

Agility Emerging Markets Index 2026



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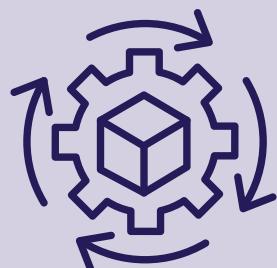
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Key Findings

Volatility is now regarded as a permanent feature of supply chains – a total of **31%** told our survey that they think it is the new normal and is here to stay. A further **54%** expect more in 2026. It means that firms are now assessing their exposure to long and highly concentrated production networks, exploring localisation, regional or multi-hub models.



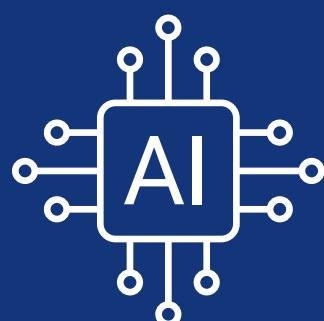
Organisations aren't taking this new normal lying down though. Instead, it's being stripped back to its essence: a planning and cost problem. By seeing volatility earlier through forecasting **(17.9%)**, giving cost more scrutiny **(17.1%)** and adapting their supply chains **(16.9%)**, firms are better able to absorb it, reallocate its impact, or adjust structure.



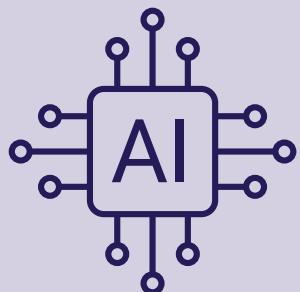
In that respect, diversification is a primary lever for resilience. The main drivers here – Access to different technologies **(20.7%)** and Cost savings **(19.9%)** – point to optionality in the form of multiple ways to produce, multiple ways to respond and multiple capability pathways.



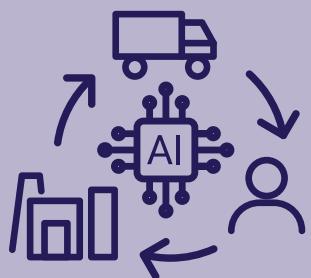
AI, naturally, is coming to the fore in the GCC. Its ability to adopt and absorb AI at scale into companies and infrastructures is strong. That's underscored by a digital strategy that is prioritising platform-based delivery and AI integration. Adoption in Africa meanwhile is much more fragmented. Affordability and quality of service are persistent challenges.



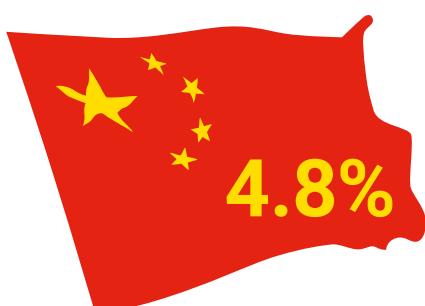
AI adoption in supply chains and logistics execution is developing. Our survey found that **12.2%** were engaged in direct supply-chain and operations use cases, while fewer were using it in research and development (**5.9%**) and human resources (**10.8%**) – suggesting that AI strategies remain function-specific and not fully embedded.



Specific supply use for AI was centred around transport management (**20.4%**), supplier assessment and management (**19.1%**) and demand forecasting and planning (**18.5%**).



The **IMF** projects regional growth of around **4.5%** for 2025 for Asia, though it conceals contrasting trajectories across the region. India stands out for rapid growth, with its full-year polling around **6.7%** to **7.3%** amid moderate inflation. China meanwhile has been sluggish, with a GDP close to **4.8%** prompting an emphasis on expanding imports and exports in 2026.



Friction between the US and China has prompted **17.5%** of our respondents to move production/sourcing out of China. Rising labour costs (**12.5%**) and diversification (**10.6%**) were also drivers.



As is usually the case, reducing dependency on **China** is constrained less by lack of intent and more by the absence of comparably mature alternatives (**21.5%**) or lower comparative labour costs (**18.7%**).



2026 will see meaningful capacity additions in the GCC, particularly on **Grade A**, multi-user and bonded facilities. In November 2025, Agility Global formally inaugurated a **576,760 sqm** logistics complex in Jeddah, while the Blackstone – Lunate GLIDE venture and Dubai South's flexible multi-user units come online this year.



The Gulf's build-out of **hyperscale** and AI-focused data centres is fostering a growing demand for specialised logistics linked to the movement of high-value computing and infrastructure equipment. This will accelerate in 2026, with key facilities – like **Stargate's** first phase – going into development.



Infrastructure Development (**18.5%**)

is the most important driver of economic diversification in the Gulf countries, underscoring the central role of ports, logistics zones, transport networks and industrial clusters in supporting non-oil growth in the region.



Introduction from Tarek Sultan, Chairman, Agility



Two themes dominate the survey we've done alongside this report, the 17th annual Agility Emerging Markets Index.

One is the extraordinary degree of volatility across today's business landscape: more than 85% of the executives surveyed say they expect more volatility in the year ahead or view volatility as the "new normal." The second theme is the degree to which businesses see AI and digital infrastructure as both a contributor to volatility and the key to managing it.

Dire predictions for the 2025 global economy did not materialize, despite sharp increases in trade tariffs that rippled across the world after hikes by the U.S.. In October, the World Trade Organization estimated that annual global merchandise trade volume would grow 2.4% – a startlingly upbeat forecast in light of the WTO's August prediction of 0.9% growth. Also in October, the IMF raised its 2025 world GDP forecast to 3.2%, up from 2.8% just a few months before.

The tariff drag was partially offset by massive 2025 capital expenditure in AI, data centers and related infrastructure – \$400 billion alone from Amazon, Google, Microsoft and Meta. But the better-than-expected performances in global GDP and trade have done little to reassure businesses, investors and policymakers about what they face in the near term. The IMF's World Uncertainty Index doubled from January to November. "Uncertainty has surged to an exceptionally high level globally, and it's likely here to stay," the IMF says.

Our 2026 Agility Emerging Markets Index shows what companies and developing countries are doing to manage the uncertainty by re-engineering supply chains, absorbing higher costs and hunting for the talent they need for the future. More than 97% of business executives say their companies have or will make significant shifts

in production and sourcing by homeshoring, nearshoring, friend-shoring or regionalizing.

Leaders today are never in a comfort zone, never out of adjustment mode. McKinsey says: "When it comes to geopolitics, today's CEOs are navigating rugged, unpredictable terrain. The imposition of new tariffs, export controls, investment restrictions, industrial policies, or sanctions is disrupting organizations' direction of travel and business executives' carefully laid plans. In fact, it is shifting the entire competitive landscape. The CEO's every decision, whether to push forward, change course, or retreat, must be carefully considered – and then reconsidered."

Many are counting on AI to help them cope with the turbulence. In our survey, executives say AI is – all at once – the challenge they're least prepared for, a top business priority, and the main driver of supply chain diversification. But it's obvious that AI has moved from experimental to essential in the span of two years: more than 98% say their companies are using AI. Weak digital infrastructure is the biggest gap in and biggest threat to supply chains, they say.

In a world of accelerating change – where AI reshapes industries and clean-energy networks power new economies – the very definition of "infrastructure" is evolving. Once, it meant roads, ports, bridges, and power lines. Today, it also means the invisible architecture of digital life: fiber-optic networks, cloud data centers, satellites, and AI systems that keep societies connected and economies running. That's why this report and the analysis of Ti, our research partner, give so much weight to the "digital readiness" of the 50 countries in the index.

Countries and companies that approach physical and digital infrastructure as one are the likely winners in years ahead. They will be able to extend or replace aging

hard assets, deal with the demands of growing urban populations, use technology to expand infrastructure demand and capability. They will have a head start on decarbonization, which requires massive grid, storage and renewable build outs. And they'll be magnets for tomorrow's most talented and skilled workers.

Finally, a word about trade. As commentator George Will has observed, free trade has normalized something that was unknown for most of human history: growth. And despite getting a bad name, trade has provided huge dividends for mankind since the era of globalization began: In 1950, almost 60% of the world's population lived in what the World Bank terms "extreme poverty," on \$2.15 per day. Today, only 8.5% do.

And today, 80% percent of global trade still takes place under WTO rules. Customs procedures, transparency standards and market-access guarantees all derive from the WTO's architecture. Without it, fragmentation would

deepen and geopolitical power would dictate commercial outcomes. Today, the WTO is quietly undergoing the most significant transformation in its 30-year history.

Emerging markets countries, small businesses, and disadvantaged populations have a huge stake in trade reform. The WTO's emerging AI framework will determine whether cloud infrastructure investments are economically viable, whether cross-border data flows remain predictable, and whether smaller competitors can access the same digital tools as incumbents.

The WTO agenda explicitly prioritizes digital trade facilitation that cuts customs timelines from weeks to hours. It focuses on simplified regulatory compliance in order to make exports economically viable for smaller players. It seeks to open access to global value chains and support for women and youth-led business enterprises. Let's hope it succeeds.

Introduction from John Manners-Bell, CEO, Transport Intelligence



Only time will tell whether 2025 was a watershed moment in recent political and economic history – but it certainly feels like it. President Trump's decision to impose sweeping tariffs on nearly all the USA's trading partners was, in effect, a final rejection of the paradigm of globalisation which at times over the past few decades has seemed unchallengeable. Whilst the US administration's trade policy has gained most attention, many other countries, as well as the European Union, have also introduced protectionist barriers. These have included tariffs on Electric Vehicles and steel, phytosanitary controls, ethical restrictions and carbon-related taxes. The World Trade Organization (WTO) asserts that trade covered by tariffs in G20 economies increased about four times compared to the year before, the largest increase in the history of WTO trade monitoring.

As might be expected, this has had a profound effect on business confidence and trade patterns, demonstrated by the findings of this year's Agility Emerging Markets Index. One phrase which came up time and again throughout our research was 'structural uncertainty', caused by geopolitical fragmentation, trade policy volatility and uneven economic momentum.

How emerging markets react to this new environment is critical to their long term prospects. The demand for global trade is still strong but patterns are changing as supply chains diversify. Western businesses are looking for alternative or complementary suppliers to those presently based in China in order to bolster their supply chain resilience. Chinese exporters, on the other hand, are seeking out new markets for their products, partly as a result of American tariffs and partly due to overcapacity caused by domestic economic weakness. This brings new opportunities for many emerging markets in Asia and even in Africa, Latin America and the Middle East, but only to those which can meet the needs of global manufacturers

and retailers. Bottlenecks in Africa, for instance, continue to constrain the translation of infrastructure potential into logistics performance. This is in contrast with the Gulf States which look set to capitalise on regional economic flows of goods and services, not least driven by investment in data centres and the development of its own manufacturing sector.

Indeed, development within regions and even within countries can be uneven. As our Index highlights, advances in infrastructure investment and trade connectivity are not always matched by institutional or technological capabilities. Whilst advanced digital tools are being embedded in some markets across planning, procurement and execution, others are constrained by skill, infrastructure and access to capital. Since its inception, the Agility Emerging Market Index has enabled investors to differentiate between those countries which have fully embraced the opportunities provided by infrastructure investment and institutional reform and those which have lagged behind. As an increasing number of multinationals look to restructure their supply chains across multiple countries, providing an attractive value proposition has never been so critical.

This year's Index also reveals that whilst the market landscape is becoming more challenging, many businesses feel that they are better equipped than ever not only to cope with the pressures but prosper. Almost a fifth of respondents to one of our survey questions said that they were deploying AI tools to improve forecasting. Access to technologies is seen as a driving force behind diversification, a key component of supply chain resilience.

As this year's Index concludes, movement across rankings reflects deeper reassessments of where capacity, institutional strength and connectivity align with the needs

of reconfigured supply chains. In that context, markets that combine infrastructure investment with regulatory clarity and digital capability are in a better position to capture diverted trade and long-term investment.

Companies aren't retreating from volatility but instead are engineering around it. Resilience and margin protection now sit at the heart of their strategies, whilst tech and AI are facilitating their diversification.

Global Context

It will come as little surprise that both uncertainty and volatility are dominant themes throughout the global supply landscape as we enter 2026. The previous 12 months delivered a set of strong headwinds, some of which were anticipated and others not; some threatened to blow global trade off course while others served as a reminder that defences need to be refined and redoubled.

That backdrop provides an environment for emerging markets which is defined less by cyclical recovery and more by the persistent structural uncertainty. The forces shaping logistics are the result of overlapping supply pressures, each of which adds its own nuance.

At once we see geopolitical fragmentation, trade policy volatility and uneven economic momentum. These dovetail neatly against a set of technological advances that are promising, disruptive and still developing. Together, those forces are reshaping how supply chains are designed, financed, and managed; they also form the backdrop against which this year's Agility Emerging Markets Index should be read.

On that front, global economic conditions remain muted. The WEF's forecast for 2026 points to a world economy facing weak growth, divergence between advanced and developing nations and significant structural shifts.

With 72% of chief economists telling the WEF they expect a downturn driven by trade disruption, policy uncertainty and technological change, there is an obvious need to develop resilience and new growth sources. Dealing with a

trade environment that is both unpredictable and shaped more by politics than economic demand will therefore be critical to success.

For supply chains operating in emerging markets, this translates not only to a significant challenge, but also to a huge opportunity. Visibility and the timing of investment will be recurring motifs in that respect.

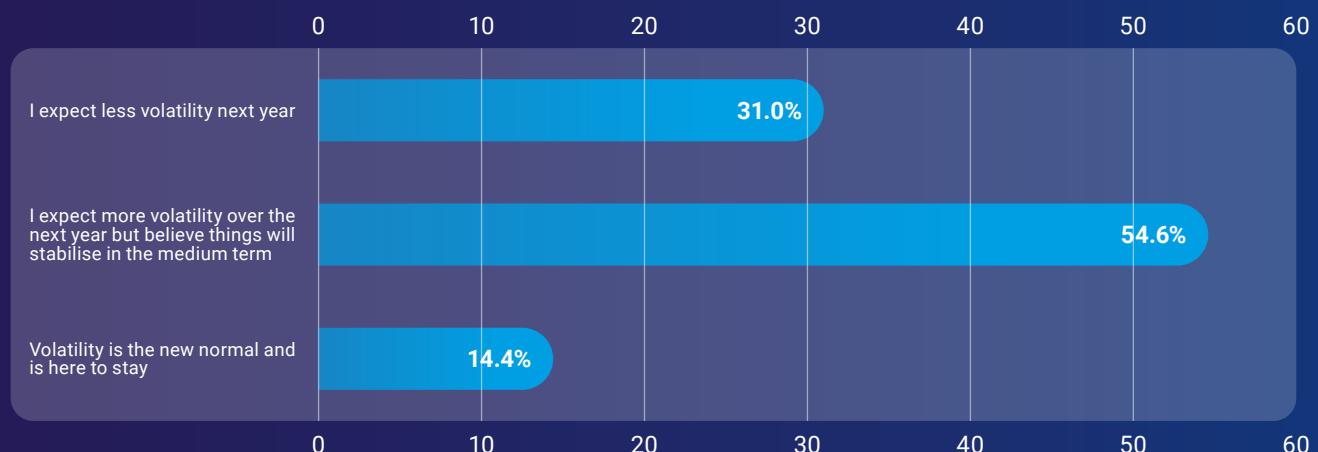
While very little is certain these days, it is a given that geopolitics will continue to exert an outsized influence on global trade throughout 2026. In an era that is increasingly defined by tension and conflict, 2025 added a layer of friction that could arguably redefine global networks as we know them.

The escalation of the trade war between the US and China, which came off the back of President Trump's tariff salvo, has redrawn the boundaries for acceptable risk for a large proportion of organisations. Disruption is clearly a feature of the system rather than a passing phase, a sentiment echoed by our survey respondents who feel that volatility is a baseline condition of global supply (fig1).

The vast majority felt it was here to stay (31%) or would at least get worse in the short term before levelling off (54%). It has prompted a wide variety of strategies aimed at improving resilience, optionality and cost efficiency, which has in turn accelerated changes to supply chain design. Firms are now assessing their exposure to long and highly concentrated production networks, exploring localisation, regional or multi-hub models.



Fig 1. What are your expectations for the global economy, given the volatility driven by geopolitical tensions and trade wars amongst other things?



It signals a recalibration of globalisation. There is still an appetite for global trade, but trade and investment flows are becoming more selective, favouring markets that offer scale, flexibility and connectivity. As a result, we can expect to see emerging markets repriced based on their ability to absorb shocks, maintain contingency and support complex supply chain requirements.

Technology remains a decisive and divergent factor in that regard. Digitalisation, visibility and AI are differentiators, though progress is uneven. While some markets and companies are embedding advanced digital tools across planning, procurement and execution, others are constrained by skill, infrastructure and access to capital.

The survey highlights the gap between those able to enable digital transformation and those unable to move past pilot projects. If nothing else, it reinforces a widening digital divide in emerging markets.

Taken together, these dynamics point to a global logistics landscape that is increasingly fragmented, politically exposed and more technologically lopsided than in previous cycles. That has profound implications for emerging markets.

As we have known for some time, the modern trade landscape is defined as much by adaptability as it is by cost. Success is therefore defined by the capacity to respond to disruption, to integrate into reconfigured

networks and to support the evolving needs of global trade.

In a wider sense, inertia to change remains the biggest risk of all, and it remains at the forefront of this year's outlook. It sets the stage for this year's Agility Emerging Markets Index too. The rankings and movements that follow are best understood not simply as year-on-year change but as signals of how markets are recalibrating and adjusting to a world in which uncertainty is structural, and the ability to negotiate it axiomatic to success.

Ref 1: https://reports.weforum.org/docs/WEF_Chief_Economists_Outlook_September_2025.pdf

Index signals: Volatility and cross-index divergence in 2026 rankings

This year the Index reveals a competitive landscape, characterised by movement across rankings with several markets recording shifts in overall position. This movement is driven by the collective efforts of domestic economics, trade performance, geopolitics and infrastructure development, all of which are exerting a greater influence on relative positions in the current environment.

Elsewhere, the uneven development in emerging markets is evident in the Index too. Advances in infrastructure investment and trade connectivity are not always matched by institutional or technological capabilities.

Gains in digital readiness are typically undermined by economic stress or policy uncertainty, which has amplified sensitivity to external pressure and contributed to the dispersion of overall scores.

In all, the 2026 Index suggests that relative competitiveness is being assessed more dynamically than in the past. Incremental improvements appear less likely to translate into stable gains unless they appear across the board.

By the same token, setbacks in a single area can exert a disproportionate influence on overall ranking. This means that volatility should be understood as a signal of how emerging markets are responding to a fragmented and risk aware global environment.

These dynamics provide the context for the Movers and Shakers analysis that follows (page 22), and for understanding the divergent capability profiles emerging across individual markets.

Industry sentiment: Survey shows strong response to 'new volatile normal'

There is a very clear sense that global supply chains are engineering around volatility rather than retreating from it. It is a case of active adaptation founded on the belief that volatility is something that can be managed and circumvented. Maybe it's a sign of the times?

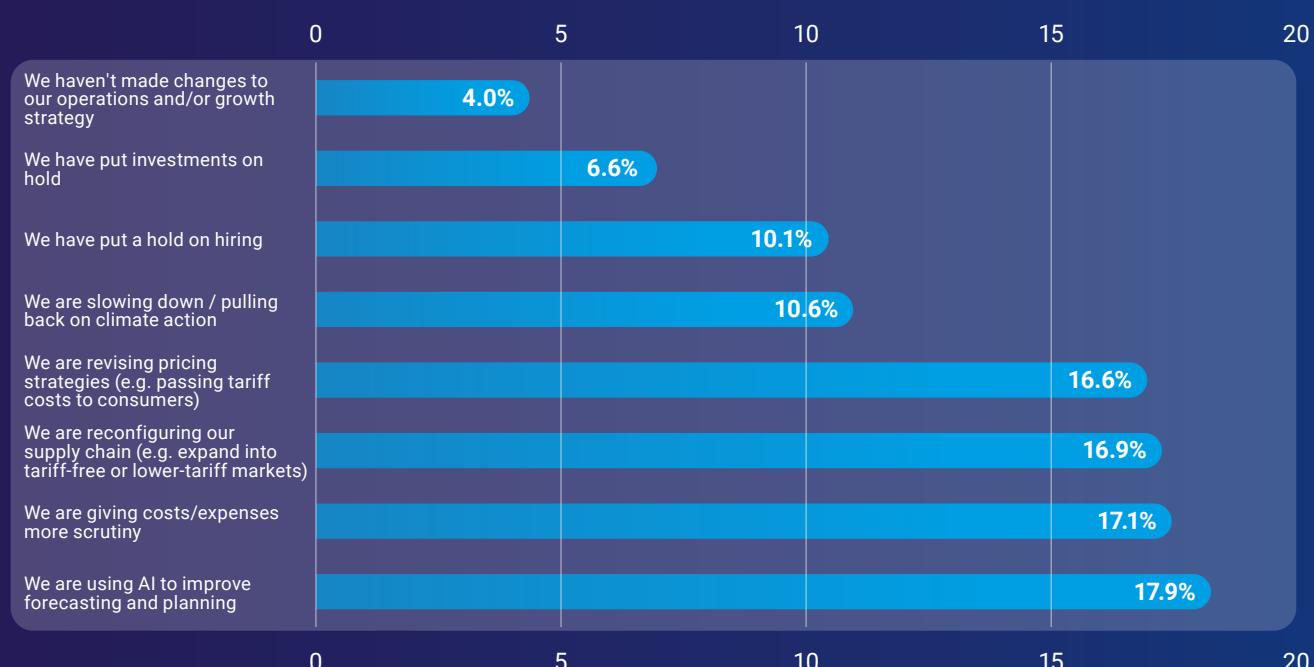
We are in an era of unprecedented disruption and yet we have never had better tools at our disposal to cope with it. Nearly 18% (fig 2) of our survey said that they were using AI to improve forecasting, which speaks directly to the modern attitude. It tells us that there is a belief that volatility is patterned and understandable, and that dealing with it is a case of first finding the patterns and adjusting accordingly.

