THE ROLE OF TRANSPORTATION IN FACILITATING TRADE AMONG OIC COUNTRIES

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List of abbreviations

AfCTA	African Continental Free Trade Area
CETMO	Centre for Transport Studies for the Western Mediterranean
CIS	Commonwealth of Independent States
CMR	Convention de Marchandises Routiéres
CPTA	Cross-border Paperless Trade in Asia and the Pacific
ESCAP	United Nations Economic and Social Commission for Asia and the Pacific
ECOWAS	Economic Community of West African States
GATT	General Agreement on Tariffs and Trade
GCC	Gulf Countries Council
GDP	Gross Domestic Product
ICDT	Islamic Centre for Development of Trade
ICT	Information and Communication Technology
IGAD	Intergovernmental Authority on Development
IRU	Road Transport Union
IsDB	Islamic Development Bank
ITF	International Transport Forum
LPI	Logistics Performance Index
LSCI	Liner Shipping Connectivity Index
MENA	Middle East North Africa
OECD	Organization for Economic Co-operation and Development
OIC	Organization of Islamic Cooperation
SSA	Sub Saharan Africa
TIR	Transport International Routier
UAE	United Arab Emirates
UNCTAD	United Nations Trade and Development
UNECA	The United Nations Economic Commission for Africa
UNECE	The United Nations Economic Commission for Europe
UNESCWA	The United Nations Economic and Social Commission for Western Asia
TOBB	Union of Chambers and Commodity Exchanges of Türkiye
WTO	World Trade Organization

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Foreword

Trade has long been a cornerstone of economic development, regional integration and shared prosperity. In today's increasingly interconnected global economy, the effectiveness of trade depends not only on market access and tariff policies, but increasingly on the quality, efficiency and resilience of transport and logistics systems that connect producers to markets and nations to one another.

Within the Organization of Islamic Cooperation, transport constitutes a strategic pillar for strengthening economic cooperation, expanding intra-OIC trade and advancing inclusive and sustainable development. The diversity of the OIC region, spanning continents, economic structures and development levels, offers immense opportunities, while also presenting complex challenges. Harnessing these opportunities requires reliable transport networks, efficient logistics services and harmonized regulatory frameworks that enable the seamless movement of goods, services and people across borders.

Over the past decade, OIC Member States have achieved tangible progress in expanding trade relations and deepening economic ties. Intra-OIC trade has grown steadily, supported by national reforms, regional initiatives and the collective efforts of OIC institutions. At the same time, global trade dynamics are undergoing profound transformations, driven by digitalization, evolving supply chains, the growing importance of services, and rising expectations regarding sustainability and resilience. In this evolving context, transport has emerged as a decisive enabler of competitiveness, regional integration and economic inclusion.

This report, The Role of Transportation in Facilitating Trade among OIC Countries, was prepared by the Islamic Centre for Development of Trade, at the request of the OIC General Secretariat, in view of the forthcoming OIC Conference on Transportation. It provides a comprehensive and policy-oriented assessment of the state of transport systems in OIC Member States, identifies key constraints to trade facilitation, and proposes concrete and actionable recommendations to strengthen connectivity and logistics performance across the OIC region.

The analysis highlights significant disparities in transport infrastructure quality, logistics performance and digital readiness among Member States. While several countries have made remarkable progress through sustained investment and reforms, others, particularly landlocked and least-developed economies, continue to face structural constraints that raise trade costs and limit integration into regional and global value chains. Addressing these gaps is essential not only to enhance trade flows, but also to promote balanced territorial development, reduce inequalities and unlock the economic potential of small and medium-sized enterprises.

The report underscores the importance of a coordinated and forward-looking approach to transport policy. Investment in modern, multimodal infrastructure must be complemented by regulatory harmonization, streamlined border procedures and accelerated digitalization of transport and customs services. Stronger public–private partnerships, enhanced regional cooperation and the effective mobilization of financial and technical resources are equally critical to achieving sustainable and lasting impact.

I sincerely hope that this Report will serve as a valuable reference for policymakers, ministers and stakeholders across OIC Member States. By placing transport at the core of trade facilitation and development efforts, the OIC can further strengthen economic integration, enhance resilience and advance shared prosperity for its peoples.

Mrs. Latifa El Bouabdellaoui
Director General
Islamic Centre for Development of Trade

Executive Summary

Transportation plays a decisive and increasingly strategic role in facilitating trade, economic integration, and sustainable development among the Member States of the Organization of Islamic Cooperation. As global trade dynamics evolve, driven by the expansion of services, digitalization, and the reconfiguration of global value chains, efficient and resilient transport systems have become a critical determinant of competitiveness, inclusion, and economic sovereignty.

In 2024, global trade reached a record level of USD 33 trillion, with services accounting for nearly 60% of total trade growth. This evolution reflects a structural transformation of global trade patterns, in which services — supported by digitalization, logistics and mobility — play an increasingly decisive role in economic performance and international competitiveness.

Within this context, OIC Member States have made notable progress. Intra-OIC trade increased from approximately 15% in 2015 to over 21% in 2024, reflecting the positive impact of coordinated trade and investment promotion policies. Trade in services within OIC countries expanded significantly, reaching USD 1,450 billion in 2024, with transportation and travel services accounting for more than one-third of total services trade. These trends confirm that transportation is no longer a supporting activity, but a central economic sector and a strategic policy lever for trade integration and development.

Despite this progress, the performance of transportation and logistics systems remains uneven across the OIC region. While several Member States — particularly in North Africa, Middle East and parts of Asia — have invested heavily in modern ports, airports, logistics hubs, and digital customs systems, many others continue to face structural constraints. Inadequate infrastructure, high transport and logistics costs, inefficient border procedures, weak intermodal connectivity, and limited digitalization continue to undermine trade competitiveness, particularly for landlocked and least-developed Member States.

The analysis of key performance indicators, including the World Bank's Logistics Performance Index and the Liner Shipping Connectivity Index, highlights strong disparities across regions. Countries such as the United Arab Emirates, Türkiye, Malaysia, Qatar, Saudi Arabia, Egypt, and Morocco have achieved relatively high levels of logistics performance and maritime connectivity, supported by sustained investments in infrastructure and trade facilitation reforms. In contrast, several African and Asian OIC countries continue to record low scores, reflecting bottlenecks in customs efficiency, infrastructure quality, tracking and tracing capabilities, and port performance. These gaps directly translate into higher trade costs, longer transit times, and reduced participation in regional and global value chains.

Transport costs represent a substantial share of total trade costs in many OIC Member States often exceeding the burden of tariffs. Delays at borders, redundant documentation requirements, congestion at ports and corridors, and fragmented regulatory frameworks significantly affect exporters' competitiveness and increase import prices. Administrative inefficiencies alone are

estimated to account for up to 20% of transport time and 25% of total transport costs in some countries. Addressing these constraints is therefore essential for achieving tangible gains in trade facilitation and inclusive growth.

The report identifies a set of structural obstacles that continue to hinder the development of intra-OIC transport, including outdated infrastructure, insufficient maintenance of ports and corridors, lack of harmonized transport and transit regulations, limited availability of skilled personnel, and persistent challenges faced by landlocked Member States. These challenges are compounded by environmental pressures, rising energy costs, urban congestion, and growing demands for sustainable and low-carbon transport solutions.

In response, the OIC and its institutions have launched several strategic initiatives aimed at strengthening transport connectivity and trade facilitation. Major regional projects, such as the OIC Dakar–Port Sudan Railway Corridor, illustrate the potential of large-scale, cross-border infrastructure to enhance regional integration, connect landlocked countries to seaports, and stimulate trade and investment. With regard to ICDT in particular, its programs on the digitalization of transport and customs services—including the promotion of TIR/eTIR and CMR/eCMR conventions—demonstrate the transformative impact of digital solutions in reducing delays, enhancing transparency, and lowering transaction costs.

Building on this analysis, the report underscores the need for a coordinated, forward-looking transport strategy across OIC Member States. Transportation must be fully integrated into national and regional trade, industrial, and development policies. Priority should be given to investing in resilient and multimodal infrastructure, modernizing ports and logistics platforms, harmonizing transit and customs procedures, and accelerating the digital transformation of transport services. Public–private partnerships and stronger engagement with regional and international financial institutions will be essential to mobilize the scale of investment required.

Special attention must also be given to landlocked and vulnerable economies, through the development of dry ports, rail connections to coastal corridors, and enhanced cooperation with transit countries. At the same time, capacity-building, skills development, and experience-sharing among Member States should be reinforced to ensure that infrastructure investments are matched by effective governance and operational efficiency.

In conclusion, transportation stands at the heart of the OIC's ambition to deepen economic integration, boost intra-OIC trade, and promote inclusive and sustainable development. By treating transport not merely as a logistical function but as a strategic enabler of trade, competitiveness, and territorial cohesion, OIC Member States can unlock significant economic potential and strengthen their collective position in the global economy.

Context

In the context of efforts to strengthen the transport sector in OIC Member States and enhance its impact on intra-OIC trade, the OIC General Secretariat commissioned the Islamic Centre for Development of Trade to prepare a report on the strategic role of transportation in facilitating trade among OIC Member States. The report is to be submitted to the OIC Conference on Transportation, scheduled for 11–12 February 2026 in Istanbul, Republic of Türkiye**.**

The objectives of this study are the following:

- Assessing the current status and recent developments in transport modes across Member States.;
- Identifying the bottleneck impeding the development of transports in OIC region;
- Proposing strategic policy recommendations for developing transportation in Member Countries.
- Presenting potential transportation projects in OIC Member States or regions.

The study consists of four chapters:

- Chapter One provides an overview of the current state of transportation in Member Countries, supported by key metrics and indicators.
- Chapter Two analyzes the main obstacles hindering transport development, outlines strategic development axes, and highlights the ICDT's contribution to enhancing trade across OIC regions through transport.
- Chapter Three puts forward a set of concrete and actionable recommendations.
- Chapter Four identifies potential transport development projects in OIC Member Countries.

Chapter 1: Current Situation of Transportation in Member Countries

Section 1. Trends in the trade of services: transport as a driver of structural growth in trade facilitation

1. Importance of trade in services

Trade facilitation is based on a fundamental principle: the ability of goods to move smoothly, predictably, and securely between production areas and consumer markets. In this regard, transportation constitutes the invisible yet essential infrastructure underpinning trade and serves as a key driver of economic growth, regional development, and connectivity, while facilitating access to national (both rural and urban), regional, and international markets, as well as promoting investment, tourism, and the mobility of goods and people.

The Organization of Islamic Cooperation region is characterized by great geographical, economic, and institutional diversity. In fact, the role of transportation goes far beyond mere logistics. It influences the effectiveness of trade policies, the attractiveness of territories, regional integration, and business competitiveness.

The transport sector has been one of the key strategic pillars of the OIC's efforts to enhance economic integration among Member States since 1979 and has consistently featured in OIC deliberations, including Islamic Summits, meetings of the Council of Foreign Ministers, COMCEC Ministerial Meetings and Working Groups, as well as capacity-building initiatives and trade and investment promotion programs implemented by ICDT, SESRIC, and IsDB through project financing.

Effective public transport contributes to the reduction of the level of urban congestion and work towards productivity and equal development.

According to the latest Global Trade Update by UN Trade and Development, global trade reached a record USD 33 trillion in 2024, expanding by 3.7% (USD 1.2 trillion). This growth was largely driven by services, which rose by 9% over the year and contributed approximately USD 700 billion—around 60% of total trade growth. Trade in goods grew by 2%, contributing by $500 billion. Indeed, this growth varied by industry – agri-food, communication technology and transport saw gains, while energy, apparel and extractives slowed due to weaker demand and policy shifts.

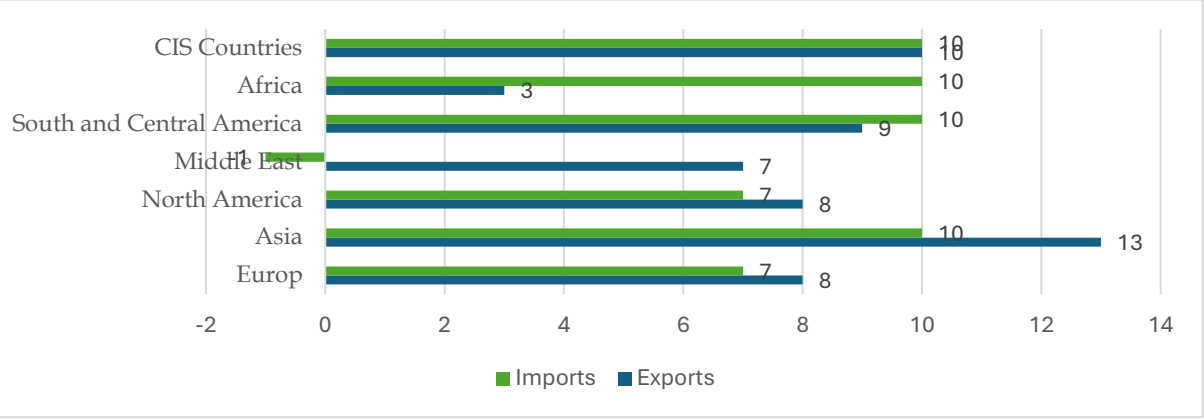
Due to the efforts made over the past decades by the Member States, the share of intra-OIC trade has significantly increased from 15.3% in 2015 to 21% in 2024 following the implementation of bilateral and multilateral agreements, as well as trade and investment promotion programs by OIC organizations, particularly those of ICDT.

Global trade in services increased by 9% in 2023 compared to 2022, reaching $15 trillion. This growth was mainly driven by the strong recovery of international travel (+34%) as well as the sustained rise of digital services (+8%), particularly in the financial sector and business services, in a world transitioning out of the pandemic. Developed countries recorded an increase of 8.70% in these exports and 9.46% in imports, while developing countries contributed 7.38% to exports and 9.11% to imports.

Moreover, global exports of services recorded an average annual growth of approximately 6% between 2005 and 2023, reaching USD 7.6 trillion, despite the adverse effects of the COVID-19 pandemic. This sustained growth has been largely supported by the digitalization of transport, travel, and business services. According to 2025 data from the World Trade Organization and the Organization for Economic Co-operation and Development, these categories together accounted for approximately 60% of global trade in services. Specifically, travel services represented 19.7% of services trade, followed by maritime transport services (9%), air transport services (6%), and other transport services (4.2%).

UNCTAD Trade (July 2025), global service exports reached USD 8.9 billion in 2024, marking an annual increase of 10%, with the strongest growth recorded in Asia (11.5%), partly reflecting a recovery in transport and international travel. After the slowdown during the COVID-19 pandemic, sustained growth in service exports relied more on financial and insurance services, IT, telecommunications, business services, and electronic payments related to intellectual property, with Africa experiencing notable growth of around 16% thanks to the digitalization of commercial services in 2024.

According to WTO data from April 2025, the strong growth in international trade in services in 2024 was influenced by the increase in exports and imports among regions. Asian economies witnessed a 13% rise in their service exports, while their imports grew by 10%, CIS Countries (10% each), Africa (3% and 10%) and Middle East (7% and -1%) respectively. Asian developing economies account for 83% of total service exports from developing economies and 80% of their imports.



Graph no.1: Growth of trade in services by region in 2024 (%)

Source : WTO, April 2025

Regarding the OIC Member States, trade in services has seen considerable growth, rising from USD 477 billion in 2010 to USD 1,450 billion in 2024, representing about 30% of trade among

OIC countries. This indicates that services make up a significant portion of the trade structure of OIC countries.

The main players in the trade of services in OIC countries are: the United Arab Emirates, Türkiye, Saudi Arabia, Malaysia, Indonesia, Egypt, Kuwait, Morocco, and Iraq.

In many countries, transport and travel services account for at least one-third of service trade. Indeed, transport services in OIC countries were estimated at USD 522 billion in 2024 compared to USD 160 billion in 2010, representing approximately 35% over the past decades.

Table no.1: Evolution of Trade in services of the OIC Members States between 2016 and 2023 (billion USD and %)

Sources : WITS, UNCTAD, WTO, OECD, ICDT calculations, 2025

Year	2016	2023	2024	Evolution 2016-2024
OIC Trade	2,991.17	4,611.74	4,929.72	64.8%
Intra-OIC Trade	556.32	883.87	1,003.72	80.4%
Intra-OIC Trade share	18.6%	19.2%	20.4%	9.5%
OIC Trade in services	846	1336	1450	71.4%
OIC Trade share in services	**28.3%**	**29.0%**	**29.4%**	4.0%
OIC Trade in transportation services *	321.48	467.60	522.00	62.4%
OIC Trade share in transportation services in OIC trade in services	**38.0%**	**35.0%**	**36.0%**	**-5.3%**

(*) estimates

2. Transport trends and challenges in OIC Members Countries' economies

Transportation plays a critical role in the movement of goods across vast distances, enabling the transfer of raw materials from resource-rich regions to manufacturing hubs and the distribution of finished products to consumer markets. It is a vital enabler of international trade, allowing countries to specialize in the production of certain goods and services based on their comparative advantages and export them to other nations. For example, countries endowed with abundant natural resources—such as oil-producing nations in the Middle East—depend on efficient transportation infrastructure to export these resources to countries with limited domestic supply.

