

# Logistics Parks and How Geopolitics Affected Egypt's Supply Chain

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Logistics parks serve as hubs for transportation, distribution, and value-added services like packaging and light manufacturing. Their efficiency is driven by connectivity, technological integration, and sector-specific customization. Globally, key logistics hubs in China, the U.S., Europe, and the Middle East offer strategic advantages based on location and infrastructure. Industries such as e-commerce, automotive, pharmaceuticals, and cold storage benefit significantly from these facilities. In Africa, emerging hubs are fostering economic growth and regional trade. Geopolitical trends, including trade policies and supply chain resilience, also play a crucial role in shaping the future of logistics parks.

# Geopolitical Impact on Egypt's Supply Chain

## How geopolitics affected Egypt's supply chain:

### 1. Food Security

- Egypt is one of the world's largest wheat importers, heavily relying on imports to support its subsidized bread program for approximately 70 million people. Geopolitical tensions, such as the Russia-Ukraine conflict, have disrupted global wheat supplies, leading to increased prices and challenges in securing sufficient quantities.


### 2. Trade logistics:

- The Suez Canal is a critical global trade route, with about 15% of global maritime trade passing through it. Geopolitical tensions in the region, such as attacks on vessels in the Red Sea, have disrupted traffic through the canal, leading to increased delivery times and costs as ships are forced to take alternative routes

### 3. Energy resources

- In 2018, Egypt anticipated energy self-sufficiency with the launch of the Zohr gas field. However, declining production and increased domestic consumption have led to energy shortages and frequent power outages. Consequently, Egypt has reverted to importing liquefied natural gas (LNG), securing agreements worth approximately \$3 billion with Shell and TotalEnergies to supply 60 LNG cargoes for 2025.

# Egypt's Supply Chain Landscape: Geopolitical and Economic Dynamics

Country	Geopolitics and industrial policy	Inputs	Infrastructure	Financial conditions	Local supply ecosystems
<p data-bbox="173 282 300 331">Egypt</p> 	<p data-bbox="438 282 759 1348">Egypt benefits from strategic geopolitical positioning, but regional tensions and shifting trade alliances affect supply chain stability. Industrial policies aim to attract foreign investment through economic reforms and free trade zones.</p>	<p data-bbox="810 282 1131 1290">Egypt has a young, growing workforce with competitive wages, but skill mismatches remain a challenge. Energy subsidies support industries, but reliance on imports for intermediate goods raises vulnerabilities.</p>	<p data-bbox="1182 282 1503 1290">Egypt is investing in logistics corridors, ports, and transportation networks to strengthen trade flow, yet infrastructure gaps remain in rural areas. Expanding the Suez Canal and new industrial zones enhance connectivity.</p>	<p data-bbox="1554 282 1875 1405">Egypt's financial sector is improving, with increased foreign direct investment (FDI) inflows. However, currency fluctuations and inflation create financial uncertainty for investors. Reforms are underway to enhance capital access.</p>	<p data-bbox="1926 282 2247 1405">Egypt has a diverse export base, including agriculture, textiles, petrochemicals, and automotive components. Expanding trade agreements and special economic zones (SEZs) are fostering a more competitive local supply ecosystem.</p>

# Logistics Parks: Trends, and Global Comparisons

## Logistics Parks – Overview

- A logistics park, also called a multi-modal logistics hub, is a physical destination where multiple logistics companies can execute logistics operations, transport and distribute goods. These parks are designed to be well connected to major roads and railway stations to reduce the cost of goods transport, serving local and possibly regional or international markets.
- Key Factors that Make Logistics Parks Stand Out: Connectivity (Ports, Airports, Rail, Highways); Technological Integration (Automation, Data Management, AI); Proximity to Major Markets; Capacity and Scalability; Customization for Specific Sectors (Cold Storage, Heavy Duty, etc.).
- The logistics park concept is based on the improvement of transport quality and logistics infrastructure, inter-modal development and a reduction in logistic and infrastructure costs.
- Companies in logistics parks usually use them to assemble, package, process or do light manufacturing of products. Optimal locations for logistics parks are close to major ports (whether land or sea) and national hubs making transport easier and less costly and close to local markets for distribution.
- In addition to logistics organization and management services, advanced logistics parks include labour accommodation, data centers, and retail services for eg that cater to the businesses in the park and offer environment friendly solutions.
- Clients of logistics parks range from small businesses that need cost-effective solutions and ready to move in facilities, to local market leaders and multinationals looking to import or export.

