

Evaluation of the Logistics Performance Index between Saudi Arabia and the United Arab Emirates

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Abstract:

This study focused on the logistics performance index, which is considered the most important tool for evaluating the comparative global economic situation of countries, as it constitutes the pillar of international trade. When logistics systems are weak in efficiency or non-existent, the ability of countries to be globally competitive in trade among themselves and to win new markets is weakened, and thus affects the related economic development. By increasing production, the study addressed the developments of this indicator and its impact on economic development in Saudi Arabia and the United Arab Emirates. The study aims to show the importance of logistics and determine the level of logistics services and a descriptive analysis of the components of this indicator in the period 2007-2023. We noticed that the United Arab Emirates maintained its ranking and lead. At the level of the Middle East and North Africa region in this indicator, while Saudi Arabia ranked fourth in the Arab world, this confirms that this indicator is a measure that summarizes the performance of the logistics sector and that the importance of improving it leads to the growth of intra-trade between countries and their economic growth, especially in emerging economies compared to industrialized countries.

This study concluded that the success and progress in the ranking of the Logistics Performance Index in the world depends on the availability of advanced infrastructure, the effectiveness and efficiency of the customs clearance process, human resources with sufficient skills, and a good legislative and investment climate that helps attract foreign direct investment, and the geographical location of the logistics areas. On global maritime transport lines and its proximity to vital ports are among the most important signs of countries' success in the field of logistics.

Keywords: Logistics performance index ; International Trade ; Saudi Arab; United Emirates.

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1.Introduction.The logistics performance of trade plays an important role in achieving economic growth for any country as it contributes to reducing trade costs, thus increasing trade volume and achieving diversity in exports. Logistics chains constitute the backbone of

international trade as effective and efficient logistics systems are important for the global economy, and national economies are greatly affected by the quality of logistics systems. Logistics is also important in achieving economic growth and creating job opportunities at the national level. When transportation systems, logistics or infrastructure are inefficient and ineffective, the country's ability to compete globally is weakened.

Logistics is the process of planning and implementing the effective transportation and storage of goods from the point of origin (the institution) to the final consumer point. Modern logistics is customer service logistics and is the driving force behind logistics production, and traditional logistics management focuses on the integration of internal and external operations and organization within the facility, where the goal of logistics services is to meet customer requirements in a timely manner and at the lowest cost and increase efficiency and improve quality.

Hence comes the Logistics Performance Index and the performance of the logistics sector in countries, as it is based on six main performance axes in a single measure that reflects the logistics performance of a country in customs, infrastructure, international shipping, efficiency of logistics service quality, follow-up and tracking, and arrival time. This index is designed by the World Bank, and governments can use the Logistics Performance Index to better understand the link between logistics services, trade and growth, and the policies that countries can put in place to compete at the global level.

.1.1The problem: What is the level of the Saudi and Emirati Logistics Performance Index?

.2.1Sub-questions:

-Do logistics services contribute to the satisfaction of the final consumer?

-Is the performance of logistics services one of the basic factors that contribute to improving international trade?

-Are the presence of economic, material and human resources considered as basic components for the advancement of logistics performance?

.3.1Objective of the study: The study is concerned with the subject of logistics and the evaluation of the global logistics performance index from 2007 to 2023, highlighting the basic standards adopted in this index that helps countries identify the opportunities and challenges facing the logistics services sector and rely on it as an effective solution towards effective economic growth and the development of their trade, especially foreign trade, by raising the efficiency and quality of logistics services performance, as the study presents the case of Saudi Arabia and the Emirates and their global ranking in the logistics performance index.

.4.1Research Methodology: The descriptive approach was used, which included reviewing quantitative data and information from the World Bank, describing the various theoretical

aspects related to the study, with the use of the analytical approach, where we used the analysis of the data available for the study countries.

.Theoretical Framework for Logistics Performance Logistics Definer

.1.2Historical Origins of Logistics Services:

The first use of the word logistics was in the military field during World War II, which is the technology of transporting soldiers and supplies to military forces. Some historians say that the Roman army used logistics, but the first appearance of this word was in the 17th century in France in 1670 (Abdul Qader Fathi and others, 2007, p. 30), where one of King Louis XIV's advisors proposed a solution to the increasing administrative problems that appeared to the army in these eras. The proposal was to create a rank called "Marshal General de Logie", whose responsibility was to plan the selection of sites, organize the movement of movements and supplies for the army, and activate it in the economic field with the concept of logistics economics, which is the process that enables companies to increase their revenues at the lowest possible cost while providing the needs of customers. (Sezer & Abasiz, 2017, pp. 11-23)