That strips volatility back to its essence: a planning and cost problem. By seeing it earlier through forecasting, companies are better able to absorb it, reallocate its impact, or adjust structure. The fact that 17.1% are giving costs more scrutiny, and that 16.9% are adapting their supply chains, speaks to that point.

Tellingly, the defensive approaches scored much lower – Hiring freezes (10.1%), Investment pauses (6.6%) or No change to strategy (4.0%). There is very little in the way of silent retreat.

It's also apparent that pricing power is being tested. Nearly as many companies are revising prices as reconfiguring supply, which shows that organisations are testing how much volatility they can pass downstream without losing demand. In that instance it isn't something that is absorbed only at point of incursion.

Fig 2. How is your organisation responding to the increasing volatility?



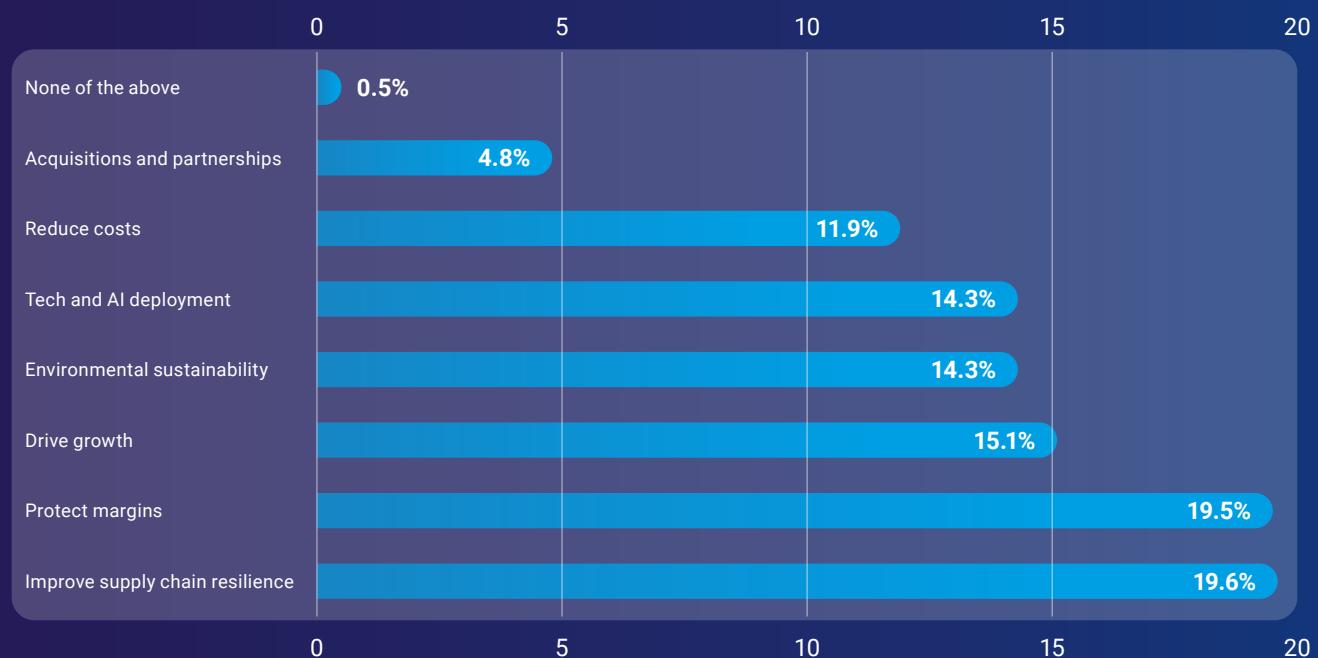
What becomes apparent when examining organisations' priorities for 2026 (Fig3) is a hardening of that intent, a formalisation of the adaptations already underway. The top two priorities - Improve supply chain resilience (19.6%) and Protect margins (19.5%) – signal that resilience is neither a cost concern nor an insurance policy, but an economic imperative. In other words, it exists to protect margins and not just to avoid disruption.

Growth remains a priority, but it is conditional. It can be achieved without increasing exposure to shocks, eroding

margins or adding complexity that undermines control. It reframes growth as selective and risk-weighted, and tallies with the relatively low levels of hiring freezes and investment pauses.

It is also apparent that tech has moved from a response to a strategy. In this instance Tech and AI deployment (14.3%) are a medium-term priority, an asset and capability to be built over time. It is not just a crisis lever, however useful it may be in that context.

Fig 3. What are your most important priorities for 2026?



What emerges is a picture of how resilience, growth, and cost control are reconciled (Fig4). Diversification is a primary lever for that, and the responses show that it is being developed as a capability upgrade. The main drivers here – Access to different technologies (20.7%) and Cost savings (19.9%) – are the mechanisms through which strategies are realised. Companies aren't only spreading risk geographically, they're looking at new production methods, advanced manufacturing capabilities and

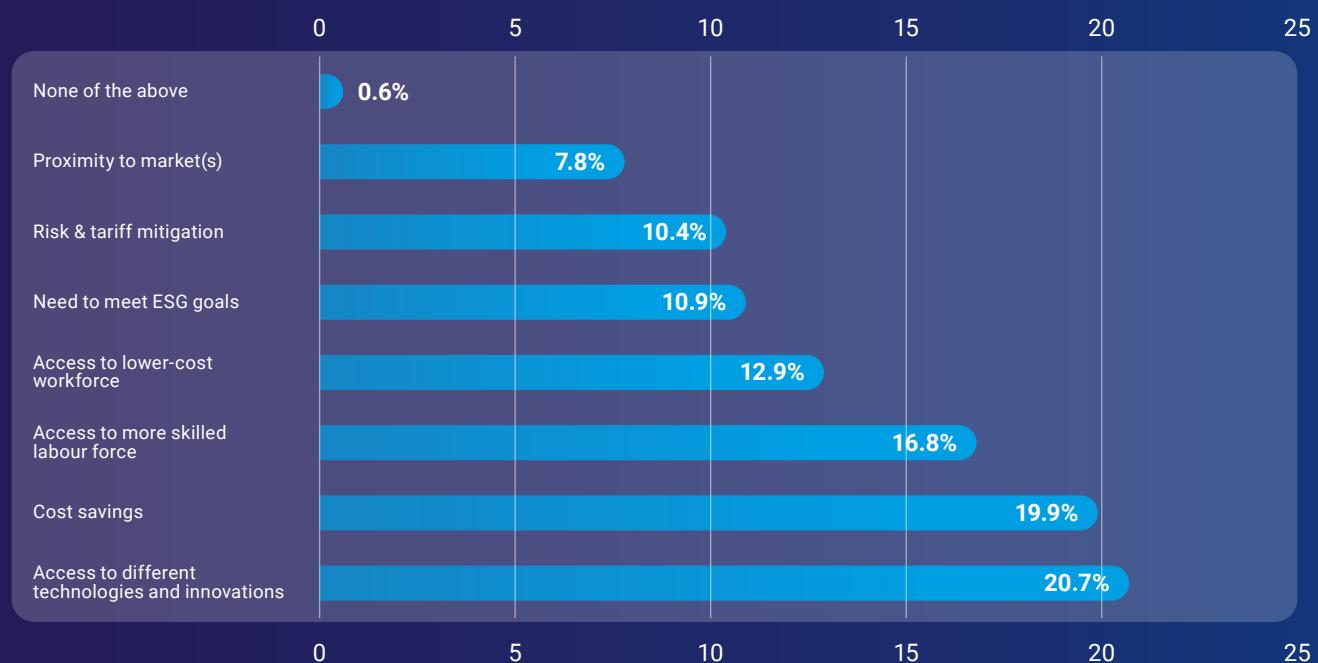
digital automation. It aligns with the offensive adaptation observed elsewhere.

Beneath the surface, diversification is also about option value, not redundancy. The leading drivers point to optionality in the form of multiple ways to produce, multiple ways to respond and multiple capability pathways. It mirrors the emphasis on AI, planning, and resilience as design principles.

Growth logic appears to be embedded too. Most companies viewed it as a mid-ranking priority for 2026, but in this instance, it appears indirectly through access to innovation, through skills and through technology ecosystems. Diversification is being used to unlock future growth without increasing fragility.

Overall, there is a high level of strategic coherence, emphasised by the near zero/none of the above responses to all three questions - almost everyone is doing something, and almost everyone can articulate why. Nobody, it appears, is panicking.

Fig 4. What is driving supply chain diversification in your organization? Please select the 3 most important diversifications drivers.



Key Measures

As in previous years, the Index sets out the relative position of emerging markets using the same four-component structure, assessing 50 countries across against Domestic Opportunities, International Opportunities, Business Fundamentals and Digital Readiness. The overall ranking reflects the aggregation of these component scores within the 2026 data set.

Of note in 2026 is the extent of movement across the overall rankings, with a significant number of markets registering changes in position compared to last year (Ukraine, Cambodia, Bolivia, Lebanon, Pakistan). This movement is visible across the ranking, rather than being confined to a narrow segment, indicating that relative positioning has shifted for many markets.

Elsewhere, several changes in 2026 coincide with divergent movements across the component sub-indices. In some cases, this shift reflects offsetting changes between sub-indices (Brazil and Egypt), rather than uniform movement in a single direction. It's therefore necessary to interpret overall ranking outcomes in conjunction with underlying sub-index performance, rather than as stand-alone indicators.

Meanwhile, the Index also shows variation in the degree of alignment between sub-index scores, with some markets balanced across components (Qatar and Oman), while others exhibit wide dispersion (Ethiopia and Russia). Naturally the dispersion contributes to the differences in how changes at the sub-index level translate into overall movement.



A note on the method

This year as in previous, we've used a unique set of variables to measure the current, short and medium-term performance of 50 emerging markets across structural and cyclical factors in their supply markets and key verticals.

The Index builds a snapshot of each country's performance and potential as a global supply market and investment destination. To determine the ranking of the 50 nations, current and forecast data from world-leading institutions, including Transport Intelligence (TI), the IMF and the WEF, is used across the four components.

This year, the Digital Readiness assessment has been expanded to include AI readiness, adoption and investment. There is little doubt that AI will change the way global supply chains are built, but even less doubt that access to all that it promises depends on a variety of macroeconomic factors. Many will play across the emerging markets, and as such its inclusion in our assessment is both pertinent and necessary.

Finally, by ranking each emerging market against the 49 others, the Index highlights strong performers and demonstrates where markets have advantages, vulnerabilities and significant investment opportunities.

What we assess

The Agility Emerging Markets Index 2026 examines four key areas for logistics market development:

Domestic Logistics Opportunities: measures the performance of each emerging market and its potential to sustain and develop domestic demand that requires competitive logistics markets:

- Domestic logistics markets – size & growth
- Economy – size & growth
- Population – size & growth
- Income equality
- Urbanisation
- Development of business clusters

International Logistics Opportunities: measures internal and external demand for trade intensive logistics services and the capacity of individual emerging markets to facilitate cross-border logistics operations:

- International logistics markets – size & growth
- Logistics intensive trade – size & growth
- Infrastructure quality and connectedness
- Border procedures – time & cost

Business Fundamentals: measures the openness, robustness, fairness and strength of each emerging market's business environment, rule of law and market independence:

- Regulatory environment
- Credit rating
- Contract enforcement & anti-corruption frameworks
- Inflation & price stability
- Cost of crime & violence
- Market accessibility & domestic stability

Digital Readiness: measures the potential and progress of an emerging market in becoming a digitally led, skills rich, innovation-oriented and sustainable economy for the future:

- AI readiness, adoption and investment
- Emissions intensity
- Renewable energy mix
- Digital business models & online commerce
- Entrepreneurial risk
- Digital skills & human capital
- Availability of enterprise financing

The Agility Emerging Markets Logistics Index – Overall Ranking

Rank	Rank Change	Country	Overall Score	Last Year's Score	Domestic Opportunities	International Opportunities	Business Fundamentals	Digital Readiness
1	0	China	8.44	8.58	8.33	9.64	8.21	8.31
2	0	India	6.99	6.94	7.66	7.29	7.46	6.64
3	0	UAE	6.40	6.31	6.06	6.38	7.38	6.52
4	0	Saudi Arabia	6.25	6.08	5.86	6.35	7.29	6.40
5	0	Malaysia	6.03	6.04	5.81	6.18	6.98	6.31
6	0	Indonesia	5.88	5.94	5.69	5.89	6.92	6.21
7	1	Qatar	5.81	5.64	5.45	5.89	6.86	6.19
8	-1	Mexico	5.78	5.77	5.39	5.88	6.84	6.03
9	0	Thailand	5.58	5.61	5.28	5.80	6.74	6.02
10	3	Brazil	5.48	5.33	5.25	5.69	6.42	5.94
11	-1	Vietnam	5.44	5.52	5.23	5.47	6.13	5.84
12	0	Turkey	5.43	5.38	5.12	5.34	6.02	5.79
13	-2	Chile	5.42	5.41	5.10	5.08	5.96	5.64
14	0	Oman	5.39	5.30	5.04	5.00	5.86	5.64
15	1	Bahrain	5.29	5.27	5.03	4.99	5.83	5.50
16	-1	Russia	5.28	5.27	5.03	4.92	5.82	5.40
17	2	Uruguay	5.13	5.07	4.99	4.86	5.45	5.37
18	-1	Jordan	5.11	5.18	4.90	4.82	5.35	5.35
19	-1	Kuwait	5.05	5.08	4.90	4.80	5.33	5.35
20	0	South Africa	4.99	4.98	4.88	4.80	5.13	5.33
21	2	Philippines	4.96	4.91	4.87	4.79	5.09	5.27
22	3	Kazakhstan	4.92	4.87	4.86	4.77	5.02	5.24
23	-2	Colombia	4.86	4.97	4.86	4.77	4.92	5.21
24	2	Morocco	4.84	4.84	4.85	4.77	4.84	5.15
25	-3	Kenya	4.83	4.92	4.85	4.68	4.79	5.05
26	2	Peru	4.82	4.77	4.84	4.68	4.77	4.88
27	0	Sri Lanka	4.79	4.77	4.84	4.62	4.71	4.77
28	-4	Egypt	4.78	4.88	4.82	4.59	4.70	4.76
29	0	Argentina	4.75	4.66	4.80	4.58	4.63	4.71
30	1	Ghana	4.66	4.64	4.75	4.56	4.62	4.69
31	9	Ukraine	4.65	4.44	4.73	4.56	4.57	4.61
32	4	Tunisia	4.61	4.53	4.66	4.55	4.48	4.56
33	2	Paraguay	4.57	4.55	4.65	4.54	4.40	4.55
34	0	Ecuador	4.56	4.56	4.65	4.53	4.38	4.52
35	3	Algeria	4.54	4.49	4.62	4.51	4.27	4.50
36	-4	Iran	4.51	4.63	4.60	4.50	4.22	4.48
37	-7	Cambodia	4.50	4.65	4.59	4.49	4.19	4.39
38	-5	Pakistan	4.47	4.59	4.58	4.46	4.12	4.38
39	-2	Tanzania	4.45	4.52	4.57	4.44	4.02	4.31
40	1	Uganda	4.43	4.39	4.54	4.42	3.97	4.29
41	2	Nigeria	4.39	4.35	4.54	4.41	3.85	4.18
42	-	Cote d'Ivoire	4.33	-	4.53	4.38	3.65	4.16
43	-4	Bangladesh	4.32	4.45	4.53	4.38	3.61	4.05
44	-2	Lebanon	4.30	4.37	4.51	4.37	3.42	3.92
45	0	Ethiopia	4.10	4.26	4.50	4.36	3.33	3.83
46	0	Libya	4.03	4.23	4.49	4.33	3.21	3.40
47	2	Myanmar	4.02	3.96	4.41	4.30	3.02	3.38
48	-1	Angola	3.96	4.00	4.38	4.28	2.65	3.38
49	-5	Bolivia	3.94	4.29	4.37	4.15	2.60	3.18
50	-2	Mozambique	3.90	3.99	4.21	4.15	1.96	2.43

Domestic Opportunities

Rank	Country	Score	Change
1	China	8.33	0
2	India	7.66	0
3	Indonesia	6.06	0
4	Qatar	5.86	4
5	Saudi Arabia	5.81	-1
6	United Arab Emirates	5.69	-1
7	Mexico	5.45	0
8	Brazil	5.39	-2
9	Oman	5.28	5
10	Turkey	5.25	-1
11	Malaysia	5.23	-1
12	Russia	5.12	0
13	Kuwait	5.10	0
14	Bahrain	5.04	2
15	Vietnam	5.03	-4
16	Philippines	5.03	1
17	Thailand	4.99	-2
18	Chile	4.90	4
19	Egypt	4.90	1
20	Iran	4.88	-1
21	Argentina	4.87	0
22	South Africa	4.86	5
23	Algeria	4.86	10
24	Bangladesh	4.85	1
25	Jordan	4.85	6
26	Uruguay	4.84	3
27	Colombia	4.84	-1
28	Sri Lanka	4.82	-4
29	Nigeria	4.80	-1
30	Peru	4.75	2
31	Pakistan	4.73	-8
32	Ukraine	4.66	17
33	Kazakhstan	4.65	8
34	Tanzania	4.65	0
35	Morocco	4.62	3
36	Cote d'Ivoire	4.60	-
37	Ghana	4.59	-1
38	Lebanon	4.58	-8
39	Libya	4.57	-4
40	Ecuador	4.54	-1
41	Angola	4.54	-1
42	Paraguay	4.53	1
43	Uganda	4.53	1
44	Bolivia	4.51	-7
45	Kenya	4.50	-3
46	Tunisia	4.49	-1
47	Ethiopia	4.41	-1
48	Cambodia	4.38	-1
49	Mozambique	4.37	-1
50	Myanmar	4.21	0

International Opportunities

Rank	Country	Score	Change
1	China	9.64	0
2	India	7.29	0
3	Mexico	6.38	0
4	United Arab Emirates	6.35	2
5	Saudi Arabia	6.18	0
6	Malaysia	5.89	3
7	Brazil	5.89	3
8	Thailand	5.88	-1
9	Indonesia	5.80	-5
10	Vietnam	5.69	-2
11	Turkey	5.47	1
12	Russia	5.34	-1
13	Chile	5.08	0
14	Colombia	5.00	1
15	South Africa	4.99	-1
16	Egypt	4.92	2
17	Peru	4.86	3
18	Argentina	4.82	1
19	Philippines	4.80	-3
20	Morocco	4.80	1
21	Qatar	4.79	-4
22	Sri Lanka	4.77	3
23	Oman	4.77	0
24	Ghana	4.77	0
25	Kenya	4.68	-3
26	Iran	4.68	4
27	Nigeria	4.62	7
28	Pakistan	4.59	-2
29	Algeria	4.58	0
30	Ecuador	4.56	2
31	Jordan	4.56	-3
32	Cambodia	4.55	1
33	Ukraine	4.54	5
34	Ethiopia	4.53	-7
35	Tunisia	4.51	-4
36	Bahrain	4.50	0
37	Uruguay	4.49	0
38	Cote d'Ivoire	4.46	
39	Kuwait	4.44	-4
40	Angola	4.42	2
41	Kazakhstan	4.41	0
42	Paraguay	4.38	-2
43	Libya	4.38	2
44	Uganda	4.37	-5
45	Myanmar	4.36	2
46	Bangladesh	4.33	-3
47	Bolivia	4.30	-3
48	Mozambique	4.28	-2
49	Tanzania	4.15	0
50	Lebanon	4.15	-2

