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Pharma logistics call for integrated approach

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Dubai: Pharma cold chain logistics market is estimated to be USD12.6 billion in 2016. Emirates SkyCargo is Dubai's most recognized cargo operator that shipped close to 11,000 tonnes of pharmaceutical products across its global network through its hub in Dubai in 2015. The logistic provider shipped critical medication for diabetes and cancer, active pharmaceutical ingredients, blood derivatives and vaccines. Recently the company launched SkyPharma, a purpose built facility dedicated exclusively to the timely and secure transport of temperature sensitive pharmaceutical products including biologics and vaccines. The investment indicates Dubai's strategy to enhance its stake in pharma logistics.

Dubai's plan to strengthen the infrastructure needed for complied logistics of biotech products can be of advantage to pharmaceutical companies operating in different part of the world.Ã?Â However, shipment of pharmaceutical products carries wide spectrum of challenges at different levels and till now shipper, forwarder and pharmaceutical companies operate in a disintegrated manner and are not in sync to address the challenges.

In a recently concluded cool chain conference in Dubai organized by Cool Chain Association, representatives from pharma and cargo companies opined that there is a need to develop transparency between logistic service provider, customs, airline, handling agent, freight forwarder and shipper. All the stakeholders who eventually execute the shipment process need to have collective trust in aircargo supply. Technology has evolved but the willingness to address the challenges in supply and logistics management by different parties involved is still lacking.

Mr Bert Allard Jorritsma, Manager Special Cargo and Service Delivery, Emirates shared his thought that there needs to be more dialogue between pharma industry and logistic provider in order to build a fully integrated supply chain system.

"If there is more communication between pharmaceutical companies it will help us understand their objective behind choosing a certain supply chain service provider. We would like to know more about their requirements so that it can be integrated in packaging, handling and everything that counts in pharma industry," he said.

An integrated approach needs partnership of forwarders, pharma companies and all the related service providers who have to move towards a common standard and goal. For instance, pharmaceutical companies' main concern is the controlled temperature of the products from the start point to its destination and they need to provide temperature complied certificate to the regulatory authority. This certificate needs to be provided by shipment, company, cargo service provider and the forwarder who would ultimately deliver the product from airport to destination point. This process requires an integrated approach which is currently lacking and often creates massive hassle from the regulatory for product approval.

The evolving trends in pharma logistics

Ms There Pertze, CEO of Karawan Management Consulting shared that pharma market is growing very rapidly and so is the demand of related logistics. It has always been a complex decision for pharmaceutical companies to choose between sea freight and air freight. She mentioned that in the past decade air freight of pharmaceutical products lost its market share and high value product shipment experienced a shift to ocean shipment due to cost differences, however, more airlines have now implemented branded cool chain services to provide dedicate pharma logistics.

Technology wise, there has been significant progress that indicates shift from dry ice based cooling to electrical compressors. Traditionally, most pharmaceutical companies used to supply their products through general cargo that maintains temperature of 15-25 degree Celsius however, there is an increase in specialized vehicles that protect sensitive products during air cargo such as cool containers and temperature controlled trollies. Besides enabling temperature controlled shipment, the technology has evolved to equip the shipment with temperature tracking system such as Near Field Communication technology and real time data collection with GPS based tracking.

Also, airlines have developed special pharma zones at airports dedicated for handling and shipment such as Lufthansa cargo cool centre, DUS pharma centre at Dusseldorf, PACTL cool centre at Shanghai, Coolport at Singapore Changi airport and most recently Emirates SkyPharma at Dubai International airport. Along with specialized shipment services, cold chain analytics has also evolved with software that can analyse risks involved in the shipment and helps in making decision in selecting the airline service provider depending on their infrastructure.

Mr Julian Sutch, Manager Global Sales Pharma, Emirates, speaking at Cool Chain conference organized in Dubai, highlighted that by 2020, pharma cold chain logistics will be worth USD16.7 billion. Recognizing the growing demand in specialized services for pharma industry, Emirates SKyCargo has developed a purpose built facility equipped to transport temperature sensitive cargo between aircraft and warehouse.