Efficient transportation systems help reduce trade barriers by lowering the cost and time associated with moving goods across borders. Improved infrastructure, such as well-maintained roads, modern ports, and efficient customs procedures, can significantly enhance the speed and efficiency of international trade. This, in turn, promotes economic integration, encourages foreign direct investment, and fosters regional cooperation.

Transportation is also a key driver of globalization, which refers to the increasing interconnectedness and interdependence of countries through the exchange of goods, services, information, and ideas. Globalization has been made possible by advancements in

transportation technology, allowing for faster and more efficient movement of people and goods. This has led to the emergence of global supply chains, multinational corporations, and the proliferation of e-commerce platforms. Without reliable transportation systems, the interconnectedness and integration of economies on a global scale would not be feasible.

According to OECD data 2024, the global economy continued its steady recovery despite heterogeneity between regions. Global real GDP grew by 3.2% between 2023 and 2024, 1.7% in advanced economies and 4.2% in emerging and developing economies. World trade volumes increased by 2.9%, and air freight tonne-kilometres by 11.3% in 2024 compared to 2023, a more substantial growth than in 2023. Global air cargo has experienced sustained improvement since the spring of 2022, leading the industry to record high volumes in 2024.

The International Transport Forum revealed that the volume of freight related to global trade will exceed 300,000 (in billion tonne-kilometers) by 2050. Over 85% of goods trade is carried by maritime transport in terms of volume, with the quality of port infrastructure playing a key role in the growth of global trade, particularly for the Member States of the OIC. According to ITF projections, the tons of goods loaded and unloaded at ports will be around 66 billion tons by 2050 (OECD/ITF, 2015).

Furthermore, global passenger road and rail transport is expected to reach 30,000 and 19,000 (in billion ton-kilometers) by 2050. According to the COMCEC transport report, maritime transport is also influenced by major global shipping companies, the growth of trade with China, and the increase in liquefied natural gas and liquefied petroleum gas trade. This sector is closely linked to global economic stability and has been affected by recent global crises, fluctuations in commodity prices, highlighting the importance of resilient supply chains.

The aviation industry is becoming increasingly interconnected through alliances and mergers, and the influence of low-cost carriers is making air travel more accessible to certain segments of the population.

Notable challenges in various modes of transportation include pollution, greenhouse gas emissions, urban congestion, accidents, high costs and outdated infrastructure, the lack or absence of national carriers, fluctuations in energy prices (oil and gas), and often a lack of staff training and structural investment from both the private and public sectors in national transportation.

Table no.2: Key trends and Main challenges of worldwide transports modes

Source: COMCEC, ICDT, 2025

Mode	Key Trends	Main Challenges
General transport	- Growth of international trade and freight volumes - Digitalization of transport and logistics services - Deregulation and gradual privatization of the sector - Increased cooperation with transit countries - Growing role of insurance and guarantees for traded commodities	- Lack of comprehensive national transport policy strategies - Insufficient and non-guaranteed public funding - Need to increase private sector investment - Obsolescence and high cost of transport infrastructure - Environmental impacts of transportation and emissions - Dependence on energy products (oil and gas) - Structural constraints of landlocked countries - Limited presence of national transport operators - Shortage of qualified professionals in the sector
Maritime transport	- Containerization and development of standardized cargo handling - Increase in ship size and economies of scale - Growth of international and regional hub ports and port cooperation - Operation of major ports by leading global shipping companies - Growth in liquefied natural gas (LNG) and liquefied petroleum gas (LPG) transport - Competitive and relatively affordable maritime transport services	- Exposure to global economic and geopolitical crises - Port congestion and capacity constraints in some regions - Dependence on global shipping alliances and market concentration - Environmental regulations and decarbonization requirements
Air transport	- Airline alliances and increased inter-state collaboration - Privatization of airports and rise of global airport operators - Growth of air freight as a fast and reliable transport mode - Expansion of low-cost carriers and competitive pricing - Mergers and acquisitions within the aviation sector	- Inclusion of aviation in emissions trading schemes - High operational and fuel costs - Decline or financial fragility of public and national airlines - Vulnerability to security threats and global shocks
Road transport	- Use of intelligent transportation systems and digital tools - Expansion of one-stop border posts and single-window customs systems - Implementation of international transit instruments (TIR/eTIR, CMR/eCMR) - Increased international and regional collaboration	- Increase in greenhouse gas emissions - Congestion in major urban areas - Road safety issues and rising accident rates - Heavy dependence on automobiles - Infrastructure degradation and maintenance gaps
Rail transport	- Deregulation of the railway industry - Development of high-speed rail networks - Expansion of multimodal trade corridors based on rail - Rail transport as an affordable and environmentally friendly mode	- Outdated rail infrastructure in several countries - High initial investment and financing constraints - Limited network connectivity in some regions

3. Key Performance indicators of transportation services

Key performance indicators offer an objective framework for assessing the efficiency, reliability and competitiveness of transportation services, and for identifying structural constraints affecting trade and logistics performance.

3.1. Quality of transportation

The availability and quality of transport infrastructure which measures the status and quality of transport infrastructure such as the density of airports, the percentage of paved roads, their congestion.

The availability and quality of transport services which takes into account the services available for shipments to reach their destinations, the overall efficiency of the posts, the competence of the logistics sector (e.g. transport operators, customs brokers), the degree of use of ICT in shipping management and the role of these technologies to facilitate clearance.

The easy loading is linked to effective coordination of shipments of various ships that dock in a country with eight other partner countries in relation to the LPI.

The effectiveness of customs demonstrates that customs plays a key role in facilitating cross-border commercial transactions; the more transactions are efficient, the less costs rise because it lowers the costs of detention of ships and trucks or goods stored in airports or ports.

The effectiveness of export-import procedures which is a composite index reflects the effects of the effectiveness of the reporting process at border posts, the period for importing goods from order taking to final destination, the number of import-export document (customs declaration, port and banking documents, import licenses), import costs and export container (cargo handling during loading and unloading and inspection of ships), the time for export (days, loading).

The quality of infrastructure and the digitalization of transport services are key to national and regional competitiveness. The involvement of the private sector in investing in the sector in partnership with public institutions is crucial to ensure the survival of transport systems. In this regard, improving transport infrastructure contributes to reducing logistics costs, alleviating rural poverty through better connectivity, reducing congestion, increasing workforce mobility, and distributing local products.

According to the 2024 WEF Travel and Tourism Development Index, which measures the efficiency and quality of transportation modes on a scale from (1) poor to (7) very developed and efficient, we observe excellent road quality in the United Arab Emirates (6.22), followed by Qatar, Oman, Saudi Arabia, Egypt, Bahrain, Indonesia and Malaysia, Türkiye and Azerbaijan; the efficiency of railway services is led by Saudi Arabia (5.31), followed by Indonesia, Azerbaijan, Malaysia, Egypt, Uzbekistan, and Morocco; the efficiency of air transport services is headed by the UAE (6.13), with Qatar, Türkiye, Bahrain, Indonesia, Saudi Arabia and Egypt also ranking highly; the efficiency of maritime port services is led by the

UAE (5.47), with Qatar, Indonesia, Oman, Egypt, Malaysia, Saudi Arabia, Benin, Bahrain, Türkiye, and Morocco also performing well; and the efficiency of public transport services is led by Qatar (5.56), followed by the UAE, Azerbaijan, Indonesia, Oman, Egypt and Uzbekistan.

Taken together, it can be concluded from this table that countries such as Lebanon, Mali, Nigeria, Sierra Leone, Cameroon, and Kyrgyzstan need to invest more in the quality of their roads to make land transportation more efficient; that Albania, Benin, Kyrgyzstan, Nigeria, Mali, and Jordan need to better manage their railway services in order to better serve their customers. Furthermore, the efficiency of air transport services is lacking for Sierra Leone, Iran, Kyrgyzstan, Nigeria, and Cameroon, while the very low efficiency of maritime port services in Kyrgyzstan, Tajikistan, Kazakhstan, Nigeria, Mali, and Sierra Leone, some of which are landlocked and face cross-border security issues and need to develop transit strategies with neighboring coastal countries, and finally, public transport services are vulnerable in Lebanon, Sierra Leone, Tunisia, Nigeria, and Bangladesh, which present many opportunities of investment in transport infrastructures.

Considering the above, OIC countries need to develop experience-sharing strategies to improve transport infrastructure, involve the local private sector and national and regional banks, as well as international investors and government agencies, to enhance the efficiency of the sector.

Table no.3 : State of quality of transportation in OIC Member Countries

Source : Travel & Tourism Development Index 2024 (World Economic Forum) & COMCEC 2025

Country	Quality of roads, 1-7 (best)	Efficiency of train services, 1-7 (best)	Efficiency of air transport services, 1-7 (best)	Efficiency of seaport services, 1-7 (best)	Efficiency of public transport services, 1-7 (best)
UA Emirates	**6.22**	**5.12**	**6.13**	**5.47**	**5.52**
Qatar	**5.89**	N/A	**6.10**	**5.30**	**5.56**
Oman	**5.76**	N/A	**5.30**	**5.04**	**5.04**
Saudi Arabia	**5.69**	**5.31**	**5.46**	**4.92**	**4.66**
Egypt	**5.53**	**4.78**	**5.36**	**5.01**	**4.82**
Bahrain	**5.47**	N/A	**5.64**	4.77	4.29
Indonesia	**5.20**	**5.26**	**5.48**	**5.25**	**5.05**
Malaysia	**5.16**	**4.84**	**5.27**	**4.94**	4.54
Türkiye	**5.11**	3.57	**5.71**	4.65	4.41
Azerbaijan	**5.01**	**5.17**	5.11	4.50	**5.25**
Benin	5.00	**2.25**	4.74	**4.92**	**4.72**
Jordan	4.94	**2.98**	**5.51**	4.58	4.65
Cote d'Ivoire	4.64	3.42	4.61	4.27	4.34
Albania	4.63	**2.10**	**5.20**	4.66	4.00
Morocco	4.62	**4.48**	4.74	4.49	3.65
Uzbekistan	4.50	**4.73**	4.76	3.29	**4.81**
Tajikistan	4.25	3.75	4.00	**2.24**	4.49
Pakistan	4.10	3.90	4.52	4.21	4.23
Senegal	3.90	3.66	4.24	3.81	3.57
Bangladesh	3.76	3.44	4.31	3.76	**3.10**
Kuwait	3.74	N/A	4.73	3.89	3.75
Tunisia	3.70	2.92	3.49	3.62	**2.66**
Algeria	3.69	3.83	3.58	3.38	3.61
Kazakhstan	3.56	4.02	4.53	**2.70**	4.16
Iran	3.54	3.38	**3.28**	3.80	3.57
Kyrgyzstan	**3.34**	**2.30**	**3.42**	**1.37**	3.63
Cameroon	**3.25**	3.25	**3.45**	3.57	3.46
Sierra Leone	**2.97**	N/A	**2.85**	**2.96**	**2.63**
Nigeria	**2.91**	**2.55**	**3.76**	**2.70**	**2.98**
Mali	**2.84**	**2.85**	4.28	**2.83**	3.70
Lebanon	**2.62**	N/A	4.35	3.58	**1.95**
OIC Average	4.37	3.75	4.64	4.02	4.09
African Group	3.64	3.00	3.99	3.58	3.63
Arab Group	4.99	4.38	5.04	4.42	4.54
Asian Group	4.13	3.47	4.34	3.77	3.93

3.2.Logistics Performance Index in OIC Member Countries

The overall rating of the Logistics Performance Index of the World Bank reflects the perceptions of the logistics of a country based on:

- ✓ The effectiveness of the clearance process by customs and other border authorities;
- ✓ Quality of transport infrastructure and information technology for logistics;
- ✓ The ability to organize international expeditions at an affordable cost;
- ✓ The competence of the local logistics industry;
- ✓ The ability to track and locate international cargo;
- ✓ Logistics costs at the national level (transport) and on-time delivery;
- ✓ Competence in the provision of services related to inputs needed by the logistics staff;
- ✓ Extent of practices that may affect logistics performance and trends.

The LPI is an interactive benchmarking tool created to help countries identify the challenges and opportunities they face in their performance on trade logistics and what they can do to improve their performance. Indeed, the LPI 2023 allows for comparisons across 139 countries. The new KPI are derived from large global tracking datasets covering shipping containers, air cargo, and parcels.

The KPI measure time or count the performance of specific links (e.g. delays at port or air ports), while the survey-based LPI provides country-wide assessments of six aspects of logistics performance (1 to 7): trade- and transport- related infrastructure, customs and border management, logistics services quality, timeliness of shipments, ability to track and trace, and the availability of competitively priced international shipments.

According to World Bank, the element of customs that assesses the effectiveness of customs clearance operations. Infrastructure evaluates the standard of the transportation network, including the ports, railroads, and highways. International shipments serve as a gauge of how simple they are to organize. The level of logistics expertise and quality is a gauge of the standard of the services offered by logistics providers. The capacity for tracking and tracing shipments is measured. The capacity to deliver items quickly and on schedule is known as timeliness.

Table no.4: Definition of Logistics Performance Index Indicators

Source: World Bank, 2023

LPI Indicators	Definitions
Customs	The efficiency of customs and borders services
Infrastructure	The quality of trade and transport infrastructure
International shipping	The ease and cost-folding level of international shipping arrangements
Logistics quality and competence	The competence and quality of logistics services
Tracking and tracing	Ability to monitor international shipments
Timelines	Timely availability of shipment arrival

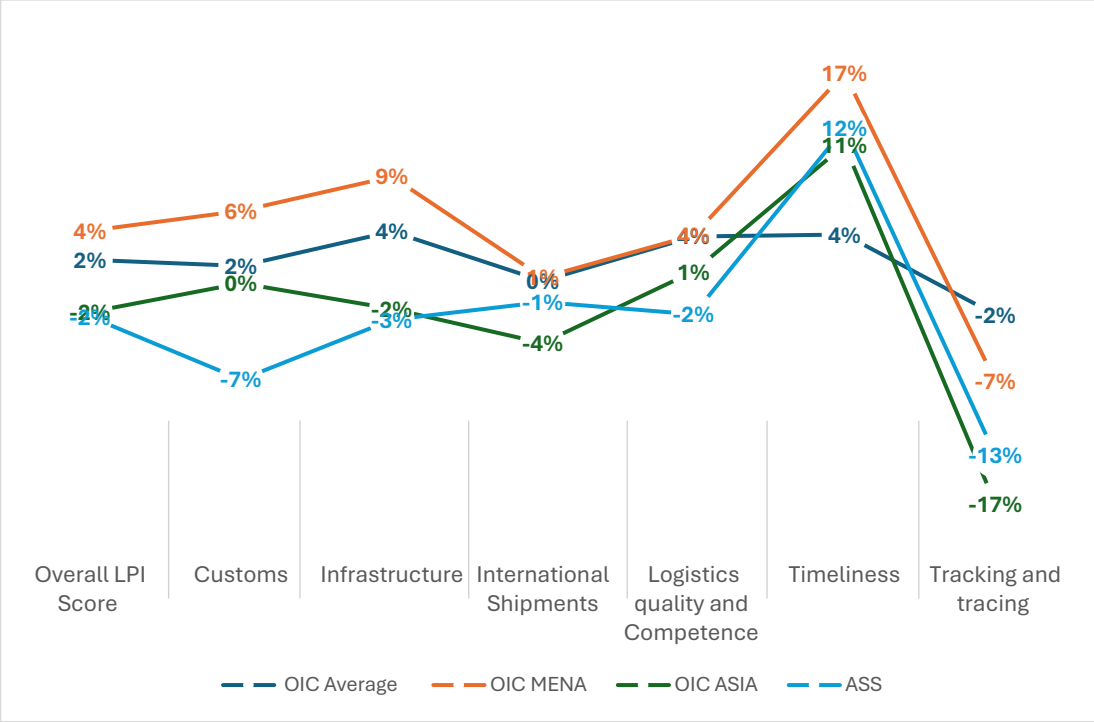
Table no.5: Average Logistics Performance Index in OIC Countries in 2016

Source: World Bank, 2024, ICDT Calculations

Index Area	Overall LPI Score	Customs	Infrastructure	International Shipments	Logistics quality and Competence	Timeliness	Tracking and tracing
OIC Average	**2.61**	**2.42**	**2.46**	**2.67**	**2.55**	**2.55**	**2.98**
OIC MENA	2.72	2.46	2.59	2.80	2.64	2.68	3.13
OIC ASIA	2.65	2.44	2.53	2.69	2.59	2.62	3.02
OIC SSA	2.47	2.39	2.27	2.51	2.43	2.39	2.78

In 2023, we observe in the above figure that the performance of customs and border agencies, as well as the quality of trade- and transport-related infrastructure, is particularly increased slightly by 2% between 2016 and 2023 in OIC Member Countries particularly in MENA Countries and decreased in Asia and Subsaharan African Countries due to the weak of the ability to monitor international shipments and not mastering the cost-folding of these shipments and also less investing in local infrastructure.