Business Fundamentals

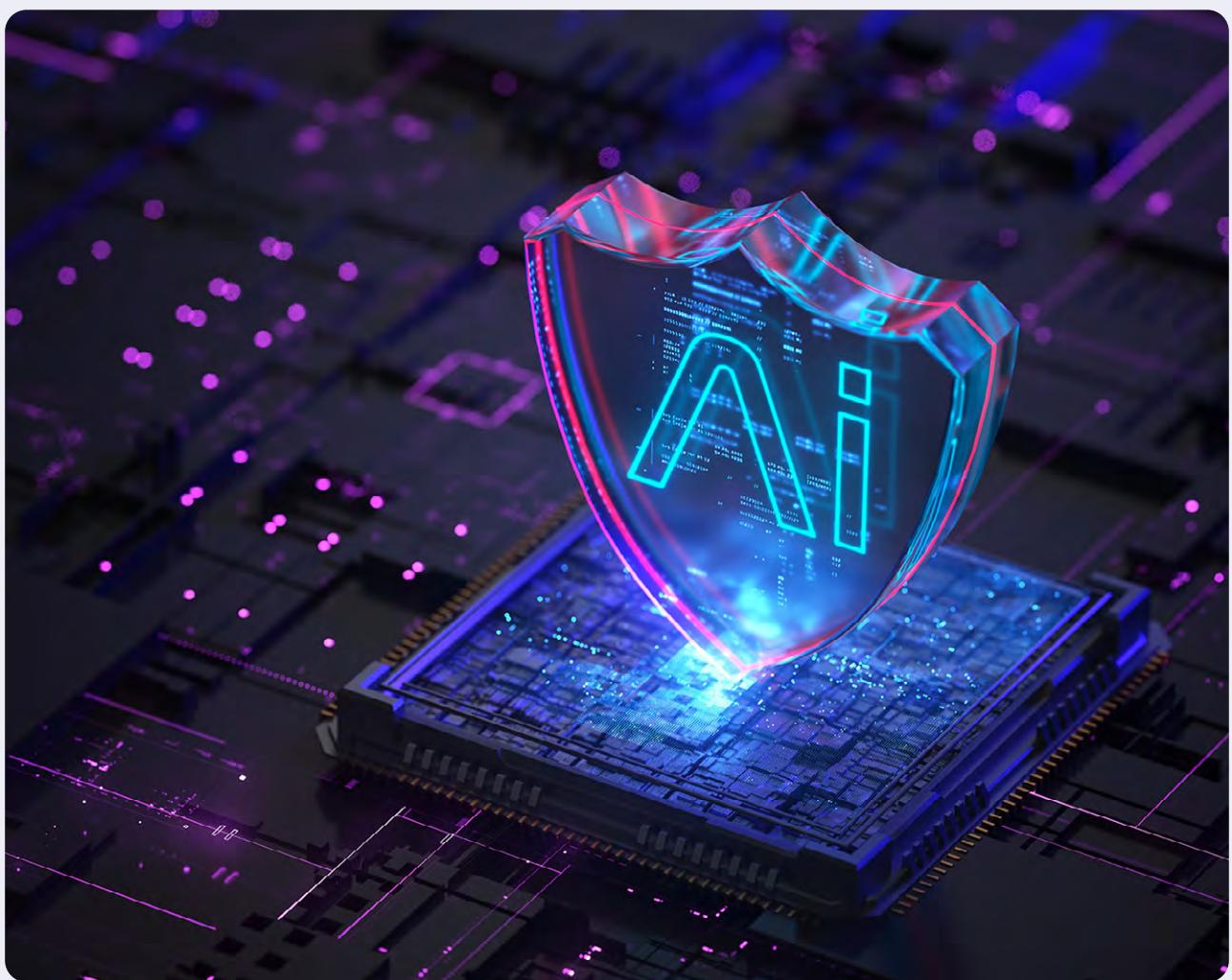
Rank	Country	Score	Change
1	United Arab Emirates	8.21	0
2	Malaysia	7.46	0
3	Saudi Arabia	7.38	0
4	Qatar	7.29	1
5	Oman	6.98	3
6	Bahrain	6.92	0
7	Chile	6.86	0
8	Uruguay	6.84	1
9	Jordan	6.74	-5
10	China	6.42	0
11	Kazakhstan	6.13	3
12	Kuwait	6.02	-1
13	Thailand	5.96	2
14	Vietnam	5.86	-1
15	Mexico	5.83	3
16	Morocco	5.82	0
17	Indonesia	5.45	0
18	Tunisia	5.35	3
19	India	5.33	-7
20	South Africa	5.13	2
21	Peru	5.09	5
22	Turkey	5.02	2
23	Kenya	4.92	-3
24	Colombia	4.84	-5
25	Ghana	4.79	4
26	Tanzania	4.77	2
27	Ecuador	4.71	5
28	Paraguay	4.70	6
29	Brazil	4.63	7
30	Philippines	4.62	1
31	Cambodia	4.57	-6
32	Algeria	4.48	1
33	Russia	4.40	-6
34	Ukraine	4.38	-4
35	Argentina	4.27	8
36	Egypt	4.22	-13
37	Uganda	4.19	1
38	Sri Lanka	4.12	-3
39	Libya	4.02	5
40	Pakistan	3.97	-3
41	Lebanon	3.85	-2
42	Myanmar	3.65	-1
43	Cote d'Ivoire	3.61	
44	Ethiopia	3.42	3
45	Nigeria	3.33	0
46	Iran	3.21	-6
47	Bangladesh	3.02	-5
48	Mozambique	2.65	0
49	Angola	2.60	0
50	Bolivia	1.96	-4

Digital Readiness

Rank	Country	Score	Change
1	China	8.31	0
2	Malaysia	6.64	1
3	India	6.52	4
4	United Arab Emirates	6.40	-2
5	Saudi Arabia	6.31	0
6	Qatar	6.21	-2
7	Russia	6.19	6
8	Turkey	6.03	2
9	Indonesia	6.02	5
10	Thailand	5.94	-4
11	Chile	5.84	-2
12	Bahrain	5.79	-4
13	Kenya	5.64	-1
14	Brazil	5.64	8
15	Vietnam	5.50	0
16	Mexico	5.40	2
17	Oman	5.37	-6
18	Philippines	5.35	5
19	Uruguay	5.35	1
20	Kazakhstan	5.33	-4
21	Sri Lanka	5.27	0
22	Jordan	5.24	-3
23	Kuwait	5.21	-6
24	South Africa	5.15	0
25	Ukraine	5.05	7
26	Paraguay	4.88	-1
27	Argentina	4.77	0
28	Egypt	4.76	2
29	Colombia	4.71	0
30	Peru	4.69	5
31	Cambodia	4.61	-3
32	Iran	4.56	-6
33	Morocco	4.55	-2
34	Uganda	4.52	4
35	Ghana	4.50	2
36	Ecuador	4.48	-2
37	Tunisia	4.39	7
38	Lebanon	4.38	4
39	Tanzania	4.31	-6
40	Bangladesh	4.29	-4
41	Pakistan	4.18	-1
42	Cote d'Ivoire	4.16	
43	Nigeria	4.05	3
44	Algeria	3.92	1
45	Bolivia	3.83	-4
46	Myanmar	3.40	4
47	Mozambique	3.38	-4
48	Ethiopia	3.38	-9
49	Angola	3.18	-1
50	Libya	2.43	-3

Overall Index/Movers + Shakers AEMI 2026

2025 saw a diverse spread of performance shifts across the Agility Emerging Markets Index, with countries rising or falling based on internal market conditions, infrastructure development, trade performance, and the impact of institutional reform, or lack of it. Domestic market maturity and the accelerating importance of digital capacity, including AI readiness, significantly shaped the competitive landscape.



Overall Index

What happened to the biggest movers?

Ukraine was the standout performer, powered primarily by a sharp rise in domestic opportunities and visible reconstruction momentum. For instance, the Ukraine FIRST initiative, led by the EIB, EBRD and European Commission provides an initial €30m to accelerate preparation for large-scale infrastructure projects, with further support expected from additional EU contributors. This supports broader rebuilding efforts across energy, transport, housing and essential public services, aligning with Ukraine's EU accession ambitions. Pilot initiatives include a €160m Ukrnafta energy-resilience project and preparatory work for upgrading the Odessa-Reni corridor, boosting regional trade connectivity with the EU. Alongside rising real wages, resilient consumer demand

and improved energy reliability, these efforts underpin a stable recovery outlook, with the IMF maintaining Ukraine's 2.0% GDP growth forecast for 2025.

In contrast, Cambodia faces a more restrained economic outlook, with growth forecast to slow to 4.8% in 2025. Continued trade disruptions, declining remittances, border clashes with Thailand, and softer tourism activity are weighing on domestic demand, while financial vulnerabilities are becoming more pronounced. The IMF points to several structural risks, including a heavy dependence on garment and footwear exports, geopolitical tensions that constrain tourism, and elevated private debt levels that heighten the financial system stress.

Domestic Opportunities:

What happened to the biggest movers?

Ukraine's remarkable jump reflects improvements across several indicators, driven by strong reconstruction efforts, increased investment inflows, and a gradual strengthening of its logistics infrastructure.

Algeria, Kazakhstan and Jordan also climbed notably, supported by improved economic fundamentals, stronger human development indicators, and gradually strengthening industrial and logistics ecosystems. Algeria's progress is closely linked to targeted government interventions through its 2026 Finance Bill, which aims to stabilise essential goods markets, support household purchasing power, and bolster domestic economic resilience. The extension of tax exemptions and reduced customs duties on key food products, including soybean oil, coffee, pulses, meats and produce, signals a policy focus on affordability and supply continuity. These measures, valid through end-2026, are expected to ease inflationary pressures and create a more stable demand environment.

With a highly urbanised economy and a notable increase in domestic economic opportunities in 2024, Qatar has emerged as a standout performer in the Gulf region thanks to ongoing investments in infrastructure, smart-city development, and economic diversification initiatives. With its own initiatives to modernise important

cities, develop transport systems, and boost private sector activity, Oman has also shown tremendous momentum, recording the second-highest increase in urbanisation. While advancements in education, workforce development, and regulatory efficiency are boosting labour-market competitiveness, both nations are gaining from diversification strategies that are creating new avenues in technology, tourism, manufacturing, and services. Together, these trends reflect a broader regional shift towards sustainable economic development, stronger urban ecosystems, and a rising quality of life across the Gulf.

Kazakhstan's gains reflect momentum in real-sector (the parts of the economy that produce goods and non-financial services) growth and infrastructure-led expansion. For instance, according to the Ministry of National Economy, the country's manufacturing output is projected to rise, driven by investment projects and productivity improvements. The government's emphasis on borrowing only for revenue-generating infrastructure, supported by measurable gains such as toll road income growth, highlights a disciplined fiscal approach and a sustainable growth model.

Jordan is on a stable recovery path, with GDP growth forecast at 2.7% in 2025, according to IMF. The economy

benefits from softer global commodity prices, a recovery in tourism, stronger remittances, and improving agricultural output. Macroeconomic steadiness and gradual structural strengthening continue to underpin confidence, particularly in domestic consumption and services.

Lebanon, Pakistan and Bolivia each declined in the rankings, reflecting mounting macroeconomic stress and structural constraints. Lebanon's deterioration stems from severe financial instability, eroding confidence and heightened geopolitical risk. Despite a fragile ceasefire with Israel, cross-border tensions persist, undermining investment and constraining trade flows. Pakistan

continues to implement restrictive fiscal measures aimed at strengthening its financial position. However, strict policy conditions collide with weak domestic demand, while ongoing vulnerability to climate shocks introduces additional economic risk and disruption to agriculture and supply chains.

Bolivia's downward movement reflects a structural slowdown, with declining natural gas production reducing export earnings and limiting government capacity to support growth. Lower foreign currency inflows are also suppressing imports of industrial inputs and capital equipment, impeding manufacturing and logistics activity.

International Opportunities

What happened to the biggest movers?

Nigeria's strong performance was fuelled by a sharp rise in real import-export forecasts, as well as growth in air and sea freight market volumes. This points to a strengthening role in regional and intercontinental trade flows, supported by consumer demand and infrastructure upgrades. For example, the Federal Government of Nigeria has announced a multibillion-naira investment framework to modernise the aviation sector and improve trade capacity. The programme includes airport infrastructure upgrades, creation of a modern Maintenance, Repair and Overhaul (MRO) facility, development of domestic aircraft leasing entities, and the establishment of specialised cargo and logistics centres. These measures aim to strengthen Nigeria's aviation competitiveness and support broader economic growth. Given Nigeria's strong agricultural and manufacturing base, the government is also prioritising more efficient export corridors.

In contrast, Ethiopia experienced a dip, impacted by weakening parcel market performance and slowing freight growth across air and sea channels. Reduced export throughput and shifting trade dynamics have constrained its international logistics outlook for the year.

Indonesia's international opportunities have weakened as the country faces a projected slowdown in its Sea and Air Freight Forwarding market over the next five years. It is anticipated that this industry, which has historically been one of Indonesia's main avenues for international trade integration, will slow down as a result of declining export demand, growing regional rivalry, and rising operating expenses. Indonesia's capacity to increase its worldwide commercial reach is limited as goods forwarding growth slows, making it less appealing to foreign logistics and trade-driven investment.

Business Fundamentals

What happened to the biggest movers?

Argentina and Brazil made steady progress, thanks largely to improvements in contract enforcement and property rights protection, critical foundations for investment reliability and market functioning. Brazil's positive shift in contract enforcement particularly enhances its position as a more predictable and investor-friendly environment.

On the contrast, Egypt saw a significant decline, driven

by worsening inflation forecasts and weaker scores in corruption perception and institutional transparency. India, Iran, and Russia also declined due to contract enforcement challenges, weak institutional trust, and rising bureaucracy costs, signalling a business environment facing greater regulatory friction and uncertainty.

Digital Readiness

What happened to the biggest movers?

In 2025, digital performance was heavily disrupted by the introduction of the AI Preparedness Index, which significantly reshaped results.

Brazil emerged as a strong performer, supported by widespread bank account penetration and rising e-commerce activity, both in total value and in forward growth expectations. Tunisia also moved positively, benefitting from improvements in advanced manufacturing value added and renewable energy uptake.

By contrast, Ethiopia recorded the steepest fall, driven by reduced digital accessibility, declining account ownership,

weak e-commerce penetration, and lagging technology infrastructure. Kuwait, Oman, and Tanzania also slipped, with decreases in network readiness and advanced manufacturing intensity reflecting broader challenges in transitioning towards tech-driven economic models.

Russia's rise was supported by growing digital commerce activity, improving human capital indicators, and incremental gains in network readiness, suggesting gradual progress in digital integration despite sanctions and other geopolitical constraints.

What these shifts tell us about emerging markets in 2026

The Index offers yet more evidence that the emerging markets landscape is being repriced rather than passively adjusted. Movement, overall, appears less the result of isolated shocks and more reflective of deeper reassessments of where capacity is needed, trade relevance and institutional reliability.

There is strong evidence in the market to support this notion. If we follow where money and policy are heading, they lead to structural change that is shaping outcomes. There are clear and tangible shifts in domestic market conditions, infrastructure investment and efforts to expand trade connectivity.

In Qatar and Oman, for example, recent infrastructure upgrades that include world-class ports, logistics hubs

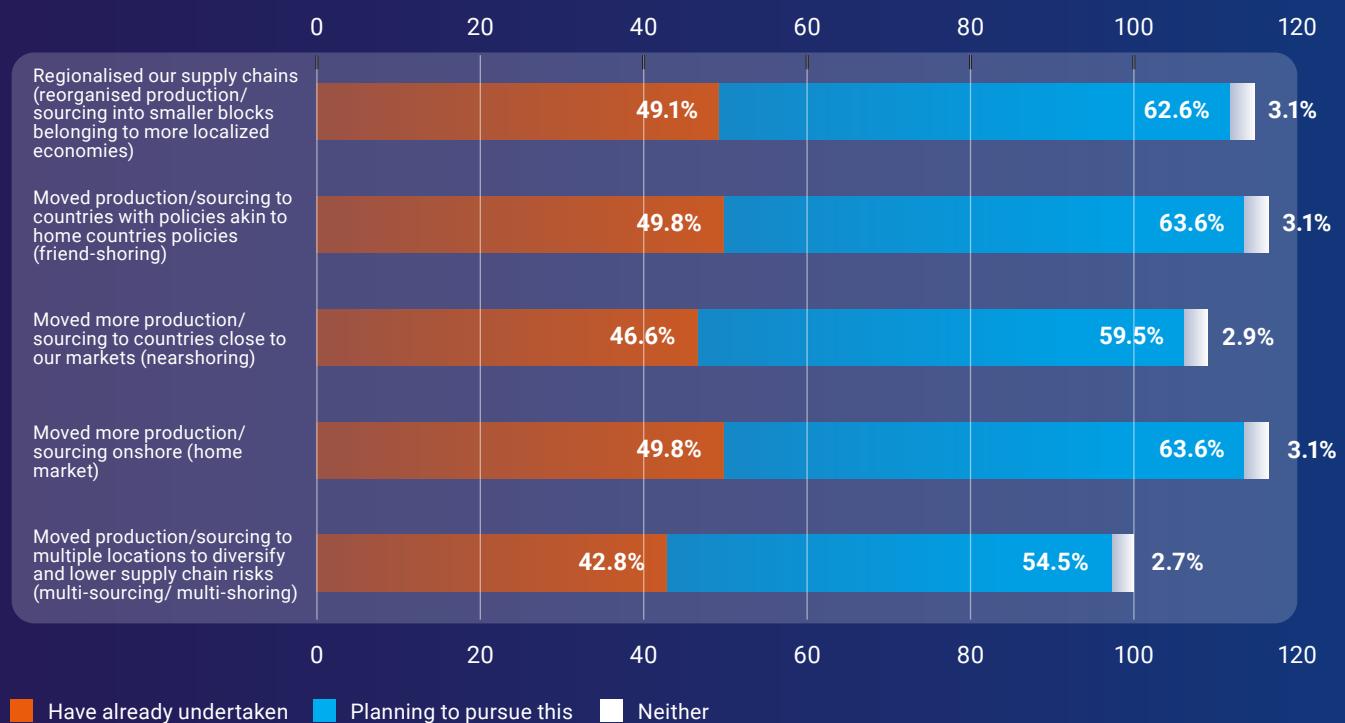
and connectivity initiatives demonstrate how investment is repositioning global logistics in emerging markets. These developments are supported by market and government initiatives aimed at deepening regional integration and expanding capacity.

Ethiopia, meanwhile, has expanded key road and rail connections aimed at strengthening trade corridors to Djibouti, including new highway segments and rail network modernisation frameworks. While there are natural constraints, the Government is showing intent. It has authorising greater private participation in multimodal logistics operations, reflecting institutional willingness to adapt, even as fundamental performance indicators lag.

What the survey says

In a general sense, this pattern aligns with survey evidence indicating that supply chains are already actively reconfiguring. Responses on past and planned restructuring suggest that firms are not simply responding to recent disruptions, but are reassessing sourcing, production and distribution models over several years. In other words, markets are being repositioned based on their perceived role in future supply chain configurations, not just their recent performance.

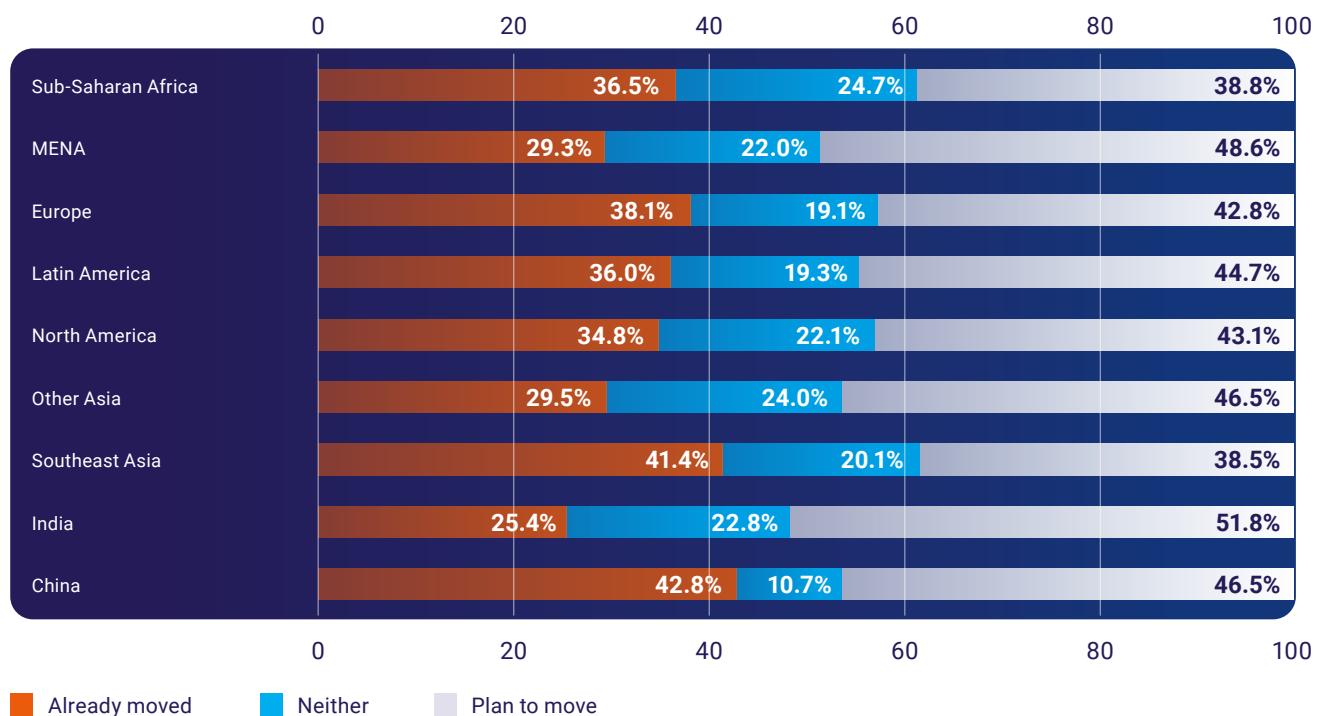
Fig.5. Have you taken steps to restructure your supply chain in the past 5 years and do you plan to take any of the following steps in the next 5 years?



