

IATA CARGO WEBINARS

The background image shows an airport cargo loading area. A white truck is parked on the left, and a yellow loader is in the center. A large cargo plane is visible in the background. The scene is dimly lit, suggesting dusk or dawn.

6 October 2020

AirPharma

Welcome

AirPharma Webinar



Host:
Andrea GRUBER
Head, Special Cargo
IATA



Industry's readiness and preparedness to manage globally a temperature-controlled supply chain - How to meet the upcoming demand in vaccines, health, and humanitarian supplies



IATA CARGO WEBINARS

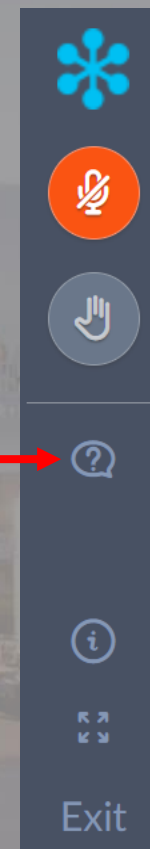
Microphones have been muted



Please submit your questions through the **Question box** and **send to Everyone**



The webinar is being recorded and will be made available afterwards, including the PPT slides.





- Participants are cautioned that any discussion regarding matters such as fares, charges, division or sharing of traffic or revenues, or concerning any other competitively sensitive topics outside the scope of the agenda is strictly prohibited.
- As a result, questions pertaining to individual policies or commercial decisions and/or being subject to bilateral commercial discussions between airlines and their suppliers or customers will not be answered.

Agenda

- Welcome and Introduction
- State of the Industry
- Manufacturers Perspective & Expectations
- Challenges in the health and humanitarian supply chain
- Panel Discussion
- Questions & Answers
- Wrap up