Indeed, export delays are of the same magnitude as import delays but for different reasons: export delays are tied more to the quality of service or to economies of scale.



Graph no.2: Evolution of the average Logistics Performance Index in OIC Member Countries (2016-2023) in %

Source: World Bank, 2024, ICDT Calculations

Table no.6: Average Logistics Performance Index in OIC Countries in 2023

Source: World Bank, 2024, ICDT Calculations

Index Area	Overall LPI Score	Customs	Infrastructure	International Shipments	Logistics quality and Competence	Timeliness	Tracking and tracing
OIC Average	**2.67**	**2.46**	**2.57**	**2.68**	**2.65**	**2.65**	**2.92**
OIC MENA	2.84	2.60	2.81	2.82	2.75	3.12	2.90
OIC ASIA	2.60	2.45	2.49	2.57	2.62	2.91	2.51
OIC SSA	2.41	2.22	2.21	2.48	2.38	2.68	2.42

Besides, OIC Countries in Middle East and North Africa enhanced their customs services, the quality of their infrastructure but the tracking and tracing of goods remain too weak and mainly in Asian and African countries. The digitization of their services and investment in ports and roads will contribute to the efficiency of the quality of their transportation and logistics services.

Table no.7: Logistics Performance Index in OIC Member Countries in 2023

Source: World Bank, 2024 ICDT Calculations

Country	Overall LPI Score	Customs	Infrastructure	International Shipments	Logistics quality and Competence	Timeliness	Tracking and tracing
U A Emirates	3.94	3.84	4.07	3.89	3.82	3.91	4.13
Qatar	3.60	3.55	3.57	3.58	3.54	3.50	3.83
Malaysia	3.43	3.17	3.45	3.48	3.34	3.46	3.65
Türkiye	3.42	3.18	3.49	3.41	3.31	3.39	3.75
Bahrain	3.31	3.14	3.10	3.33	3.38	3.32	3.58
Oman	3.23	2.76	3.44	3.35	3.26	3.09	3.50
Egypt	3.18	2.75	3.07	3.27	3.20	3.15	3.63
Saudi Arabia	3.16	2.69	3.24	3.23	3.00	3.25	3.53
Kuwait	3.15	2.83	2.92	3.62	2.79	3.16	3.51
Uganda	3.04	2.97	2.74	2.88	2.93	3.01	3.70
Indonesia	2.98	2.69	2.65	2.90	3.00	3.19	3.46
Jordan	2.96	2.55	2.77	3.17	2.89	2.96	3.34
Pakistan	2.92	2.66	2.70	2.93	2.82	2.91	3.48
Brunei	2.87	2.78	2.75	3.00	2.57	2.91	3.19
Algeria	2.77	2.37	2.58	2.80	2.91	2.86	3.08
Kazakhstan	2.75	2.52	2.76	2.75	2.57	2.86	3.06
Burkina Faso	2.73	2.55	2.67	2.73	2.78	2.49	3.13
Lebanon	2.72	2.73	2.64	2.84	2.45	2.75	2.86
Mozambique	2.68	2.49	2.24	3.06	2.44	2.75	3.04
Guyana	2.67	2.40	2.24	2.66	2.66	2.90	3.12
Morocco	2.67	2.22	2.46	3.09	2.59	2.34	3.20
Bangladesh	2.66	2.57	2.48	2.73	2.67	2.59	2.90
Nigeria	2.63	2.46	2.40	2.43	2.74	2.70	3.04
Togo	2.62	2.49	2.24	2.62	2.46	2.60	3.24

Côte d'Ivoire	2.60	2.67	2.46	2.54	2.62	2.62	2.71
Iran	2.60	2.33	2.67	2.67	2.67	2.44	2.81
Comoros	2.58	2.63	2.36	2.58	2.60	2.44	2.82
Niger	2.56	2.59	2.22	2.63	2.50	2.35	3.02
Sudan	2.53	2.23	2.2	2.57	2.36	2.49	3.28
Maldives	2.51	2.39	2.57	2.34	2.44	2.49	2.88
Mali	2.50	2.45	2.30	2.48	2.46	2.36	2.93
Tunisia	2.50	1.96	2.44	2.33	2.59	2.67	3.00
Benin	2.43	2.20	2.39	2.55	2.47	2.23	2.69
Albania	2.41	2.23	1.98	2.48	2.48	2.15	3.05
Uzbekistan	2.4	2.32	2.45	2.36	2.39	2.05	2.83
Guinea-Bissau	2.37	2.44	1.91	2.57	2.07	2.41	2.74
Guinea	2.36	2.28	2.01	2.38	2.54	2.54	2.38
Senegal	2.33	2.31	2.23	2.25	2.39	2.15	2.61
Djibouti	2.32	2.37	2.30	2.48	1.96	2.09	2.69
Libya	2.26	1.88	2.04	2.40	2.50	1.85	2.83
Turkmenistan	2.21	2.00	2.34	2.37	2.09	1.84	2.59
Gabon	2.19	2.07	2.05	2.28	2.12	2.07	2.52
Chad	2.16	2.08	2.07	2.41	2.06	2.07	2.25
Kyrgyzstan	2.16	1.80	1.96	2.10	1.96	2.39	2.72
Cameroon	2.15	2.09	2.21	1.98	2.32	2.04	2.29
Iraq	2.15	2.01	1.87	2.33	1.97	1.98	2.66
Afghanistan	2.14	2.01	1.84	2.38	2.15	1.77	2.61
Tajikistan	2.06	1.93	2.13	2.12	2.12	2.04	2.04
Sierra Leone	2.03	1.91	2.07	2.31	1.85	1.74	2.23
Mauritania	1.87	2.14	1.54	2.00	1.74	1.54	2.14
Somalia	1.75	1.29	1.57	1.86	1.85	1.51	2.35
Syria	1.60	1.11	1.24	1.36	1.39	2.10	2.40
OIC Average	**2.67**	**2.46**	**2.57**	**2.68**	**2.65**	**2.65**	**2.92**

Some countries such UAE, Qatar, Malaysia, Türkiye, Bahrain, Oman, Morocco, Egypt, Saudi Arbia, Kuwait, Uganda, Indonesia, Jordan, Pakistan, Brunei, Algeria and Kazakhstan made tremendous efforts in the field transportation investment and digitization of customs services which contributed to have good scores of LPI between 2016 and 2023.

According to this table, we observe the United Arab Emirates leads with an LPI score of 3.940, reflecting its advanced logistics infrastructure, supported by high scores in infrastructure (4.07) and timeliness (3.91). The UAE's strategic location and investments in logistics hubs, like the Jebel Ali Port, contribute significantly to its high performance. Qatar (3.60), Malaysia (3.43) and Türkiye (3.42) rank close to each other, with Bahrain slightly ahead in areas like international shipments and customs. These countries leverage well developed trade infrastructures, making them crucial nodes in Southeast Asia and the Middle East, respectively.

Saudi Arabia, Egypt, Oman and Morocco scoring about 3, show strengths in infrastructure and tracking, benefiting from modern logistics frameworks and extensive transport networks (Jeddah, Alexandria, Salalah, Tangiers and Casablanca). The other countries in the bottom of

the list face several challenges like significant infrastructure degradation, limited infrastructure investment and persistent security challenges. These limitations directly affect the logistics performance of the countries.

The outlook report of COMCEC on transport indicated that there is a positive correlation between a country's LPI score and its volume of merchandise exports, suggesting that stronger logistics infrastructures tend to support higher export volumes.

Higher LPI scores, as seen in countries like the UAE, Qatar, Malaysia, Türkiye, Bahrain and Saudi Arabia are associated with robust logistics networks that streamline supply chains, which is reflected in their substantial export values. In contrast, countries with lower LPI scores tend to have more limited exports, likely due to logistical constraints that hinder efficient movement of goods. This data underscores the strategic value of improving logistics infrastructures to enhance trade capacity among OIC Member Countries.

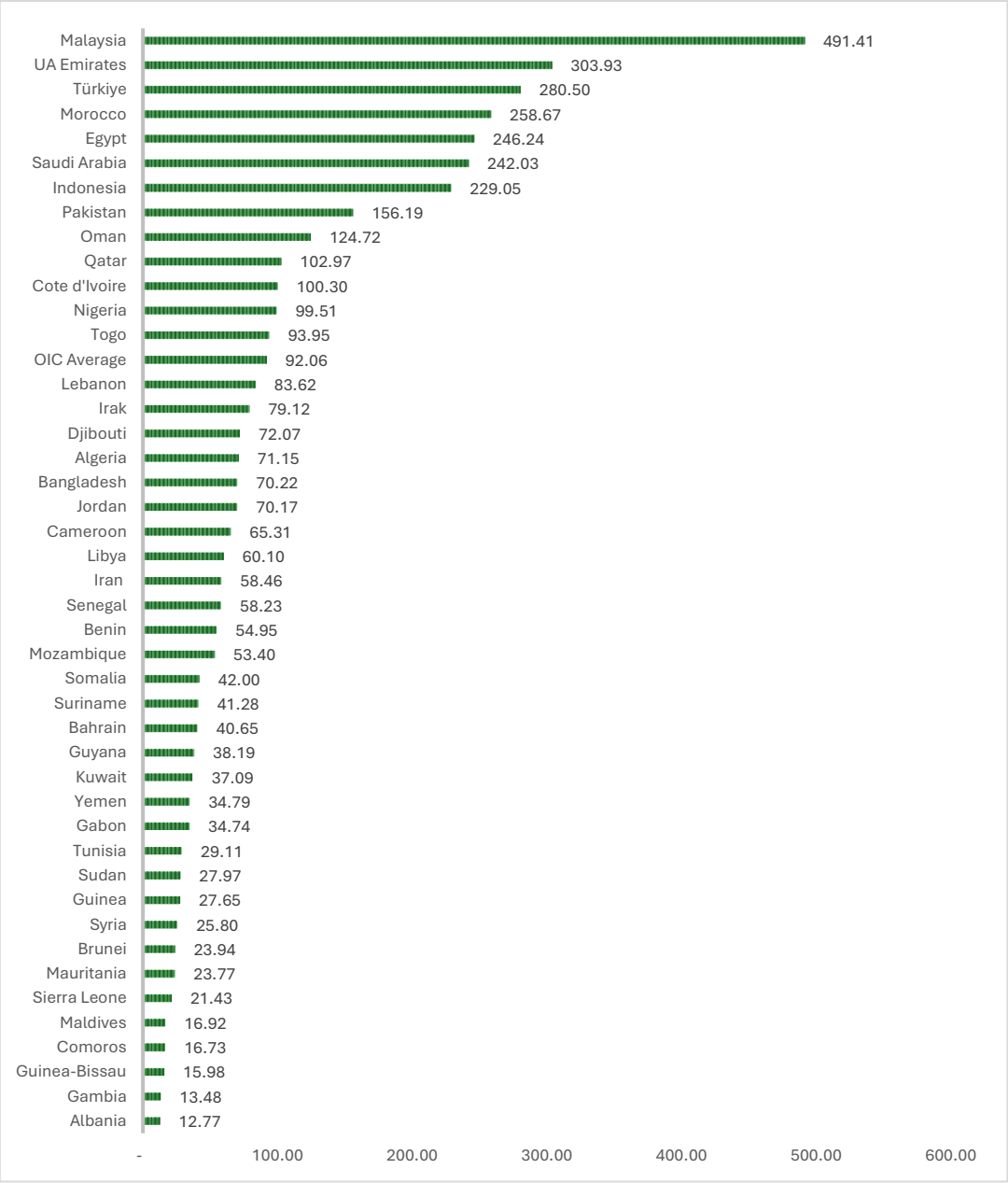
3.3.Liner Shipping Connectivity Index

The World Bank's Liner Shipping Connectivity Index, which aims at capturing a country's level of integration into the existing liner shipping network, indicates that the OIC best connected countries in 2024 reflecting their strong connectivity due to strategic locations and advanced port infrastructures are the following: Malaysia (491), UA Emirates (304), Türkiye (280), Morocco (259), Egypt (246), Saudi Arabia (242), Indonesia (229), Pakistan (156), Oman (125), Qatar (103), Côte d'Ivoire (100), Nigeria (99) et Togo (94) which surpassed the OIC Average of maritime connectivity (92).

Some countries like Lebanon, Iraq, Djibouti, Algeria, Bangladesh, Jordan, Cameroon, Libya, Iran, Senegal, Benin and Mozambique have a good rate of LSCI (80 to 50) and invested in port infrastructure during these last five years.

Other countries such Albania, The Gambia, Guinea-Bissau, Comoros, Maldives, Sierra Leone, Mauritania, Brunei, Syria, Guinea, Sudan and Tunisia which recorded their LSCI is less than 30 in 2024 which present opportunities for investment in port infrastructure to increase their maritime connectivity for the upcoming years.

Between 2016 and 2024, some OIC Countries recorded a high growth of LSCI because they invested in port infrastructure and enhanced their maritime connectivity to their foreign trade like: Qatar, Iraq, Somalia, Türkiye, Pakistan, Morocco, Saudi Arabia and Côte d'Ivoire, and also to connect more Asia, Africa and Middle East countries and also with landlocked countries.



Graph no.3: LSCI scores of OIC Member States in 2024

Source: UNCTAD, 2025

Table no.8: Evolution of the LSCI of OIC Member Countries between 2016 and 2024 (%)

Source: UNCTAD, 2025 , ICDT Calculations

Country	LSCI 2016	LSCI 2024	Evolution 2016-2024
Qatar	39.78	102.97	158.84%
Iraq	36.77	79.12	115.18%
Somalia	25.39	42.00	65.43%
Guinea-Bissau	11.60	15.98	37.80%
Türkiye	220.36	280.50	27.29%
Pakistan	124.49	156.19	25.46%
Morocco	206.81	258.67	25.08%
Saudi Arabia	194.44	242.03	24.48%
Cote d'Ivoire	81.43	100.30	23.16%
Mozambique	43.53	53.40	22.66%
Bangladesh	58.10	70.22	20.88%
Libya	49.92	60.10	20.40%
Togo	78.15	93.95	20.22%
Yemen	31.17	34.79	11.62%
Cameroon	58.86	65.31	10.96%
Kuwait	33.56	37.09	10.53%
Jordan	65.87	70.17	6.54%
Indonesia	217.83	229.05	5.15%
Malaysia	478.18	491.41	2.77%
Suriname	40.23	41.28	2.62%
Senegal	56.97	58.23	2.21%
Egypt	242.08	246.24	1.72%
Nigeria	98.13	99.51	1.40%
UA Emirates	302.52	303.93	0.46%
Benin	57.86	54.95	-5.02%
Mauritania	25.24	23.77	-5.82%
Algeria	76.95	71.15	-7.54%
Maldives	18.33	16.92	-7.65%
Brunei	25.97	23.94	-7.81%
Bahrain	44.23	40.65	-8.08%
Sierra Leone	23.95	21.43	-10.54%
Guyana	42.88	38.19	-10.94%
Gabon	39.87	34.74	-12.87%
Oman	143.32	124.72	-12.97%
Comoros	19.77	16.73	-15.37%
Lebanon	99.04	83.62	-15.57%
Djibouti	86.09	72.07	-16.28%
Syria	32.16	25.80	-19.76%
Albania	16.52	12.77	-22.66%
Sudan	37.83	27.97	-26.06%
Guinea	38.67	27.65	-28.49%
Tunisia	43.83	29.11	-33.58%
Gambia	25.30	13.48	-46.72%
Iran	112.30	58.46	-47.94%
OIC Average	86.50	92.06	6.42%

Section 2: Determinants of transportation services

1. Transport modes

Transportation encompasses a set of complementary modes that together ensure the efficient movement of goods and people across national, regional and international markets. Each mode plays a distinct yet interconnected role within global and regional supply chains, contributing to trade facilitation, economic integration and territorial development. The effectiveness of transportation systems therefore depends not only on the performance of individual modes, but also on their capacity to operate in a coordinated and multimodal manner.