In keeping with the theme of long-term and extant disruption, both the Index and the survey point toward the importance of regional repositioning within global trade. When asked if there was an intention to move sourcing to

or from specific regions (Fig 6), respondents had either left China (42%) or were planning to (46%); it was a similar case for India where 25% had already left, with 51% planning to move away.

Fig 6. Do you plan to move production/sourcing activities FROM any of the following regions?

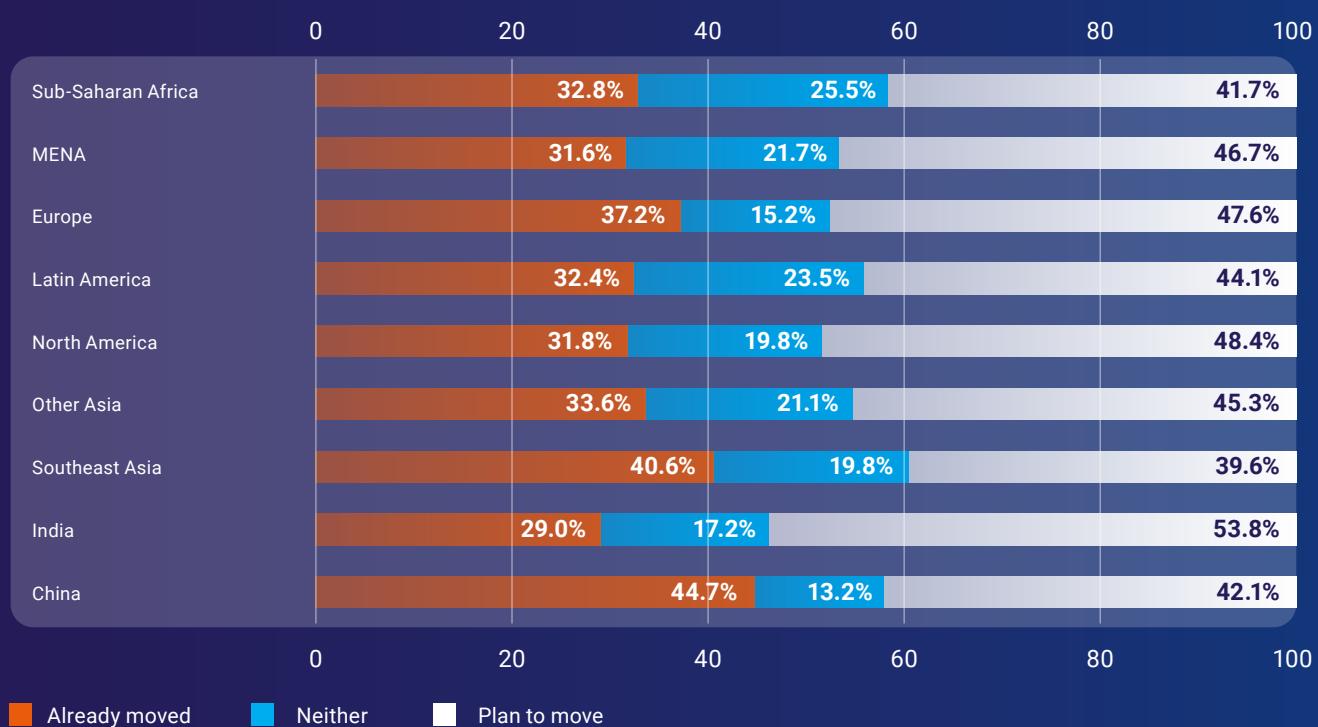


By contrast, there was a relatively even spread of actual or intended movement into markets (fig 7), with MENA (46.7%), Europe (47.6%), Latin America (44.1%), North America (48%) and Sub-Saharan Africa (41%) all set to be notable beneficiaries in the future, outside of the usual suspects China and India.

This provides some context for why certain regions feature

prominently in the ranking for 2026. Emerging Europe, the Gulf and selected Latin American markets appear increasingly central to diversification strategies, while other regions face headwinds linked to trade exposure and cost pressure. That's reflected in the relative movements across rankings and reinforces the idea that regional appeal counts as much as performance.

Fig 7. Do you plan to move production/sourcing activities TO any of the following regions?



Moreover, this is further evidence that emerging markets aren't evaluated on cost or scale alone. Markets that demonstrably combine resilience with connectivity, and institutional capacity with the capability to execute are better positioned to benefit from ongoing supply chain restructuring. By contrast, weak governance, infrastructure and digital readiness are limiting the extent to which markets capture reallocated trade and investment, even if geographic position might be favourable.

What emerges is a picture of selective integration. Supply chains are not retreating wholesale from emerging markets, but they are becoming more selective. The ranking movements observed this year reflect how well different markets are aligning with this more selective, risk-aware and regionally differentiated phase of global logistics development.

Capability Gaps & Bottlenecks: GCC & Africa Spotlight

This section examines the specific capabilities and constraints shaping the outcomes in the GCC and African markets, focusing on execution across logistics & supply chain, business fundamentals and digital readiness. Drawing on sub-index behaviour, selected survey responses and developments within the markets, it highlights the structural enablers and bottlenecks that influence domestic capacity, international connectivity and business fundamentals. It will also examine how digital readiness is impacted. In so doing, it identifies the mechanisms that differentiate performance across the two regions.

Domestic Logistics Opportunities: Capacity vs Execution

GCC

Throughout 2025, the **GCC** has continued to expand its logistics infrastructure as it looks to enhance its capacity and position regional hubs for diversified trade flows. Large-scale investments are either active or imminent, with ports, cargo facilities and multi-modal connectivity demonstrating the capacity build out.



Oman

In **Oman** this has taken the shape of enhancements to the port of Sohar and substantial rail connectivity plans. These form part of a deliberate strategy to transform the country into a regional freight node with deepwater access and multi-modal distribution links. There's also major cumulative investment across the GCC hubs, including the expansion of Jebel Ali Port, King Abdullah Port and Hamad Port. These sit alongside plans for advanced air cargo capabilities that will strengthen domestic capacity and support broader trade links.



All 50 countries in this Index are looking for ways to withstand the geopolitical and trade turbulence that sap growth and threaten long-term development. The six countries of the Gulf Cooperation Council (GCC) are on better footing than most.

Why? For one, they are comparatively insulated from U.S. tariff increases. That's because, in each case, the United States buys less than 5% of their non-oil exports. It's also because the GCC nations escaped the most severe of 2025 U.S. tariff hikes, absorbing a token 10% increase vs. the 20% to 50% increases that the U.S. imposed on many other trading partners.

The GCC countries, all on the midst of generational transformations, know that their future depends on strong relationships with and robust investment from the world's two largest economies: the United States and China. They've worked to cultivate good ties with both and been careful not to align themselves too closely with either.

How can the GCC add more layers of resilience?

One way is to accelerate the pace of regional integration. Each of the six has made massive investments in transportation and logistics infrastructure. To the extent their individual networks can function together as a system, they can compound their return on their investment. That means knitting together intermodal transport, stripping away remaining barriers to cross-border trade, harmonizing and streamlining rules for trade and investment, and integrating data flows and digital technology.

Meaningful GCC integration began during COVID and paid dividends for the region during the Red Sea shipping crisis of 2024-2025. The impact of attacks on container ships moving through the Gulf of Aden and transiting the Suez Canal would have been far greater had the UAE, Saudi Arabia and others not invested so heavily in air, road and rail capabilities that offered alternatives and workarounds.

Since then, the Gulf countries have captured the world's attention with their drive to become AI hubs and centers of excellence. In Saudi Arabia, the Emirates and Qatar, in particular, astute planners and strategists have been working to secure and build out new sources of energy generation that are critical for the data centers that provide the computational power, storage and networking required by AI.

It's vital that Gulf policymakers look ahead at the implications AI will have on employment. The region's relatively young population will generate an estimated 570,000 new jobseekers each year until 2035, most of them in Saudi Arabia. Gulf countries have been ahead of the curve when it comes to mandating basic AI skills training in schools, down to elementary grades in some cases. But graduates looking for work as analysts at Gulf banks are already finding that AI has curtailed demand for their skills, and students could rightly question the value of their education if good job prospects are scarce.

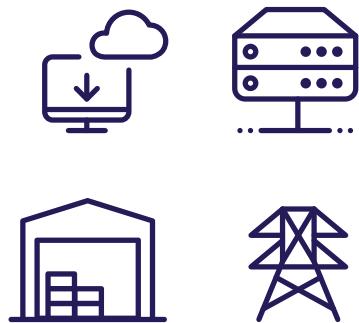
Finally, a future-focused Gulf requires that the private sector, individual citizen, and civil servant will all come to be seen in a fresh light. They are the solutions to the challenges of resilience and employment.

Traditionally, governments that crowd out the private sector encourage rent-seeking that adds little value. Gulf governments need to transition from doers to enablers, driven an understanding that private businesses will have to do most of the heavy lifting if they are to achieve the goals that are foundational to their national vision strategies.

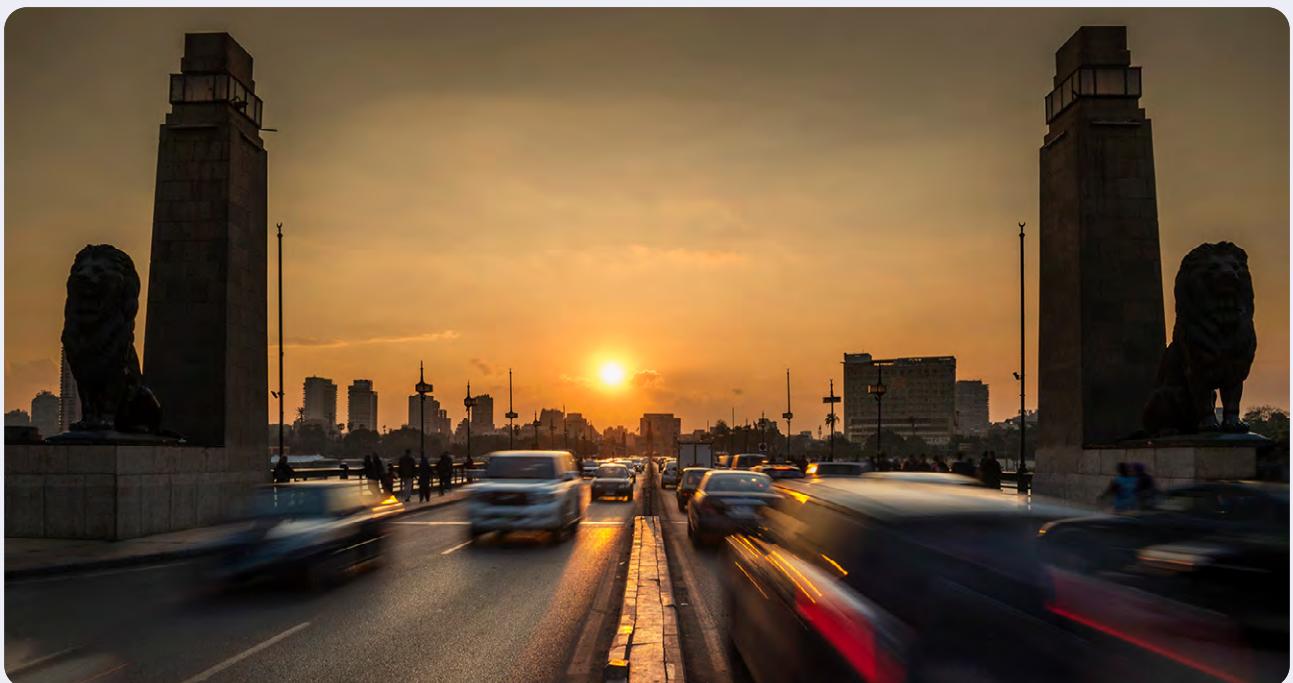
In the end, both public and private sectors will be better off. Risk-averse, rent-seeking businesses will begin to embrace change and risk, and make genuine contributions to the economy; governments will have the ability to improve the quality of regulation, oversight, incentives and the civil service.

Africa

In Africa, meanwhile, bottlenecks continue to constrain the translation of infrastructure potential into logistics performance. Domestic logistics reliability and competitive pricing are held back by chronic inefficiencies in transport networks, particularly cross-border connectivity and road quality. In 2025, a World Bank report emphasised how poor transport across the region impacted food losses, pointing to slow processing times and inadequate infrastructure as binding constraints on performance in regional supply chains. African transport corridors also face persistent challenges and will require sustained investment to unlock economic potential.



Survey responses on infrastructure risk reinforce the distinction. When asked which infrastructure gaps pose the greatest threat to supply chain resilience (fig 8), respondents said the primary concerns were weak digital infrastructure and limited digital connectivity (**25.7%**) and insufficient warehouse and storage capacity (**24.2%**). Those ranked ahead of more traditional constraints such as unreliable energy supply (**19.4%**), poor transport infrastructure (**15.7%**), and labour skills shortages (**15.0%**).



With its vast natural resources, critical mineral reserves, youthful population, agricultural potential, increasing technological innovation and burgeoning middle class, Africa provides an immense and expanding opportunity. If effectively harnessed, these strengths position the continent to play an increasingly significant role in the world and be an integral part of shaping the global future.

Africa, along with the rest of the world, is navigating one of the most volatile global environments in decades. A convergence of shocks – geopolitical fragmentation, tariffs, inflation and fiscal constraints, legacy debt, climate extremes, and ongoing US-China rivalry – are impacting the continent's development.

These shocks have resulted in government policies in much of Africa that are focused on building self-reliance and reducing historic dependence on aid and international support. There is an emerging belief that Africa's future will best be delivered by Africa.

Today, we're seeing new policies for attracting FDI, fresh PPP initiatives, and industrial and manufacturing support with open-door policies intended to encourage private sector solutions. In mining and agriculture, there is a growing demand for increased local beneficiation and greater capture of the value chain for and within Africa.

Aligned with this agenda the African Continental Free Trade Area (AfCFTA), which aims to reduce intra-African tariffs and build regional value chains, is gaining momentum. Member countries have agreed and completed the necessary legal structures, defined the majority of rules of origin, established payment platforms (PAPS), and adjustment fund mechanisms. As a result, the AfCFTA is finally entering the execution and implementation stage. This will potentially create the world's largest single market – one with 1.3 billion people (forecast to rise to 4.2 billion) – and stimulate a transition in trade routes on the Continent: rather than importing goods directly into each market, regional trade is expected to grow from the current 12% to 50%, creating a boom in local manufacturing and regional distribution.

Inflation, tariffs and fiscal challenges have been among the most damaging shocks to Africa. Capital outflows, currency depreciation, and rising post-COVID debt-service burdens have had material impacts across Africa. Several countries – Ghana, Zambia, Ethiopia, and Senegal, among them – have faced debt distress, forcing negotiations with international creditors. Central banks across the continent have responded with tighter monetary policy, but this constrains credit

and investment, forcing governments to balance macroeconomic stability against social spending and development priorities. The stress has re-enforced the focus towards self-reliance and seen countries seeking to find their own financial solutions rather than depend on traditional external sources such as the IMF.

Climate change is now a clear macroeconomic risk, not just an environmental one. Recurrent droughts in the Horn of Africa, floods in southern Africa, and increasing desertification across the Sahel are driving traditional agricultural producing areas southward disrupting the viability of long-standing agricultural communities. Countries are increasingly integrating climate adaptation into development plans – investing in climate-resilient agriculture, early-warning systems and renewable energy.

AI and digitisation are boosting productivity in agriculture, health, finance, logistics and public administration with Africa's youthful demographic leapfrogging to easily adopt rapid change. Kenya, Rwanda, Nigeria, South Africa, Cote D'Ivoire and Ghana are actively investing in digital infrastructure, ecosystems, and AI policy frameworks, and Africa has become a global incubator for innovative fintech. Government policies increasingly emphasize human capital development and digital inclusion along with the development of regional technology markets.

Geopolitical rivalry between the United States and China has reshaped Africa's external relationships. China remains the dominant trade partner and infrastructure financier whilst the US, India and Europe are re-engaging through commercially synergistic initiatives focused on critical minerals, clean energy, and supply-chain diversification. Russia also remains active. Most African governments are pursuing pragmatic non-alignment, seeking to diversify partners and extract economic benefits while avoiding over-dependence on any single power. The Middle East has become one of the largest investors in Africa, first in agriculture, driven by food security concerns, and second in infrastructure funding of ports, mining and power.

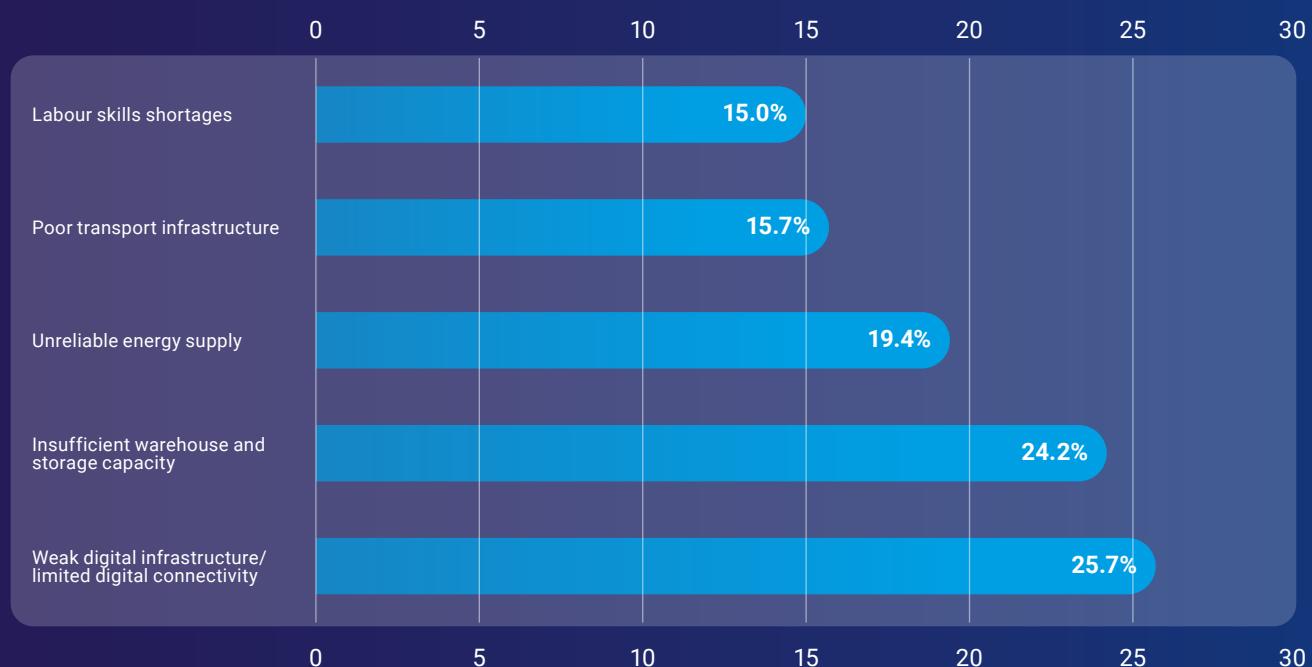
The African countries that can maintain growth trajectories with consistent and coherent policies, regional market integration and macroeconomic discipline whilst attracting investment in climate resilience, human capital, and digital infrastructure will be those that can deliver a better standard of living and deliver exceptional growth.

Those constrained by debt, conflict, and weak institutions will remain highly vulnerable to failure.

What this tells us is that for companies operating in emerging markets, domestic constraints aren't confined to physical transport links alone. Instead, there's increasing consideration given to the ability to execute operations efficiently once goods are in the country. To that end, digital connectivity, warehousing availability and inventory

management will all impact visibility, throughput and responsiveness. These are crucial to resilience under volatile conditions. Viewed through the lens of the GCC and Africa, it helps to explain why domestic logistics outcomes diverge even where headline infrastructure investment is visible.

Fig. 8. Which infrastructure gaps pose the biggest threat to resilience?



International Logistics Opportunities: Connectivity vs Reliability

Opportunity in 2026 will continue to be shaped by a tension between connectivity and reliability, with geopolitical fallout and tariff sparring not expected to resolve meaningfully – at least according to UNCTAD's Review of Maritime Transport.

GCC: Volatility won't derail ambition

That scenario will do little to deter the GCC's hub ambitions and transit role, though it will remain exposed to route security if the Red Sea/Suez corridor remains unsafe. At the time of writing there were signs that could resolve positively, though nothing was confirmed.

What is more concrete is the long-term ambition to position the Gulf as **strategic global hub**. It's an ambition backed by major investment in hub capacity and regional integration. In late 2025, for example, AD Ports Group and CMA CGM announced an expansion of CMA Terminals at Abu Dhabi's Khalifa Port that will increase the terminal's capacity by **50%** to **2.7m** TEUs and boost its overall throughput. It's indicative of the region's wider intent.



