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Customized logistic solutions'

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We do see a strong trend towards movement of sensitive products, particularly the temperature sensitive products. This is driven by a few factors such as a strong growing trend of pharma biological products. By 2018, they will make up more than 20 percent of top 100 pharma products and potentially contribute to 40-50 percent of global sales. Also, there is an emergence of enhanced regulations on this type of shipment. The new guideline, such as the new EU GDP guideline published in Nov 2013, has put a particular focus on temperature sensitive pharmaceutical products. The guidelines cover not only the traditional distribution area, but also the outsourced activities such as transportation.

Therefore, as a logistic company, we see an increasing demand from our customers for various temperature control solutions.

Across pharma companies that we spoke to, they are looking for ways to make their supply chain leaner, more efficient and more cost competitive. This is becoming a very prominent theme. Pharmaceutical companies are re-looking into their distribution mode mix. The share of ocean freight is growing. Even in the air-freight sector, they are also looking for deferred, but more day definite economy service.

Also, the supply chain functions are also increasingly centralized; they are driving an increasingly centralized purchasing process just like those in the high tech and automobile industries. On temperature sensitive products, traditionally out-sourced

activities such as transportation are also increasing becoming a part of the QA audit, a process that traditionally applied to their wholesale partners.

While the overall awareness is increasing, but the knowledge and expertise on the grounds still need to be improved. Particularly in the areas of quality system, various technical solutions and sometimes the sheer discipline in adhering to some basic principles, such as correct labeling and paperwork.

What we particularly focused on is a quality system and the technology that tracks the temperature, documents the process and coordinates with various touch points in the en- tire life cycle of the transportation. Apart from custom clearance, we do see challenges in the last mile of the cold chain distribution.

To build safe and efficient cold chain distribution, everyone in the supply chain has roles to play, the pharma companies, their customers, airlines, cargo handlers and last mile delivery companies. In these regard, the GDP guidelines set a right direction for all.