In this context, transportation is structured around the following main modes, each characterized by specific operational features:

Road transportation: This mode involves the use of trucks, buses, vans, cars, motorcycles, and bicycles to transport goods by road. Road transportation is flexible, convenient, and fast, especially for short distances and door-to-door delivery. It can also be integrated with other modes of transportation, such as rail, air, and sea, to form intermodal transportation systems.

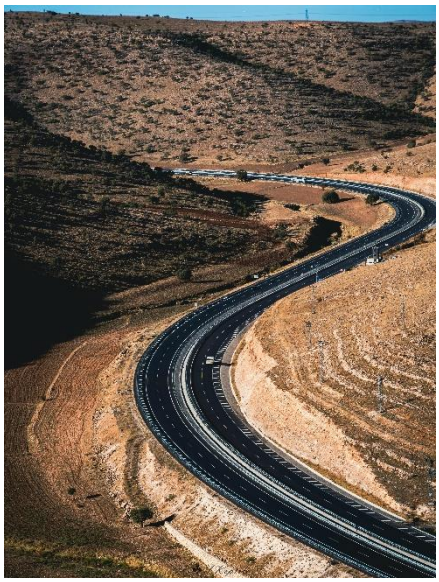


Figure no.1: Aerial View of Highway through Desert (Mardin- Türkiye)

However, road transportation has some drawbacks, such as high fuel consumption, traffic congestion, accidents, pollution, and limited capacity. Road transportation is suitable for transporting perishable goods, such as food and flowers, as well as small and medium-sized shipments, such as e-commerce parcels and express delivery.

According to COMCEC Report on transportation 2025, Indonesia, exhibits the highest range in road network demands due to its vast population and Maldives has the shortest network, with only 93 km, reflecting its small land area and island-based geography, which minimizes road transport needs. The motorway network length ranges from a mere 25 km in some countries to 34,996 km, underscoring the varied development of high-speed road infrastructure.

The percentage of paved roads varies significantly, with some countries reaching 100% paved roads (e.g., Jordan). This disparity highlights differences in infrastructure quality and resource allocation across the OIC.

The road density, calculated as km/km², is highest in Bahrain, reflecting its urbanized nature. Conversely, Mauritania shows low road density, likely due to its large desert areas and sparse population, impacting its overall accessibility and transportation efficiency.

Rail transportation: This mode involves the use of trains, subways, trams, and monorails to transport goods by rail. Rail transportation is efficient, economical, and safe, especially for long distances and large volumes of goods. It can also reduce greenhouse gas emissions and energy consumption compared to road transportation.

However, rail transportation has some limitations, such as high initial investment, low flexibility, dependency on fixed routes and schedules, and susceptibility to weather conditions and natural disasters. Rail transportation is suitable for transporting bulky and heavy goods, such as coal, iron ore, and steel, as well as containerized goods, such as automobiles and electronics.

Figure no.2: Etihad Rail

It is one of the most important modes of transportation for landlocked regions, which are areas that have no direct access to the sea. Rail transport can provide a reliable, efficient, and cost-effective way of connecting these regions to the global trade network, as well as facilitating the movement of people and goods within and across them. Rail transport can also have positive impacts on the economic, social, and environmental aspects of landlocked regions, as well as contributing to regional integration and cooperation.

The COMCEC report revealed that OIC average rail network density is 740 km per 100,000 km², these countries generally show a lower density compared to the USA, which stands at 1,624 km per 100,000 km². This difference underscores a gap in rail infrastructure development between OIC Member Countries and the USA, reflecting disparities in investment, geographic needs, and economic priorities. Azerbaijan (2,587 km) and Bangladesh (2,210 km) show high rail densities within OIC Member Countries.

Air transportation: This mode involves the use of airplanes, helicopters, drones, and balloons to transport goods by air. Air transportation is fast, reliable, and secure, especially for long distances and urgent deliveries. It can also reach remote and inaccessible areas, such as islands and mountains, where other modes of transportation are not available.

Figure no.3: Qatar Airways Cargo Airplane

However, air transportation has some disadvantages, such as high cost, low capacity, noise pollution, and vulnerability to weather conditions and security threats. Air transportation is suitable for transporting high-value and time-sensitive goods, such as pharmaceuticals, jewelry, and documents, as well as fragile and perishable goods, such as flowers and vaccines.

In this mode, countries such as United Arab Emirates, Qatar, Türkiye, Malaysia, Saudi Arabia, Qatar, Indonesia, Morocco, Egypt invested significantly in airport facilities, strategic geographic positioning, and policies that attract global transit traffic.

Sea transportation: This mode involves the use of ships, boats, ferries, and barges to transport goods by sea. Sea transportation is cheap, versatile, and environmentally friendly, especially for long distances and massive volumes of goods. It can also handle a wide variety of goods, such as liquids, solids, and gases, as well as oversized and overweight goods, such as machinery and equipment.

Figure no.4: Jorf Lasfar Port - Morocco

However, sea transportation poses some challenges, such as low speed, high uncertainty, dependency on ports and terminals, and exposure to piracy and natural hazards. Sea transportation is suitable for transporting raw materials, such as oil, gas, and minerals, as well as manufactured goods, such as clothing and furniture.

Given the diverse economic structures within the OIC, maritime transport plays different roles across Member Countries. For instance, countries with highly developed port infrastructure, such as Malaysia, Morocco and the United Arab Emirates, serve as regional shipping hubs, enabling them to capture significant transit and trade flows. Conversely, smaller or landlocked OIC Member Countries rely on neighboring states' port facilities and are therefore dependent on efficient and cost-effective intermodal connections to access international markets.

2. Determinants of cost transportation

In today's highly interconnected world, the cost of transporting goods plays a crucial role in international trade. Shippers, businesses, and trade analysts must understand the various dimensions of transport costs—from shipping by sea to air and rail expenses—to optimize operations and improve global competitiveness.

OIC governments and organizations and development partners should cooperate to decrease the trade cost and reform their trade policies and enhance their business climate.

2.1. Transports costs components

Transport costs refer to all expenses incurred in moving goods from one geographical location to another. These costs include, but are not limited to:

- ✓ **Freight Charges**: The basic cost for moving goods via a specific mode (shipping, air, rail, or road);
- ✓ **Insurance**: Policies to protect cargo against loss or damage;
- ✓ **Handling Fees**: Charges for loading, unloading, and other logistical tasks;
- ✓ **Documentation & Compliance**: Costs related to necessary paperwork, permits, and customs procedures.

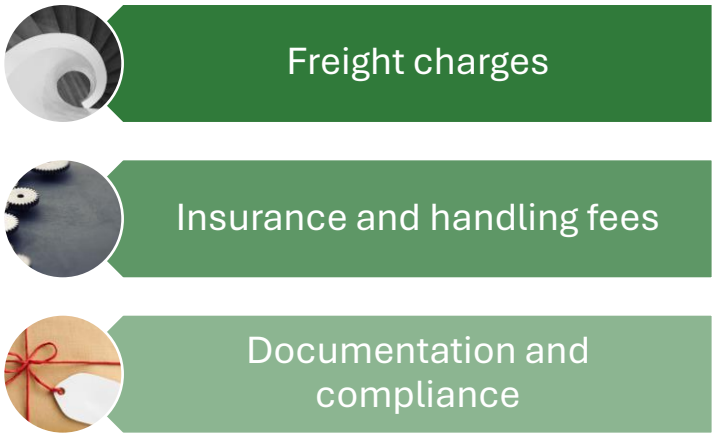


Figure no.5: Transport cost components

Transport cost structures vary significantly across modes, as each mode is characterized by distinct operational requirements, cost components and economic dynamics.

- ✓ **Shipping (Maritime):**
  - **Freight Costs:** Payment for container space and vessel operation;
  - **Port Charges:** Costs incurred during loading and unloading at ports;
  - **Stevedoring Fees:** Charges for handling cargo on or off the ship.
- ✓ **Air Freight:**
  - **Premium Charges:** Expedited handling and higher fuel costs;
  - **Security Fees:** Increased costs due to strict aviation security protocols.
  - **Limited Capacity:** Higher costs due to smaller cargo volumes compared to maritime transportation.
- ✓ **Rail Transport:**
  - **Infrastructure Access:** Fees for rail network usage and terminal handling charges;
  - **Energy Costs:** Direct linkage with diesel or electricity expenses;
  - **Flexibility:** Often used for intermodal transport solutions, combining well with road or shipping.
- ✓ **Road Transport:**
  - **Fuel and Maintenance:** Direct correlation with oil prices and vehicle maintenance;
  - **Toll Charges:** Fees imposed on certain routes;
  - **Driver Costs:** Labor expenses, including wages and accommodations.

Beyond the basic transport modes, additional expenses can further drive-up costs:

- ✓ **Insurance:** Protects against the risk of loss, damage, or theft during transit;
- ✓ **Documentation:** Involves transit documentation, bills of lading, and customs declarations;
- ✓ **Handling & Storage:** Costs associated with cargo handling, warehousing, and timely delivery.

Besides, soaring fuel prices contribute to impact all transport modes. When fuel costs rise, so do the operating expenses for ships, aircraft, trucks, and trains. Indeed, fluctuating tariffs imposed on goods or transport services, further complicate the cost structure.

2.2. Regulatory, infrastructural and economic factors

The performance and cost of transportation services are influenced by a range of interrelated factors, encompassing economic, infrastructural, regulatory and geographic dimensions. The most significant of these factors include the following :

- ✓ **Environmental Regulations:** Policies encouraging lower emissions can lead to investments in green technologies, which may have higher initial costs but reduce long-term expenditures;
- ✓ **Safety Standards:** Compliance requirements (e.g., for hazardous materials) can increase operational costs;
- ✓ **Customs Procedures:** Complex regulatory environments and trade agreements influence processing fees and administrative costs;
- ✓ **Port and Terminal Efficiency:** The capacity and condition of ports significantly affect shipping costs;
- ✓ **Rail Network Capability:** An efficient rail-system, upgraded for modern logistics, supports cost reductions;
- ✓ **Road Network Quality:** Poor infrastructure can lead to delays, increasing overall transportation time and costs;
- ✓ **Market Demand:** High demand for transportation services can inflate prices;
- ✓ **Global Economic Trends**: Economic slowdowns or booms influence transport volumes and cost stability**;**
- ✓ **Currency Fluctuations:** Changes in currency exchange rates can lead to unexpected cost variations in cross-border transactions.

Businesses must account for these factors alongside the primary freight charges to get a full picture of the overall expense.

In summary, transport costs in international trade are a determinant factor for business success, as they directly influence pricing, profitability, and supply chain efficiency.

In fact, trade costs are not limited to customs duties. In many member countries, transport and logistics costs represent a significant, sometimes even the majority, portion of the total cost of trade. Unpredictable delays, transshipment breaks, redundant inspections, port congestion, and

administrative inefficiencies directly affect exporters' competitiveness and increase import costs.

A well-functioning transport system can, therefore, reduce delivery times, improve the reliability of supply chains, lower direct and indirect trade costs, and facilitate the integration of local businesses into regional and global value chains.
In the OIC region, these gains are particularly crucial for landlocked countries, economies dependent on road transport, and exporting SMEs.

Section 3: Trade facilitation through transport: Regional variations.

Building on the assessment of transport performance indicators presented in the previous section, this chapter examines how trade facilitation through transport operates across key OIC regions. Differences in geography, infrastructure endowment and integration into global value chains shape distinct regional dynamics, from landlocked transit dependency to the emergence of global logistics hubs. A regional perspective is therefore essential to understand how transport systems translate into trade competitiveness and connectivity within the OIC space.

1. West and Central Africa: Structural dependence on transit

In West and Central Africa, trade facilitation through transport is inseparable from the issue of regional transit. A significant number of OIC member countries in this region—such as Mali, Niger, Chad, or Burkina Faso—are landlocked and almost entirely dependent on their coastal neighbors' infrastructure and transit procedures to access international markets. In this context, any dysfunction in cross-border transport directly translates into higher trade costs and reduces competitiveness.

Corridors linking landlocked countries to Atlantic ports therefore represent vital arteries. The corridor connecting Mali and Burkina Faso to the ports of Senegal or Côte d'Ivoire illustrates this reality. When transit procedures are fragmented, trucks may be immobilized for several days at borders, subjected to repeated inspections and variable documentary requirements. Conversely, harmonized transit mechanisms combined with one-stop border posts and progressive digitalization significantly reduce delays and improve flow predictability.

In this region, trade facilitation through transport also depends on the development of dry ports and inland logistics platforms. These facilities allow part of customs operations to be carried out within landlocked territories, reducing port congestion and bringing administrative services closer to economic operators. For the region's agricultural and mining economies, such mechanisms play a decisive role in integration into regional and international value chains.

Figure no.6: Digital customs in Africa steps

Source: CSM Technologies Website

2. North Africa: A Strategic Africa–Asia Interface.

North Africa occupies a pivotal position in transport corridors linking Africa, Europe, the Middle East, and Asia. Countries such as Morocco, and Egypt possess relatively developed port and road infrastructure and increasingly act as transit and logistics transformation platforms.

Morocco provides a concrete illustration of how transport can facilitate regional and interregional trade. Thanks to its ports connected to global maritime networks and its road corridors linking the African hinterland to Mediterranean and Atlantic façades, the country positions itself as a natural hub for Africa–Europe and Africa–Asia flows. Trade facilitation here relies on interconnection between road transport, port platforms, modernized customs procedures, and international transit mechanisms.

In Egypt, the strategic position between the Mediterranean, the Red Sea, and Asian maritime routes gives transport a key role in intercontinental trade facilitation. The efficiency of corridors linking inland industrial zones to ports and shipping lanes directly conditions the country's ability to capture trade flows between Africa and Asia. In this context, digitalization of transport and customs clearance procedures is decisive in reducing delays and enhancing logistical attractiveness.

3. Middle East: Logistics Hubs and Advanced Intermodality.

The Middle East is one of the central pillars of trade facilitation through transport within the OIC space. Countries such as the United Arab Emirates, Saudi Arabia, and Qatar have developed world-class logistics hubs characterized by strong intermodality, advanced digitalization, and close integration between transport, customs, and trade.

In these countries, trade facilitation relies on the ability to handle large cargo volumes with reduced transit times and high reliability. Ports and airport platforms act as convergence points for flows from Africa, Asia, and Europe. The fluidity of regional road transport, combined with high-performing customs systems and real-time data exchange, transforms these hubs into true accelerators of interregional trade.

The impact of these hubs extends far beyond national borders. They structure Africa–Asia corridors by offering efficient and secure transshipment points while disseminating high standards of trade facilitation to partner regions. For many African and Asian OIC member countries, access to these hubs constitutes a key competitiveness factor.

4. Central Asia: Transport as a Prerequisite for Economic Connectivity.

Central Asia represents one of the most demanding contexts for trade facilitation through transport. Countries such as Kazakhstan, Uzbekistan, or Kyrgyzstan are far from seaports and heavily dependent on the quality of land corridors and international transit mechanisms.

In this region, transport is not merely a facilitator of trade; it is its prerequisite. Crossing multiple borders over long distances requires efficient transit systems capable of limiting intermediate inspections and securing flows. Corridors linking Central Asia to the Middle East or South Asia highlight the strategic importance of harmonized transit and documentary continuity.

The development of dry ports and inland logistics platforms plays a central role. By bringing customs and logistics services closer to production zones, these infrastructures reduce trade costs and improve access to OIC markets. Digitalization of transport and transit procedures further enhances predictability and reliability.

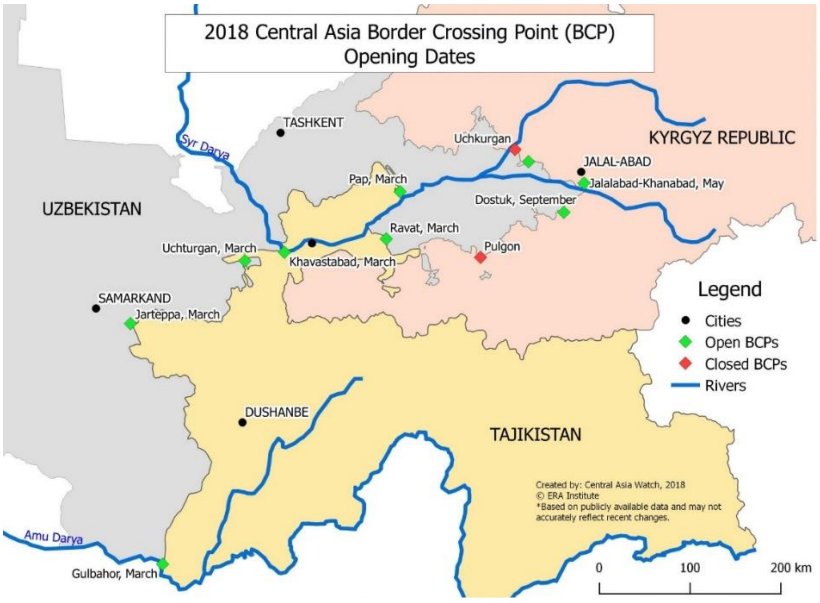


Figure no.7: Central Asia Border Points

Source: Central Asia Watch, 2018

5. South and Southeast Asia: Dynamic markets and progressive integration into global value chains.

South and Southeast Asia constitute a major growth pole for intra-OIC trade. Countries such as Pakistan, Bangladesh, Malaysia, or Indonesia combine strong industrial capacity, structured seaports, and growing integration into global value chains.