[Biographies](#) are available on the IATA Website



State of the Industry



Glyn HUGHES
Global Head of Cargo
IATA





State of the Air Cargo Industry

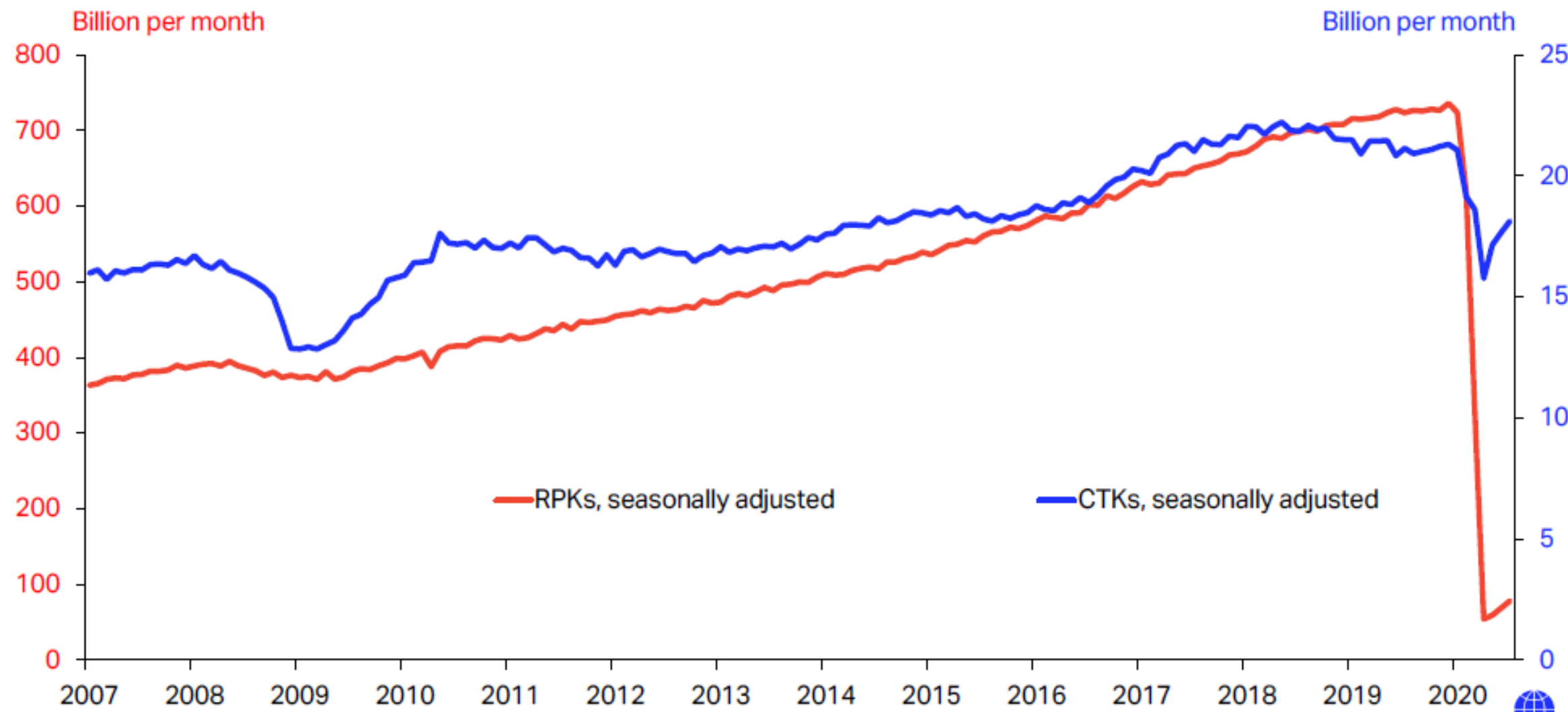
Glyn Hughes

Global Head, Cargo



Demand for air cargo much more robust than air travel