Part of that intent is being shaped by conflict in the region. It's been a damaging couple of years, and to that end the need for **route security** and **reliability** are a priority. It's led to continued diplomatic emphasis on corridor-led connectivity and prompted India and the UAE to reaffirm its commitment to implementing the India–Middle East–Europe Economic Corridor (IMEC). Separately, the UAE and Oman have broken ground on the **Hafeet Rail project**, and while that won't complete until 2030, it highlights the GCC's ambition to expand, as well as operate within a geopolitical risk envelope.



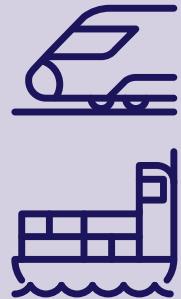
Image: © Progress Rail

Africa: Binding constraints a factor in growth plans

For much of Africa the dependence on a smaller number of corridors and chokepoints has the potential to shape its international outlook, primarily because reliability takes a hit during disruption.

In late 2025 this was evident when Transnet announced a five-year, **127bn rand** upgrade to its infrastructure in **South Africa**.

The project is explicitly aimed at modernising rail and ports after disruptions and linked to aging infrastructure that has affected the movement of exports. It's another reminder of how strongly reliability issues can shape corridor performance and trade throughput.



At the continental level, policy-led integration efforts add more context. An African Union report, African Integration, documented progress on institutional and infrastructure-related integration, driven by AfCFTA and infrastructure initiatives. It highlighted Ethiopia's first shipments under AfCFTA (via land and air) and provides a concrete example of integration translating into real flows. That in turn underscores that corridor performance and logistics execution remain decisive for whether such trade liberalisation yields consistent, scalable outcome.

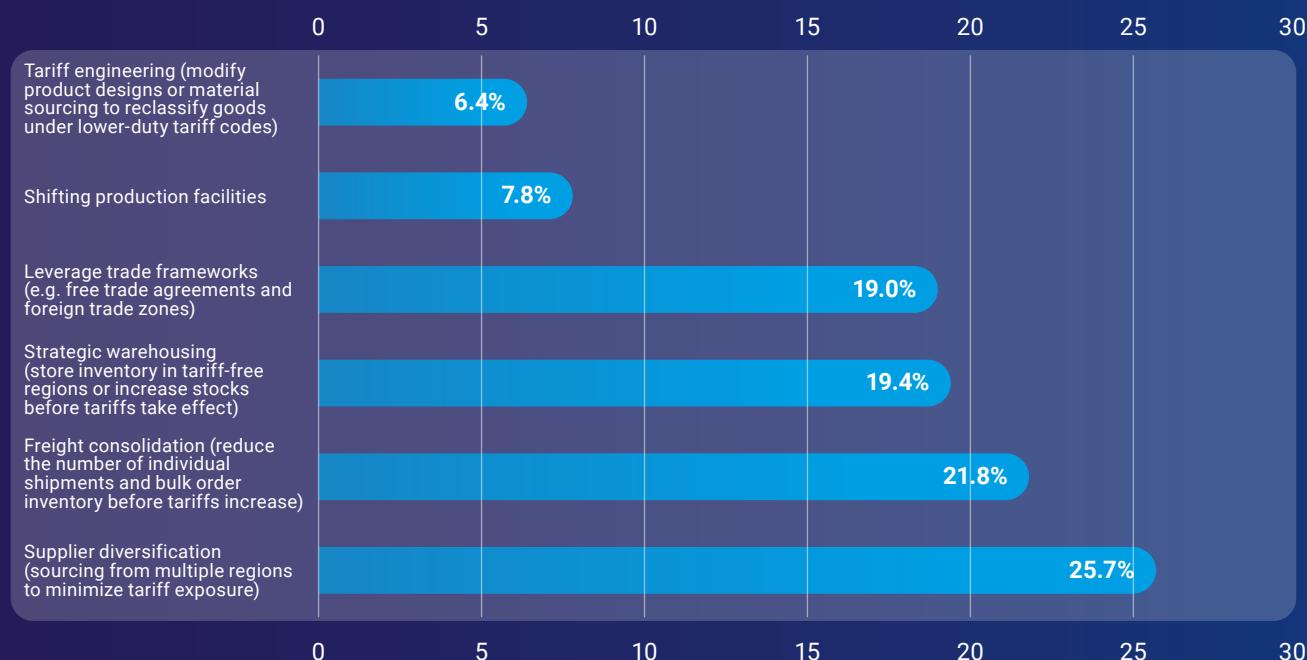


Survey perspective: managing connectivity under reliability constraints

When asked how they're managing supply chain costs amid tariff increases, most respondents point toward some kind of active network adjustment aimed at mitigating the charges. When viewed through a regional lens it gives context to the GCC's continued appeal as a transit and hub region, partly because the survey results

suggest that firms value locations that offer multiple routing options, frequent services and adaptability during disruption. It reinforces the GCC's current role as a flexible intermediary within global networks, particularly for flows that link Asia, Europe and Africa

Fig 9. How are you managing supply chain costs amid tariff increases?

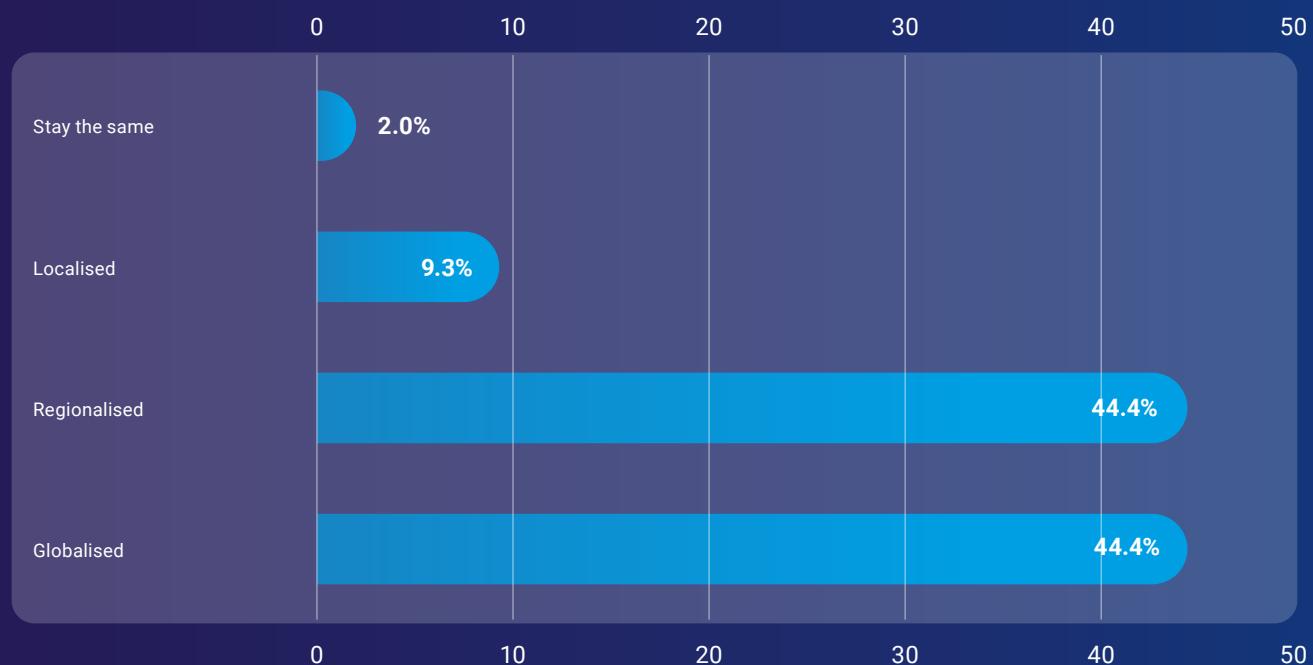


Similarly, responses to questions on future sourcing and production patterns (Fig 10.) indicate a growing emphasis on regionalisation and selective diversification, rather than a wholesale shift toward either full localisation or unrestricted globalisation. In the African context, this explains why corridor reliability emerges as a decisive factor.

Where firms depend on a limited number of gateways or overland routes, exposure to disruption, congestion or policy uncertainty weighs more heavily on international logistics decisions, regardless of underlying market potential.

In a wider context, both sets of views expressed by respondents tally with the Index distinction between connectivity and reliability. International opportunity in 2026 won't be defined by proximity to routes or major markets alone; it will come down to how well firms can depend on those connections under stress.

Fig 10. In your view, will your supply chain become more localised, regionalised, or globalised in the next 5 years?



Business Fundamentals: Reform vs Friction

The tension between regulatory reform in the GCC and financing friction in Africa is shaping business fundamentals, with developments in Q3 and Q4 of 2025 providing context for what we can expect in 2026.

Across the Gulf, regulatory reform is underwriting predictability as multiple legislative updates are strengthening the business environment and investment climate. In **Saudi Arabia**, regulations for the Kingdom's **Investment Law** were issued in September 2025, with legal analysis pointing to streamlining investment procedures and reinforcing investor protections.



Similarly in the **UAE**, amendments to the commercial companies' law, which were effective from mid-November 2025, changed corporate governance and the business environment. Separately, the UAE Ministry of Finance announced extensive amendments to the **Tax Procedures Law**.



While they don't necessarily translate directly into near-term performance gains, the revisions do affect the predictability of operating environments in which logistics assets are financed, built and managed. For international providers, forwarders and investors, these changes will influence decisions around market entry, asset deployments and long-term commitment. In that context, the reforms matter because of their implications for regulatory clarity and execution risk.

In Africa, events towards the end of 2025 point to the opposite problem: not a lack of ambition, but the compounding effect of political instability and tight financing conditions on institutional capacity.

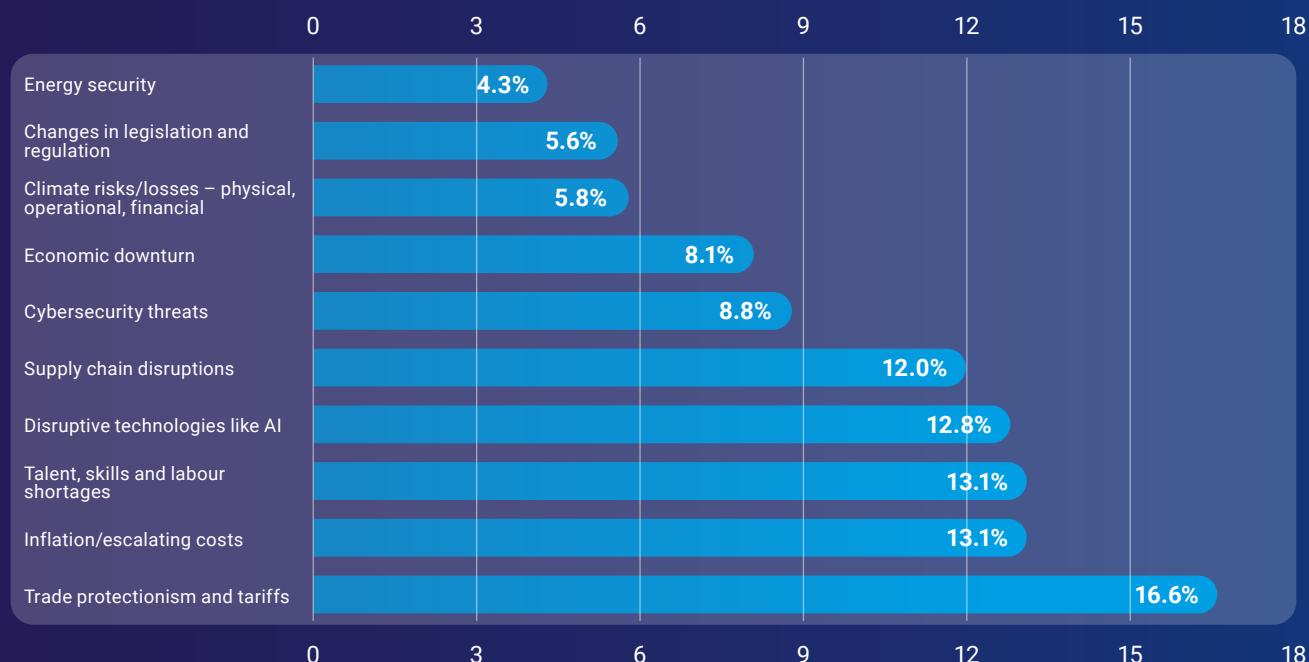
On that score, the IMF's October 2025 Regional Economic Outlook emphasised that Sub-Saharan Africa faced

tight borrowing conditions and high vulnerabilities. The same analysis also highlighted the risks of increasingly expensive domestic borrowing, crowding out private investment and deepening the bank–sovereign feedback loop. To compound matters, there were also market stress signals in Q4, which came in the shape of steep discounts on Senegal-linked loans amid deepening debt concerns and IMF programme suspension.

This picture explains why business fundamentals act as a differentiator, even when logistics capacity exists. The sequence of codified reforms in the GCC provide evidence of active rule modernisation, while the difficulties in parts of Africa impeded predictability and institutional capacity that businesses rely on to plan, invest and scale.

Survey perspective: preparedness gaps and institutional friction

Fig 11. Which risks is your business least prepared to address?



The level of risk businesses feel able to address adds further context to how business fundamentals will influence emerging market logistics in 2026. Most were unprepared to address trade protectionisms (16.6%), while slightly fewer felt prepared to deal with labour shortages (13.1%), AI (12.8%) or supply chain disruptions (12%).

The response to tariffs is largely down to the unexpected salvo from the US Government and subsequent responses, but it does point to a wider sentiment that is extant in the GCC. Trade protectionism, cost pressure and disruption are all external and system-level uncertainties that sit outside of the control of individual organisations.

In the GCC context, the reforms do help to mitigate some of that internal uncertainty, even as firms continue to be exposed to trade policy dynamics and geopolitical risk.

In Africa that takes on a different character. The exposure to tariffs, inflation and disruption is often compounded by institutional fragmentation, financing constraints and uneven policy execution. Together – or even in isolation – these can limit a company's ability to absorb shocks or adapt quickly. As it relates to the survey, it suggests that macro and trade-related risks are perceived as more immediately destabilising than incremental legislative shifts.

Gender parity helps drive innovation and productivity while fostering inclusive development. Closing the global gender gap in economic participation could add \$28 trillion to global GDP by 2025. The World Economic Forum says advancing women's employment could add \$12 trillion to global GDP and increase some countries' economic output by as much as 35%. Numerous studies show that gender-diverse companies outperform peers in ROI and profitability. The available evidence highlights the strategic importance of prioritizing gender equality in businesses, governments and non-government organizations.

Digital skilling initiatives such as Women in Digital Business (WIDB), a training partnership between the International Labour Organization and Microsoft Philanthropies, equip women with AI, cybersecurity, and digital marketing skills, enabling 25,000 entrepreneurs across 15 countries to expand their businesses and access new markets. Industry-wide campaigns are pivotal in bridging the gender gap, particularly in male-dominated sectors such as aviation. Industry groups such as the International Air Transport Association (IATA) have encouraged members to increase the proportion of women in senior leadership roles. Agility's Menzies

Aviation unit, the world's largest aviation services provider, was among the IATA members to announce that it has met or exceeded the 25% target outlined in IATA's 25by2025 campaign.

In Gulf Cooperation Council (GCC) countries, generational transformation is underway. Saudi Arabia, the UAE and other GCC countries are leveraging gender parity to diversify their energy-dependent economies, expand their private sectors, and build human capital. Saudi Arabia's Vision 2030 has doubled female workforce participation since 2016, while Emirati women now outnumber men in higher education. These nations are transitioning from oil-dependent economies by investing in women's STEM education and entrepreneurship, with Bahraini, Omani, and Saudi women increasingly entering private-sector roles. The UAE's focus on female-led innovation hubs and entrepreneurial-skills initiatives such as startAD, backed by Agility, reflect a broader shift toward equitable economic participation. Such efforts not only expand the labor force but also stimulate consumer markets and reduce poverty through increased female purchasing power.

Digital Readiness: Adoption vs Absorption

There is a practical distinction to be made here between adoption – which is the rollout of platforms, services and AI-enabled tools – and absorption – which is the ability of firms, workforces and infrastructure systems to use those tools at scale. The former is irrelevant if the latter isn't possible, and neither matter much if value isn't derived from the initiatives.

The GCC has its feet firmly in both camps, with Q3 digital strategy updates illustrating a push toward platform-based delivery and AI integration. Indeed, Abu Dhabi's government issued a digital strategy update which positioned TAMM 4.0 as an AI-native government

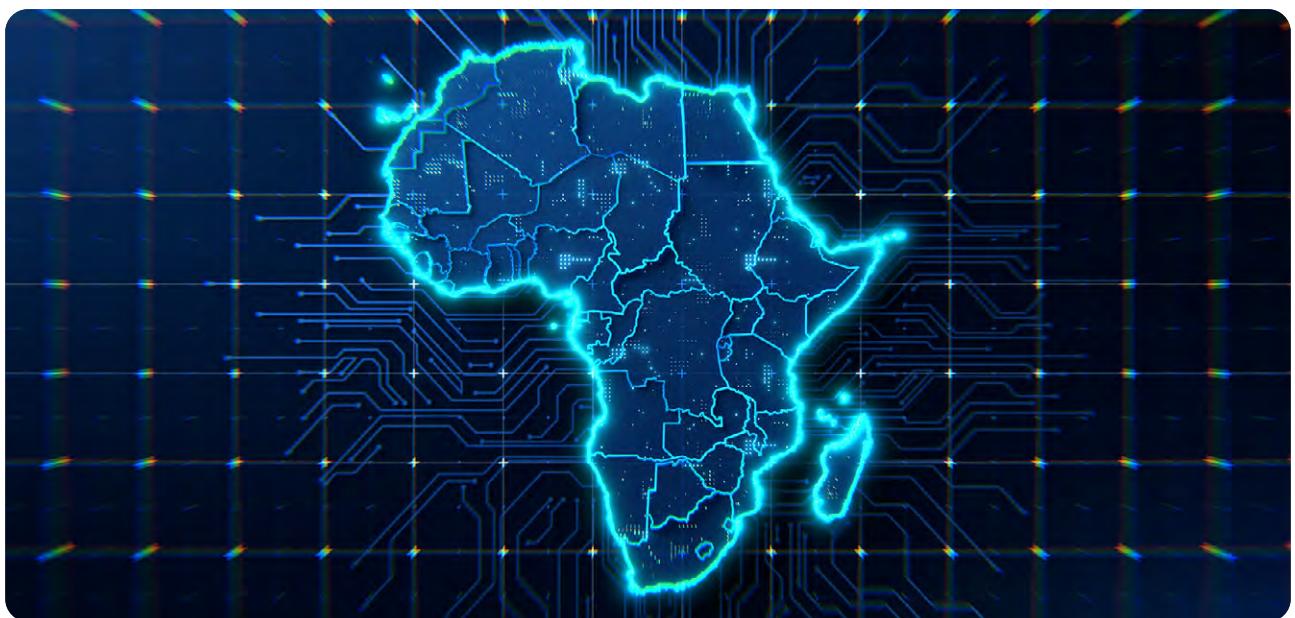
platform, framing it as a step-change in how services are delivered and personalised.

Alongside that, an independent analysis of AI in the region highlighted extensive state and organisational focus on scaling adoption and extracting value from it, including partnerships and implementation efforts referenced in-country. In turn, it points to a grounded investment and platforms narrative. While far from being embedded across all sectors it is evidence that governments are deploying AI-facing platforms and policy mechanisms that can accelerate adoption in logistics-adjacent domains.

Africa: access, connectivity, and the constraints on absorption

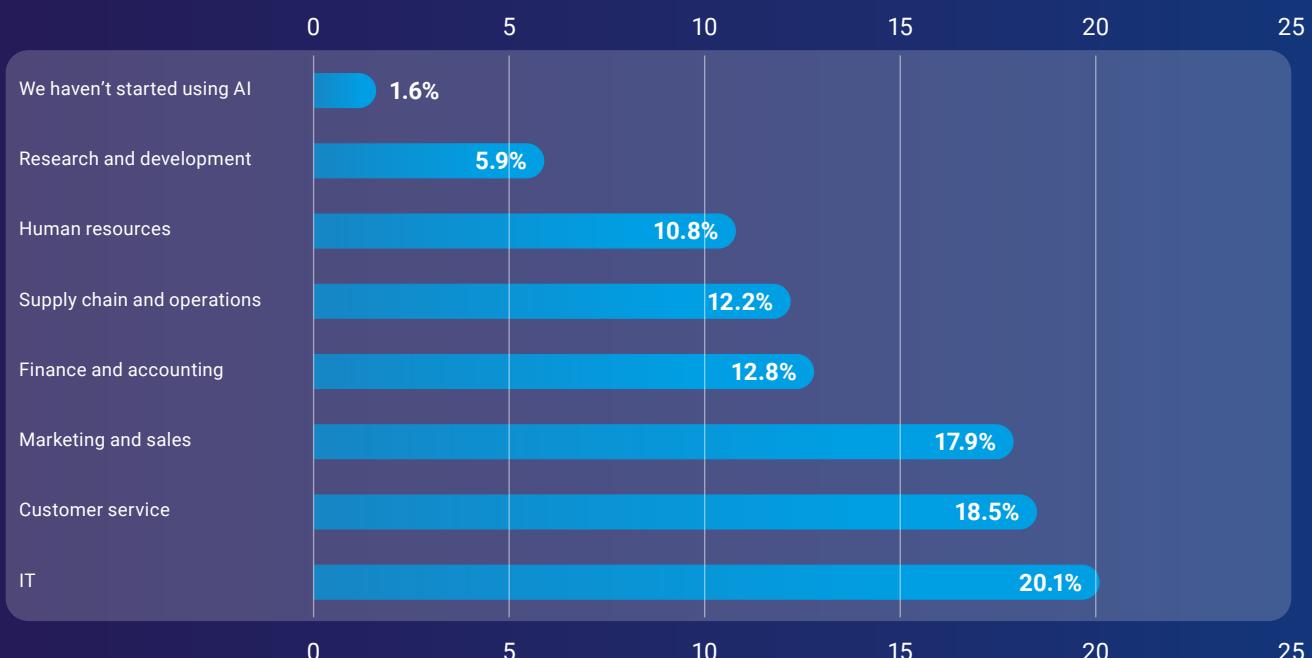
Africa's issues remain less about desire for AI and digital tools and more about the fragmented nature of affordability and connection across the continent. In its report on the State of Broadband in Africa, the ITU reported that Sub-Saharan Africa's internet usage rate remains well below the global average, and frames affordability and quality of service as persistent challenges. Its Global Connectivity Report added further that connectivity is uneven globally, and enabling digital readiness affects whether AI and other digital tools can be used at scale.