In this region, trade facilitation through transport primarily relies on port performance, maritime connectivity, and the fluidity of links between industrial zones and ports. Road and multimodal transport ensure continuity of flows, while digitalization of procedures reduces delays and improves transparency.

For Africa–Asia corridors, these countries serve both as destination markets and transformation platforms. Efficient movement of goods from Africa, via the Middle East, to South and Southeast Asian industrial hubs depends directly on the quality of trade facilitation instruments implemented along the entire chain.

Section 4: Key Findings and Strategic Implications

Trade facilitation is fundamentally driven by the ability of goods to move efficiently, predictably and securely between production areas and consumer markets, placing transportation at the core of trade performance. Over recent decades, OIC Member States have strengthened trade integration through policy reforms, regional cooperation and targeted trade facilitation initiatives, confirming the strategic role of transport systems in supporting competitiveness and market access.

The growing importance of services trade, particularly transport, travel and digitally enabled services, further reinforces this shift. Transportation has evolved from a supporting activity into a central economic sector that shapes the structure of trade and the integration of OIC economies into regional and global value chains. As digitalization progresses, the efficiency and reliability of transport and logistics services increasingly determine trade outcomes across regions.

At the same time, the analysis reveals persistent structural challenges, including infrastructure gaps, high logistics costs, environmental pressures and institutional capacity constraints, with particularly significant impacts on landlocked OIC Member States dependent on transit corridors and cooperation with coastal neighbors. Addressing these challenges requires coordinated investment in infrastructure and service quality, the development of globally connected logistics hubs, and stronger collaboration among governments, development partners, financial institutions and the private sector to translate transport reforms into tangible gains in trade facilitation, regional integration and sustainable growth.

Chapter 2: Trade Facilitation Obstacles and Solutions

Section 1: Obstacles to intra-OIC transports development

Logistics constitutes a core pillar of national development, covering the entire supply chain from the sourcing of raw materials to the delivery of finished products to end consumers. However, in many OIC Member States, persistent structural constraints in logistics systems continue to hinder trade development and economic integration.

In several OIC countries, transport infrastructure remains dilapidated, transit operations are inefficient, and the number of checkpoints along transport routes is excessive, particularly in landlocked countries. These factors significantly increase transport costs and constitute a major obstacle to trade expansion and sustainable development.

The lack of harmonized international regulations across all modes of transport, notably with regard to official documentation, technical standards, border reporting requirements and visa procedures, further undermines the efficiency of trade promotion and cross-border transport operations.

In addition to regulatory constraints, traders are required to comply with an excessive number of documentary requirements for imports and, in many cases, exports. On average, up to 60 documents are used for a single international trade transaction, despite the fact that nearly 80% of the information contained in these documents is duplicated. Documentation requirements are often poorly defined, leaving traders uncertain about compliance procedures and increasing the likelihood of errors. The lack of transparency in administrative processes has created an environment conducive to irregularities and malpractice. It is estimated that time lost due to administrative delays represents up to 20% of total transport time and 25% of overall transport costs.

Key operational constraints include:

- **Port location and accessibility:** The location of many ports in urban centers undermines their long-term viability, contributes to congestion in land transport networks and penalizes multimodal transport (road, rail, sea and air).
- **Limited port capacity and obsolete equipment:** The low capacity of ports, combined with inadequate maintenance of equipment and insufficient dredging, limits operational performance. In many terminals, material handling equipment such as cranes and gantries is obsolete, with only a few countries having undertaken significant modernization.
- **Lack of transparency and predictability of transport regulations:** Transport-related rules are often implemented retroactively and applied inconsistently across different regions within the same State. Information is rarely communicated effectively to other States and even less to enterprises.
- **Restrictions and transit quota systems:** The freedom of transit provided for under Article V of the GATT prohibits total or partial restrictions. However, transit bans,

quantitative restrictions, excessive taxation and user charges persist in several contexts and remain contrary to the principles of freedom of transit. Similarly, regulations imposing the diversion of road traffic are often unreasonable, as they prevent the use of the most efficient international transit routes.

- **Controls and procedures:** Efforts by national and international authorities to simplify procedures, strengthen the capacities of border agencies and improve the physical capacity of border crossings remain insufficient, particularly along major international transport corridors.
- **Unavailability of equipment and qualified personnel:** Informal trade-related structures often emerge around border posts, offering limited or no useful services to carriers while imposing unjustified charges, compulsory insurance schemes and, in some cases, mandatory convoying, thereby increasing costs and delays for transport operators.
- **Excessive waiting times at borders:** Carriers continue to waste substantial time and resources at border crossings, with significant negative impacts on industries, national economies and consumers. The economic losses resulting from border delays are considerable.
- **Visa constraints for professional drivers:** For many years, difficulties faced by professional drivers in obtaining visas have represented a major barrier to the development of international road transport. While recognizing the sovereign right of States to maintain visa regimes, international organizations, including the IRU, have consistently advocated for simplified and facilitated visa procedures for professional drivers.
- **Traffic prohibitions:** Numerous restrictions on heavy goods vehicles exist in several countries, based on dates, times, infrastructure limitations, vehicle types, weather conditions and the nature of transported goods, often disrupting transport flows and increasing costs.
- **Imposition of customs escorts:** Despite the payment of financial guarantees intended to cover customs risks, carriers are frequently required to travel with customs escorts. This practice leads to extended transit times, as escorts are not available daily and often require a minimum number of vehicles. This phenomenon is particularly widespread in West Africa.

Specific constraints faced by landlocked OIC Member States:

Due to their geographical situation, several OIC Member States face acute challenges in integrating into global and regional trading systems. Goods originating from or destined for landlocked countries are often subject to additional trade barriers, including lengthy and complex border procedures. In this regard, twelve OIC countries are particularly concerned: Afghanistan, Azerbaijan, Burkina Faso, Chad, Kazakhstan, Kyrgyzstan, Mali, Niger, Tajikistan, Turkmenistan, Uganda and Uzbekistan. These countries face structural constraints such as weak legal and institutional frameworks, inadequate infrastructure, limited access to information technologies, underdeveloped logistics sectors and insufficient cooperation with neighboring transit countries. Their remoteness from seaports further increases trade costs and reduces competitiveness.

Priority actions:

In light of these challenges, it is essential to strengthen cooperation between landlocked OIC Member States and neighboring coastal countries in order to facilitate transit, reduce logistics

costs and improve the reliability of supply chains. This cooperation should be supported by development partners through targeted technical assistance, including the construction and operationalization of dry ports, as illustrated by current initiatives in Bobo-Dioulasso serving Burkina Faso, Mali, Niger and Chad.

Furthermore, landlocked OIC Member States should prioritize the development of railway connections with neighboring coastal countries to expand their foreign trade, in partnership with governments and the private sector. Dry ports can serve as inland logistics hubs, providing functions equivalent to seaports, including customs clearance, consolidation and distribution of goods, and enabling exporters and importers to complete formalities closer to production and consumption centers.

The experience of dry port development along the Trans-Asian Railway in Asia and the Pacific provides a relevant model that could be adapted within the OIC region.

Finally, strengthened training programmes in supply chain management are essential to improve the control and efficiency of transport operations, with the support of relevant OIC institutions in charge of economic and trade cooperation.

Section 2: Strategic Development Axes for Transport in the OIC Region

Efficient and integrated transport systems are essential for economic growth, regional integration and trade competitiveness in the OIC region. Yet, many OIC Member States face persistent challenges, including inadequate infrastructure, high logistics costs, weak cross-border coordination and limited connectivity for landlocked countries. These constraints increase the cost of doing business and impact intra-OIC and global trade.

In this context, the following strategic development axes provide a practical policy framework for decision maker in our region to guide national reforms, regional cooperation and partnerships with development partners and the private sector, with the objective of improving connectivity, reducing trade costs and strengthening the integration of OIC economies into regional and global value chains.

1. Modernization of Transport Infrastructure

OIC Member States should prioritize the rehabilitation, modernization and expansion of transport infrastructure, including roads, railways, ports and airports, in order to improve connectivity, safety and efficiency. Investments should target strategic national and regional corridors that link production areas to national and international markets. Special attention should be given to the maintenance of existing infrastructure, as inadequate maintenance significantly reduces capacity and increases logistics costs. Regional coordination of infrastructure development plans can help avoid duplication of investments and ensure the continuity of corridors across borders.

2. Development of Multimodal Transport Corridors

The development of multimodal corridors integrating road, rail, maritime and air transport is essential to reduce transport costs and transit times. OIC countries should promote the establishment of logistics platforms and dry ports along major corridors to facilitate the transfer of goods between different modes of transport. Interoperability between transport modes must be enhanced through the harmonization of technical standards, investments in intermodal terminals, and improved scheduling and coordination between operators. This approach will strengthen regional trade integration and enhance the competitiveness of OIC economies in global value chains.

3. Facilitation of Cross-Border Trade and Transit

Ministeries of Transport, in coordination with customs and border management authorities, should promote the simplification and harmonization of border procedures. This includes reducing the number of required documents, adopting risk-based controls, and promoting joint border posts and one-stop border clearance mechanisms. The establishment of corridor management authorities can help coordinate policies and operations along major transit routes. Improved cooperation between neighboring countries is crucial to reduce delays, enhance predictability, and improve the reliability of regional transport corridors.

4. Strengthening Connectivity for Landlocked Countries

Landlocked OIC Member States face structural disadvantages in accessing international markets. To address these constraints, regional transit agreements should be strengthened to guarantee freedom of transit and fair transit conditions. Investments in railways, dry ports, inland container depots and logistics hubs should be prioritized to connect landlocked countries to seaports. Coastal OIC countries are encouraged to facilitate access to port services and ensure non-discriminatory treatment of transit cargo, while regional cooperation frameworks should be reinforced to ensure coordinated corridor development and maintenance.

In this context, regional connectivity initiatives offer practical mechanisms to operationalize cooperation between coastal and landlocked countries. The Atlantic Initiative brings together Atlantic coastal countries, including Morocco, Mauritania, Senegal, The Gambia, Guinea, Sierra Leone and Nigeria, as well as landlocked countries of the Sahel, notably Mali, Burkina Faso, Niger and Chad, with the objective of strengthening connectivity and facilitating access to global markets. By promoting coordinated development of ports, transport corridors and logistics platforms linking coastal gateways to inland markets, the initiative aims to reduce transit times, lower logistics costs and improve supply chain reliability, illustrating how structured regional cooperation can address structural constraints and support trade facilitation and regional integration.

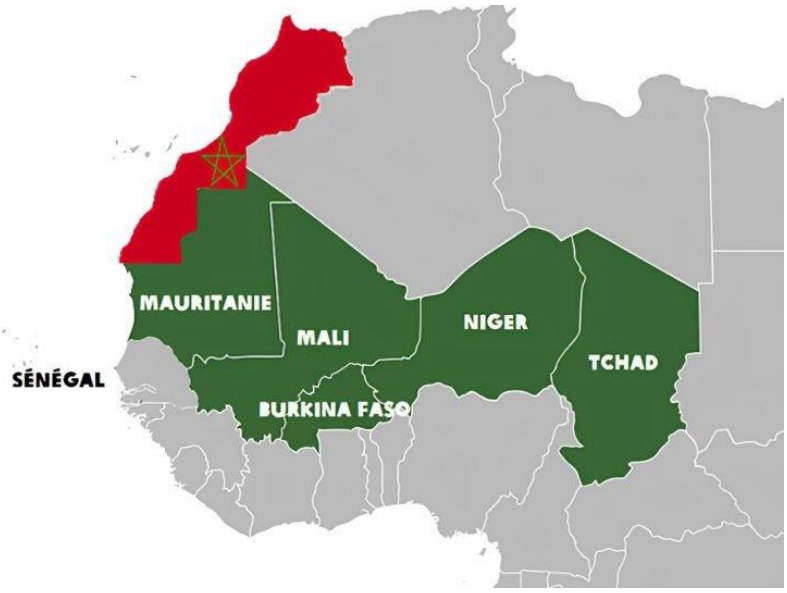


Figure no.8: Atlantic Initiative for the Sahel

5. Digitalization of Transport and Logistics

Digital transformation is a key lever for improving efficiency, transparency and predictability in transport and logistics. OIC countries should accelerate the implementation of electronic single window systems, paperless trade, electronic cargo tracking and digital customs procedures. The adoption of digital platforms for real-time tracking and information sharing among transport operators, customs authorities and logistics providers will help reduce delays and combat irregularities. Regional interoperability of digital systems should be promoted to enable seamless cross-border operations.

Digital tools such as the TIR system illustrate how transit facilitation can support more efficient, transparent and predictable transport and logistics operations. By enabling the international movement of goods under customs seal with a guarantee recognized by participating countries, TIR reduces administrative interventions along transport routes and limits controls to departure and destination points. This approach contributes to shorter transit times, lower logistics costs and improved reliability of cross-border transport services.

For landlocked OIC Member States, particularly in Africa and Central Asia, transit facilitation mechanisms play a decisive role in improving access to regional and global markets. By reducing border congestion and simplifying transit procedures, TIR enhances supply chain security and predictability along long-distance corridors. The progressive implementation of e-TIR further reinforces these benefits through the electronic exchange of transit data between customs administrations, supporting risk-based controls and reducing the need for systematic physical inspections.

In parallel, the digitalization of transport documentation strengthens legal certainty and information continuity across borders. The CMR Convention provides a harmonized legal framework for international road transport, while its electronic version, e-CMR, supports paperless trade, real-time information sharing and enhanced cargo traceability. Integrated with

customs systems and single window platforms, e-CMR contributes to improved coordination among transport operators, customs authorities and logistics providers, thereby reducing delays, enhancing transparency and enabling seamless cross-border operations.

Box 1: DP World - A Global Logistics Company Driving Digital Trade Facilitation

DP World is a global logistics and supply chain company headquartered in Dubai, playing a major role in international trade facilitation through the digitalization and integration of logistics services. DP World handles approximately 70 million containers annually, moved by around 70,000 vessels, representing nearly 10% of global container traffic. Its network comprises 82 marine and inland terminals across more than 40 countries, positioning the company as a key global logistics operator.

While DP World was historically focused on port operations, since 2016 it has pursued a strategic transformation toward an end-to-end logistics model. Through acquisitions and investments across the value chain—including inland terminals, freight forwarding, logistics platforms and digital trade solutions—the company has expanded its role beyond ports to provide integrated supply chain services. This evolution reflects a shift from asset-based operations to logistics ecosystems capable of supporting multimodal and cross-border trade flows.

Digitalization is central to DP World's strategy. The company has developed and deployed digital platforms enabling paperless trade, real-time cargo tracking, data sharing among logistics actors and streamlined interactions with customs and border authorities. These digital solutions improve transparency, reduce administrative delays and enhance the predictability of logistics operations. DP World's experience illustrates how global logistics operators can leverage digital technologies to support trade facilitation, optimize corridor performance and strengthen integration into regional and global value chains—offering relevant lessons for OIC Member States.

Figure no.9: a container ship in a port terminal operated by DP World
Source: DP World

6. Capacity Building and Professional Training

Human capital development is critical for the effective management of modern transport systems. OIC Member States should invest in continuous training for transport professionals, customs officials, logistics managers and corridor administrators. Regional centers of excellence could be established to provide specialized training in transport planning, logistics management, border management and digital trade facilitation. The exchange of best practices and technical expertise among OIC countries should be encouraged through structured cooperation programs and peer-learning initiatives.

7. Public–Private Partnerships (PPP) and Investment Mobilization

Given the scale of infrastructure needs, public resources alone are insufficient. OIC countries should strengthen legal and institutional frameworks for public–private partnerships in transport infrastructure and logistics. Blended finance mechanisms involving development banks, Islamic finance instruments and private investors should be promoted to mobilize long-term financing. Clear regulatory frameworks, transparent procurement processes and risk-sharing mechanisms will be essential to attract private investment and ensure the sustainability of projects.