July cargo tonne km flown down -13.5% yoy vs -79.8% for global RPKs

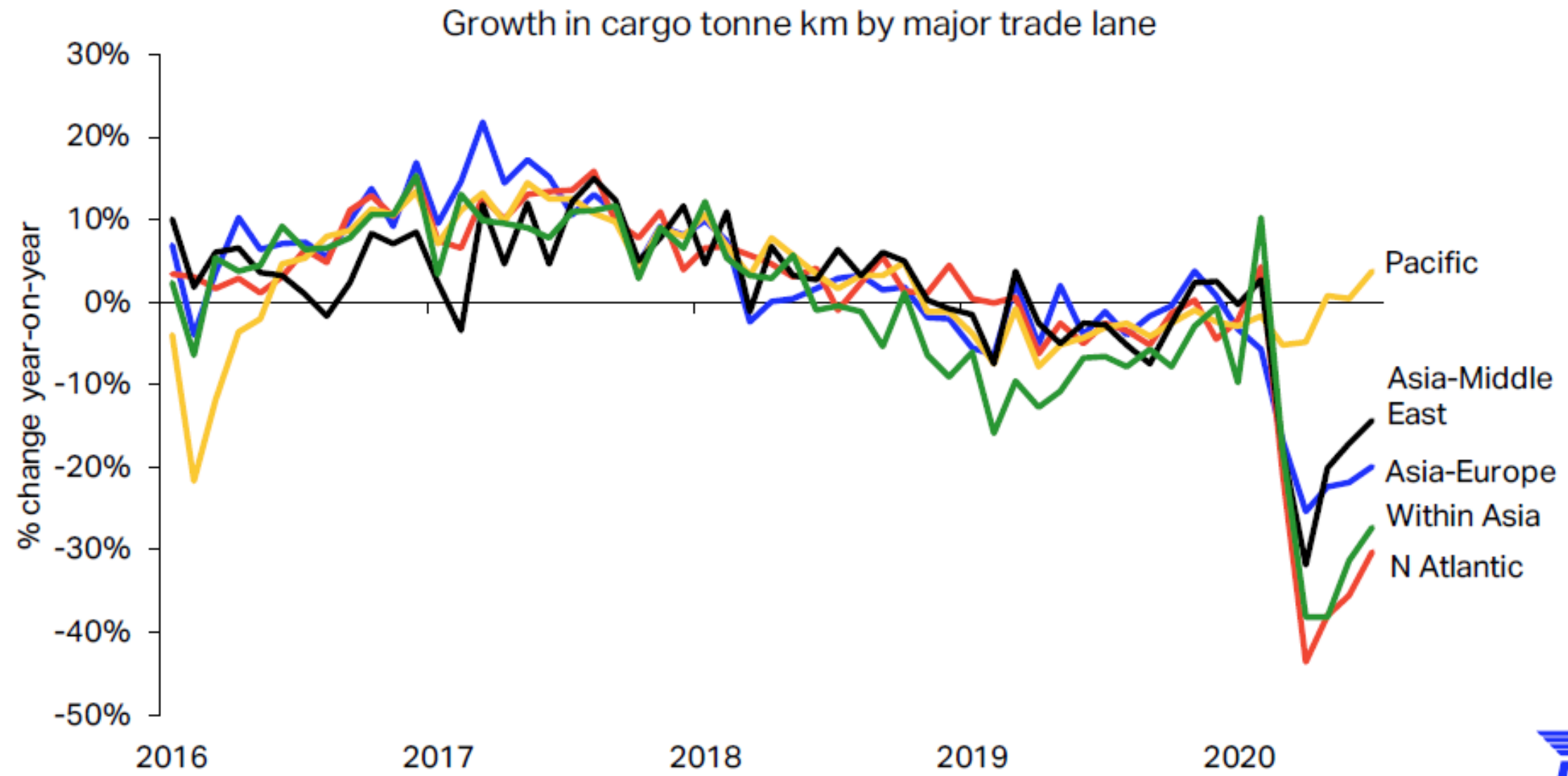


Source: IATA Economics using data from IATA Statistics



Cargo recovery varies across major trade lanes

Nth Pacific market (segment-basis) +3.7% yoy, Nth Atlantic -30.3%

