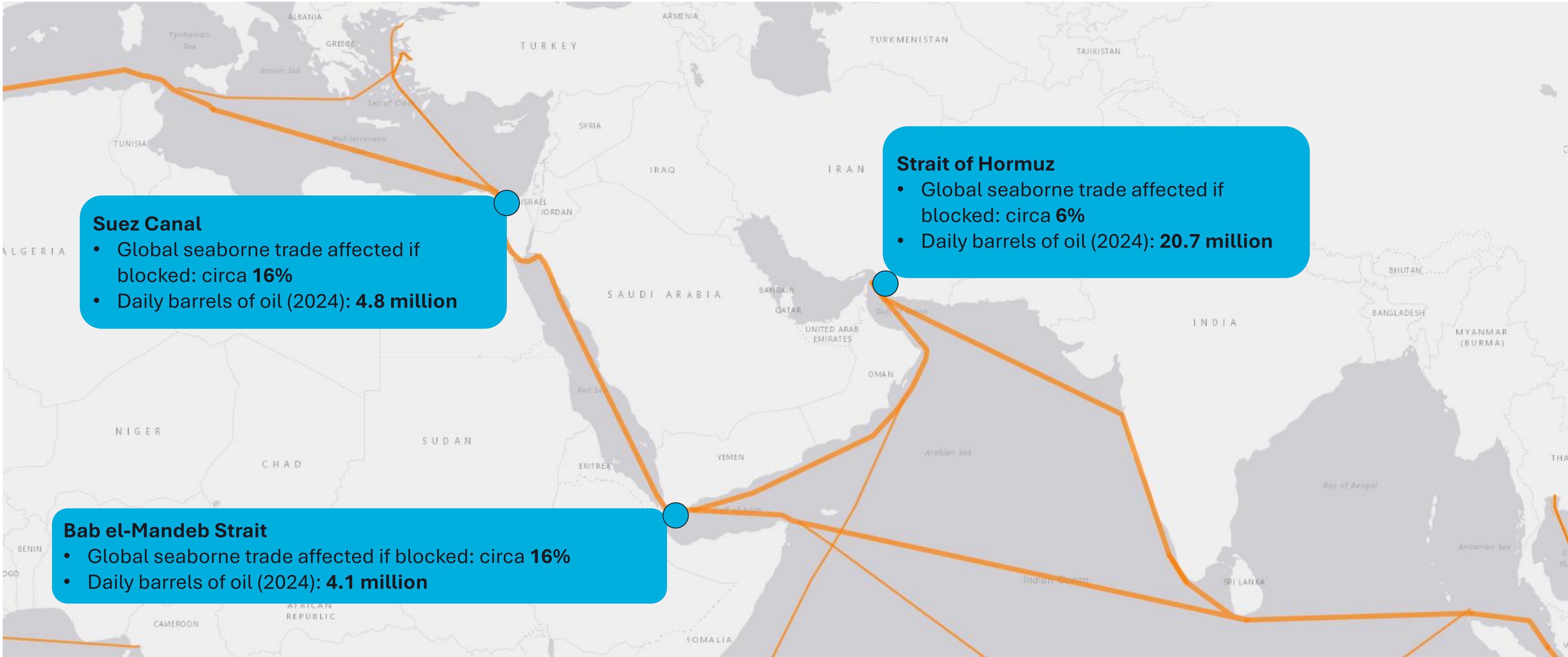
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1. Current context

A region at the centre of Global Trade

Trade growth remains strong and the Middle East is becoming an important logistics platform.