At the policy level, some African governments have moved toward more explicit AI frameworks. Kenya's AI strategy is a concrete example of formalised planning around AI adoption and governance, while the continent-wide initiative launched at MWC Kigali focuses on advancing a more inclusive digital future – again highlighting that connectivity and inclusion remain core prerequisites.



Survey perspective: AI adoption in practice

Fig 12. In which of the following business functions do you use AI at your organisation?

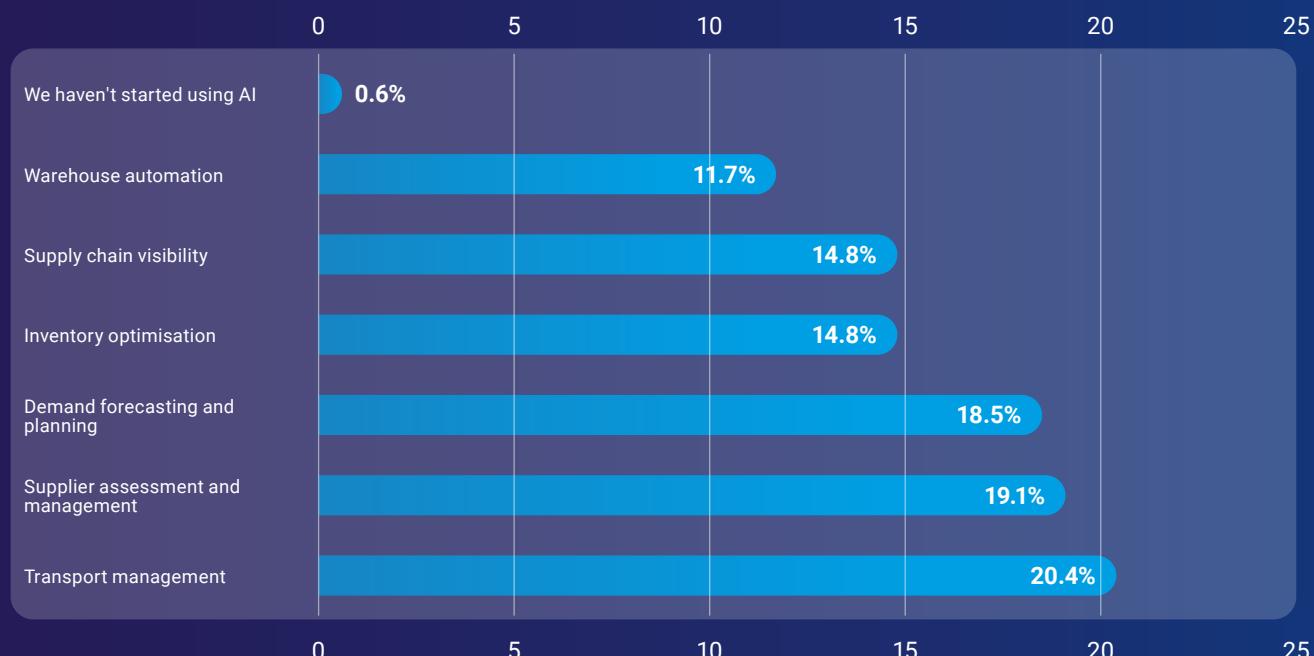


There is clearly a healthy appetite for AI at the platform and interface level among our survey respondents. And while AI adoption is concentrated in enabling and customer-facing functions, it does also point to the fact that organisations are prioritising data infrastructure and demand-side optimisation as the foundation for AI deployment.

It suggests too that AI adoption in supply chains and logistics execution is developing, which is reflective of the complexity of integrating AI into physical infrastructure, legacy systems and multi-party logistics network – even in well capitalised markets like the GCC. That 12.2% were engaged in direct supply-chain and operations use cases is further indication of that.

The lower uptake in research and development (5.9%) and human resources (10.8%) further suggests that AI strategies remain function-specific rather than fully embedded across organisations. The very small proportion of respondents stating they have not started using AI (1.6%) indicates broad awareness and experimentation, but an uneven depth of deployment.

Fig 13. In which of the following supply chain areas do you use AI?

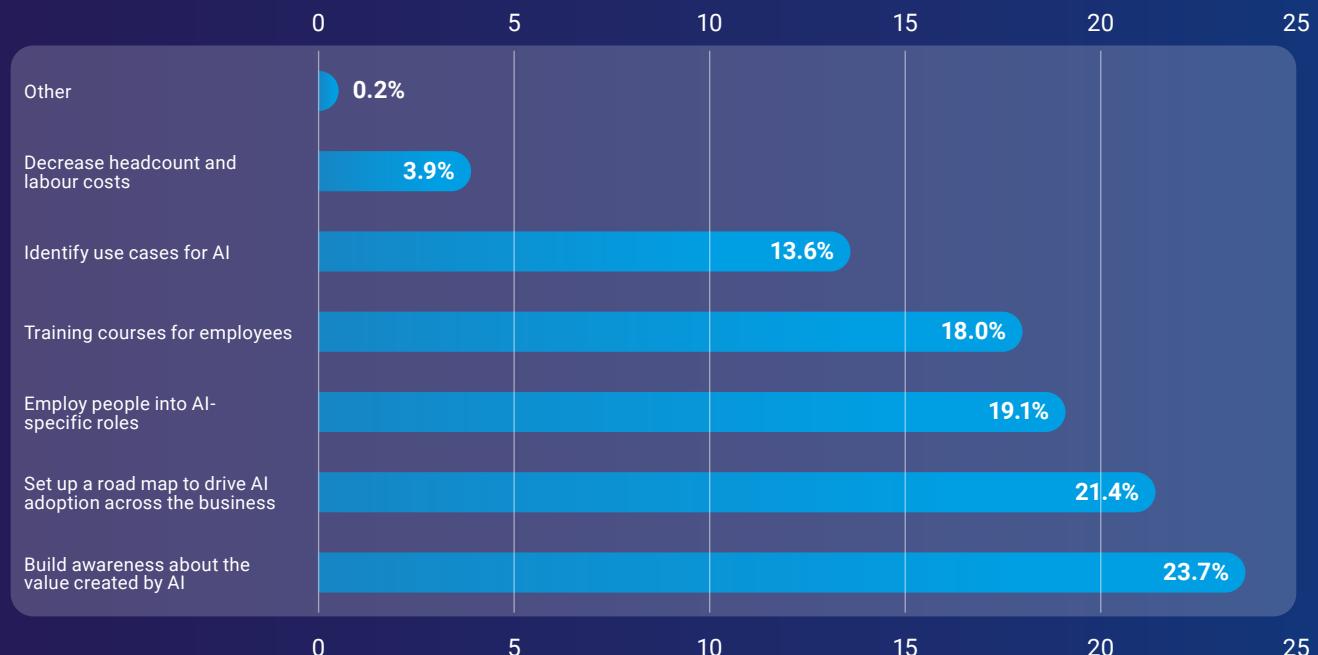


The use of AI across supply chain functions adds important texture to how digital readiness is manifesting across emerging markets, and the supply chain in general. It's worth remembering that although the technology is powerful and promises much, it is nascent and best use cases are still being established.

That is especially true of the supply chain. Respondents to our survey, while engaging with AI, are broadly using it for decision-making support and optimisation, rather than fully autonomous or capital-intensive applications. These are areas where data availability, software platforms and analytical capabilities are more important than physical automation alone.

In the emerging markets context, and for the GCC especially, it aligns with recent investments in platforms and AI-enabled services that support planning, routing and supplier management at scale. These environments are well positioned to leverage AI tools and gain from them because data infrastructure, connectivity and system integration are already relatively mature.

Fig 14. Which strategies have you employed to implement AI in your business?



That AI's use across the supply chain remains relatively routine is well explained here. The responses indicate that the binding constraint is not access to the technology, but organisational readiness: companies lack the skills, change management capacity and ability to embed AI into existing processes.

Moreover, it highlights the distinction between adoption and absorption. That is of particular concern for regions

that already face financial and skills hurdles to compete and serves to further destabilise the playing field. In parts of Africa, for example, where connectivity, skills availability and digital infrastructure remain uneven these absorption challenges are likely to be more pronounced. And, even where firms identify relevant AI use cases, limitations in workforce capability, data quality and systems integration can slow or fragment implementation.

Artificial intelligence has moved from the margins of global commerce to its core. What was, not long ago, an experimental layer of optimization is now integral to how goods move across borders, how risks are managed, how trade rules are enforced. In a world marked by geopolitical friction, climate disruption, and persistent policy volatility, AI has emerged as the connective tissue that keeps the global trade system functioning.

Technologies that were gaining traction before and during COVID – AI foremost among them – have matured to the point that they are now indispensable. While geopolitics, trade wars, and climate shocks act as structural drags on efficiency, AI is helping counter those forces by uncovering new sources of resilience: modeling supply chains, forecasting demand, optimizing routes, and automating logistics, customs, and compliance processes.

- For importers and exporters, AI-powered predictive analytics allow companies to process thousands of variables – sales data, weather patterns, promotional cycles, and geopolitical risks – to forecast demand weeks or months in advance. Digital twins of supply chains enable firms to simulate “what-if” scenarios, such as the impact of a new tariff or a factory shutdown, before decisions are made. Automated sourcing and risk-monitoring tools scan multi-tier supplier networks to flag financial instability, sanctions exposure, or ESG non-compliance in real time.
- Logistics providers and freight forwarders are using AI to reduce friction in some of the most complex parts of trade. Intelligent document processing uses natural language processing to extract data from invoices, bills of lading, and customs forms, cutting manual entry time dramatically while improving compliance. Real-time visibility platforms predict estimated times of arrival, identify congestion risks, and recommend corrective actions before delays cascade across networks. Dynamic route optimization reduces fuel consumption, lowers costs, and improves reliability.
- Customs authorities are also becoming AI-enabled. Automated classification systems support faster, more accurate tariff determination, while anomaly detection tools help identify under-declared goods, fraud, or sanctions violations. Countries that have invested in high-quality digital customs and trade integration platforms are seeing measurable gains:

faster clearance times, lower overhead, improved duty collection, reduced corruption, and stronger security. These efficiencies translate directly into higher trade volumes and greater competitiveness for exporters and importers alike.

Sustainability is another area where AI has become essential. One of the hardest challenges in decarbonization is measuring Scope 3 emissions – the indirect emissions that occur across a company’s supply chain and typically account for 70%-95% of its environmental footprint. AI tools can model emissions at each stage of production and transport, gather facility – and input-level data, and significantly improve the accuracy of reporting. Better data enables better targeting of emissions reductions and closer collaboration between businesses and regulators.

Technology has the power to give smaller businesses scale. Digital forwarding platforms already allow small firms to obtain instant, competitive shipping quotes, meet compliance requirements without dedicated specialists, and complete customs documentation quickly. With AI and machine learning, those capabilities expand further: analyzing new markets, operating across languages and currencies, meeting sustainability disclosure requirements to supply global retailers, accessing trade finance, and building predictive growth models once reserved for multinationals.

The same logic applies at the country level. Emerging markets that deploy AI-enabled trade and customs systems can dramatically lower barriers to participation in global commerce. They can reduce errors, speed up clearance, strengthen governance, and make their markets more attractive to global supply chains.

Unless we can ensure access and inclusion, the risks of AI are clear. As trade grows more complex – especially after COVID-era protectionism and a proliferation of new trade rules – large firms with AI capabilities can adapt and remain profitable. SMEs and developing economies struggle under the weight of compliance and uncertainty. A level trade playing field now depends on democratizing access to AI tools, data, and skills.

If AI is the operating system of global trade, then inclusion depends on who gets access to that system. Ensuring that smaller businesses and emerging market countries can use AI effectively is no longer a technical question – it is a prerequisite for fairness, resilience, and shared growth in the global economy.

Regional Analysis: Economic Indicators

Last year, we reported that the GCC was a beacon of resilience on an otherwise turbulent global landscape. In the 12 months that have followed that position has been secured and strengthened, with all indicators showing that it is thriving.

Its position is noteworthy given the challenging geopolitical conditions in 2024–2025, including intensified conflict in Gaza and continued disruptions affecting Red Sea shipping routes.

And while the GCC wasn't directly impacted by US tariff policy, the ripple effects were felt through global economic risks, energy demand and changes in global trade patterns. For its part, it seems to have had no meaningful, long-term impact on the collective efforts of Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates.

GCC: a cohesive multi-speed region

The collective enters 2026 on a strong footing. Inflation across the GCC is low and converging, while liquidity is strong and non-oil private-sector growth is robust. That's reflected in strong IMF GDP forecasts for 2025 which are expected to average 3.3% across the bloc, up from 1.7% in 2024. That's supported by the unwinding of OPEC+ cuts and rising domestic demand.

The pace of expansion is a little less linear but overall is stable. The UAE and Saudi Arabia lead the region, benefiting from large diversification projects and resilient Purchasing Manager's Index (PMI). Kuwait, Qatar and Oman have recorded more modest growth, with the latter expecting GDP to accelerate to 3.7% in 2026. Kuwait's non-oil growth is forecast to reach 3.3% in 2026, while Bahrain is projected to grow 3.3% in 2026 as refinery upgrades come online.

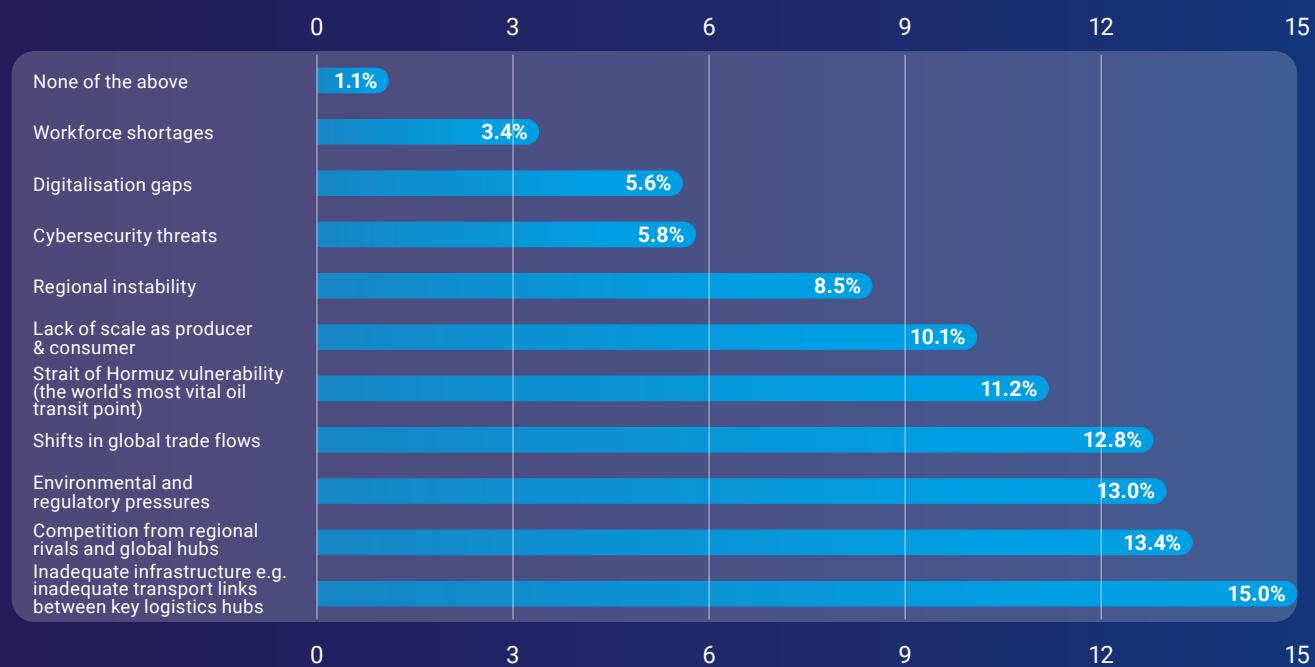
Elsewhere, trade diversification is uneven with the World Bank highlighting that non-oil exports are still predominantly chemicals. To that end, diversification remains a work in progress. That said, heavy investment in free zones and digital infrastructure show that the GCC is structurally converging as a logistics hub.

To solidify that progress the IMF has called for deeper intra-GCC trade and regulatory harmonisation which would boost Bahrain's medium-term growth. Meanwhile, cross regional projects – such as the India-Middle East-Europe economic corridor – continue to highlight the bloc's importance to Eurasian trade networks.

Indicator	Outcomes
Convergence: macro stability	<ul style="list-style-type: none"> • Inflation has converged around low single digits. • IMF shows headline inflation below 2% in Bahrain, Oman and Qatar. • Headline inflation close to 2% in Saudi Arabia and the UAE with Kuwait slightly above 2%.
Divergence: growth & diversification	<p>Growth forecasts differ.</p> <p>The World Bank's Gulf Economic Update predicts:</p> <ul style="list-style-type: none"> • UAE real GDP to expand by 4.8% in 2025 • Saudi Arabia - 3.8% • Bahrain - 3.5% • Oman - 3.1% • Qatar - 2.8% • Kuwait - 2.7% <p>Saudi and UAE also report strong PMI readings (57.8 and 54.2 in Sep 2025 respectively), pointing to robust private sector momentum.</p> <p>Expansion was slower in Qatar and Kuwait – Qatar's non-fuel PMI was 51.5 and Kuwait's was 53.</p>
Trade & investment momentum	<ul style="list-style-type: none"> • The GCC's trade hub role is expanding. • Large investments in ports, free zones and logistics continue. • Non-oil exports (especially chemicals) are growing. • FDI is robust in Qatar – US\$2.4 bn capital expenditure by mid 2025. • Investment spending is surging in Kuwait – project awards in 2025 on track to surpass KD 2.6 bn.
Structural reform v. fiscal risk	<ul style="list-style-type: none"> • Regulatory reform momentum is strongest in Saudi Arabia and the UAE (see section 4). • Kuwait's reform pace still lags; although project awards are rising and a new public debt law was passed. • While Bahrain's growth is expected to rise, its debt to GDP ratio is projected to rise further without new fiscal measure.
Fragmentation v. external region	<ul style="list-style-type: none"> • The GCC shows greater macro stability, clearer reform agendas and stronger digital investment when compared to other regions. • There is some divergence: the oil rich economies (Saudi Arabia, UAE) leverage sovereign wealth funds and large logistics hubs to accelerate diversification. • By contrast the smaller economies (Kuwait, Qatar, Bahrain) rely more heavily on specific sectors or refinery upgrades. • Oman sits in the middle – its Vision 2040 and diversification efforts help converge towards GCC peers.

What the survey says

Fig. 15. UAE, Saudi Arabia and other GCC countries have been investing heavily to position themselves as a global logistics and trade hub. What are the top 3 risks that could hinder their ambitions?