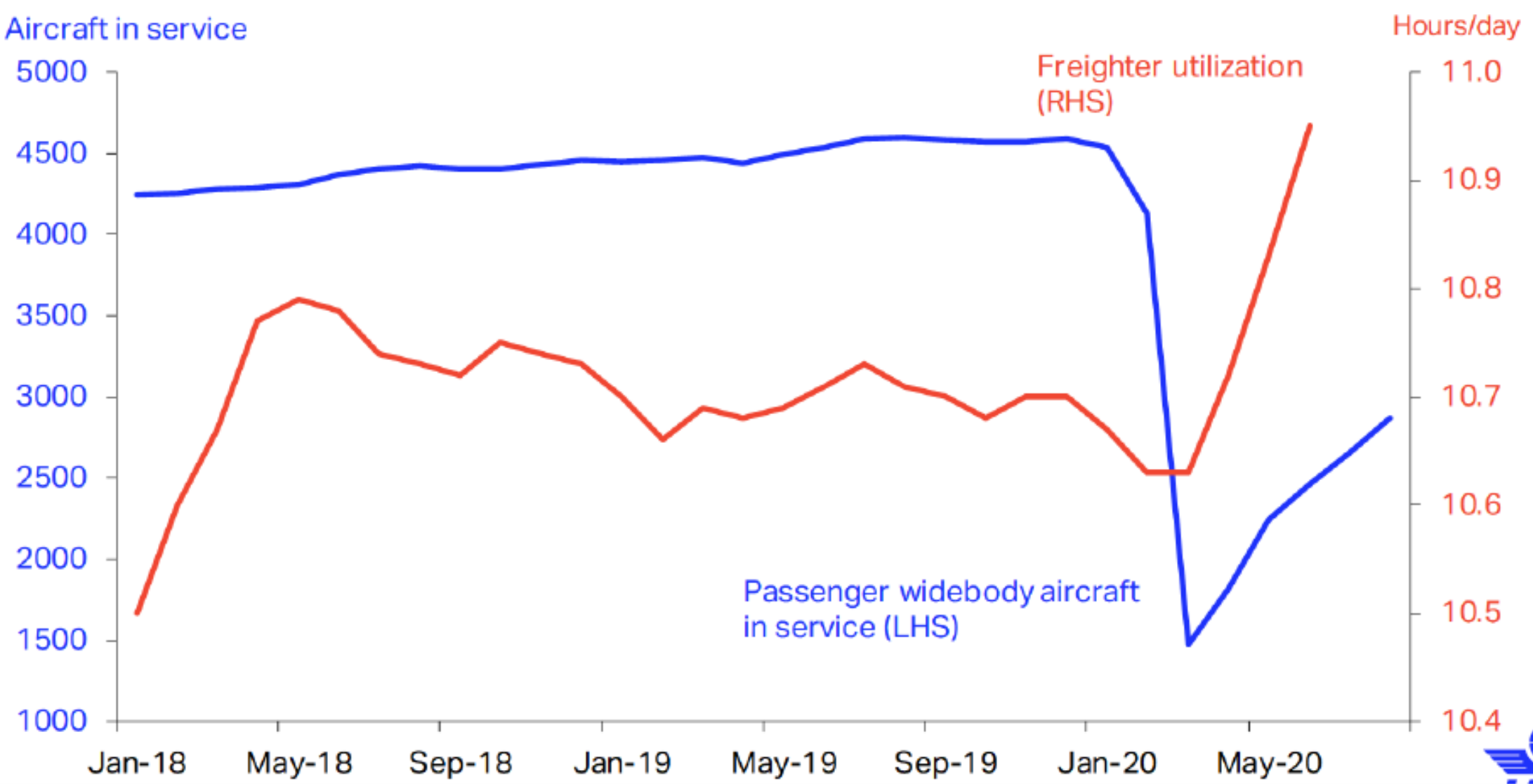


Source: IATA Economics using data from IATA Statistics



A challenge is the severe shortage of air cargo capacity

Freighter utilization high and widebody passenger aircraft slow to return

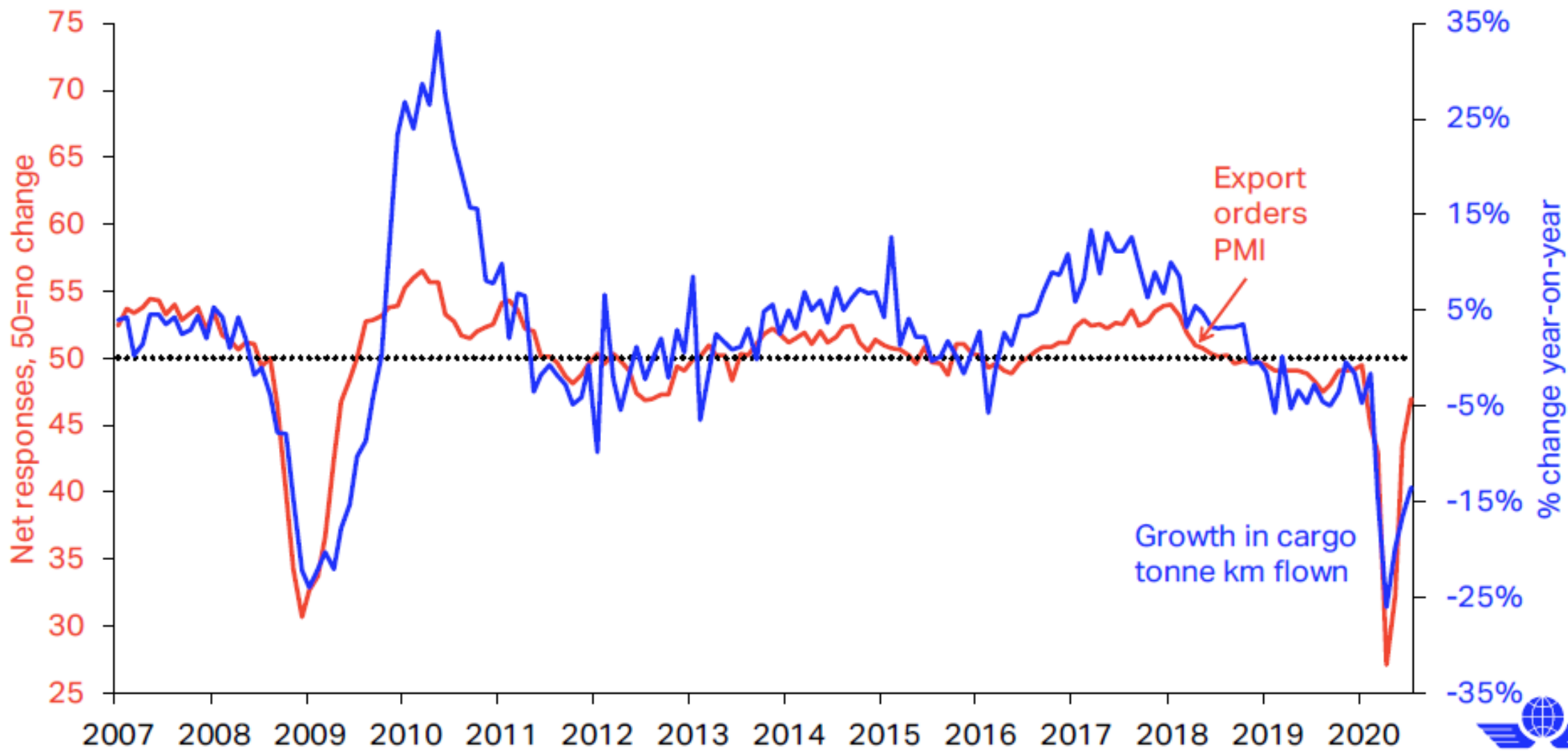