The origin of the concept of logistics was military and the concept of logistics began to be used in the French armies in 1905 with the aim of ensuring the arrival of ammunition and supplies at the right time and place, and in the best possible way. This term was used during World War II, where there was a great demand for weapons supplies, as it became one of the factors of the victory of the Allied armies. After World War II, the term logistics appeared strongly, especially in the American army and became an official word in all armies (Abdul Qader Fathi and others, 2007, p. 30)

.2.2Definition of logistics performance:

The logistics supply system is the management of the flow of goods and supplies that include information, data and documents between two points, where logistics services play an important role in the post-purchase function of delivering raw materials from the supplier to the point of production and managing the supply chain of finished goods from the point of dispatch from the factory to the point of delivery to the customer and is the backbone on which supply chains are based.

Commercial logistics refers to the process of planning, implementing, managing and monitoring the flow of goods, services and related information from the point of origin to the point of consumption. Logistics services include (transportation, customs clearance, insurance, packaging, storage, management, construction of factories for assembly and manufacturing, information services and all value-added services such as labeling, packaging and inspection services) (Sezer & Abasiz, 2017, pp. 11-23). The French Standardization Association AFNOR defined logistics through five closely related dimensions: supply and purchasing; logistics within the organization; logistics supporting the production process; sales and after-sales; and logistics that recovers and

remanufactures expired products (Gilles paché et thiery sauvage, la logistique – enjeux stratégique, 2004, p. 08). Logistics performance is the process of efficient and effective planning, implementation and control of the flow and storage of raw materials, inventory in process, finished product and related information from the starting point until the product reaches the consumer, with the aim of satisfying the consumer and fulfilling his needs (Ronaldo, 2006, p. 43)

In 1948, the American Marketing Association defined logistics as: "A set of activities related to the movement of finished or finished products from the end of the production line. These activities include transportation, handling of materials, storage, etc., which is called distribution supply (Pierre & Anne, 2008, p. 9)

.3.2Types of logistics:

Several different types of logistics can be distinguished according to their different objectives and methods (Pierre & Anne, 2008, pp. 9-10)

.1.3.2Supply logistics: Allows the bringing of raw materials, components and secondary parts necessary for production to factories.

.2.3.2General supply logistics: Allows the bringing of various materials necessary for the activity of service institutions or departments.

.3.3.2Production logistics: Represents internal flows (in factories and between production sites). It is concerned with bringing various materials and components necessary for production and production planning; this Logistics tends to include the entire production management.

.4.3.2Distribution logistics: It consists of bringing distributors to the final consumer with the products they need, either in large commercial markets or personal sales stores.

.5.3.2Military logistics: It aims to transport troops and everything necessary for their operational implementation of the theater of operations and support them.

.6.3.2Support logistics: This type appeared in the military field, but it extended to other fields, such as aviation, energy, industry, etc., and organizes everything necessary to maintain the operation of any complex system, including through maintenance activities.

.7.3.2After-sales service activity logistics: This concept is associated with support logistics, but here as a difference between them is that this activity is carried out at the level of product sales markets, and "service management" is often used to refer to the leadership of this activity. It is worth noting that this type of support logistics is carried out by support specialists who differ from manufacturers and users and are called Third Party Maintenance.

.8.3.2Reverse logistics: This means recovering products that the consumer does not want or that need repair, and also means processing industrial waste, packaging, and unusable products from car wrecks to printer inks. 4.2. Basic components of logistics:

We see it necessary to address the main components of logistics that most researchers have agreed upon as including five components combined with each other, which are:

.1.4.2Location: The network of locations chosen by the company's management is the basis for obtaining positive results in the logistics followed, as the number, size, and geographical arrangements of the work of those locations and their use form a direct relationship to the organization's ability to serve its consumers, in addition to their effectiveness in the aspects of supply costs, as the relationship is strong between the geographical areas of the market and the sources of equipment, and it is in fact influential and effective for economic performance to confront the difficulties that appear to the company as long as those locations remain spread in a complex manner. Discussing this principle and its application in the marketing logistics system is necessary and urgent, and this leads to the fact that the issue of location or the network of locations in logistics is almost the basis that shows the strategic system and its various activities in the work, as we cannot imagine that a company establishes structures and establishes its strategic building in its work It does not have a clear vision or practical answer to the following questions:

-Where will its goods be manufactured? Where will these goods go after production?

-How flexible will they be in movement?

-Where will they be stored? All these questions are related to the location.