# Top Logistics Parks Internationally



## Strategically located LPs providing warehousing and supply chain services:

Logistics Park	Location	Overview
<b>Shanghai Yangshan Port Logistics Park</b>	Shanghai, China	Close to one of the busiest ports in the world, this logistics park is a hub for warehousing, transportation, and distribution, offering businesses fast access to both the Chinese market and global shipping routes.
<b>Inland Port of Savannah</b>	Georgia, USA	The Port of Savannah is one of the largest container ports in the U.S., its inland logistics park provides top-tier facilities for container handling, distribution, and intermodal services.
<b>DHL Supply Chain Campus</b>	Leipzig, Germany	Serving as a major logistics hub in Europe, this park provides a wide range of logistics services, including supply chain management, warehousing, and fulfillment centers. It connects to major transportation networks, ensuring seamless connectivity across Europe.
<b>Tuas Mega Port Logistics Park</b>	Singapore	As a global shipping hub, Singapore has one of the best logistics parks with highly advanced technology and infrastructure. The Tuas Mega Port aims to provide a world-class environment for international trade, warehousing, and transportation.
<b>London Gateway Logistics Park</b>	London, UK	A state-of-the-art logistics hub located near the Port of London, it serves as one of the busiest and most advanced logistics parks in Europe. It offers extensive facilities for storage, distribution, and customs handling.
<b>Maasvlakte 2 Logistics Park</b>	Rotterdam, Netherlands	As Europe's largest port, the Rotterdam Maasvlakte 2 logistics park provides excellent connectivity to global shipping lanes. It's ideal for both large-scale manufacturing and supply chain operations with its modern warehousing and distribution solutions.
<b>Dubai South Logistics Park</b>	Dubai, UAE	Strategically located near Al Maktoum International Airport and Jebel Ali Port, Dubai South is a key logistics and industrial hub. The logistics park offers modern infrastructure and is a major gateway for international businesses in the Middle East.
<b>Logistics Park</b>	Pune, India	Pune has developed a growing logistics hub, with well-planned parks offering proximity to both Mumbai and key manufacturing regions. Pune's parks are highly rated for their infrastructure and ease of access to highways and railways.
<b>Sydney Logistics Park</b>	Sydney, Australia	Sydney's logistics park is an important center for warehousing and distribution, with facilities tailored to major retail and e-commerce businesses. Its strategic location provides access to Australia's domestic and international shipping routes.
<b>Querétaro Industrial Park</b>	Querétaro, Mexico	Situated in a strategic position in central Mexico, this logistics park serves as a key hub for manufacturing and distribution, especially for businesses looking to access the U.S. market. Its location provides easy access to highways, airports, and major ports.

# Top Logistics Parks Internationally



Strategically located LPs providing warehousing and supply chain services:



## Sectors with Best Logistics Parks

### Top sectors and regions for logistics parks:

**1. E-commerce: Key Markets:** North America (USA, Canada), Europe (Germany, Netherlands), China, Southeast Asia: Some e-commerce giants like Amazon, Alibaba, and others require massive distribution centers that are highly automated and located near major population hubs. These parks focus on speed, automation, and scalability. E.g. Large fulfillment centers near major cities in USA and China.

**2. Automotive: Key Markets:** Germany, Japan, South Korea, Mexico, the U.S: The automotive industry requires a complex network of suppliers and manufacturers to ensure timely delivery. These parks are geared toward handling the heavy movement of parts and final products. E.g. Bavaria in Germany and the automotive hubs in Mexico's "Automotive Valley" offer advanced logistics solutions.

**3. Pharmaceuticals and Healthcare: Key Markets:** Europe (Switzerland, Germany, Netherlands), U.S., India, China: Pharma and healthcare logistics parks are usually designed with temperature-controlled storage, stringent security, and quality assurance in mind. These parks handle everything from raw materials to finished products. E.g. The Netherlands is a hub for pharmaceutical logistics, with Schiphol Airport offering a major gateway.

**4. Retail and Fashion: Key Markets:** U.K., U.S., Italy, China, India: Fashion and retail supply chains are highly time-sensitive and seasonal. Parks in these sectors need to focus on speed and responsiveness, with specialized infrastructure for clothing, accessories, and seasonal goods. E.g. The U.K. and the Netherlands are known for their e-commerce-driven logistics parks in the fashion sector.

**5. Cold Storage/Perishables: Key Markets:** South America (Brazil), U.S., Europe (Spain, France), New Zealand, Australia: The cold chain logistics sector requires specialized parks to maintain the integrity of products like food, pharmaceuticals, and even chemicals. These parks rely on temperature-controlled environments and robust supply chain systems. E.g. Spain is one of the key hubs for cold storage logistics in Europe, with key ports like Barcelona handling significant volumes.

## Sectors with Best Logistics Parks

**6. Technology & Electronics: Key Markets:** China, Taiwan, South Korea, U.S.: The tech industry needs agile supply chains to deal with rapid product cycles. High-value products like semiconductors, consumer electronics, and high-end components often move through specialized logistics parks with advanced handling and security features. E.g. The tech cluster in Taiwan has a number of state-of-the-art logistics parks dedicated to electronics.