Source: IATA Economics using data from Ascend and Boeing



Export orders have rebounded sharply

Pointing to a strong recovery in air cargo volumes



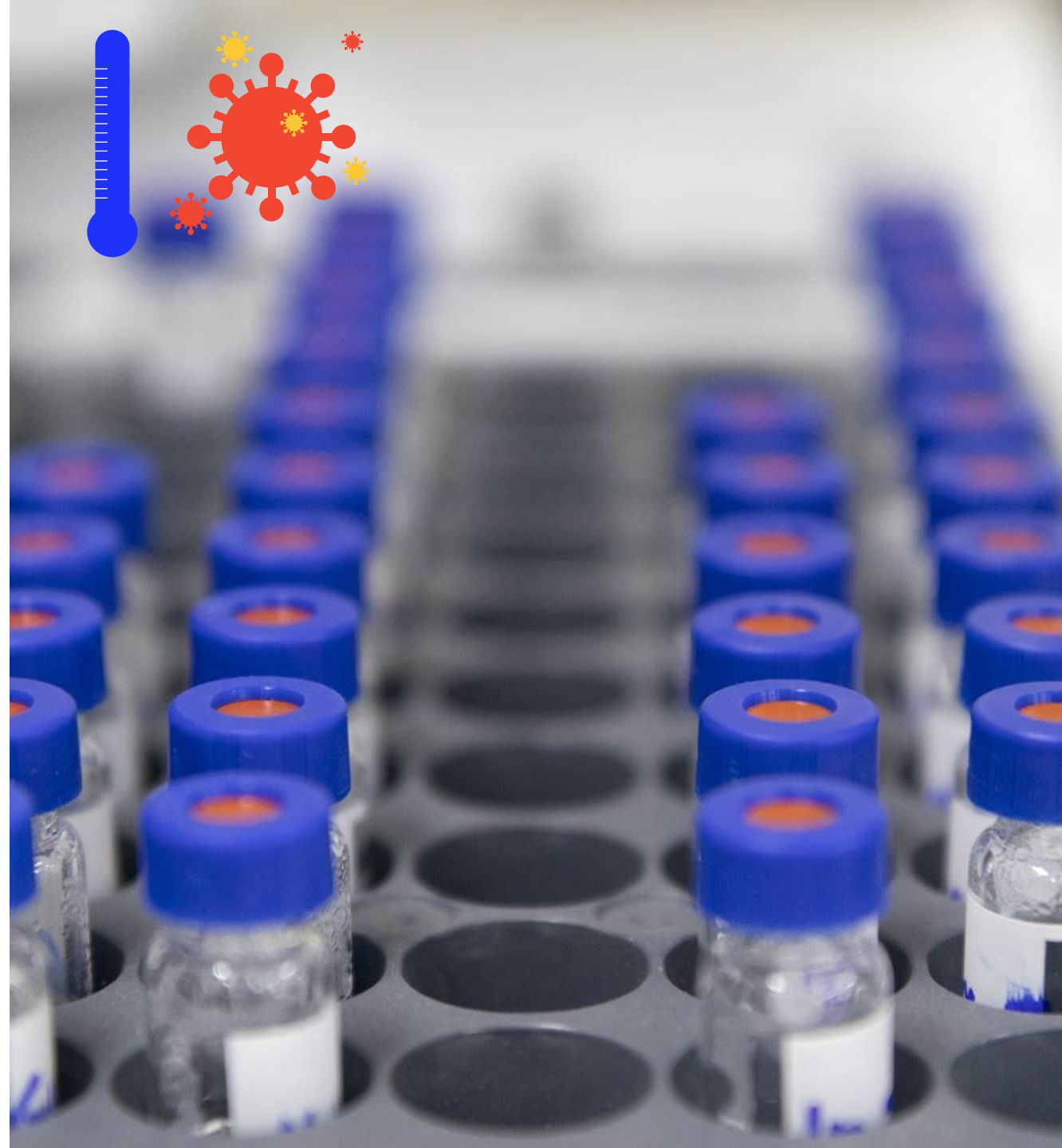
Source: IATA Economics using data from IATA Statistics and Markit