.2.4.2Transportation: We mentioned previously that the basis and the important thing for logistics is the location, while transportation is the link for that network and that building, and transportation management, and in general, the organization's management has major alternatives in the basic design of its capacity in the transportation aspect, including good potential, especially in the equipment that can be purchased or rented, and establishing special and specific contracts that can be arranged with transportation specialists to prepare a service contract for the movement of products and raw materials or rent other transportation equipment to deliver its products at a lower cost, and it must be with a transportation contract, and the organization's management takes into consideration these alternatives available to it for the effectiveness of logistics in the field of transportation, which are cost, speed, and stability (Al-Dabbagh, 2005, p. 113). 3.4.2. Packaging: All goods produced and offered in the market should be packed and wrapped so that they reach the consumer as easily as possible. Most marketers call packaging (SP) an extension of pricing, packaging, product, place and promotion, as they consider packaging an element of the product strategy. Packaging includes a set of activities related to designing and producing the packaging or wrapping sheets for the product. The packaging may take forms such as glass or plastic, and packaging for shipping purposes and in

different sizes and packages. Packaging also includes stickers on the packaging as part of the packaging process. Packaging decisions are based on cost and product factors. The primary function of packaging is to carry and protect the product, while at present, there are multiple factors that accompany the packaging process, which marketing management has made important. It attracts the buyer's attention and describes the product until it reaches the stage of sale. Packaging is considered a promotional tool for products and protects the product from damage. It is also a vital tool for improving the effectiveness of Logistics.

.4.4.2 Information System: Information plays a major role in the success of the decisions made by any organization in delivering and flowing goods to the consumer. To achieve the success of the information system, the company must be viewed as an integrated system. This is often difficult to achieve except by adopting the marketing concept, which provides an opportunity to achieve this view by dedicating the efforts of the company with all its departments and sections to achieving logistical goals. Adopting the marketing concept requires the existence of a marketing information system that is able to help in implementing this concept and works to achieve the comprehensive information system. There are many information system programs that have greatly improved in the process of providing numerous data and processing it in a way that can be developed and used in various aspects that help logistics, including transportation and storage. Despite the dominance of this information and its systems in logistics, the diversity and difference in the quality of information can lead to many problems. This difference is determined by the information and data received, which can be correct in comparison to the assumptions, trends and goals, due to what logistics contains of Assumptions about the nature of future transactions. These assumptions, in comparison with the information and data received, may lead to a decrease in inventory due to various bottlenecks in goods and raw materials. 5.4.2. Handling and Storage: This element is one of the components of logistics and is a vital part of the system, as it is in constant convergence with the components of the other system and directly, as it includes the process of flow of goods through different locations, and in a broader sense, handling and storage include movement, packaging and containment, and handling is an effective element in the subject of logistics costs and the flexibility of movement of this system, as it depends on the principle that says (the least time that is taken in the product in the process as a whole leads to higher efficiency in the overall material flow), and perhaps the large size of goods and their types is something that makes handling an element that plays a role in protecting, arranging and classifying those goods for the purpose of preparing them for transportation operations later, as containers, for example, have begun to play a role in securing the best means of protection, packaging and handling materials in large quantities, and then storing them for the purpose of transporting them later, as this means is one of the means of Important handling in logistics, in terms of receiving, delivery and unloading as well as its storage function.

2.5 Logistics activities:

Logistics activities Some call it the supply chain, which is all movements related to transportation, physical distribution, supply and inventory movement, and is responsible for managing and moving raw materials, parts and components that enter into the production process, and finished products, especially when the movement is towards small and medium enterprises exporting to foreign markets, and these logistics activities are classified into two main groups, which are (Al-Dabbagh, 2005, p. 14)

- Basic logistics activities: They are practiced in all institutions regardless of their size and nature, and these activities contribute greatly to reducing the total cost of logistics operations and include the following functions:

- Customer service: Customer service is the focus of all other functions, as planning all functions is based on the requirements of this process, which in turn requires studying the needs and desires of customers in order to be able to satisfy their desires, and is reflected in the level of costs that institutions will bear in order to meet Customer requests and customer service standards include: (Ismail Mohammed and others, 2006)

-Determining levels of customer service;

-Determining the extent of customer response to service;

-Determining customer needs and desires;

-Determining the response time to customer requests.

- Transportation: Transportation is the institution's choice of the appropriate means of transportation, determining its route and preparing its schedule. Transportation costs are considered one of the most important costs within the institution, as it must choose the means of transportation that helps it achieve quality at a lower cost, as it is impossible to imagine the activity of an institution without providing the necessary movement for raw materials and for the products it wants to provide

- Information audit: There must be an information system that reflects the levels of the various supply activities and the costs associated with them, and the speed of delivering information to all parties responsible for supply work, and includes:

-Collecting, storing and processing information;

-Data analysis;

-Conducting control.