**7. Air Cargo and Aviation: Key Markets:** UAE (Dubai), Singapore, Hong Kong, U.S. (Memphis, Louisville): Air cargo logistics parks are strategically located near international airports to ensure swift, efficient movement of goods. These parks often have specialized handling for high-value or time-sensitive items. E.g. Dubai International Airport's Cargo Village is a key hub in the Middle East.

**8. Consumer Electronics & Appliances: Key Markets:** China, South Korea, U.S., Mexico: Consumer electronics require precision logistics, especially given the rapid turnover of products and the global nature of demand. Logistics parks are designed to support international shipments and timely deliveries. E.g. The logistics park in Shenzhen, China, is a crucial hub for electronics distribution.

**9. Heavy Industry & Manufacturing: Key Markets:** Germany, U.S. Midwest, South Korea, Brazil: Large-scale industrial operations rely on specialized logistics parks that handle bulky, heavy, or complex parts, machinery, and raw materials. These logistics parks are critical to the smooth functioning of manufacturing ecosystems. E.g. Detroit and surrounding areas in the U.S. offer robust logistics infrastructure for the automotive and manufacturing industries.

**10. Renewable Energy: Key Markets:** Germany, U.S., China, India: The sector involves the transportation of large, specialized equipment, such as wind turbines and solar panels. Logistics parks for this sector need to support the large-scale movement of bulky goods over long distances. E.g. Logistics hubs in regions like Texas (U.S.) and China support renewable energy projects with dedicated facilities.

## Key Logistics Parks Worldwide, Middle East & Africa

- **Europe:** Rotterdam, Hamburg, and the Netherlands are top hubs due to their connectivity and infrastructure. The UK is also prominent for fashion and e-commerce logistics.
- **Asia:** Singapore, Shanghai, Hong Kong, and Shenzhen are major logistics centers for electronics, e-commerce, and tech.
- **U.S.:** Memphis (FedEx), Chicago, and Los Angeles provide great infrastructure for a range of sectors, including air cargo and e-commerce.
- **Middle East:**
  - **Dubai Logistics City (DLC):** One of the largest logistics parks in the region, part of the Dubai World Central development. It offers integrated logistics services, proximity to the Al Maktoum International Airport, and easy access to the seaports.
  - **King Abdullah Economic City (KAEC):** In KSA, this is a major logistics and industrial hub, with a strong focus on port operations at King Abdullah Port and a comprehensive industrial zone to support the country's Vision 2030 economic diversification plan.
  - **Qatar Logistics Park:** This logistics hub is designed to cater to both air and sea transportation, with advanced facilities for warehousing, distribution, and value-added services.
  - **Jebel Ali Free Zone (JAFZA):** One of the largest free zones in the world, located in Dubai. It hosts a significant number of international logistics companies and has direct access to the Jebel Ali Port and Dubai Int'l Airport.
  - **Bahrain Logistics Zone** – An area focused on logistics, warehousing, and transportation services. Its location near the King Fahd Causeway, connecting Bahrain to Saudi Arabia, is a strategic advantage for regional trade.

## Key Logistics Parks Worldwide, Middle East & Africa

- Logistics parks in Africa are rapidly growing due to the continent's increasing demand for infrastructure to support trade, transportation, and industrial activities. These parks are designed to centralize logistics operations, providing efficient solutions for warehousing, distribution, and transportation.
- Main logistics parks across Africa:
  - 1. Tanzania:** Mtwara Logistics Park: Located in southern Tanzania, it serves as a key hub for cargo handling, particularly for trade with neighboring countries such as Mozambique and Zambia. It is strategically positioned for enhancing regional trade and improving infrastructure.
  - 2. Kenya:** Nairobi Industrial Park: Nairobi, Kenya, has several logistics parks and industrial zones, with the Nairobi Industrial Park being the main one. It serves as a critical distribution hub for East Africa. The park is connected to Kenya's key transport corridors, including the Standard Gauge Railway (SGR), linking it to the port of Mombasa.
  - 3. South Africa:** Waterfall Logistics Hub: Located in Gauteng, it is one of the largest logistics parks in South Africa. It's strategically located between Johannesburg and Pretoria, with direct access to major highways, rail networks, and an international airport. It serves as a key point for warehousing and distribution, catering to various industries.
  - 4. Nigeria:** Lagos Free Trade Zone (FTZ): The Lagos FTZ, located in the southwestern part of Nigeria, is one of the country's prominent logistics and industrial parks. It offers tax incentives and facilities for logistics operations, providing both warehousing and office spaces. The zone is located near the Lagos port, making it an essential hub for import/export activities.