8. Harmonization of Regulations and Standards

Differences in technical standards, axle-load limits, vehicle regulations and transport documentation create major barriers to cross-border transport. OIC Member States should work towards the harmonization of transport regulations, technical standards and transit rules. This includes the mutual recognition of vehicle standards, driving licenses, insurance schemes and transport permits. Regional agreements and common regulatory frameworks will help reduce transaction costs, improve compliance, and facilitate smoother transport flows across borders.

In international transport, goods often traverse multiple countries before arriving at their destination. For carriers, it is essential to streamline processes by minimizing formalities such as documentation, stops, waiting times, inspections, and guarantees. Meanwhile, transit country authorities aim to maintain the regularity of transit operations while mitigating risks and avoiding unnecessary procedures.

9. Security, Safety and Risk Management

Transport security and safety are essential for the reliability and resilience of regional corridors. OIC countries should strengthen road safety policies, improve vehicle inspection systems, and enhance security measures along major transport corridors. Risk management systems should be developed to address threats related to cargo theft, smuggling and infrastructure vulnerability. Regional cooperation in transport security, including information sharing and joint patrols along key corridors, can significantly improve safety and investor confidence.

10.Sustainable and Green Transport Development

Transport policies in the OIC region should increasingly integrate environmental sustainability and climate resilience. This includes promoting rail and maritime transport as lower-emission alternatives, encouraging the use of energy-efficient vehicles, and investing in climate-resilient infrastructure. Ministers of Transport should support the development of green logistics platforms, alternative fuels, and environmentally friendly port and corridor operations. Sustainability considerations should be mainstreamed into transport planning to ensure long-term economic, social and environmental benefits.

Box 2: Port Klang - Asia's Strategic Maritime Gateway for OIC Economies

Port Klang represents the principal logistics and maritime gateway of the OIC in Asia and a key interface between OIC economies and Asian markets. Strategically located along the Strait of Malacca—one of the busiest maritime corridors in the world—the port handled approximately 13.7 million TEUs in 2023, ranking among the world's top fifteen container ports. Its high level of maritime connectivity is reflected in one of the strongest Liner Shipping Connectivity Index (LSCI) scores among OIC Member States.

Port Klang's importance extends beyond its container volumes. The port is deeply integrated into Malaysia's industrial and logistics ecosystem, supporting export-oriented manufacturing, electronics, halal industries and agro-industrial value chains. Strong hinterland connectivity and efficient terminal operations enable OIC exporters to access East Asian, South Asian and ASEAN markets while maintaining robust trade links with the Middle East and Africa. As such, Port Klang plays a pivotal role in strengthening South–South trade, integrating OIC Member States into Asian and global value chains, and enhancing the overall resilience of OIC trade networks.

Section 3: Axes of ICDT Contribution to the OIC Transport and Logistics Vision

Within the institutional architecture of the Organisation of Islamic Cooperation (OIC), the Islamic Centre for Development of Trade (ICDT) is mandated to promote trade development, trade facilitation and economic cooperation among OIC Member States. In this capacity, ICDT plays a strategic role in supporting policies, initiatives and partnerships aimed at enhancing connectivity, reducing trade costs and strengthening the integration of OIC economies into regional and global markets.

Recognizing that efficient transport and logistics systems are critical enablers of trade, ICDT contributes to the OIC transport and logistics vision through a set of complementary and action-oriented interventions. These contributions focus on policy dialogue and coordination, trade and transport facilitation, investment promotion, support to landlocked countries, capacity building, partnerships with development actors and the private sector, as well as knowledge production and advocacy. Through these strategic axes, ICDT acts as a facilitator, catalyst and knowledge hub, translating OIC priorities into concrete initiatives that support sustainable transport development and trade integration across the OIC region.

1. Policy Dialogue and Strategic Coordination

ICDT will support high-level policy dialogue among OIC Member States to promote coherent transport and trade facilitation policies. This includes organizing high level roundtables, technical workshops and regional forums to align national transport strategies with OIC priorities, promote corridor-based approaches, and strengthen coordination between Ministries of Transport, Trade and Investment.

2. Trade and Transport Facilitation

In line with its mandate on trade facilitation, ICDT will promote the simplification and harmonization of trade and transit procedures affecting transport and logistics. This includes supporting the implementation of trade facilitation measures, promoting best practices in border management, and encouraging the adoption of single-window systems and paperless trade solutions to reduce delays and logistics costs.

Building on this mandate, ICDT places strong emphasis on the operationalization of digital instruments for trade and transport facilitation, notably eTIR and eCMR, as concrete tools to enhance the efficiency, transparency and predictability of cross-border road transport. Through regional and sub-regional capacity-building activities, technical workshops and policy dialogue, ICDT supports OIC Member States in aligning legal and

Figure no.10 : E-Phyto launch in Nigeria - Abuja on June 25, 2024

institutional frameworks with these international conventions, strengthening coordination between customs and transport authorities, and promoting interoperability between customs information systems. These efforts contribute to the gradual transition from paper-based procedures to electronic data exchange, supporting risk-based controls and reducing border delays along key transport corridors.

In parallel, ICDT has supported the implementation of digital trade facilitation solutions beyond transit, notably through initiatives related to electronic sanitary and phytosanitary certification (e-Phyto). In Nigeria, ICDT has contributed to efforts aimed at introducing and operationalizing e-Phyto systems, in cooperation with relevant national authorities and international partners, including the Global Alliance for Trade Facilitation. These activities focus on streamlining documentary requirements, improving information sharing between agencies, and facilitating faster clearance of agricultural and agri-food products. Together, ICDT's actions on eTIR, eCMR and e-Phyto illustrate a comprehensive approach to digital trade facilitation, addressing both transport-related procedures and broader border management processes within OIC Member States.

3. Investment Promotion in Transport and Logistics

ICDT will contribute to mobilizing public and private investment in transport infrastructure and logistics platforms by promoting bankable projects in ports, dry ports, logistics hubs, corridors and multimodal platforms. This includes organizing investment forums, B2B meetings and project pitching sessions to connect OIC Member States with investors, development finance institutions and Islamic finance institutions.

Figure no.11: ICDT Invest days Nouakchott – March 15-16 mars, 2023

Building on this approach, ICDT has developed dedicated investment promotion initiatives, including the organization of ICDT Invest Days, which provide structured platforms for presenting priority transport and logistics projects to potential investors and financial partners. These events facilitate direct dialogue between public authorities, private investors, development banks and Islamic finance institutions, with a focus on improving project visibility, enhancing bankability and aligning investment opportunities with regional connectivity and trade facilitation priorities.

In parallel, ICDT supports national investment promotion agencies (IPAs) in OIC Member States by assisting them in the identification, structuring and promotion of transport and logistics projects. This support includes advisory services on project preparation, dissemination of investment opportunities through ICDT networks, and coordination with relevant line ministries and development partners. Through these efforts, ICDT contributes to strengthening the investment readiness of transport and logistics projects, bridging the gap between national development priorities and international financing, and accelerating the implementation of strategic infrastructure across the OIC region.

4. Support to Connectivity of Landlocked Countries

ICDT will support initiatives aimed at improving the connectivity of landlocked OIC Member States by promoting regional transit corridors, dry ports and logistics platforms linking landlocked countries to seaports. ICDT will facilitate dialogue between landlocked and coastal OIC countries to promote transit agreements, fair access to port services and coordinated corridor development.

In this context, ICDT has undertaken analytical and advisory work to support corridor development and transit connectivity for landlocked countries, including studies focusing on the Sudan–Chad corridor. These studies assess existing transport infrastructure, border procedures, logistics bottlenecks and institutional arrangements affecting transit flows between Chad and Sudan, with the objective of identifying priority investments and policy measures to improve access to seaports and regional markets. The findings provide a technical basis for enhancing corridor efficiency, reducing transit times and strengthening cross-border coordination.

Building on this analytical work, ICDT supports policy dialogue among concerned countries and development partners to translate study recommendations into actionable projects. This includes promoting investments in rail and road infrastructure, dry ports and logistics hubs, as well as encouraging cooperation on transit regimes, border management and corridor governance. Through these efforts, ICDT contributes to addressing the structural constraints faced by landlocked OIC Member States and to strengthening their integration into regional and global trade networks.

5. Capacity Building and Technical Assistance

ICDT will provide technical assistance and capacity-building programs to strengthen institutional capacities in transport-related trade facilitation, logistics governance and corridor management. This includes training programs for public officials, support to national agencies in designing transport and logistics strategies, and dissemination of best practices and policy tools.

In this context, ICDT has organized a series of targeted regional training workshops focusing on the implementation and digitalization of international road transport and transit conventions. Notably, the Training Workshop on TIR/eTIR and CMR/eCMR for OIC Sub-Saharan African Countries, held on 28–29 June 2022 in Casablanca, Kingdom of Morocco, brought together representatives from 18 OIC Member States, along with regional and international partners. The workshop aimed to raise awareness of the benefits of these conventions, present their technical and operational requirements, and support participating countries in their efforts to accede to and implement TIR/eTIR and CMR/eCMR as instruments of trade facilitation and corridor efficiency.

Building on these efforts, ICDT, in cooperation with IsDB, UNECE, IRU and IGAD, organized the Training Workshop on the Implementation of the TIR/eTIR and CMR/eCMR Conventions in the IGAD Region on 1–2 March 2023 in Djibouti, Republic of Djibouti, focusing on practical implementation challenges, digitalization of land transport management and interoperability between customs systems. More recently, ICDT convened a follow-up awareness-raising and technical workshop in Casablanca in November 2025, aimed at accelerating accession to the TIR and CMR Conventions and preparing pilot corridor initiatives linking Morocco, Mauritania and Senegal. Together, these workshops illustrate ICDT's sustained and progressive approach to capacity building, combining awareness-raising, technical training and corridor-oriented implementation support to strengthen transport facilitation and regional integration across the OIC region.

Figure no.12 : Training Workshop on TIR/eTIR and CMR/eCMR in the IGAD Region on 1–2 March 2023 in Djibouti

6. Partnerships with Development Partners and the Private Sector

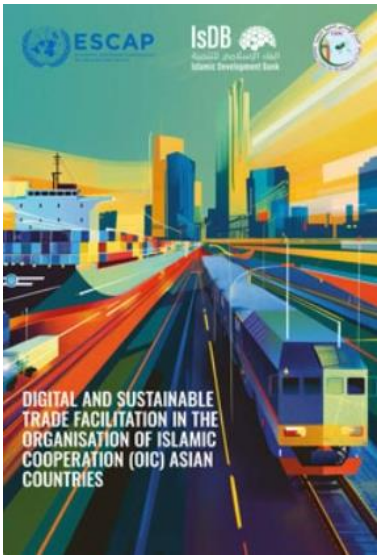
ICDT will strengthen partnerships with development partners, regional development banks, Islamic finance institutions and the private sector to mobilize expertise and financing for transport and logistics projects. ICDT will act as a platform to connect OIC Member States with technical partners and investors, and to promote public–private partnerships in transport and logistics development.

In this context, ICDT works closely with a wide range of international and regional partners, including the Islamic Development Bank, the United Nations Economic Commission for Europe, the World Customs Organization, the International Road Transport Union, the United Nations Conference on Trade and Development, and the Global Alliance for Trade Facilitation and relevant regional economic communities, as well as private sector stakeholders and logistics operators. Through these partnerships, ICDT leverages technical expertise, policy tools and financing instruments to support OIC Member States in advancing transport and logistics reforms and in developing sustainable, investment-ready projects across the OIC region.

7. Knowledge Production and Advocacy

ICDT will contribute through applied research, policy briefs and analytical reports on transport, logistics and trade connectivity in the OIC region. ICDT will advocate for evidence-based reforms, promote data-driven policy-making, and support the dissemination of successful OIC experiences in transport corridor development, logistics reforms and regional integration.

In this context, ICDT has produced a number of flagship analytical studies to inform policy dialogue and operational decision-making among OIC Member States. These include the Study on Promoting Chad–Sudan Transit Trade, Transport and Regional Integration through Enhanced Port Connectivity, Dry Ports/Logistics Hubs and PPP Development (March 2025), the Report on Digital and Sustainable Trade Facilitation in OIC Asian Countries (2024), and the preparation of a Capacity Assessment Report of Cargo Seaports in OIC Asian Member Countries. In addition, ICDT has contributed, in cooperation with CETMO, to the development of an Action Programme for the Trans-Maghrebin Corridor (TMC). Through these knowledge products, ICDT supports evidence-based policymaking, identifies priority investment and reform areas, and promotes the replication of successful regional connectivity and trade facilitation experiences across the OIC region.



Box 3: OIC Initiatives on Transportation and Regional Connectivity

Since the late 1970s, the Organisation of Islamic Cooperation (OIC) has progressively placed transportation at the core of its agenda for economic and commercial cooperation. Initial policy orientations were established during the 10th Session of the Council of Foreign Ministers (CFM) held in Fez in 1979, followed by the adoption of the Plan of Action to Strengthen Economic and Commercial Cooperation among OIC Member States at the 3rd Islamic Summit in 1981. These milestones laid the foundations for structured cooperation in the transport sector.

In the following years, the OIC strengthened its institutional framework through the establishment of specialized bodies, including the Organization of Islamic Ship-Owners Association and the Islamic Civil Aviation Council in 1982, and by convening the first Meeting of OIC Transport Ministers in Istanbul in 1987. A major step was taken in 2008, when the OIC Summit in Dakar launched the OIC Dakar–Port Sudan Railway Project, a strategic transcontinental initiative designed to enhance east–west connectivity across Africa. Covering approximately 10,000 km, the project aims to link West and East Africa through multiple OIC Member States, with connections to national railway networks and regional corridors.

To advance implementation, the Second Stakeholders' Meeting on the Dakar–Port Sudan Railway Project was held at OIC Headquarters in Jeddah in February 2025, with the participation of concerned Member States, the Islamic Development Bank and multilateral partners. The meeting reaffirmed the strategic importance of the project and emphasized key priorities, including the integration of the railway into national development plans, the preparation of feasibility studies, the harmonization of technical and operational standards, the mobilization of financing, and the strengthening of coordination mechanisms at national and regional levels. Upcoming ministerial-level engagements are expected to further energize the project and reinforce cooperation with international financial institutions, in line with the OIC's broader objectives of regional integration and trade facilitation.

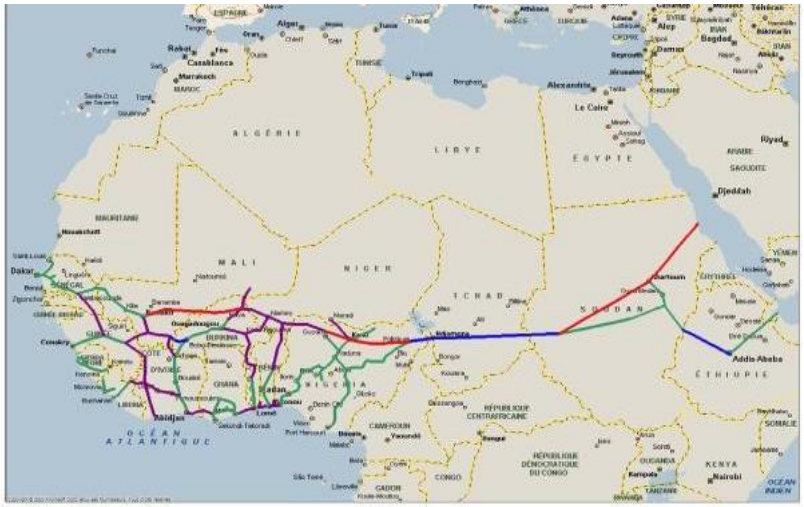


Figure no.13: OIC Dakar Sudan Port Railway

Source: OIC General Secretariat


EVA AIR Cargo
Worldwide Services

Chapter 3: Recommendations for OIC Members.

In order to improve transport and logistics systems and promote regional integration within the OIC region, OIC Member States are encouraged to adopt the following specific and action-oriented recommendations:

1. Institutional Coordination and Governance

OIC Member States are encouraged to establish an OIC Experts Group on Transport, mandated to meet at least once per year, with the objective of strengthening regional coordination and coherence of transport and logistics policies. This Experts Group should serve as a permanent platform for policy dialogue, experience-sharing and technical exchange on the development of integrated and multimodal transport systems, corridor management, and logistics governance within the OIC region. It should contribute to the formulation of common policy orientations, the identification of priority regional projects, and the monitoring of progress in the implementation of agreed initiatives.

It is further recommended to establish an OIC Transport Observatory, structured around regional sub-observatories for Africa, Asia and the Middle East, with a mandate to collect data, monitor sectoral developments, assess performance and identify emerging trends and risks in the transport and logistics sector. The Observatory should support evidence-based policymaking by producing regular analytical reports and performance benchmarks, with particular attention to road safety, maritime security, corridor performance and logistics efficiency. The Observatory could also serve as a knowledge hub to disseminate best practices and support peer learning among OIC Member States.