-Operation of order orders: The cost of operating order orders represents a lower cost compared to the cost of transportation and storage, and its importance lies in its relationship to the time

taken from obtaining the order from the customer, until he receives the required products or services, and this indicates customer satisfaction (Mohamed, 2008)

- Supporting logistics activities: Unlike the basic activities that are practiced in all types of institutions, supporting logistics activities vary from one institution to another, due to several reasons, including: the size and nature of the institution's activity and the available financial capabilities. Its functions consist of the following (Ibrahim, 2008, pages 75-76)

-Storage (warehouse management): This activity includes managing the spaces available to keep inventory, choosing appropriate locations and internal organization of warehouses, internal storage locations, and determining the areas for receiving, inspecting and shipping within the warehouses. That is, the more time is available between the production and consumption processes, the more efforts the institution makes in managing the available warehouses. 2.2.5.2.

Material Handling: This activity manages the movement of goods and the transfer of various products from one location to another, in response to one of the operating orders issued by the Distribution Department or the Materials and Purchasing Department or Production. Handling involves a large number of workers because most of it is done manually. This activity is linked to many decisions, the most important of which are: choosing handling equipment, equipment replacement policies, and order processing procedures.

- Purchasing: It is defined as the function responsible for providing the institutions' needs for materials and equipment and is concerned with providing production requirements in terms .

- Planning and scheduling product flow: This aspect is primarily related to the institution's production process for its products according to the priorities of the distribution schedules of those products in the markets. Therefore, the institution must take into account planning its production operations according to its ability to meet customer requests, and in cooperation with the Production and Operations Department, this is done through:

-Determining the aggregate quantities;

-Sequencing the time of production outputs;

-Packaging for protection purposes.

Most products are placed in packages of different shapes and sizes to increase the efficiency of the handling process, and the packaging helps protect the products from damage and facilitates movement.

3.Logistics Performance Index in Saudi Arabia and the United Arab Emirates

Logistics performance is the effectiveness and efficiency in performing logistics activities. Differentiation is also a key element in logistics performance because the value gained as a result of logistics activities is an important indicator of logistics performance through consumer service

elements such as the availability of the product on time and with continuous and homogeneous supply chains in addition to the ease of ordering the product. It is also known as the philosophy of managing the facility in creating a homogeneous mix of efficiency, effectiveness and excellence that contributes greatly and effectively to achieving logistics performance (Fugate, Mentzer, & Stank, 2010, pp. 43-62)

The Logistics Performance Index is one of the international indicators used to measure the improvement in the level of logistics performance, as the improvement in the logistics performance index is reflected in the competitiveness of the country and thus the improvement in the level of economic growth achieved (Civele, 2015, pp. 369-370)

3.1 Components of the Logistics Performance Index

The World Bank developed the Logistics Performance Index to clarify the challenges and opportunities in the field of commercial logistics. The World Bank presents its report on the Logistics Performance Index once every two years. The survey includes 160 countries in six components of trade, including customs performance, quality of infrastructure, and timeliness of shipments, which are components that are increasingly recognized as important in achieving development. The data were extracted from global surveys conducted with logistics experts who were asked about the foreign countries in which they work.

The following are the six main dimensions for measuring logistics performance: (Logistics Services Index)

- The basis for the efficiency of customs clearance operations;
- The quality of infrastructure related to the fields of trade and transport;
- Ease of arranging shipments at competitive prices;
- Quality of logistics services;
- The ability to follow the routes of shipments and track their path;
- Rates of shipments arriving to the owners of the shipments on time.

Each of the six indicators is measured on a scale of 1-5, the closer the value of the indicator is to one, the lower the country's logistics performance index (worse) and vice versa if the value of the indicator is close to five (better). The World Bank began calculating the logistics performance index in 2007 as the average of the scores of the six indicators, which is a latent indicator measured through the six aforementioned indicators (Önsel Ekici, Kabak, & Ülengin, 2019, pp. 197-207.)

Figure 01 shows the six elements of the Logistics Performance Index (LPI) divided into two main categories: Input and Output Indicators. The first category, entitled "Policy Areas of

Regulation,” assesses the main inputs to the supply chain: customs, infrastructure, and services. The second category, entitled “Supply Chain Performance Outcomes,” assesses the timing and cost of international shipments, and the reliability of tracking and tracing.

3.2 Objectives of the Logistics Performance Index:

The Logistics Performance Index aims to measure the country's ability to achieve a set of objectives, which are (Jhawar, 2017, pp. 363-391):

- Reducing costs: Logistics costs are directly related to distance, and therefore improving logistics performance leads to reducing costs, increasing trade volume, and improving competitiveness.