Trade infrastructure in the Middle East

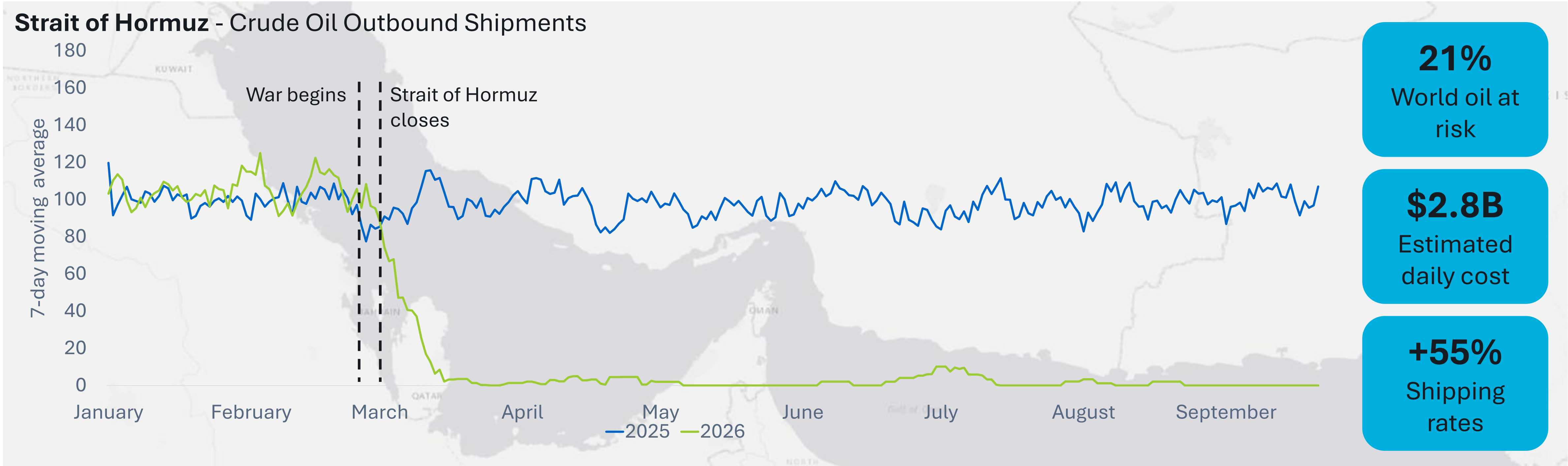
The Middle East is seeing significant growth and investment in ports and logistics infrastructure.

Supply Growth

- **New ports** – New \$400 million terminal planned at Oman's Sohar port
- **Logistics parks** – New integrated logistics park inaugurated in Dammam (2026)
- **Industrial zones** – Saudi Arabia's MODON is investing in 39 industrial cities (ongoing since 2024)
- **Airport & air-cargo logistics** – Dubai is expanding logistics and air-cargo capacity around Dubai South and Al Maktoum International Airport (ongoing since 2024)

Hormuz: Why Recent Events Matter

Recent events have reinforced the need for resilient and connected transport networks.