2. Private Sector Engagement and Professional Organization

OIC countries are encouraged to actively promote the participation of the private sector in the development of transport and logistics infrastructure, including through public–private partnerships, concessions and management contracts for ports, terminals, logistics platforms and dry ports. Private sector involvement should also be encouraged in the modernization of equipment, the transfer of technical know-how, the introduction of innovative technologies and the professional management of logistics facilities, with a view to improving operational efficiency, service quality and financial sustainability.

Member States should also support the creation and strengthening of professional associations of carriers, freight forwarders and logistics service providers at national and regional levels. These professional bodies should play a key role in structuring the sector, promoting professional standards, facilitating dialogue with public authorities and contributing to the formulation and implementation of transport and trade facilitation reforms.

3. Digitalization, Trade Facilitation and Customs Modernization

OIC countries are encouraged to promote electronic commerce and digitalization of data exchange, as key enablers of trade facilitation and logistics efficiency. The adoption of digital solutions should be integrated into national transport and trade facilitation strategies, with a focus on reducing administrative burdens, reducing costs for operators, increasing transparency and improving the predictability of cross-border procedures.

Member States should pursue the rationalization and simplification of documentation flows among border agencies and customs authorities, including through the reduction of redundant requirements and the harmonization of forms and procedures. Customs procedures should be modernized in line with international best practices and modern trade requirements, notably through the expansion of risk-based controls and pre-arrival processing. The acceleration of Electronic Data Interchange (EDI) systems is strongly recommended, including the introduction of port community systems and common information platforms connecting all public and private stakeholders operating within port environments, with a view to improving coordination, reducing delays and costs and enhancing transparency.

4. Port, Airport and Multimodal Infrastructure Development

Member States are encouraged to strengthen and modernize port and airport infrastructure and handling equipment, including facilities for transfer, storage and logistics services, in order to improve operational efficiency, safety and capacity. Priority should be given to the rehabilitation and maintenance of existing infrastructure, as well as to the upgrading of outdated handling equipment, in order to reduce bottlenecks and improve service quality.

Port infrastructure should be renovated and adapted to enhance both short-distance and long-distance traffic, including regional feeder services and long-haul international routes. At the same time, intermodality within ports should be improved for both goods and passengers, through better integration of road, rail, maritime and, where relevant, air transport. Investments in road and rail access to ports should be prioritized to reduce congestion in port surroundings, improve last-mile connectivity, enhance port competitiveness and generate positive economic spillovers for surrounding urban areas and logistics clusters.

5. Regional Corridors and Connectivity for Landlocked Countries

OIC countries are encouraged to continue the construction and rehabilitation of missing links along strategic transport corridors, particularly railway lines and road networks in Central Asia, the North and Sub-Saharan Africa, in order to ensure the continuity, reliability and efficiency of regional transport networks. Corridor development should be guided by regional master plans and coordinated investment frameworks to maximize regional impact and avoid fragmentation.

It is recommended to strengthen regional cooperation for development of dry ports for the benefit of landlocked countries along major railway axes, and in close cooperation with development partners. This framework should define itineraries, standards, signage, technical specifications and operating conditions for dry ports in line with relevant international standards and best practices. The establishment of an OIC Task Force on Dry Ports is also recommended to support coordination, mobilize technical assistance and financing, and oversee the implementation of agreed initiatives.

6. Cross-Border Cooperation and Border Management

OIC Member States are encouraged to strengthen cross-border cooperation between border management agencies and services through robust common legal and institutional frameworks between neighboring countries. This includes the establishment and expansion of juxtaposed or one-stop border posts, jointly operated by bordering States, building on successful experiences such as Burkina Faso–Côte d'Ivoire, Chad–Sudan, Mali–Senegal and transit countries in the south Asia region. Such mechanisms should aim to reduce duplication of controls, shorten clearance times and improve coordination between authorities.

Procedures and controls in ports should be facilitated and streamlined, particularly those affecting vessel and truck rotation times, downtime and handling costs, to enhance port attractiveness and competitiveness. Member States are further encouraged to prioritize the facilitation of transport along main exchange corridors between ports and landlocked countries, including through corridor management mechanisms, harmonized transit procedures and improved coordination between corridor countries.

7. Human Capital Development and Technical Assistance

OIC Member States are encouraged to develop and implement comprehensive training, technical assistance, technology transfer and partnership programmes in the transport and logistics sector, in cooperation with OIC institutions, development partners and the private sector. These programmes should aim to strengthen institutional capacities, improve regulatory and operational competencies, and support the adoption of modern technologies and management practices.

Training activities for operational personnel and the broader port and logistics community should be strengthened, with a focus on improving operational efficiency, compliance with international standards, safety and service quality. Enhanced skills development is essential to reducing transit times, minimizing operational disruptions and improving the overall performance and reliability of transport and logistics systems.

8. Financing and Role of Development Banks

OIC Member States are encouraged to urge the Islamic Development Bank Group and other regional development banks to continue and scale up project financing and technical assistance in the transport and logistics sector. Priority should be given to investments supporting the modernization of transport infrastructure, the development of regional corridors, the establishment of dry ports and logistics hubs, and the reform and digitalization of customs and border management systems. Blended finance instruments and Islamic finance solutions should be further leveraged to mobilize private investment and ensure the long-term sustainability of transport and logistics projects across OIC Member States.

Box 4: Tanger Med Port - Africa's Gateway to Global and Intra-OIC Trade

Over the past decade, Tanger Med Port has emerged as the most strategic logistics hub of the OIC in Africa, fundamentally reshaping trade flows between the continent and global markets. Located at the crossroads of the Atlantic Ocean and the Mediterranean Sea, the port handled approximately 8.6 million TEUs in 2023, positioning it as the largest container port in Africa and the Mediterranean basin. Its maritime connectivity extends to more than 180 ports across over 70 countries, allowing direct and frequent access to European, American, African and Middle Eastern markets.

Tanger Med's strategic value lies in its high level of integration between port infrastructure, industrial zones and logistics services. The port is directly connected to extensive free zones hosting more than 2,000 industrial and logistics firms, notably in automotive, aeronautics, agri-food and textile industries. This integrated ecosystem, supported by advanced digital customs procedures and multimodal road and rail connections, significantly reduces transit times and logistics costs. For OIC Member States—particularly in North and West Africa—Tanger Med functions as a primary gateway to global value chains and as a replicable model of port-led development aligned with trade facilitation and industrial competitiveness objectives.

Chapter 4: Potential Projects for the Development of Transport in OIC Countries.

To further strengthen trade facilitation strategies in the OIC countries, several regional organizations have adopted a regional approach to achieve large-scale infrastructure projects and the harmonization of national legislation to develop intra-regional trade. These include ASEAN, GCC, WAEMU, ECOWAS, ECO, AMU, COMESA, SADC, CEMAC, the Middle East, the African Union, and the OIC, in collaboration with international and regional financial institutions, such as AfDB, IsDB, WB, AsDB, and BADEA, as well as Arab Funds, with the involvement of the private sector.

Some case studies: Central Asia, ASEAN, North Africa, West Africa, Central Africa, Southern Africa, and the Gulf Countries—have identified useful regional multimodal transport and logistics projects in road, rail, maritime, and air networks in order to enhance the economic development of Member Countries.

Section 1: OIC Asia Member States transports projects

1. Central Asia

Near-term efficiency gains and medium-term investments will strengthen the functioning of the Middle Corridor and harness its potential to invigorate regional trade. This requires steps to improve coordination, logistics, and digitalization, while critical investments are needed to upgrade railways, intermodal facilities, and ports in Azerbaijan, Georgia, and Kazakhstan.

The Trans-Caspian Transport Corridor is at the centre of a growing **strategic partnership between the EU and countries across Central Asia and the Southern Caucasus**. Together, we are working to safeguard supply chains, boost regional economic development, and enhance intercontinental connectivity under the Global Gateway strategy.

The focus is to develop and modernize both **hard infrastructure**—such as roads, railways, ports, and logistics hubs—and **soft connectivity measures**, including digitalization, regulatory alignment, and trade facilitation.

The corridor is expected to deliver:

- 50% reduction in freight transit time ;
- Up to 3 times increase in trade flows by 2030, according to World Bank modelling;
- Investing opportunities to develop hard infrastructure (existing new routes, links and ports) and work on soft connectivity measures (trade facilitation, regulatory measures and digitalization);
- Regional integration by connecting local markets and people with services.

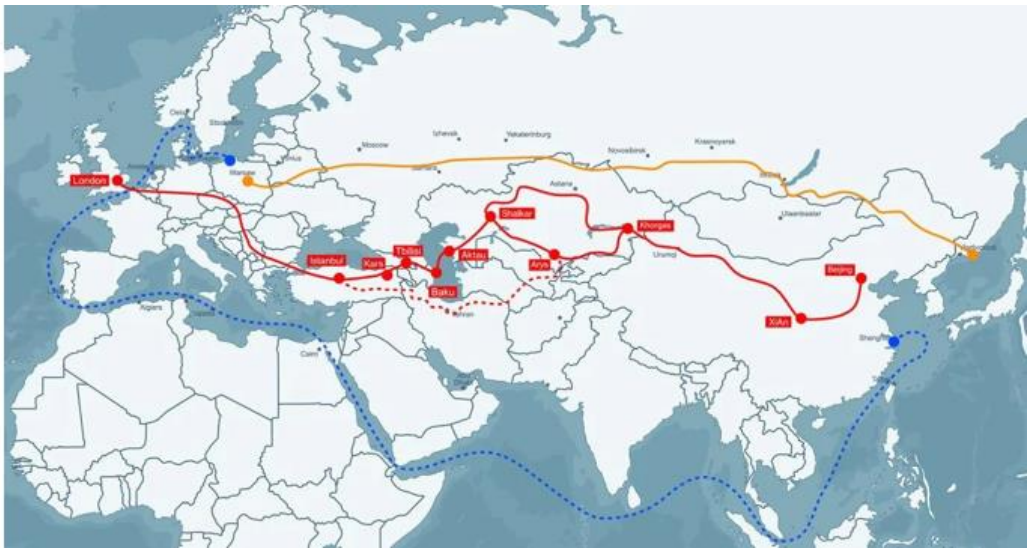


Figure no.14: Middle Corridors

The Middle and South (Central Asian) Corridors (red) are alternatives to the Trans-Siberian, the Northern Corridor (yellow) and the maritime Southern Corridor (blue). Source: Noemi Balint

2. ASEAN Members

Southeast Asia has made significant progress in strengthening cross-border transport connectivity in recent years, driven by ambitious regional cooperation initiatives. Cross-border transport infrastructure includes roads and highways, railways, bridges, tunnels and waterways that span two or more countries, as well as national infrastructure with direct cross-border impacts. It also encompasses ports, airports and logistics facilities that handle international passenger and freight traffic. Together, these assets facilitate trade and mobility by linking borders and improving access to regional and global markets.

Enhancing cross-border transport connectivity has been a central priority of ASEAN cooperation in building the ASEAN Community. Major initiatives include the ASEAN Highway Network, the Singapore–Kunming Rail Link (SKRL) project, and efforts to develop integrated systems for inland waterways, maritime transport and multimodal connectivity. To strengthen institutional connectivity, ASEAN Member States are also advancing transport facilitation measures, establishing single aviation and shipping markets, and strengthening border management capacities.

ASEAN Member States, in collaboration with international financial institutions (AsDB, IsDB, AIIB, WB and EIB) and through national budget allocations, have committed to co-financing 128 future projects, including investment and technical assistance operations, requiring an estimated USD 17.7 billion in financing from development partners, the private sector and national and regional budgets. Of these, 34 are transport projects with a combined financing requirement of USD 7.2 billion. Sixteen of these focus on road infrastructure, aimed at enhancing cross-border connectivity in Southeast Asia by addressing critical missing links, transforming transport corridors into economic corridors, promoting cross-border transport facilitation, strengthening road asset management, mitigating negative externalities of road

transport, including local and global emissions, improving road safety, building capacities for project development, management and implementation, strengthening country ownership, and ensuring that IFI support is increasingly demand-driven.

Section 2: Arab World transports projects

The Middle East is undergoing a profound transformation from a transit logistics zone into a strategic global hub connecting Asia, Europe and Africa. Governments across the GCC have elevated logistics as a central pillar of economic diversification as hydrocarbon-based economies pursue structural transformation. All major national development visions—Saudi Vision 2030, UAE Vision 2050 and Oman Vision 2040—explicitly position logistics as a foundational sector for competitiveness, resilience and global integration. This strategic positioning is supported by strong investment momentum at both public and private levels, driven by the creation of free zones, regulatory reforms and growing engagement from family offices and regional conglomerates.

The diversification agendas of GCC economies have further elevated industry and transport & logistics as key drivers of foreign direct investment (FDI). The rapid expansion of transport and logistics infrastructure across the Gulf reflects the region's exceptional geographic position along the Asia–Europe trade corridor. This strategic advantage has translated into large-scale investments in ports, airports, railways and road networks, positioning the GCC as a gateway between global markets.

The GCC accounts for more than 60% of total port-related investment in the Middle East, through both the construction of new mega ports and the expansion of existing facilities. These state-of-the-art ports are designed to accommodate the world's largest container vessels and increasingly rely on advanced automation and smart port technologies. Port investments are integrated into broader logistics ecosystems that combine maritime gateways with passenger and freight rail, airports, special economic zones and logistics cities. Beyond serving as major hubs for Asia–Europe trade flows, GCC ports also play a growing role as feeder hubs for smaller ports in East Africa, reinforcing the region's role in South–South connectivity.

Saudi Arabia has anchored its logistics transformation through the National Industrial Development and Logistics Program (NIDLP), which aims to position the Kingdom as a leading industrial and logistics hub, with a strategic focus on industry, mining, energy and logistics. King Abdullah Economic City (KAEC) stands as a flagship under this programme, hosting one of the largest ports in the Red Sea alongside a fully integrated industrial and logistics zone. In parallel, Kuwait's Mubarak Port is designed to strengthen the country's regional hub status, while Bahrain's Vision 2030 seeks to position the Kingdom as a regional manufacturing and logistics platform.

Qatar's National Vision 2030 prioritizes world-class infrastructure development, while Oman leverages its strategic port geography to position itself as a regional logistics hub. Both countries are developing integrated logistics platforms connecting ports, airports, rail and road networks, supported by free zones that enable assembly, labeling and re-export activities. These

platforms are complemented by targeted incentives to attract international firms and global logistics operators.

Sustaining this momentum requires large-scale infrastructure investment. According to the World Bank, GCC countries need to invest around 5% of GDP in infrastructure to support long-term growth. Governments have launched extensive road transport programmes, with major highways, bridges and logistics corridors under construction or in the pipeline. The GCC is also positioned to remain a leading global economic region by 2030, combining its role in global energy markets with an expanding footprint in international trade and logistics services.

Digitalization and automation are accelerating the region's logistics transformation. GCC countries are deploying Big Data, advanced analytics and on-demand mobility solutions to optimize road transport and air freight operations, improving efficiency, enhancing reliability and reducing operational risks and costs—by up to 70% in some segments.

Saudi Arabia illustrates the scale of ambition. The logistics sector accounted for around 6% of GDP in 2022 and is projected to reach 10% by 2030. The Kingdom operates major ports such as King Abdulaziz Port, Jeddah Islamic Port, King Fahd Industrial Port, Jubail Commercial Port and Jizan Port, alongside a growing national rail network led by Saudi Arabia Railways (SAR) and the Haramain High-Speed Railway. Public investment plans exceed USD 133.3 billion in ports, airports, railways and logistics infrastructure by 2030, with total commitments of around USD 147 billion over the next eight to nine years. Flagship projects include major airport expansions in Jeddah and Riyadh, new rail links connecting Jeddah to Riyadh and the Eastern Province, exploration of next-generation technologies such as Hyperloop and Maglev, and the launch of a new national airline.

Qatar is advancing sustainable mobility by electrifying 25% of its public bus fleet, including public transport, school buses and Doha Metro feeder services, contributing to emissions reduction targets by 2030. Phase II of the Doha Metro, scheduled for completion in 2026, will further expand the country's mass transit capacity.

In the United Arab Emirates, the transport infrastructure pipeline includes strategic projects such as the USD 11 billion Etihad Rail network, the proposed USD 5.9 billion Hyperloop corridor between Dubai and Abu Dhabi, and the USD 2.7 billion Sheikh Zayed Road double-deck project, reinforcing national and regional connectivity.