- Reducing time: Improved logistics performance is linked to a reduction in the time required for customs clearance and an increase in trade volume as a result of increasing the ability of companies to enter new export markets. One study indicated that a 70% reduction in customs clearance time leads to an increase in trade by a percentage ranging between 5% - 8%.

- Increasing reliability: This is done by increasing the ability to continue performing the service and increasing the degree of reliability.

- Increased flexibility: by increasing the ability of companies to respond to customer needs regarding exports and imports.

- Increased safety: by increasing the level of security and safety of all elements of the logistics system, represented by goods, human resources and infrastructure.

- Increased profits: as improved logistics performance leads to reduced costs through achieving efficiency and increasing financial returns achieved from the logistics system.

- Increased competitiveness of companies: Improving logistics performance leads to achieving a sustainable competitive advantage and improving the competitiveness of international trade.

- Increased foreign direct investment flows: as improved logistics performance leads to increasing the attractiveness of the country for foreign direct investment flows.

- Increased economic growth achieved: As a result of the increase in the added value achieved in the logistics sector, in addition to increasing the volume of employment and investment in infrastructure, it reduces unemployment, raises the standard of living of individuals and eliminates the deficit in the balance of payments by enhancing the competitiveness of the country's products in foreign markets, thus increasing the volume of trade, which ultimately leads to increased economic growth achieved (Abdul Hamid, pages 12-13).

- At the national level: The country's ability to quickly and efficiently deliver its products contributes to increasing its competitiveness in domestic and foreign markets.

The logistics performance index takes a value ranging between (one and five degrees), so the closer the value of the index is to the value one, the lower the country's logistics performance index, but if the value of the index is close to the value five, it indicates an improvement in the logistics performance index.

.3.3 Classification and ranking of the countries of Saudi Arabia and the United Arab Emirates in the Logistics Performance Index

According to the World Bank data for the Logistics Performance Index for Saudi Arabia and the Emirates, where the Emirates is among the top 10 countries in the world and the best at the Arab and regional levels, while Saudi Arabia ranked 38th globally and fourth in the Arab world, as shown in Table No. 01.

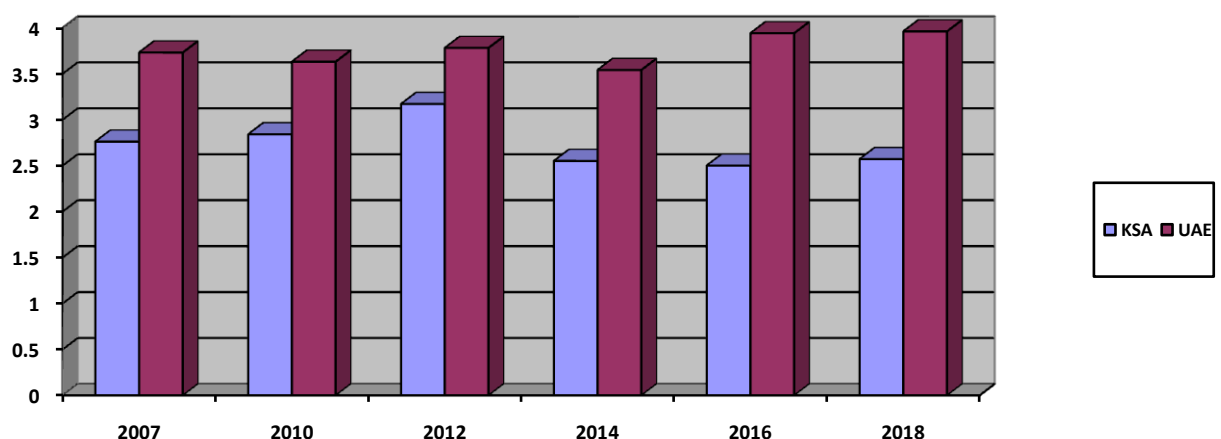
Table No. 01: Ranking of the Global Logistics Performance Index for Saudi Arabia and the United Arab Emirates For the years 2007-2023

2023		2018		2014		2012		2010		2007		
Indicator	Rank	Indicator	Rank	Indicator	Rank	Indicator	Rank	Indicator	Rank	Indicator	Rank	
3.14	38	3.01	55	3.15	49	3.18	37	3.22	40	3.02	41	KS A
4	07	3.96	11	3.54	27	3.78	17	3.63	24	3.73	20	UA E

