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Big potential in Asia market: Envirotainer CEO

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According to industry estimates, healthcare cold-chain market is growing by 10 percent per year since companies producing blood plasma, insulin, vaccine or other biological pharmaceuticals need tailored services to transport their products around the world. It is essential that these products reach patients in as effective and safe condition as they left the production line.

Sweden-based Envirotainer is one such company that provides active temperature control for air transportation of temperature-sensitive healthcare products. The company provides containers for air cargo on a rent-it-when-you-need-it basis through its global network and related services that ensure correct temperature throughout transportation, from loading to delivery.

Envirotainer opened its first operation in Singapore recently and plans to be aggressive in the Asia market to make a foray into other countries of the region as well. During a visit to Singapore, Mr Gustaf Ljunggren, CEO and group president of Envirotainer, shared with BioSpectrum strategies on how the company plans to penetrate the Asia market and the challenges in providing special services.

How do you plan to strengthen your position in Asia with direct presence in Singapore?

We have had operations in Asia for sometime in certain areas, but till now we were not very serious about the region. Most of the business was coming from European or American markets, but now the Asian market is growing. There is big potential. We chose to have our operations in Singapore as there are a number of multinational companies who require our services. Besides, Singapore has a robust airline hub, which is a perfect match. The combination gives us reasons to start operations here. Asian businesses cannot be managed from sitting in the US or Europe as we need to understand the market, its requirements and the challenges, which can be managed only by operating from here.

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We have had presence in Asia for 10 years but our focus was on perishables items. Now, our focus in on the healthcare industry. We are very new in the biopharmaceuticals market of Asia but the team was deployed in advance to understand the market and create background information. We want to make our customers understand what all we can deliver and how we can deliver. If a person is taking a vaccine, it has to be ensured that the vaccine has the same efficacy as it had when it was manufactured and packaged.

What is the network of transportation?

At the moment our services are shipped in 250 destinations worldwide. We have a network of operations with a center in Sydney and stations at Singapore, Tokyo and Osaka in Japan, Hong Kong, Thailand and Incheon in South Korea. In India, we are developing our ground handling management system. We are going to build more infrastructure that will support our service. This will be done in a phase-wise manner, hence it will take some time.

What kind of infrastructure is needed at airports to handle such services? Are Asian countries equipped with such facilities and qualified manpower to handle it?

More than half of the total flight time is actually spent on the ground. And that's where the most common risks occur due to wide variations in ambient temperature. Envirotainer's solutions are designed to handle these uncertainties. Active sensors monitor the temperature in order to maintain the required conditions inside the container. And data monitoring and documentation ensure to follow up the exact status of your shipment.

Besides airport, the key challenge for us is dealing with airport officials, authorities, customs, freight holders and ground holders that together can create impact on time and temperature of the product. The entire management of airport handling team need to know what the special service is all about.

We have developed our own quality assurance system that ensures quality standard of each airport for delivering our service. If certain airports do not imply with the quality measures, they are not qualified. If one person or a department does it the wrong way, it spoils the product. Moreover, one cannot see the product getting damaged or spoiled like in perishables. Therefore, the difficult part that we face is to get everyone to understand the crucial requirements of quality standards, the knowledge and belief in our requirement. Even though the whole process of shipment and the chain is same across the globe, the mindset differs from country to country in convincing them about the nature of the product. If the countries have done freight holding for such solutions in the past, they understand how it is treated, but the challenge comes with countries that are new to this.

What has been the experience in getting customs clearance for biologics?

Handling customs is another challenge, especially in Asia. If the customs department is demanding that the container be opened and checked, we have to do it in certain conditions. Any exposure to high temperature can spoil the product, therefore infrastructure becomes a challenge where you need special arrangement to open the container. We try to educate customs officers about the product and we are gradually achieving success. Indian customs is most tight in airline security, so we are trying to work with airline partners, customers and government officials. We need support from the government for building biopharmaceuticals- friendly infrastructure.

We are aiming to build trust, educate people and make them understand our services, but it takes time. Our only objective was that quality and integrity of the product should remain intact and the customers have to let us handle it in our own way.

What are the regulatory norms for such biologics products when they are shipped from one part of the world to another?

There is a tendency of regulatory bodies to sharpen their norms and they actively monitor products when shipped to see if the same efficacy when it was packed. In the past in the US and Europe, it has happened that some of the products were distributed in market, but there was no regulatory authority to check them. But over time, they have realized the need to check the product when they are shipped, and the regulatory landscape is improving.

What is the response of drug companies in Asia for such services?

The healthcare companies are aware of the challenge of shipping products in controlled temperature and they need specialized services. But they have to do it in a cost-efficient manner and yet comply with quality standards. The biologics

shipment market is getting huge and growing. We see that few years ago such products were not available in Asia but only in Europe. Now the demand of service has grown manifold.

Do bio-pharma companies of Asia face cost pressure in shipping biologic products in specialized environment?

Biologics are always high-value and expensive products and their quality has to be controlled. The quality has to be controlled at all times. When we talk to pharma companies, cost is a concern but quality has to be supreme. They also understand that premium solution is at the higher end of costs.