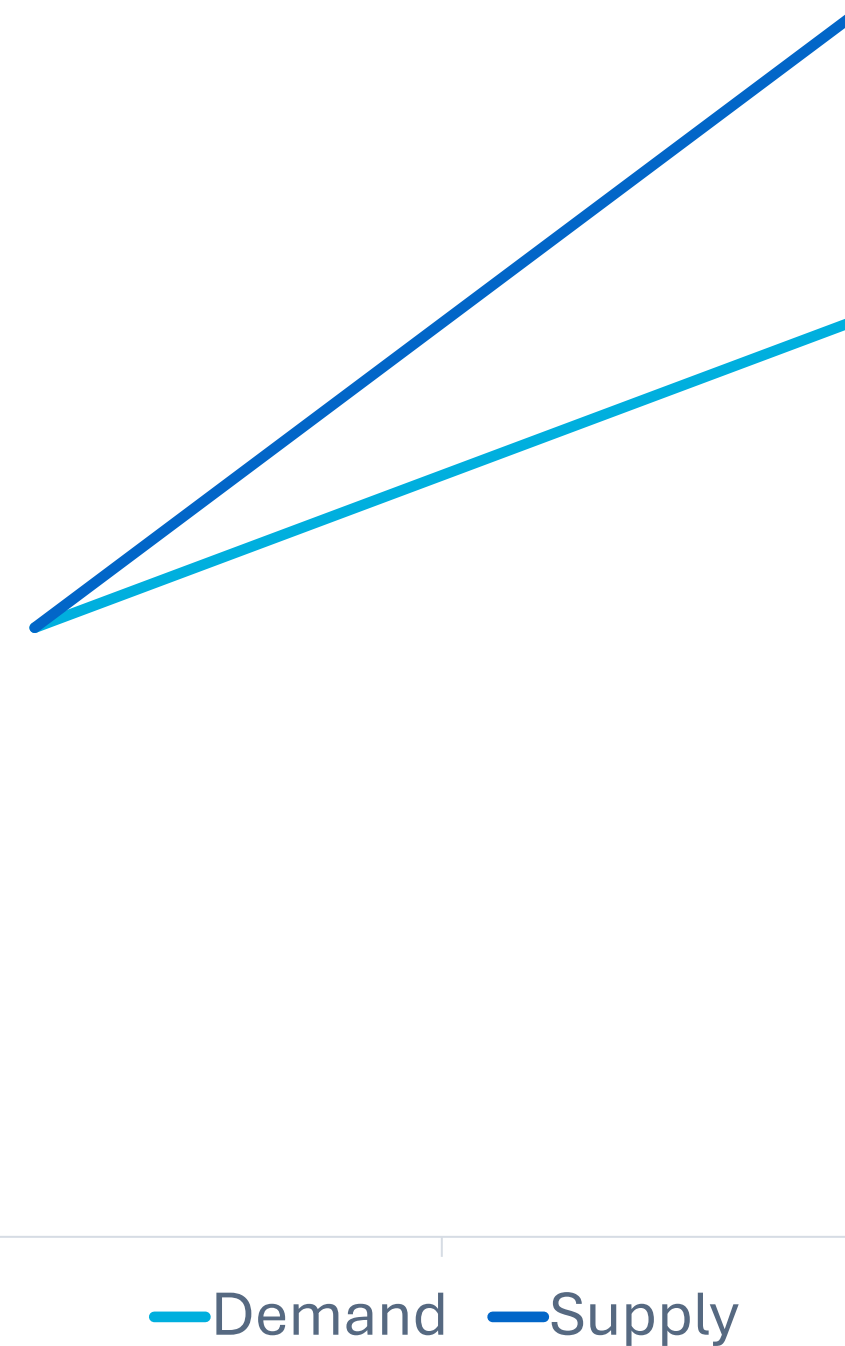


Bab al-Mandab strait

Further south, Houthi forces have recently gained control of the Port of Mocha, bringing the Iran-aligned group closer to control over the Bab al-Mandab strait, another key shipping bottleneck.

Supply vs Demand: Is Infrastructure Growing Faster Than Trade?

Political disruptions present an opportunity to carriers with the network and ability to deploy spare vessels.



- There are currently more container ships available than are needed for the level of global trade.
- Under political disruption:
 - Shipping lines can take detours, deploying otherwise spare vessels to maintain their schedules.
 - Where operationally feasible, carriers can also slow ships down, reducing fuel consumption but requiring more vessels.
- **For carriers with sufficient spare capacity, these disruptions provide an opportunity to absorb excess vessels and, where applicable, maintain additional surcharges.**

DP World targets 2028 for Hormuz-bypass terminals

Two new Fujairah terminals on the Gulf of Oman, operational as early as 2028

- Al Rugaylat: 2.5m TEU container capacity + cargo/Ro-Ro
- Dibba: 3.6m tonnes annual cargo capacity, located ~70 nautical miles from the Strait of Hormuz
- UAE container capacity to rise from 19.4m to ~22m TEU

DP world also plans to grow its truck fleet by about 40% and expand its land routes.

Both initiatives seek to diversify UAE trade routes and reduce reliance on Hormuz.