## Key Logistics Parks Worldwide, Middle East & Africa

**5. Morocco:** Tangier Med Port & Industrial Zone: Tangier Med Port is one of the largest and most important logistics hubs in North Africa. The port is located near Tangier and offers an industrial zone with advanced logistics capabilities, connecting Morocco to European and Mediterranean markets. The nearby Tangier Free Zone provides key benefits to logistics and distribution companies.

**6. Egypt:** 6<sup>th</sup> of October Logistics Park: Situated in West Cairo, the 6<sup>th</sup> of October Logistics Park is strategically placed to serve as a logistics center for Egypt and the broader MENA region. This park is connected to major transportation routes and supports a range of industries, including manufacturing, retail, and distribution.

**7. Rwanda:** Kigali Logistics Platform: The Kigali Logistics Platform (KLP) is designed to improve the country's trade and transportation efficiency. It provides essential services such as storage, handling, and distribution for goods moving within East Africa.

**8. Ethiopia:** Modjo Dry Port: Located near Addis Ababa, Modjo Dry Port is a critical logistics hub for Ethiopia. The dry port serves as a key gateway for goods entering and leaving the landlocked country, offering services related to storage, container handling, and distribution.

**9. Ghana:** Tema Port & Industrial Zone: Tema Port, located near Accra, is one of the largest in West Africa. It has a dedicated industrial zone with logistics infrastructure to handle large volumes of import and export activities. The park is designed to boost industrialization and trade within Ghana and the wider West African region.

**10. Zimbabwe:** Belmont Industrial Park: Belmont Industrial Park in Bulawayo, Zimbabwe, is an emerging logistics hub, providing services for warehousing and distribution. It has access to railways and the road network, which makes it suitable for cross-border logistics activities.

# Emerging Trends and Importance of Logistics Parks in Africa

- **Infrastructure Development:** Logistics parks are driving investments in infrastructure such as roads, railways, and airports, which improve the ease of doing business.
- **Special Economic Zones (SEZs):** Many logistics parks operate under SEZ schemes that offer tax incentives and streamlined regulations, making them attractive to international investors.
- **Regional Connectivity:** As intra-African trade grows, logistics parks help bridge the gap between landlocked countries and international markets.
- **Industrial and Economic Growth:** These parks stimulate local economies by supporting various industries, including manufacturing, e-commerce, and retail.
- Main trade and shipping routes pass through and around Africa and the Middle East, rendering the area a hot spot for logistics parks.



# Geostrategic Developments in 2025

- The top 10 geopolitical developments in the 2025 Geostrategic Outlook are likely to have more direct impacts on how certain sectors transform, particularly in the near to medium term. The below chart shows the key market themes and business impacts for 18 sectors.
- The geopolitics of supply chains include global political, economic, and strategic factors that influence the movement of goods, raw materials, and services across borders. As supply chains are the backbone of international trade, shifts in geopolitics, such as changes in trade policy, sanctions, or international relations, can have significant effects on how goods are produced, moved, and consumed. Companies must constantly assess risks and adjust their supply chain strategies in response to shifting political and economic landscapes.

• Key aspects influencing global supply chains include:

- Globalization and Interdependence
- Trade Wars and Protectionism
- China and the Global Supply Chain
- Regionalization and Nearshoring
- Resource Access and Control
- Technological and Cybersecurity Threats
- Environmental and Sustainability Factors
- Supply Chain Resilience

Figure 12. Geopolitical impacts on businesses are broad based but will vary across sectors  
Summary of the top 10 geopolitical developments by direct sector impacts

	Banking and capital markets	Insurance	Wealth and asset management	Chemicals, oil and gas	Mining and metals	Power and utilities	Industrial products	Mobility, aerospace and defense	Consumer products	Retail	Health	Life sciences	Technology	Telecommunications	Media and entertainment	Private equity	Real estate, hospitality and construction	Government and public sector
Populist policy influences	✓		✓		✓				✓				✓		✓	✓		✓
Taxation conundrums		✓	✓		✓		✓		✓	✓	✓		✓		✓		✓	✓
Demographic divides	✓	✓	✓			✓			✓	✓	✓	✓		✓	✓	✓	✓	✓
De-risking and dependencies	✓		✓	✓			✓	✓	✓			✓	✓	✓		✓	✓	✓
Digital sovereignty	✓	✓	✓			✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Climate and competition	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓		✓		✓		✓	✓
New geo-energy dynamics				✓	✓	✓	✓	✓			✓		✓			✓	✓	
Emerging market integration							✓	✓										
Wars and conflicts	✓	✓	✓	✓			✓	✓	✓	✓	✓				✓			✓
Astro-politics and the space economy					✓			✓						✓				✓

Source: EY analysis.

Thank you

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