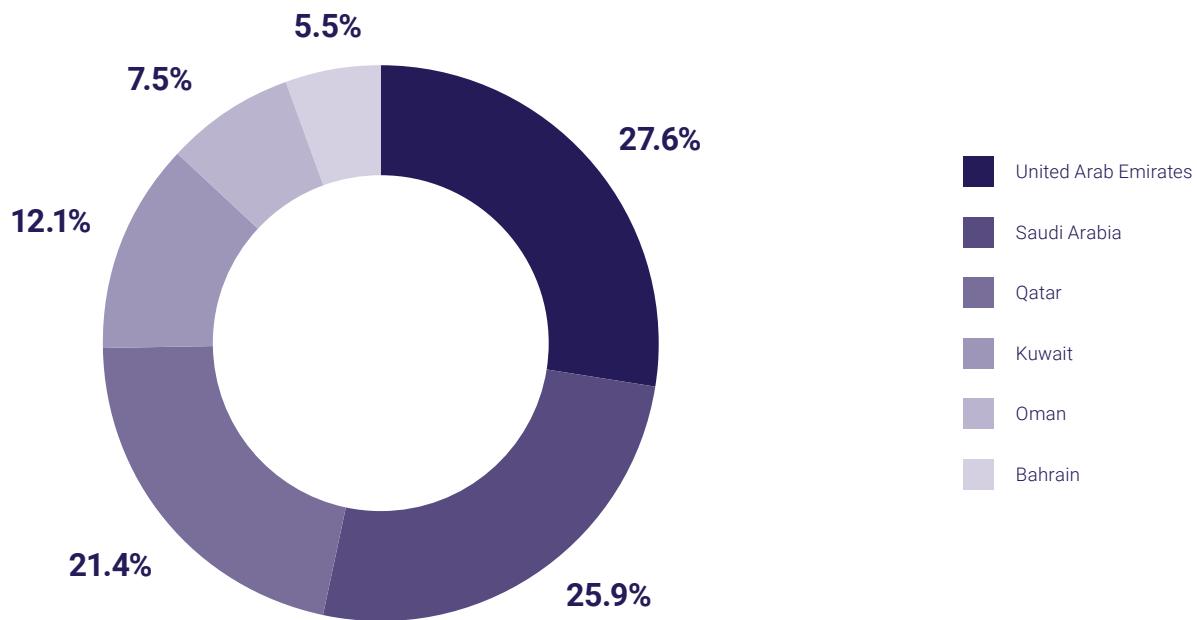
That the highest-ranked risk is inadequate infrastructure (15.0%), specifically weaknesses in transport links between key logistics hubs, is notable given the scale of ongoing port, airport and free-zone investment across the UAE, Saudi Arabia and neighbouring states. It suggests that respondents are more concerned with network integration and last-mile connectivity, particularly across borders, industrial zones and inland distribution networks.

The second ranked risk – competition from regional rivals and established global hubs (13.4%) – reflects the crowded landscape for transshipment, value-added logistics and

trade facilitation. For the GCC it shows that hub status isn't static, and that competitiveness depends on service quality, reliability and cost efficiency.

The third-ranked risk (environmental and regulatory pressures – 13.0%) points to concern that evolving sustainability standards and compliance requirements could raise costs or complicate operations. For the GCC this aligns with the challenge of balancing rapid logistics expansion with decarbonisation commitments and regulatory alignment with key trading partners.

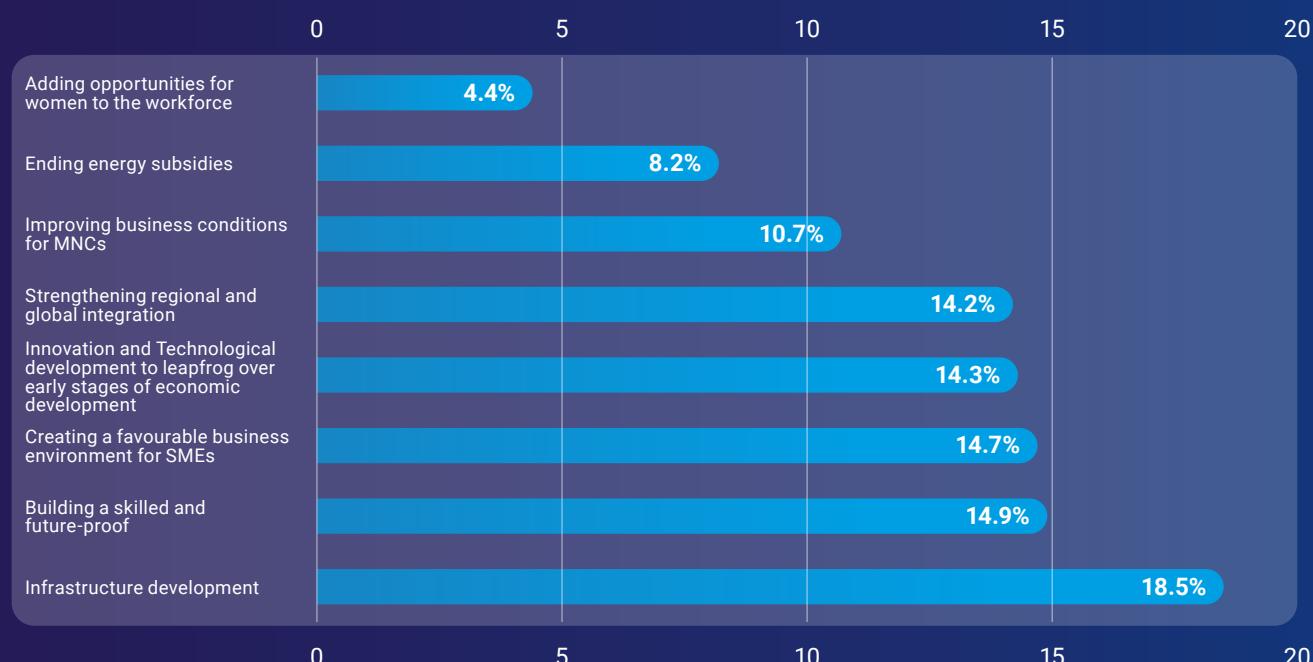
Fig 16. In your opinion, which of the following GCC countries have seen most progress in diversifying their economies over the past decade? Select up to 3 countries.



The responses here reinforce a two-speed GCC diversification narrative, with the UAE and Saudi Arabia seen as clear leaders, Qatar as an intermediate case, and the remaining GCC economies perceived as progressing more gradually. Of the former, sentiment reflect that the long-running diversification strategy aligns with the UAE's shift away from hydrocarbon dependence.

That Saudi Arabia follows closely is no surprise. It reflects the fruition of its Vision 2030 particularly in logistics, manufacturing, tourism and infrastructure. That the gap is small between the top two suggests that Saudi Arabia could be closing the diversification gap – time will of course tell.

Fig 17. What are the three most important drivers of economic diversification in the Gulf countries?



What we can see here is a reinforcing of the diversification model in the GCC that prioritises infrastructure, skills and business ecosystem development as mutually reinforcing pillars. Policy and social reforms playing a secondary, enabling role.

Overall, respondents view economic diversification in the GCC as being driven primarily by hard enablers rather

than social or fiscal reform alone. That infrastructure development ranks first (18.5%), underscores the central role of ports, logistics zones, transport networks and industrial clusters in supporting non-oil growth. This aligns with the GCC's emphasis on large-scale physical investment as a foundation for diversification.

Sub-Saharan Africa: Growth resilience aided by easing inflation

Reforms, service growth and stable inflation have boosted several of the major economies in the region, among them Nigeria, Kenya and Ethiopia. That, though, has been offset by difficulties elsewhere, particularly in resource-intensive and politically fragile states. It's painted a landscape that has sound structural convergence in the form of AfCFTA, local-currency initiatives and investment in logistics – but also slow progress because of infrastructure deficits, trade policy uncertainty (AGOA) and macro vulnerabilities.

The outlook for 2026 is reflective of that. The IMF projects a regional GDP growth of 4.1% for 2025, which comes of the back of stabilisation and reforms. Growth resilience will be aided by easing inflation, allowing consumption and investment to recover.

The signs from the second half of 2025 are indicative of that. Nigeria's economy is forecast to expand 4.2% in 2025, helped by fuel subsidy removal, currency reform and tax changes. Elsewhere, Ethiopia expects growth of 8.9% in fiscal year 2025/26 with reforms and export gains, while inflation is forecast to fall to around 10%, down from roughly 30%.

Ghana meanwhile saw GDP growth of 5.5% toward the end of 2025, with inflation dropping to 6.3%. Kenya's PMI rose to 51.9, signalling renewed expansion, though South Africa's PMI hovered near 50 indicating stagnation.

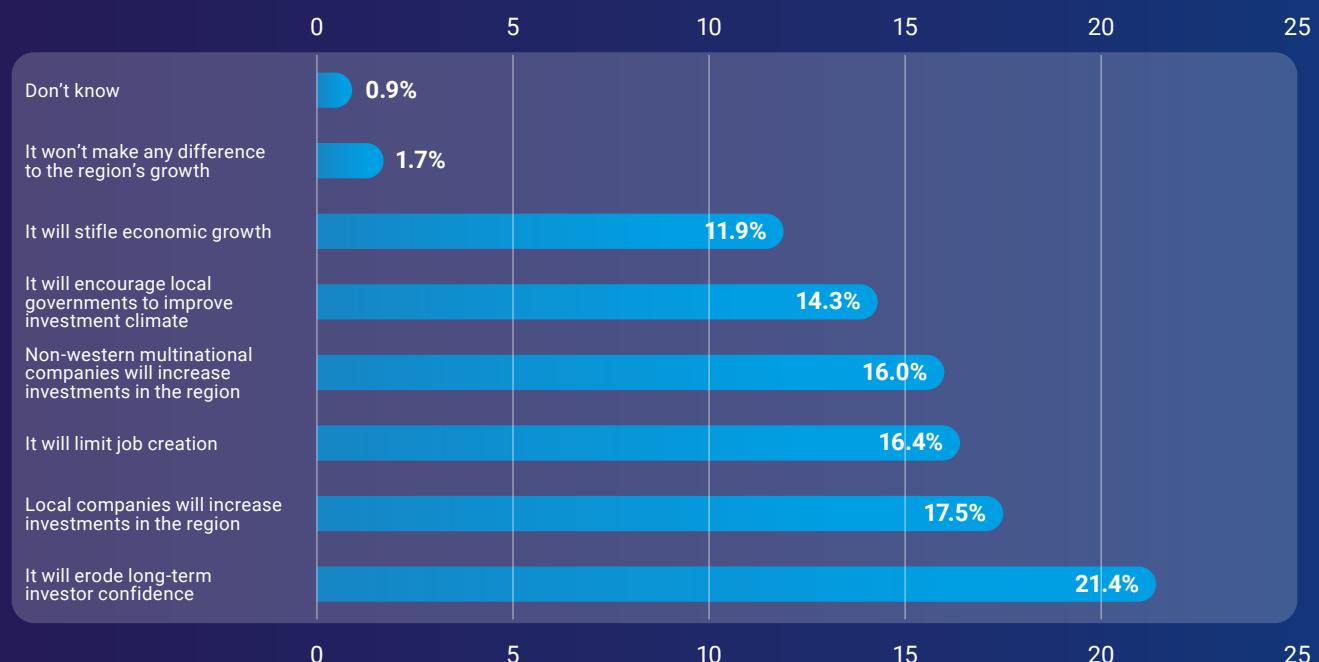
There are, of course, some notable constraints. Only 24 of the 49 AfCFTA signatories are actively trading under the pact, while further pressure in the shape of a US\$100bn infrastructure debt is hampering intra-African supply chains.

The AfCFTA could raise intra-continental exports by 81% and has already lifted intra-African trade 12.4% to US\$208bn, though uneven implementation and calls to shift to local currency settlements illustrate integration challenges.



What the survey says

Fig 18. Many Western multinational companies are scaling back or pulling out of Africa. What does this mean for the future of the region?



The sentiment here can be viewed less as a short-term adjustment and more a structural risk to long-term confidence. The low confidence in Africa highlights a wider concern around the perceptions of stability, governance and capital accessibility. That said, the withdrawal is not viewed as a loss of investment, with the belief that local and non-Western companies will expand in the region.

This suggest that expectations lean toward a rebalancing rather than a vacuum, with capital increasingly coming from Asia and the Middle East. In all the results suggest respondents view Western withdrawal as a destabilising signal in the short to medium term, offset by the potential for alternative capital sources and stronger domestic investment to fill the gap.

Asia: Convergence in growth masks widening structural divergence

Throughout 2025, Asia was the fastest growing major region in 2025, though beneath the headline expansion lies a significant intra-regional divergence which has clear implications for logistics performance. The IMF project regional growth of around 4.5% for 2025, supported by strong exports and investment, despite trade-policy uncertainty and tariff pressures.

However, this aggregate conceals contrasting trajectories across East, South and Southeast Asia. South Asia, led by India, stands out for rapid growth, with India's full-year growth polling around 6.7% to 7.3% amid moderate inflation. It's a performance that reflects strong domestic demand, labour reforms and policy support, and drives convergence within the South Asian subregion's logistics demand base.

Elsewhere, East Asia is showing signs of structural fragmentation. China's economy has been sluggish, with a GDP close to 4.8% underperforming historical targets and

prompting an emphasis on expanding imports and exports in 2026. Against that backdrop, the IMF highlights China's continued reliance on exports and state-led investment, even as household consumption weakens. It points to uneven logistics and trade patterns.

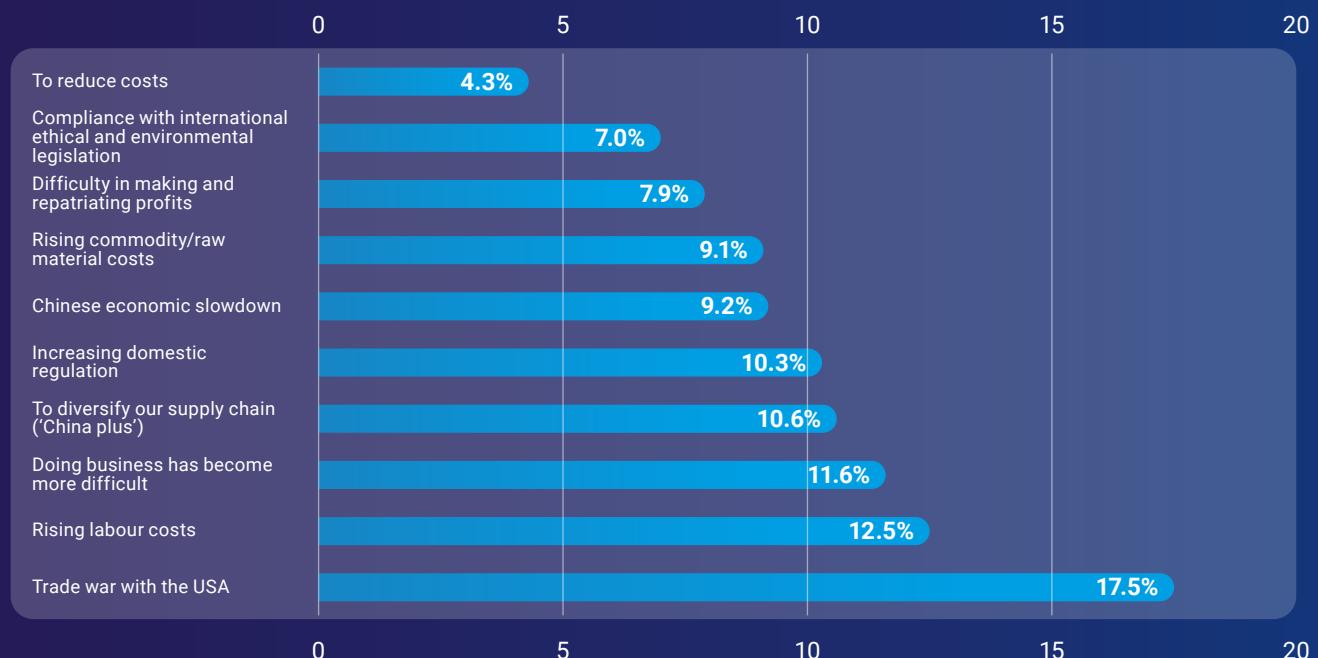
Southeast Asian economies are generally converging towards solid mid-range growth, though with some variation across markets. Resilient electronics export demand and strong demand in key quarters prompted the ABD to lift growth forecasts for the subregion to 4.5% in 2025. Within that, Malaysia's GDP growth hit 5.2% toward the end of last year.

Overall, Asia's aggregate growth masks a pattern of convergence around solid expansion in South and Southeast Asia, and divergence in structural balance and growth drivers in East Asia. This regional heterogeneity has clear implications for the Index's logistics competitiveness and risk profiles in 2026.



What the survey says

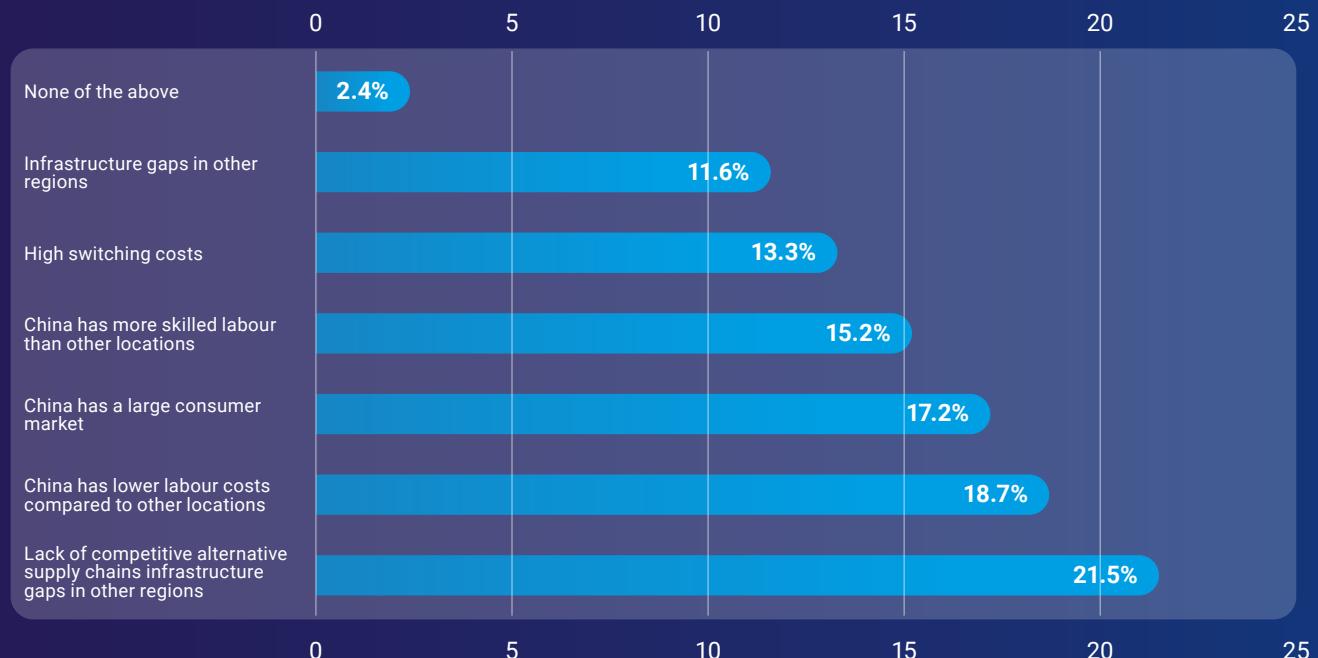
Fig 19. Why have you decided to move production/sourcing out of China? Select all that apply.



The prevailing narrative coming out of Asia is writ large in the responses and is characterised by decoupling and regional redistribution. It comes as no surprise that the geopolitical friction with the US has had a huge impact on how firms approach China, and coupled with tightening regulatory complexity, has encouraged them to spread production across alternative Asian locations. If nothing else, it reinforces the view that geopolitical exposure, rather than China's manufacturing capability per se, is the dominant catalyst for reconfiguration.

Elsewhere macro-economic considerations also feature. China's economic slowdown (9.2%) and rising commodity and raw-material costs (9.1%) suggest concern about demand uncertainty and margin pressure, while in contrast pure cost reduction (4.3%) ranks low, reinforcing that relocation decisions are strategic rather than opportunistic.

Fig 20. What are the top 3 barriers to reducing dependency on China?



As is usually the case, reducing dependency on China is constrained less by lack of intent and more by the absence of comparably mature alternatives, helping to explain why Asia's supply-chain reconfiguration is characterised by China-plus strategies rather than a wholesale exit.

To that end, the lack of a significant alternative highlights China's entrenched advantages in scale, supplier density, logistics integration and end-to-end manufacturing

ecosystems. For many firms, alternative locations across Asia still lack that infrastructure depth, supplier networks and operational reliability needed to fully substitute China at scale. These are further reinforced by China's skilled labour base (15.2%), high switching costs (13.3%) and infrastructure gaps in alternative regions (11.6%). For most, exiting China will be a work in progress.

Spotlight Theme: GCC logistics moves from ambition to execution

The next 12 months are going to be pivotal for the GCC logistics market, and as it stands there is every reason to expect success.

The market enters a decisive phase in 2026 with a wave of infrastructure investment, policy reforms and tech deployments coming into operation.

The collective impact will transform what to date has been a story of ambition into one of execution, capacity release and network reconfiguration. That realisation will come across several key areas, shaping performance across air, land and sea, and influencing how infrastructure tech and policy combine to redefine regional logistics.

Warehousing: Capacity shortage becomes selective relief

Following patches of acute tightness over the last few years (which saw occupancy in **Riyadh** hit **98%** last April), 2026 will see meaningful capacity additions, particularly on **Grade A**, multi-user and bonded facilities.



In November, Agility Global formally inaugurated a 576,760 sqm logistics complex in Jeddah, situated to connect to national trade corridors, the expanded Jeddah Islamic Port and the future Saudi Landbridge rail project. In addition, there are several major developments coming online in 2026, among them The Blackstone-Lunate GLIDE venture (deploying up to **US\$5bn** into high-spec logistics assets across the GCC), and Dubai South's flexible multi-user units (handed over in Q1 2026, targeting SMEs and e-commerce).