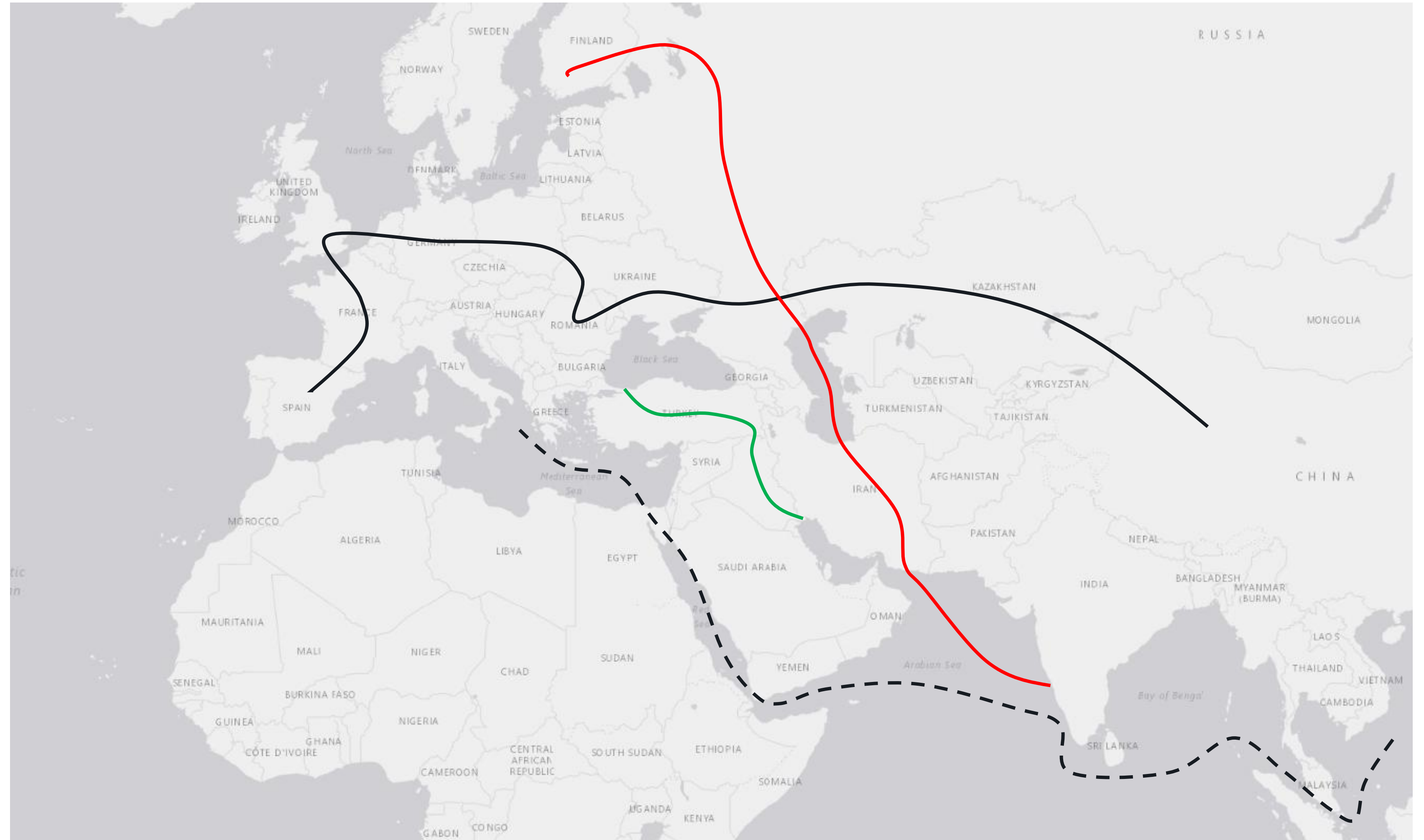
2. Emerging connectivity

Existing networks

The Middle East already sits within multiple established trade networks

Existing trade corridors in the region:

- One belt - One Road
- North-South Corridor
- Iraq Turkey Corridor

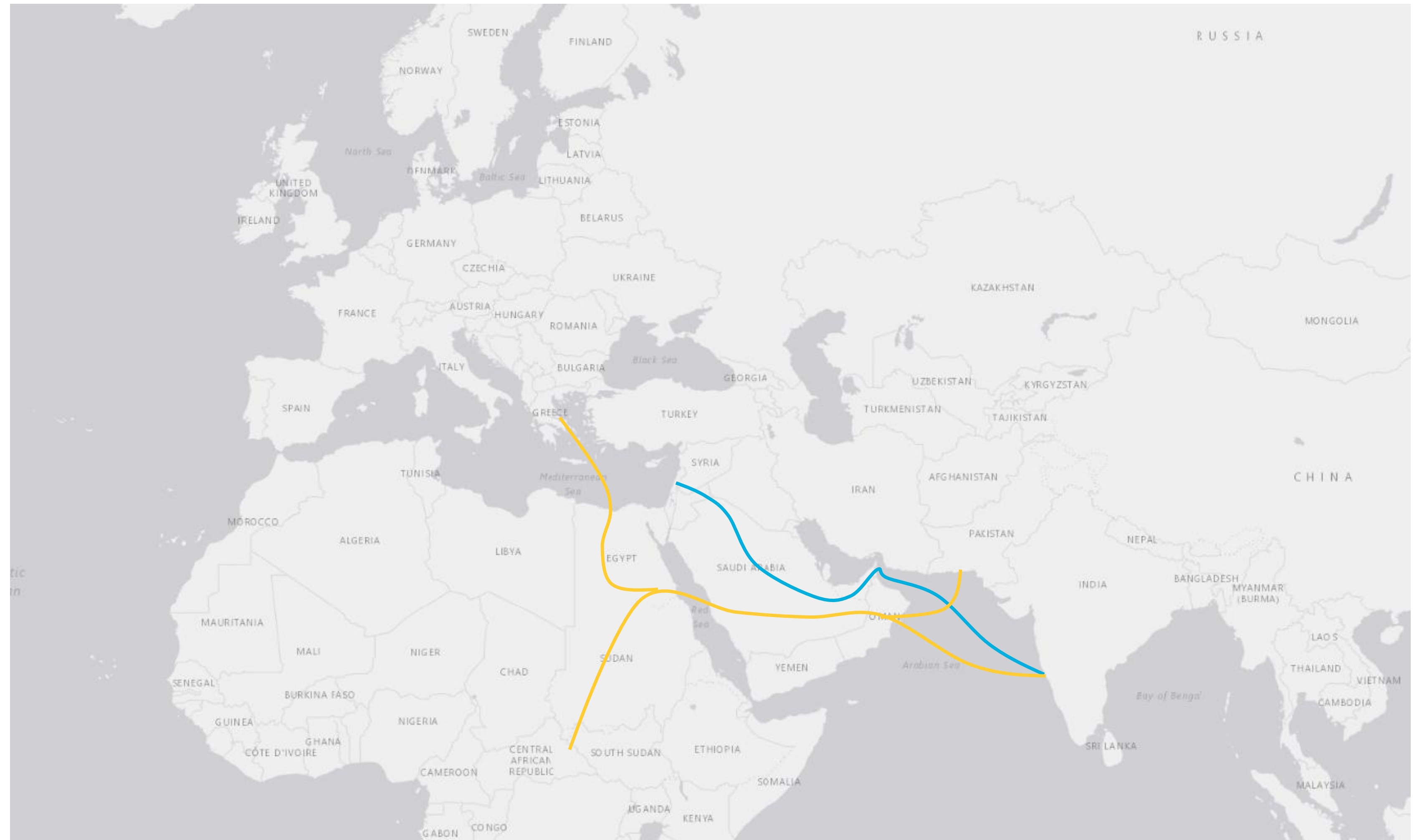


Emerging networks

Multiple initiatives are seeking to improve connectivity between Europe, Asia, the Gulf and Africa.

Emerging networks:

- IMEC
- Golden bridge



The emerging Middle East connectivity network



3. Proposed solutions

Future concepts show the direction of travel

Future concepts are about strengthening the resilience and connectivity of regional transport networks.

For example, the proposed King Salman Canal which has 4 proposed options as shown.

The current sailing route between the Bab El Mandab and Hormuz straits is through the Arabian Sea around the coast of Yemen and Oman.

Distance = 2,970 KM (16,00 NM)

Sailing time = 5-6 days.

Recent years have shown a lot of insecurity to ships from Somali pirates. Costs in kidnap and ransom insurance charges are substantial.



Option 1: Salwa - Salalah Route

A 935 km Gulf–Oman shipping link with a transit time of 1.5-2 days.

The flat terrain could support rapid construction.

However, reliance on Bab el-Mandeb leaves the route exposed to security risks and disruption.

Saudi Arabia - Oman border management could create challenges around tolls / governance.



Option 2: Salwa - Makasir

1,178km connecting Salwa (Saudi Arabia) to the Red Sea (Makasir).

Sailing time approx. 2-2.5 days.

The entire length runs through a single country.

However, construction costs could be higher due to terrain.



Option 3: Salwa - Khalij Salman

Similar to option 2 (length = 1,242 km)

But connects further north.

Geological challenges remain the same as option 2.



Option 4: Khafji-Neom

This path is slightly longer (1,339km) and would takes 2.5 days.

The route could enhance the mega \$500bn NEOM project.

It would connect faster to the northern Red Sea.

Geographic challenges remain the same if not slightly less.



4. Conclusions

Where is value being created?

Value is increasingly being created at the intersection between transport modes.

- Ports that connect markets
- Rail that links economic regions
- Logistics hubs that aggregate cargo
- Intermodal services that bridge networks



Conclusions

Disruption has elevated resilience as a strategic objective.