Source: Logistics Performance Index Dataset 2018/2016/2014/2012/2010/2007/2023

<https://lpi.worldbank.org/about>

Figure No.: 01: Logistics Performance Index



Source: Prepared by researchers based on the data in the table above

From Table No. 01 and Figure No. 02 above, we note that Saudi Arabia and the United Arab Emirates have a remarkable presence in the global logistics performance index, as the results showed that the United Arab Emirates is ahead of its counterparts, Saudi Arabia, in the field of logistics performance, as it now occupies advanced positions in this index. In 2007, Saudi Arabia ranked 41st globally in the logistics performance index with 3.02 points, while the UAE was among the twenty countries globally after occupying the 20th place globally with 3.73 points. In 2010, Saudi Arabia ranked 40th globally with 3.22 points, and the UAE ranked 24th globally with 3.63 points. The results also improved slightly in 2012, as Saudi Arabia obtained 3.18 points, occupying the 37th place globally in logistics performance at the global level, while the UAE advanced to the 17th place globally with 3.78 points. The 2014 Logistics Performance Index ranks Saudi Arabia 49th globally with 3.15 points. This year, the gap between these countries began to widen. We noticed that the UAE ranked 27th globally with 3.54 points. In 2016, we noticed that Saudi Arabia's global ranking moved away, reaching 52nd globally with 2.5 points, while the UAE's ranking improved to 13th globally with 3.94 points. In 2018, Saudi Arabia ranked 55th globally with 3.01 points. This year is the weakest ranking for the Saudi Logistics Performance Index. In contrast, the UAE's Logistics Performance Index improved, ranking 11th globally with 3.96 points. In 2023, Saudi Arabia's ranking improved, ranking 38th globally with 3.14 points. The UAE came in the top ten globally, with its best global ranking for the Logistics Performance Index, ranking 7th globally with 4 points. This is due to diversifying its economies and making progress in simplifying laws. Regulatory frameworks, developing its digital capabilities, the UAE's pivotal role in the global logistics sector, and its superior capabilities in providing the best logistics services and infrastructure related to trade, transportation, and land and sea border controls. We say that the logistics performance of Saudi Arabia is less competitive with the United Arab Emirates in all years, which was a strong and constantly evolving indicator. Many indicators confirm that the Emirates is anticipating the expectations of economic experts to increase competition with Saudi Arabia through new investments to develop the logistics services sector, especially in the transportation sector, as the Kingdom of Saudi Arabia is taking rapid steps to support an international agreement with several between its giant company "Aramco" and the global company "DHL" to establish a global center for logistics services and expand the railway network with neighboring countries. It faces difficult challenges in developing logistics services as it bets on reviving the logistics sector despite the slight decline in recent years, as the shipping and logistics market faces several challenges, most notably: systems and laws that prevent the flow of investments, especially foreign ones, in addition to enhancing communication and discussion with officials to discuss sector matters as well as the challenges of the Covid 19 pandemic, as Saudi Arabia aspires to be a gateway to global commercial supply chains due to its strategic location that links Asia and Europe and the Kingdom's vision in 2030 for the Kingdom to be a logistics platform. The UAE's distinguished policy in achieving economic diversity and building sustainable national industries has

contributed to maintaining its position on the global trade map as a global trade center and a commercial gateway for the Middle East, Near East and North Africa region. It has contributed to raising the level of performance of land and sea transport, infrastructure, expanding the volume of job opportunities provided by the sector, attracting them, and undertaking projects, investments or activities that enable it to achieve the targeted market share of the sea and air freight market, which has resulted in strengthening the UAE's position on the international map. According to the World Bank's Logistics Performance Index, Saudi Arabia's global ranking in the Logistics Performance Index has declined, reaching 38th place globally in 2023 after ranking 41st globally in 2007. Therefore, it must implement different strategies to improve its ranking in terms of logistics performance, especially after the international trend towards implementing and improving logistics operations in a way that makes them environmentally friendly, i.e. sustainable environment. As for the UAE's Logistics Performance Index, thanks to its strategic location, it has become a transit shipping center linking the East and the West, as it has invested in the logistics sector, making it the first Arab country. We say that the UAE has made qualitative leaps over the past years, reaching 7th place globally in 2023 compared to 20th place globally in 2007. This is thanks to the digitization of supply chains in full, improving customs clearance procedures, investing in infrastructure, and managing customs and borders.