Bahrain aims to raise the logistics sector's contribution to GDP to 10% by 2030, notably by expanding annual air freight capacity to 1 million metric tons and extending aviation connectivity to more than 70 destinations. Kuwait plans to invest around USD 400 million in logistics infrastructure to support ports, re-export platforms and e-commerce hubs, contributing to income diversification, foreign investment attraction and job creation under the New Kuwait 2035 vision. Oman, through state-owned ports operated in partnership with global operators, is positioning itself as a global logistics hub by 2040, with its seven commercial ports connected to more than 86 ports across 40 countries.

Figure no.15: Pan-GCC Railway

Regional rail connectivity is emerging as a defining pillar of GCC integration. The unified GCC Railway Project, under the Gulf Railway Authority, is progressing with a target completion by December 2030. National rail networks are already operational or under expansion: Saudi Arabia operates SAR and the Haramain High-Speed Railway; Etihad Rail in the UAE is running freight services, with passenger services expected by 2026, connecting 11 cities. Saudi Arabia and Qatar have signed a high-speed rail agreement linking Riyadh and Doha, with a projected travel time of around two hours over a 785 km corridor, connecting major cities and airports and supporting trade, tourism and mobility.

Cross-border integration is further strengthened through projects such as Hafeet Rail, a joint venture between Etihad Rail, Oman Rail and Mubadala, linking Al Ain to Sohar Port over 238 km, enabling high-speed passenger services and freight flows as the first fully integrated cross-border rail link in the region. The Saudi Arabia–Kuwait rail link, announced in 2024 and scheduled to commence construction in 2026, will create a 650 km corridor connecting Kuwait to Riyadh, enhancing regional trade and mobility. Bahrain will be integrated into the GCC rail network through the King Hamad Causeway, featuring road and rail links connecting Ramli to Dammam, with seamless links to Bahrain International Airport and the future Bahrain Metro.

In conclusion, Gulf countries are steadily advancing toward a fully connected, multimodal regional transport system. As domestic rail networks expand and cross-border rail agreements multiply, the vision of an integrated GCC transport network is becoming tangible. By the end

of the decade, residents, businesses and visitors will benefit from faster, greener and more reliable connections between major cities, ports and airports, consolidating the GCC's position as a global logistics and connectivity hub.

In North Africa, Morocco is consolidating its position as a strategic logistics and industrial gateway connecting Africa, Europe and the Arab world. Leveraging its geographic proximity to Europe, Atlantic and Mediterranean coastlines, and growing integration with African markets, Morocco has placed transport and logistics at the core of its economic development model. National strategies such as the National Logistics Development Strategy and the New Development Model explicitly recognize logistics as a driver of competitiveness, export diversification and regional integration.

Large-scale investments in ports, highways, railways and logistics zones have strengthened Morocco's role in global and regional value chains. Tanger Med has emerged as a world-class transshipment hub and Africa's leading port complex, connecting Morocco to more than 180 ports worldwide. The port is integrated with industrial and logistics zones hosting global manufacturers and logistics operators, positioning Morocco as a platform for automotive, aeronautics, agro-industry and textile exports. Complementary investments in Nador West Med and Atlantic ports further enhance national maritime capacity and resilience.

Rail connectivity has been strengthened through the launch of Africa's first high-speed rail line (Al Boraq), linking Tangier and Casablanca, alongside the modernization of freight rail services connecting ports to industrial zones. Morocco has also expanded its highway network, improved road safety and logistics corridors, and developed logistics zones near major urban and industrial centers to facilitate last-mile connectivity and reduce logistics costs.

Figure no.16: Al Boraq, high-speed rail service in Morocco

Air transport infrastructure, led by Mohammed V International Airport and a growing network of regional airports, supports Morocco's role as a hub for trade, tourism and air freight. Royal Air Maroc's expansion strategy and Casablanca's positioning as a hub for Africa–Europe and Africa–Middle East routes further reinforce Morocco's connectivity.

Digitalization and trade facilitation reforms have strengthened Morocco's logistics performance. The PortNet single window platform, customs digitalization and trade facilitation reforms have reduced clearance times, improved transparency and strengthened coordination between public and private stakeholders. Public–private partnerships have played a central role in port operations, logistics services and industrial zone development.

Through these investments and reforms, Morocco is positioning itself as a competitive logistics platform for intra-OIC trade, Euro-Mediterranean exchanges and Africa-bound supply chains. Continued investment in multimodal connectivity, logistics skills and corridor integration with West Africa and the Sahel will further consolidate Morocco's role as a bridge between regions.

Egypt is strengthening its position as a major logistics and connectivity hub linking the Mediterranean, the Red Sea, Africa and Asia. Anchored by the Suez Canal—one of the world's most strategic maritime corridors—Egypt plays a pivotal role in global trade flows between East and West. National development strategies place transport and logistics at the center of economic diversification, industrial development and trade facilitation, positioning Egypt as a regional gateway for manufacturing, energy and services.

Major investments in port infrastructure, logistics zones and industrial corridors along the Suez Canal Economic Zone (SCZONE) are transforming Egypt into an integrated logistics and industrial platform. The modernization and expansion of ports such as Port Said, Ain Sokhna, Damietta and Alexandria have increased container handling capacity and improved service quality. These ports are integrated with industrial parks, special economic zones and logistics platforms designed to attract global manufacturers and logistics operators.

Egypt is also expanding and modernizing its rail and road networks to strengthen domestic connectivity and link ports to production centers. Large-scale road development programmes and new logistics corridors are improving freight flows between Upper Egypt, the Nile Delta and coastal ports. Rail modernization projects aim to enhance freight transport capacity and safety, reducing logistics costs and congestion on road networks.

Air transport infrastructure, led by Cairo International Airport and regional airports, supports Egypt's growing role in air freight, tourism and regional connectivity. Investments in airport modernization and cargo handling facilities are strengthening Egypt's position as an air logistics hub linking Africa, the Middle East and Europe.

Digitalization and regulatory reforms are improving Egypt's logistics performance and trade facilitation environment. The rollout of single window systems, customs modernization and port community systems is reducing clearance times and improving coordination between border agencies and logistics operators. Public–private partnerships are playing an increasing role in port operations, logistics services and industrial zone development.

With its unique geographic position, control of a critical global maritime chokepoint and expanding multimodal infrastructure, Egypt is well positioned to serve as a central logistics hub for intra-OIC trade, Africa–Asia supply chains and Mediterranean commerce. Continued investments in corridor development, rail freight modernization, digital logistics platforms and skills development will further strengthen Egypt's role as a regional and global logistics gateway.

Section 3: African transports projects

Transportation infrastructure plays a critical role in Africa's economic development, with the lack of adequate infrastructure being a significant constraint to trade and economic growth. The African Development Bank estimates that infrastructure deficits cost the continent around 2-3% of GDP growth annually. However, with the launch of several major road and rail projects, Africa is taking significant steps towards addressing these infrastructure gaps.

One of the most ambitious road projects underway is the Trans-African Highway Network, which aims to connect all African capitals and major commercial centers. This network will facilitate the movement of goods, services, and people, reducing travel times and costs. For example, the Lagos-Abidjan highway, which connects Nigeria, Benin, Togo, and Côte d'Ivoire, is expected to boost trade and economic cooperation between West African countries.

The highway will span approximately 1,028 kilometers, connecting major economic centers and port cities along the West African coast.

The project involves developing a transnational six-lane dual-carriage highway with modern design standards, dedicated freight lanes, intelligent transportation systems, service areas, and border crossing facilities.

The project is expected to enhance regional connectivity and reduce transit times, facilitate cross-border trade through improved infrastructure and border crossing procedures and will reduce transportation costs along the corridor by at least 25% to enhance competitiveness.

The African Development Bank (AfDB) has confirmed plans to invest $15 billion into the project. The project is expected to be completed by 2033, with construction set to commence in phases from 2027. The highway is designed to have a capacity for up to 60,000 vehicles per day in peak sections. Rail projects are also a key focus area, with several major initiatives underway to develop Africa's rail network.

Development corridors in Africa also often involve the promotion of economic sectors that target strategic value chains through the development of industrial parks, special economic zones, resort cities or dry ports:

1. West Africa

- Abidjan-Lagos: Côte d'Ivoire, Ghana, Togo, Benin, Nigeria
- Abidjan-Ouagadougou: Côte d'Ivoire, Burkina Faso
- Praia / Dakar-Abidjan: Senegal, Gambia, Guinea-Bissau, Guinea, Sierra Leone, Liberia, Côte d'Ivoire, Cabo Verde
- Cotonou-Niamey: Benin, Niger

2. Central Africa

- Libreville / Kribi / Douala-N'Djamena: Gabon, Equatorial Guinea, Cameroon, Chad, São Tomé and Príncipe.
- Douala / Kribi-Kampala: Cameroon, Central African Republic, Republico of Congo, Uganda

3. East Africa

- Mombasa-Kisangani: Kenya, Uganda, Rwanda, Democratic Republic of Congo.
- Dar es Salaam - Nairobi – Addis Abeba – Berbera - Djibouti.

Southern Africa

- Maputo-Gaborone-Walvis Bay: Mozambique, South Africa, Eswatini, Botswana, Namibia
- Durban-Lusaka: South Africa, Botswana, Zimbabwe, Zambia

North and East Africa

- Cairo-Khartoum-Juba-Kampala: Egypt, Soudan, South Sudan, Uganda

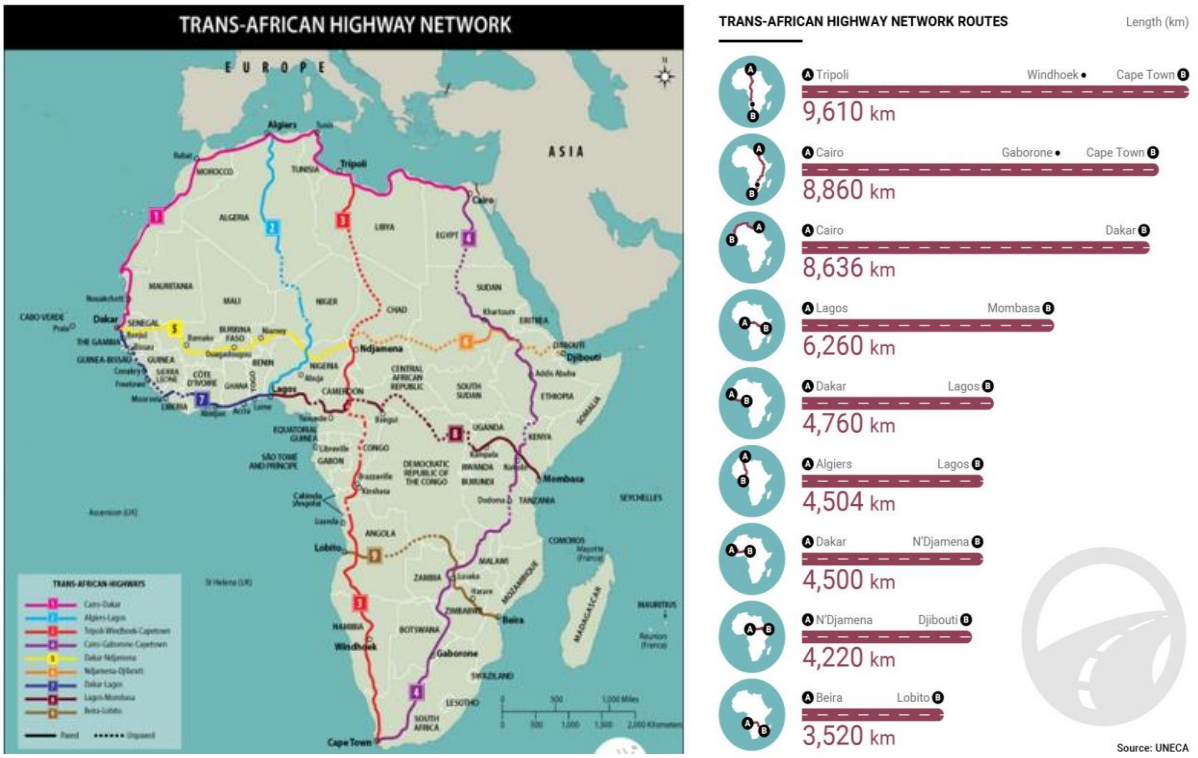


Figure no.16: Trans-african highway network

By 2040, the PIDA plans to build more than 30,700 km of highways and 30,200 km of railways, which will significantly boost trade and regional integration.

Priority Action Plans of PIDA (PAP2, 2021-2030) identified 69 priority projects targeting integrated corridors and sustainability which were estimated about $161 billion by 2030.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General Conclusion

Transport is no longer merely a physical enabler of trade within the OIC region, it is a strategic policy instrument that shapes competitiveness, resilience and inclusiveness of intra-OIC trade. Efficient transport systems determine the ability of OIC economies to integrate into regional and global value chains, reduce trade costs, diversify exports and strengthen food and energy security.

In this context, transport policy must be addressed as an integral component of trade facilitation, industrial development and regional integration agendas across OIC Member States.

The digitalization of transport, transit and customs procedures represents a major lever to modernize trade facilitation within the OIC. Coordinated digitalization, ensuring interoperability between national platforms, enables the establishment of a continuous and secure documentary chain along regional corridors, thereby reducing administrative burdens, improving transparency and increasing the predictability of cross-border trade flows. At the OIC level, the progressive interconnection of digital transport and customs systems can generate substantial efficiency gains, strengthen compliance and contribute to combating fraud, informality and procedural fragmentation.

Transport corridors constitute the physical backbone of intra-OIC trade; however, their performance depends as much on governance, coordination and institutional frameworks as on infrastructure quality. In the absence of dedicated corridor governance mechanisms, corridors remain vulnerable to operational bottlenecks, fragmented investment priorities and weak performance monitoring. The establishment of corridor governance structures involving concerned countries and key administrations provides a practical mechanism to address these challenges in a systematic manner. Such frameworks enable the harmonization of procedures and standards along corridors, the rapid resolution of operational constraints and the monitoring of shared performance indicators. The resulting gains include sustained reductions in transit times, improved utilization of existing infrastructure, enhanced reliability of logistics chains and greater investor confidence.

For Africa, Asia and Arab World corridors, strengthened OIC-level coordination and governance can further enhance international visibility, position OIC corridors as competitive trade routes and attract private investment in logistics services, infrastructure operations and value-added transport activities. In this context, the availability of adequate and predictable financing is a decisive enabler.

Mobilizing long-term financing through public budgets, development finance institutions, Islamic finance instruments and public–private partnerships is essential to close infrastructure gaps, modernize logistics platforms and sustain corridor performance over time. Without sufficient financing, coordination efforts and policy reforms cannot be translated into concrete improvements on the ground.

Taken together, these strategic axes offer the OIC a unique opportunity to translate structural connectivity assets into tangible trade and development outcomes. By aligning transport investments with trade facilitation reforms, coordinating digitalization efforts, strengthening corridor governance, reinforcing institutional cooperation and mobilizing diversified sources of financing, Member States can significantly reduce trade costs, enhance competitiveness,

strengthen supply chain resilience, promote inclusive growth and unlock new opportunities for intra-OIC trade expansion. Beyond economic gains, this coordinated approach strengthens the OIC's collective positioning as a credible, integrated and resilient economic space within the global trading system.

Transport should therefore be fully recognized and operationalized as a central pillar of trade facilitation within the OIC, supported by sustainable and innovative financing mechanisms. The integrated development of infrastructure, procedures, legal frameworks and digital tools along Africa–Asia and Arab World corridors, underpinned by adequate financial resources and bankable project pipelines, constitutes a powerful lever to expand intra-OIC trade, strengthen the competitiveness of Member States' economies and support sustainable and inclusive growth.

In this regard, OIC Member States, in close cooperation with development partners, development finance institutions and relevant OIC organs, are encouraged to take the following strategic actions:

- to develop and implement sustainable transport policies, supported by scaled-up and diversified financing for transport and logistics infrastructure, including through innovative instruments such as public–private partnerships, blended finance and Islamic finance solutions, with a view to developing efficient, multimodal and integrated transport systems;
- to intensify the implementation of measures aimed at establishing effective regional transport linkages and corridor-based approaches in order to promote trade, tourism and investment among Member States, supported by coordinated investment programming;
- to facilitate cross-border and transit transport along regional transport networks, including for landlocked countries, through harmonized procedures, strengthened corridor management mechanisms and dedicated financing for missing links;
- to establish permanent regional coordination platforms, including a working group and an observatory on transport, supported by an Action Plan 2026–2035, biennial capacity-building programmes and dedicated monitoring and follow-up mechanisms;
- to publish a biennial report on the state of transport in OIC Member States in collaboration with relevant OIC organs, supported by robust monitoring and evaluation frameworks to guide evidence-based policymaking, investment prioritization and accountability.

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