The Middle East is investing in connectivity faster than trade is growing.

- Future concepts show the direction of travel here e.g. King Salman Canal

Opportunities lie in assets that connect multiple markets and transport nodes.

The key question for investors is not which corridor will win, but which assets will remain valuable regardless of how trade patterns evolve.



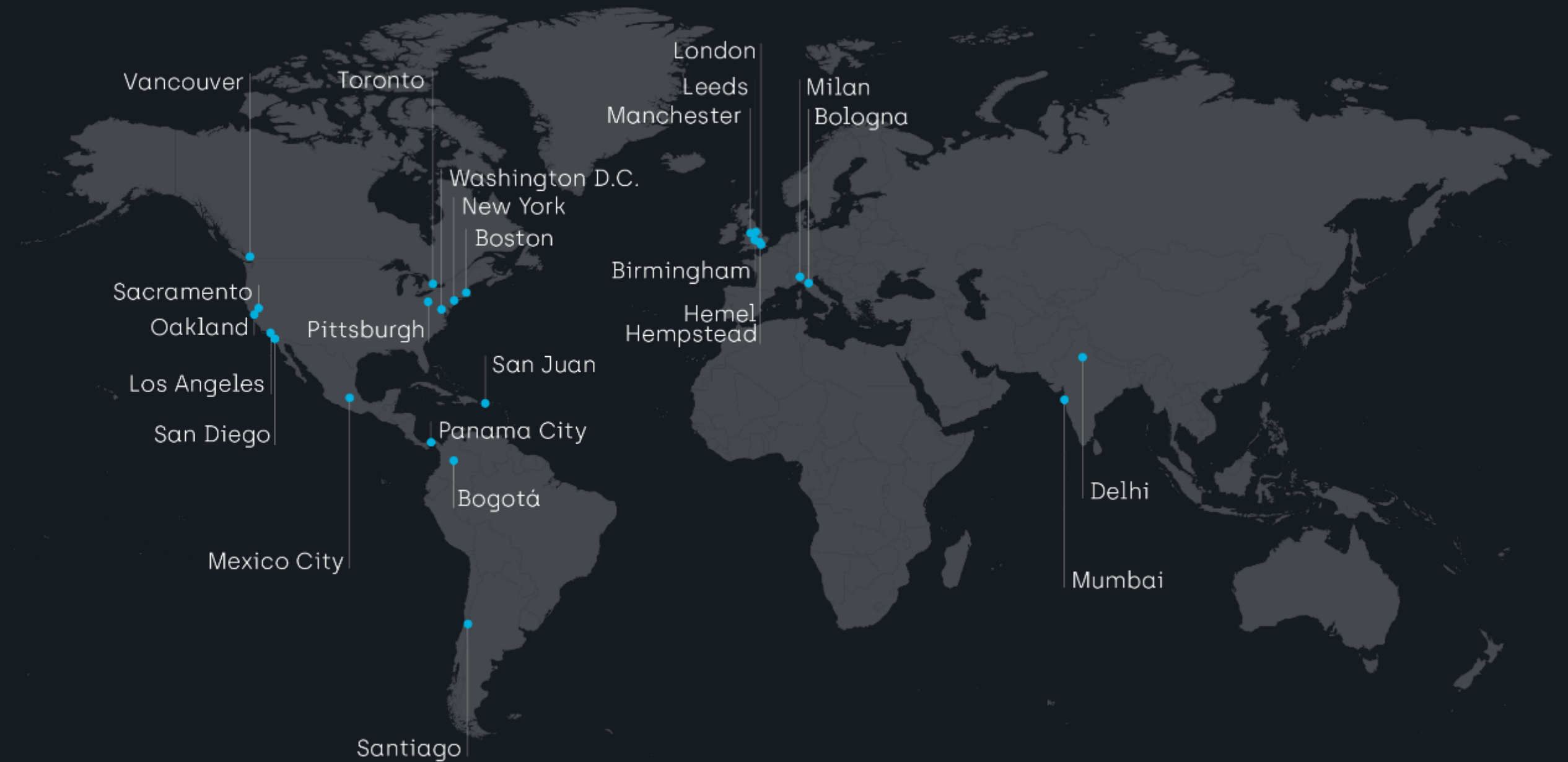
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