Table No. 2: Logistics Performance Index for the years 2007-2018

Logistics Services for Saudi Arabia												
Shipment arrival time		Track and trace shipments		Efficiency and quality of logistics services		Easy to arrange international shipments		Infrastructure		Efficiency of customs clearance process		
Degr ee	Arr ang	Degre e	Arra ng	Degr ee	Arra ng	Degr ee	Arra ng	Degr ee	Arra ng	Degr ee	Arra ng	
3.65	39	3.02	43	2.88	51	2.93	50	2.95	38	2.72	45	2007
3.78	45	3.32	42	3.33	32	2.80	82	3.27	33	2.91	43	2010
3.76	34	3.21	42	2.99	47	3.10	42	3.22	35	2.79	51	2012
3.55	47	3.15	54	3.11	48	2.93	70	3.34	34	2.86	56	2014
3.53	53	3.25	49	3	54	3.23	48	3.24	40	2.69	68	2018

												6
3.30	67	3.17	46	2.86	57	2.99	56	3.11	43	2.66	66	2018
3.5	37	3.6	35	3.3	46	3.3	38	3.60	30	3.00	47	2023
UAE Logistics												
4.12	17	3.61	23	3.67	20	3.68	13	3.80	18	3.52	20	2007
3.94	33	3.58	28	3.53	27	3.48	14	3.81	17	3.49	21	2010
4.10	13	3.81	18	3.74	17	3.59	15	3.84	17	3.61	145	2012
3.92	32	3.57	24	3.50	31	3.20	43	3.70	21	3.42	25	2014
4.13	18	3.91	18	3.82	18	3.89	7	4.07	13	3.84	12	2016
4.38	4	3.96	13	3.92	13	3.85	5	4.02	10	3.63	15	2018
4.1	11	4.2	4	4.0	11	3.8	4	4.1	9	3.7	14	2023

Source: Logistics Performance Index Dataset 2018/2016/2014/2012/2010/2007/2023

<https://lpi.worldbank.org/about>

According to the previous table, we note that Saudi Arabia in 2007 scored 2.72 points and ranked 45th globally in the customs clearance efficiency criterion. Then we note a slight improvement in 2010 in 43rd place globally with 2.91 points, then a significant decline until 2016, when it scored 2.69 points and ranked 68th globally. Then we note an improvement in this criterion, as it advanced to 47th place globally with 3.00 points.

As for the UAE, in 2007, the UAE ranked 20th globally with 3.52 points, then declined significantly in 2012, ranking 145th globally with 3.61 points. Then the UAE's ranking improved significantly in 2018-2023, ranking 15th and 14th globally, respectively, with 3.63 and 3.67 points, respectively. As for the infrastructure criterion, we note that in 2007, Saudi Arabia obtained 2.95 points and ranked 38th globally, then witnessed significant progress until it

reached 3.34 points in 2014, ranking 34th globally, then its ranking declined in 2016 and 2018, where it obtained 40th and 43rd ranks, respectively, with 3.24 and 3.11 points. After the Covid-19 pandemic in 2023, its global ranking improved to become its best ranking, obtaining 30th globally with 3.60 points. This is thanks to the large investments in transportation, especially ports and railways. As for the UAE, it sought to upgrade and improve the quality of infrastructure, especially airports, ports and roads, in addition to enhancing the quality of electricity provision and the use of environmentally friendly energy, and communications to become one of the leading countries in smart services, where it obtained 3.80 points in 2007 and ranked 18th globally, to advance and advance to rank 09. Globally, with 4.1 points in 2023.

As for the criterion of ease of arranging international shipments, we note that Saudi Arabia advanced in its global ranking. In 2007, it obtained 2.93 and achieved the 50th place globally, and its global ranking improved until it obtained the 38th place globally with 3.3 points in 2023, thanks to new generation technologies and the electronic revolution in Internet speed. As for the UAE, in 2007, it obtained 3.68 by obtaining the 13th place globally, and its global ranking advanced by obtaining the 4th place globally in 2023 with 3.87 points, as it was one of the countries exporting digital services globally and one of the countries attracting foreign direct investment.