Ground has also been broken on the Dammam Integrated Logistics Zone, while the same will happen in 2026 for DHL's **78,000 m²** warehouse at Riyadh's Special Integrated Logistics Zone and its **€120m** Dubai South hub.



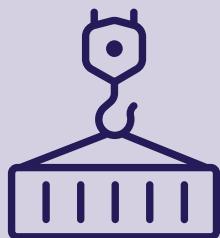
Outlook: The additions won't eliminate tightness but will create selective relief in prime zones. Demand will likely absorb new space quickly, but it will also give shippers real choice in facility quality, location and services. It also offers a strategic, medium-term lever for resilience in the region.

Red Sea and Gulf Gateway ports move into delivery mode

There have been major port investments in **Saudi Arabia**, especially across the Red Sea and Saudi coast in recent years. These will translate into operational capacity and efficiency in 2026.



Of note, Jeddah Islamic Port's expanded northern terminal and **17km** logistics corridor could lift handling capacity by as much as **10%** and remove urban congestion at the same time.



Elsewhere, **Dammam's** expanded terminals and new grain hub will strengthen general cargo and food security, while NEOM's Oxagon Terminal 1 will feature a **900m** quay, **18.5m** draft and fully automated cranes.



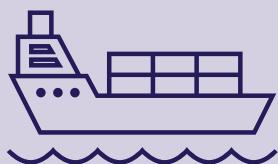
Outlook: The delivery of these upgrades position Saudi Arabia as a multi-gateway system, enabling cargo to be routed through Jeddah, Dammam, Jubail and NEOM, depending on trade lane and congestion. It offers shippers structural routing options and aligns with the survey findings that resilience and diversification are now top priorities.

Oman and Qatar continue to rise

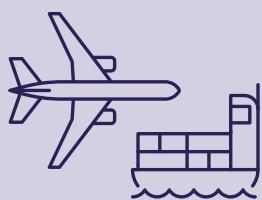
Beyond the UAE and Saudi Arabia, 2026 will see **Oman** and **Qatar** consolidate their roles as complementary regional gateways.



In the first half of 2025, Omani ports handled **70.1m** tonnes of cargo, up **5.2%** year-on-year with a combined throughput of **2.43m** TEUs across Salalah, Sohar and Duqm. There is little doubt its appeal is growing, and that will have been enhanced by the Bayan digital customs infrastructure cutting clearance times to hours. The news that the Hafeet rail project is over halfway complete will also spur further optimism.



Meanwhile in **Qatar** the tightening integration of Hamad Port and Hamad International continues to underpin fast sea-air transhipment, while logistics provider GWC's expanding regional fleet and cross-border services continue to strengthen GCC connectivity.



Outlook: There is a genuine sense that these hubs can provide continued redundancy to Hormuz and Red Sea routes, lower operating costs and growing multi-modal options. For shippers seeking cost-related diversification along with skilled labour and new tech, Oman and Qatar are credible alternatives.



Digital borders and harmonised trade deliver value

Two notable developments have made trade smoother in the **GCC** and will continue to influence it for years to come.



The first was the introduction of a **12-digit** Integrated Customs Tariff for GCC members in January 2025, which expanded tariff lines from **7,800** to **13,400** and aligned classification codes across all member states.



That coincided with a rollout and deepening use of digital customs platforms like Oman's **Bayan system** and Bahrain's pre-clearance and Authorised Economic Operator (**AEO**) schemes, both of which have reduced clearance times to a matter of hours.



These reforms may seem perfunctory but have in fact translated into operational gains that will continue in 2026 primarily because they create smooth, digital borders for the raft of physical expansions that are planned.

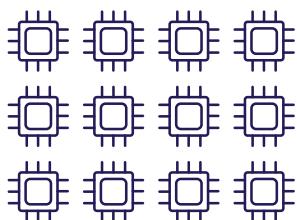


Outlook: Throughout the next 12 months and beyond the electronic processing will reshape how supply chains are designed and operated across the region, by allowing for lower classification and compliance risk, supporting faster, more predictable clearance and streamlining multimodal corridors.

They also have the potential to change organisational behaviour because they create cleaner, standardised datasets that can feed into AI-driven forecasting, compliance automation and planning tools – all of which reinforces the survey finding that firms are turning to technology to manage volatility.

AI data centres emerge as distinct logistic driver

The Gulf's build-out of hyperscale and **AI-focused data centres** is fostering a growing demand for specialised logistics linked to the movement of high-value computing and infrastructure equipment.



Projects of this scale are expanding across the GCC. The **UAE's Stargate AI campus in Abu Dhabi**, for example, will see the first 200MW of capacity come online this year, with a total of 5GW slated on completion. It is the tip of the iceberg, with governments and investors positioning the region as a hub for AI, cloud and other digital infrastructure.



Outlook: As commissioning activity accelerates in 2026 with key facilities like Stargate's first phase, specialised project logistics will become a more visible driver of freight demand across the region.

We can expect to see:

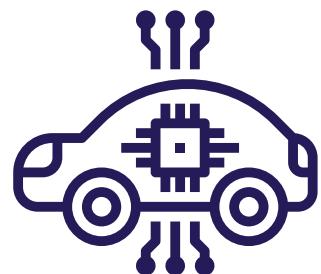
- Surging demand for heavy-lift and breakbulk capabilities at ports and airports that can handle oversized infrastructure and modular systems.
- Growth in secure and integrated handling solutions as logistics providers adapt to higher-value, high-security cargo flows.
- Longer, multi-stage planning horizons tied to multi-year data-centre programmes rather than transactional moves.

Cluster effects are likely around key hubs such as KEZAD, Jebel Ali, Abu Dhabi and Riyadh, which are deepening their roles as consolidation points for inbound project cargo and integrated logistics services.

Autonomy gains commercial traction

Abu Dhabi's Smart and Autonomous Vehicle Industries (**SAVI**) cluster is creating one of the world's first integrated environments that will move autonomous logistics into daily operations.

It brings together regulation, infrastructure, testing zones and manufacturing under a single jurisdiction is explicitly geared toward operational integration. To date it has embedded **autonomy** into yards, warehouses and short-haul logistics flows where conditions are structured and repeatable.



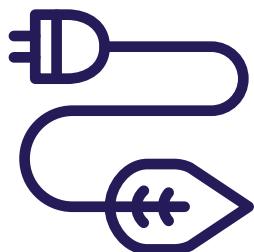
Outlook: That autonomy is expected to transition into visible commercial use within GCC logistics throughout 2026, with automated port and yard operations, warehouse robotics at scale and higher assets utilisation through driverless equipment all on the cards.

There is also a wider held sentiment that **SAVI's** approach could lower institutional friction. By aligning everything under a single roof it has reduced the gap between technical capability and commercial permission, which is a key barrier in most markets.



Sustainability as infrastructure

It's been a choppy year for sustainability mandates with major economies and multinationals either scaling back or pausing plans indefinitely.



Across the GCC however, most of the major logistics hubs and developments have had sustainability baked in from the start, making it a part of operating infrastructure rather than a branding piece.

Several major projects fit the bill:

- **DP World's** 20 MW plant at its Jeddah logistics park, supplying on-site renewable power for terminal and warehouse operations.
- **Dubai South's Logistics District**, which is being designed with solar integration on warehouse roofs and district cooling systems that reduce water and energy use.
- **NEOM and Oxagon's** zero-carbon and smart energy agenda, which has a zero-carbon operational model, powered by 100% renewables once fully phased.

Outlook: What this tells us is that sustainability will increasingly function as operational infrastructure, giving the supply chain a lower structural cost base, embedded ESG compliance, and resilience through self-sufficiency.

It's a framing that is reinforced by our survey results. While **40%** said they were continuing sustainability at the same pace, and **11.9%** were accelerating, just under half are slowing down (**25.4%**) or pausing initiatives (**22.7%**).

Those in the latter two categories are rowing back primarily because of budget constraints (**18.5%**), shifting business priorities (**18.1%**) or difficulty demonstrating ROI (**14.9%**).

That points to a clear message – that sustainability efforts stall when they are viewed as discretionary projects with unclear returns. What therefore continues is sustainability that is wired into assets and delivers visible operational payback, or where it reinforces resilience and efficiency. In a volatile cost environment, sustainability that acts like infrastructure becomes a practical tool for margin protection and not just compliance.

Fig 21. Is your company slowing down or pausing its sustainability initiatives?

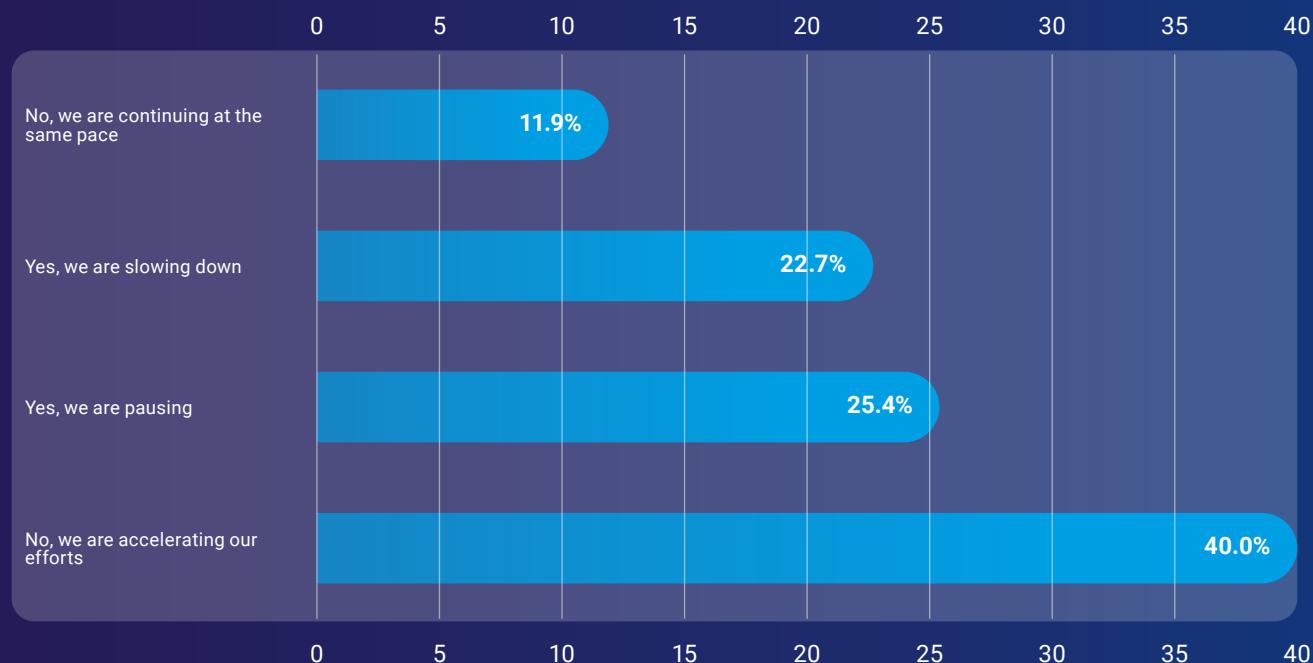
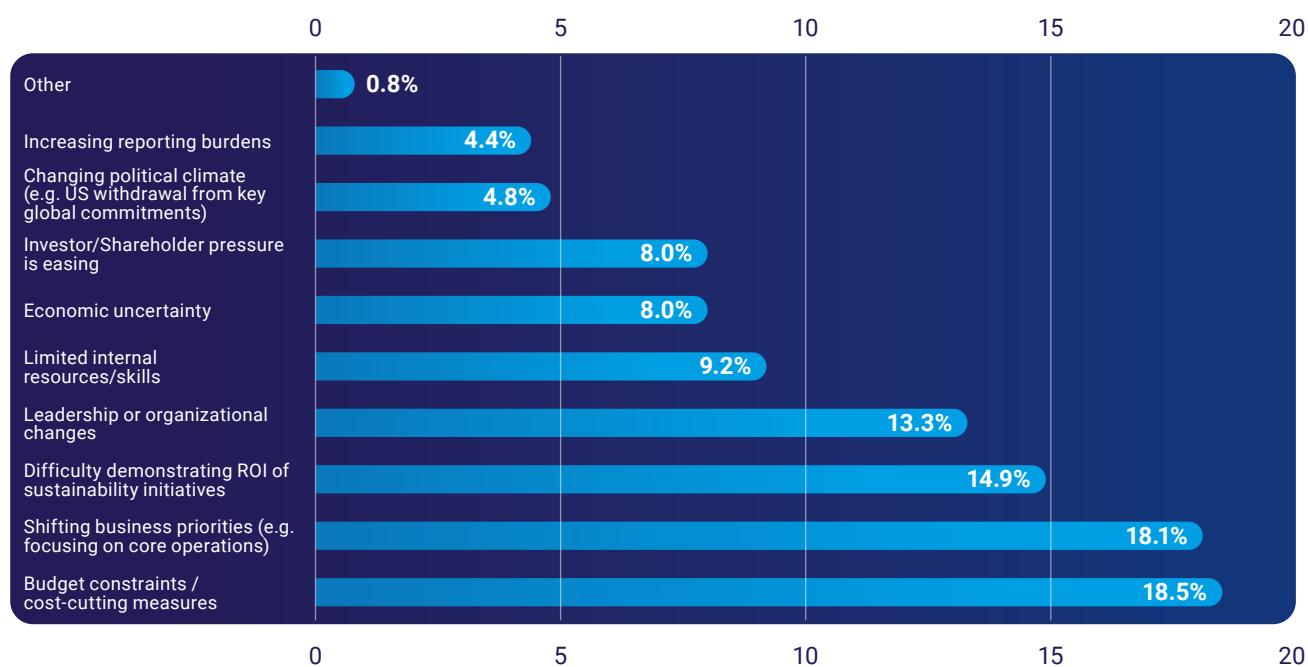


Fig 22. What are the main reasons for pausing/slowing down your sustainability efforts?
Select all that apply.



Despite ongoing challenges to global cooperation, there is a reality in global trade which every CEO will agree upon: global commerce still needs a credible multilateral anchor.

For the past decade, the World Trade Organization has often been dismissed in policy circles as a paralyzed relic – overtaken by bilateral deals, hamstrung by geopolitics, and irrelevant in an economy driven by data, AI, and digital services.

The reality could not be more different. Today, **80 percent of global trade** continues to operate under WTO rules. Customs procedures, transparency standards and market-access guarantees all derive from this architecture. Without it, fragmentation would deepen and geopolitical power would dictate commercial outcomes.

Critics writing obituaries overlook the fact that the WTO is quietly undergoing the most significant transformation in its 30-year history. And the regulatory frameworks emerging from this reform will determine competitive advantage, market access, and regulatory risk for every globally exposed business.

There are three structural forces that are informing the WTO reform agenda:

1. AI is No Longer an Add-On – it's Central to Trade Policy

AI is redefining manufacturing, finance, logistics and professional services. According to the WTO's World Trade Report 2025, AI could lift global exports by **up to 40 per cent above trend by 2040**. WTO Director-General Ngozi Okonjo-Iweala simultaneously cautions: "Access to AI technologies and the capacity to participate in digital trade remains highly uneven."

The hope is that the WTO's efforts to establish interoperable standards for data flows, algorithmic transparency and liability will lead to a unified regulatory framework instead of having to navigate 164 separate regimes – each with different standards. The difference in compliance costs, time-to-market, and legal exposure is measured in billions.

Cloud service providers, fintech platforms, and AI-driven logistics firms are already navigating conflicting data localization requirements across jurisdictions – a problem that harmonized WTO rules could resolve.

The WTO's emerging AI framework would determine whether cloud infrastructure investments are economically viable, whether cross-border data flows remain predictable, and whether smaller competitors can access the same digital tools as incumbents.

2. SME Integration Reshapes Competitive Dynamics

Small and medium-sized enterprises represent **90 per cent of global firms**, yet they remain underrepresented in international trade, accounting for **less than 35 percent** of global exports despite their numerical dominance. Simplified documentation, digitised processes and reduced compliance costs could integrate millions into global value chains – driving competitiveness and resilience across industries and economies.

The WTO's reform agenda explicitly prioritizes digital trade facilitation reducing customs timelines from weeks to hours. It focuses on simplified regulatory compliance to make exports economically viable for smaller players; transparent access to global value chains; and support for women – and youth-led enterprises.

For large multinationals, this means access to more agile, specialized suppliers and new partnership opportunities. For SMEs, it means reduced barriers to competing globally. Either way, the competitive landscape is shifting – and companies that anticipate this shift gain first-mover advantage.

3. Sustained Growth Still Requires Open Markets

Amid headlines about "friend-shoring," reshoring, and supply chain nationalism, a fundamental economic truth persists: no major economy has achieved sustained growth through protectionism.

Dr. Okonjo-Iweala made this case forcefully at [Davos 2024](#): "We need to think of globalization differently... The reason [it] because poor people in rich countries were left out, and poor countries or developing countries were at the margin. In the new paradigm, we don't want to repeat the same story."

The WTO's modernization will directly affect the ability of businesses to enter new markets without negotiating bilateral agreements with 166 different member nations, resolve trade disputes through established

mechanisms rather than retaliatory tariffs, plan long-term capital investments with regulatory certainty and access global talent and innovation clusters without bureaucratic friction.

The institution's dispute settlement system – currently paralyzed – once provided a neutral forum for resolving trade conflicts. Without it, subsidies proliferate unchecked, market access barriers persist, and commercial outcomes increasingly hinge on political leverage rather than legal merit.

Why Reform Remains Difficult

Structural and political challenges persist. Consensus-based decision-making can entrench gridlock. Large economies continue to adopt unilateral tariffs and industrial policies. New areas – including AI governance, data protection and sustainability – require complex rulemaking. Subsidies are expanding across sectors, complicating any effort to maintain a level playing field.

Yet the institution's imperfections do not reduce its importance. A fractured world cannot manage AI standards, climate-linked trade measures, cross-border digital services or supply-chain shocks through bilateral deals alone. These issues require multilateral governance.

What Business Should Do

Jens Lund, CEO of DSV, the world's largest freight forwarding company, noted in October 2025: "In a world of geopolitical turbulence, trade tensions, and climate disruptions, supply chains thrive not by avoiding trouble, but by anticipating it."

In this regard, business leaders should treat WTO reform as a strategic issue:

- 1. Engage through industry associations** to shape emerging rules.
- 2. Build regulatory scenario planning** into strategy, including scenarios of deeper fragmentation or renewed multilateralism.
- 3. Diversify suppliers**, especially as SMEs gain tools to enter global value chains.
- 4. Monitor dispute settlement talks**, which will determine whether the system regains credibility.

Firms that participate in rulemaking will benefit from foresight and stability. Those that ignore multilateral processes will face rising compliance costs and strategic uncertainty.

The WTO is imperfect, but it remains essential in anchoring a global economy shaped by AI, digital services, and geopolitical rivalry. The question is not whether the WTO is obsolete. It is whether the world can afford a future without it.

Conclusion & outlook

Looking ahead to 2026, we know in some respects what to expect. Uncertainty isn't cyclical, but structural, and geopolitical fragmentation won't fade. Volatility will remain and that will dovetail with a degree of uneven economic momentum: in all, these are the conditions under which global supply chains must operate. For emerging markets, this marks a shift from competing primarily on cost and scale, to competing on adaptability, reliability and execution.

The Index reflects that. Competitiveness is being repriced, and movement across rankings reflect deeper reassessments of where capacity, institutional strength and connectivity align with the needs of reconfigured supply chains. In that context, markets that combine infrastructure investment with regulatory clarity and digital capability are in a better position to capture diverted trade and long-term investment.

The survey reinforces this. Companies aren't retreating from volatility but instead are engineering around it. Resilience and margin protection now sit at the heart of strategy, while tech and AI are evolving into core capabilities. Diversification, meanwhile, is less a hedge and more a pathway to innovation, skills and new operating models

This is visible across the GCC, where 2026 is all about execution. New ports, logistics zones and digital borders will sit in an integrated ecosystem alongside converging AI-driven demand and autonomous systems. Its primary challenges will be more about orchestrating networks than building assets and ensuring that everything they have done to date translates into competitive flows.

For emerging markets more broadly, selective integration will define the next phase of trade. In a fragmented, risk-aware world, incremental improvements may not be enough, so relative success will belong to markets that can balance opportunity, fundamentals and digital readiness. Turning volatility into a source of strategic advantage is key to that.

About Ti



Transport Intelligence (Ti) is one of the world's leading providers of expert research and analysis dedicated to the global logistics industry. Utilizing the expertise of professionals with many years of experience in the express, road freight and logistics industries, Transport Intelligence has developed a range of market-leading web-based products, reports, profiles and services used by many of the world's leading logistics suppliers, consultancies, banks and users of logistics services.

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About Agility



Agility is a global supply chain company, and a leader and investor in technology to enhance supply chain efficiency and sustainability. It is a pioneer in emerging markets and one of the largest private owners and developers of warehousing and light industrial parks in the Middle East, Africa and Asia. Agility's subsidiary companies offer airport services, e-commerce enablement and digital logistics, customs digitization, remote infrastructure services, fuel logistics, commercial real estate and facilities management.

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