

DHL e-Commerce expands operations to Saudi Arabia

Global logistics provider agrees to buy stake in parcel carrier Ajax Logistics

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Ajex Logistics Services operates more than 900 vehicles in Saudi Arabia and neighboring Gulf states such as Bahrain and the United Arab Emirates. (Photo: Ajax)

DHL's e-commerce logistics business will acquire a minority interest in the Saudi Arabian parcel carrier Ajax Logistics Services, the companies announced on Monday.

The transaction enables DHL e-Commerce, which provides international and domestic shipping services for merchants with lightweight parcels in select European and Asia countries, as well as the United States, to enter the rapidly growing Saudi Arabian e-commerce parcel market.

Ajex Logistics Services has developed an extensive distribution network in Saudi Arabia and Persian Gulf countries since it began operations in 2021. It boasts 1,500 employees, more than 50 facilities and a fleet of more than 900 vehicles. Linking up with DHL gives the parcel carrier expertise in international shipping and a global network as demand for cross-border e-commerce grows.

Saudi Arabia's young population – 63% of its people are under 30 and digital natives – and projected annual retail growth of 4.6% through 2027 are markers for sustained e-commerce growth, according to Ajax.

DHL's 2030 strategic plan calls for sustainable growth through expansion in developing markets. Under the deal, which is contingent on regulatory approvals, DHL will be represented on Ajax's board of directors and has rights to increase its interest to a majority stake. DHL's other divisions – Express, Forwarding and Supply Chain – have been operating in Saudi Arabia for many years.

Saudi Arabia's initiative to diversify the economy by 2030 includes efforts to establish the nation as a global logistics hub.

Ajex launched U.S. operations in 2023 as part of its own expansion.