As for the standard of efficiency and quality of logistics services, we note that Saudi Arabia in this indicator is unstable with progress and slowdown in the global ranking. In 2007, it obtained 2.88 points and achieved the 51st place globally, then its ranking improved in 2010 by obtaining the 32nd place globally with 3.33 points, then its global ranking increased to reach the 57th place globally in 2018 with 2.86 points, then its global ranking improved to reach the 46th place globally in 2023 with 3.3 points. As for the UAE, in 2007, it obtained 3.67 points by obtaining the 20th place globally, as it implemented different strategies, which led to improving its ranking to 11th globally by obtaining 4.00 points in 2023. As for the standard of tracking and tracing shipments, Saudi Arabia ranked 43rd globally by obtaining 3.02 points in 2007, then its ranking remained approximately It remained stable until 2012, occupying the 42nd place, with 2.56 and 3.21 points, then its global ranking slowed down to 3.15 points in 2014, ranking 54th globally. Then this ranking improved, and in 2013 it advanced to 35th globally with 3.6 points. As for the UAE, in 2007 it obtained 3.61 points, occupying 23rd globally, then it advanced at a great pace to reach 4th globally with 4.2 points in 2023. As for the criterion of the timing of shipments arriving in Saudi Arabia, it ranked 39th globally with 3.65 points in 2007, and its ranking was unstable during the period 2010-2018, as it obtained the 67th rank globally with 3.30 points in 2018, which is considered its worst ranking. Then we notice a significant progress in its ranking to reach the 37th rank globally in 2023 with 3.5 points. As for the UAE, it ranked 17th globally with 4.12 points in 2007, as its best ranking in the timing of shipments was in 2018, ranking 04 globally with 4.38 points, then its ranking dropped in 2023 to 11th globally with 4.01 points.

This came after three years of unprecedented disruptions in supply chains during the "Covid-19" pandemic.

4..Conclusion:

According to the World Bank statistics, the Logistics Performance Index is a measure of the ability of countries to move goods across borders quickly and regularly, involving all elements of infrastructure, laws, regulations and geographical characteristics of countries in determining the strength of the logistics services of a country. Considering that logistics services are the lifeblood of international trade, which is growing significantly as a force for achieving economic growth for countries, this index helps countries identify strengths in order to improve their competitive performance. There is no doubt that the main reason for this growth and enhancing competitiveness is reducing total costs through rational management of logistics resources for produced goods and reducing the costs of sub-logistics activities, which include transportation, storage, handling, delivery, packaging and packaging, while reducing the time for goods and products to arrive from the producer to the final consumer. The logistics sector is considered a source of economic diversification, and its efficiency is of great importance in economic growth and enhancing competitiveness among the economies of countries, as the study countries have made great efforts in the process of economic diversification thanks to logistics achievements, as they occupied The United Arab Emirates has an advanced position in the global logistics performance index classification compared to Saudi Arabia, which is at a lower international level than it. Therefore, paying attention to it will have a positive impact, especially through the use of digitization, improving customs clearance operations, and developing infrastructure from airports and railway transportation, through which Saudi Arabia has achieved an increase in openness to global markets. The UAE is considered the best and fastest performing logistics country in the Arab region and has achieved significant progress in most indicators, but most of the approaches focused on building and expanding infrastructure and have achieved significant progress at the global level, especially in terms of connectivity to global maritime navigation networks. The UAE's policy has been distinguished in terms of achieving economic diversification and building sustainable national industries that have contributed to maintaining its position on the global trade map as a global trade center and a commercial gateway for the Middle East, Near East and North Africa region. The tangible progress achieved by the UAE in terms of logistics performance for the period between 2012-2023 is through achieving the 7th place globally and the first in the Arab world, and advancing five places during the two years in the Trade Logistics Services Performance Index for 2023, to come within the group of the highest performing countries in the logistics field, and it is considered Facilitating trade by making a qualitative leap in the systems of completing transactions that govern the movement, inspection and financing of the shipping market across borders, ports, airports and the entire supply chain, and enhancing the attractiveness of establishing, registering and licensing companies that provide logistics services, whether local or international, including the workforce. This is in addition to its

strategic geographical location that allows it to maintain a share equal to more than 60% of the supply chains and logistics services regionally.

4.1 .Study results:

-The United Arab Emirates occupied advanced positions in the Logistics Performance Index in the global classification, thanks to the wise strategy and policies adopted by the Emirati government.

-Thanks to openness to global markets and the presence of an export environment, Saudi Arabia targets advanced positions in the Logistics Performance Index in the Arab region.

The necessity of establishing logistics centers near industrial cities, airports, ports and railway lines to enhance competitiveness by increasing efficiency and reducing costs to achieve qualitative transformations in the industrial base.

-The quality of the infrastructure supporting logistics activities, digitizing supply chains and customs performance made the UAE advance over Arab and regional countries in the Logistics Performance Index.

-Economic integration in its Arab and regional aspects and the huge financial capabilities qualify it to embrace an economic diversification program.

4.2 Recommendations:

-Exchange of expertise and enhance inter-cooperation between Arab countries in the field of logistics and benefit from rapid developments in the field of technological revolution.

-Participation in the sharing economy, which has already had a transformative impact in many sectors with the emergence of logistics platforms that allow sharing and unifying services between countries.

-Adopting the most advanced digital technologies and encouraging environmentally sustainable logistics services by converting to environmentally friendly shipping methods and more energy-efficient storage.

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