

Pharma forum identifies need for information sharing

The need for information sharing in order to manage pharma and life science shipments throughout their transportation was one of the key conclusions of the Pharma Shippers' Forum organized and co-hosted by Amsterdam Airport Schiphol, as part of this year's Air Cargo India event in Mumbai.

The unprecedented gathering of 40 leading pharma shippers, together with representatives of logistics service providers, cargo handlers, airports, airlines and regulators uncovered many of the problems and concerns facing India's multi-billion Dollar pharma industry as it steps up its export drive.

Moderated by Schiphol Cargo Snr VP Enno Osinga, the event – which followed the now popular “Schiphol format” - opened with an overview of the sector by Ryan Viegas, VP Supply Chain & Procurement for Watson Pharma. He told the audience that pharma is India's third biggest industry, employing 350,000 people in 10,000 companies. He added that India has the largest number of FDA-approved sites outside the USA, and that the sector is growing at 20% per annum.

With initial input from experts representing all elements of the pharma supply chain, the forum soon provoked lively debate among the 100 delegates. Among the many challenges mentioned were the danger of temperature excursions rendering medicines ineffective; the need to secure supply chains from counterfeit products; the lack of transparent pricing from forwarders; and the often extreme difference between climates at origin and destination.

Also highlighted was the need for greater collaboration; the resistance to share information between supply chain partners; and the inability of some carriers to participate in the flow of information from forwarders.

One airline spoke of the challenges faced by the airlines themselves in selecting handling partners with the resources and correct procedures to handle temperature-controlled shipments. Talking about instructions on handling of individual shipments, she also observed: “There is no one standard. All the

forwarders, shippers, airlines and handlers are busy designing their own, and they can be conflicting. The only way out of this impasse is for everyone to cooperate and seek a single solution that is uniform throughout the supply chain.”

A handler agreed, adding: “We need a running document from origin up to destination. We need to know we can control the process. If something goes wrong, we have to see where it went wrong. This is a challenge especially for IATA to take the initiative.”

On the positive side, handlers demonstrated how they had invested to provide for the sector’s needs. A local specialist pharma forwarder also confirmed dramatic improvements in the Indian pharma industry’s export performance, with 90% of all temperature excursions now taking place after export from India. A pharma shipper meanwhile praised the government support for its pharma activity in Goa, but said this was counteracted by the fact that the island’s airport had only one Middle East carrier at present.

On the subject of possible modal shift to seafreight, another shipper suggested this would not occur with most producers, as they had insufficient volumes to justify ocean containers at the necessary frequency. Another delegate reminded the audience of the cost of financing such high value inventory during ocean voyages of up to six weeks, against the much faster option of airfreight. Yet another pointed out the short shelf lives of many products, and the unacceptability of losing up to six weeks of this at sea.

Speaking after the forum, Amsterdam Airport Schiphol’s Senior VP Cargo, Enno Osinga said: “The message from all parts of the chain is clear. We need to provide a platform that allows sharing of information to protect the integrity of each shipment. It will not be easy to achieve the solution, but there is no point in continuing to identify the problems if we are not prepared to address and solve them. Pharma traffic is a huge opportunity for airfreight, but we must get it right.

“There is a clear role for us to play as an airport, and Schiphol will continue to invest time and resource in ensuring that information platforms are made available tot the industry.”

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Amsterdam Airport Schiphol Cargo at a glance:

- third largest cargo airport in Europe
- seventeenth largest cargo airport in the world
- Schiphol's air cargo community employs over 26,000 people.
- 1,483,448 tonnes of cargo in 2012
- 317 scheduled airline destinations in 90+ countries
- 106 scheduled airlines
- 25 scheduled freighter operators
- Highest share of (non-integrator) maindeck capacity in Europe
- 25 dedicated full freighter Cat 8/9 stands
- 5 main runways, ranging from 3,400 – 3,800 metres in length
- Ready to handle multiple A380s & B747-8Fs
- Eight cargo handling companies
- 400,000 m² of cargo warehouses, of which 60% have direct air side access
- 11,000 m² of new cargo buildings under construction with direct air side access
- Airside access for logistic service providers
- Over 150 logistic service providers situated at or in vicinity of Amsterdam Airport Schiphol
- Over 50% of all American and Asian European Distribution Centres located in the Netherlands
- Airport-seaport synergies: Amsterdam Airport Schiphol close to Ports of Rotterdam and Amsterdam
- Unparalleled European road feeder and distribution network
- Over 25 trucking companies operate at the airport

Amsterdam Connecting Trade:

- 3 new logistic parks planned
- dedicated freight lane planned to connect air cargo terminal directly to logistic parks, truck-, water- and High Speed Train Cargo terminal of ACT

Schiphol SmartGate Cargo

The airport, air cargo industry & customs have joined forces to integrate monitoring of goods leaving the EU from Schiphol, allowing rapid and efficient clearance:

- Integrated cargo control & inspection
- Shorter lead times & lower costs
- Increased reliability, safety & security

See www.schiphol.com/smartgate

About e-freight:

E-freight is an IATA initiative which aims to replace paper with digital documents throughout all elements of the air cargo supply chain – including shippers, forwarders and export customs, carriers, import customs, handling agents, forwarders and consignees. Traditional paper-based air cargo involves some thirty documents for every shipment, and is estimated to create the equivalent of eighty Boeing 747 freighter-loads of paper every year. E-freight eliminates re-keying of data: reducing cost, speeding processes and enhancing accuracy.

About e-Link:

This is a pilot scheme operated by Amsterdam Connecting Trade in collaboration with Schiphol Smartgate Cargo. Three handling agents and three forwarders are currently testing the system, whose aim is to reduce customs clearance times and unnecessary paper in the supply chain.

Under E-link, the existing ACN pass has been expanded into a “smartcard” that carries data for Customs-cleared shipments. The card provides security access for vehicle and driver at the handling agent’s premises, where the data and responsibility for the shipment is transferred from the card to the next party in the supply chain. The system then allocates a door for offloading the cargo. E-link complies with all customs procedures, and has already demonstrated 25% time savings in some processes.