The next challenge... vaccinating the world

Providing a single dose of the vaccine to 7.8 billion people would fill 8,000 747 cargo aircraft

Collaboration among all stakeholders is the key ingredient !!!



Manufacturer's Perspective & Expectations



Luis ROMAN
Global Vice President, Deliver
**The Janssen Pharmaceutical
Companies of J&J**





IATA Discussion Perspective and Expectations



Johnson & Johnson

Luis Roman

Global Vice President Deliver - Janssen

Johnson & Johnson

Our Purpose

We blend  Science and  Ingenuity to profoundly change the trajectory of health for humanity.

Our People



132,000 employees who serve more than 1 billion patients each day

Strong Global Position in 3 Key Segments



Consumer Health



Pharmaceuticals



Medical Devices



~1,400
Global Transport Lanes



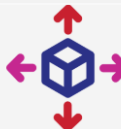
~800
Inter-regional Air Lanes



60+
countries import/export



80%
Cargo on passenger aircrafts



100K
Annual shipments



13
global logistics providers

COVID Reflections

Crisis “Onset” and Some Continuing Challenges



“**Overnight**” **cancellations** from airlines impacted cargo in-transit – bonded shipments stuck at transship locations



Rapid response approach was required to manage freight with a spiral effect of airline cancellations, port and customs closures and J&J facility closures



Time to establish **alternate cargo solutions** resulted in major delays in some key corridors



“**Force Majeure**” declarations by airfreight forwarders, although contested and not accepted by J&J, were presented as the basis for forwarders’ indicating inability to ship at contract price, resulting in introduction of uncontrolled price increases



Freight prioritization was performed based on airline-freight forwarder-shipper relationships – No standardized approach



Industry **shortage** of specialized handling equipment



Shipments of life saving drugs to **remote countries**



Complex documentation and processing associated with PPE donations and shipments were resource intensive especially for the **dangerous goods shipments**

COVID Reflections

Industry Advancements to Address Challenges based on Lessons Learned



Continued availability of “freighters” and “passenger freighters” until passenger aircraft capacity stabilizes



Visibility into **latest market conditions and trends** – routes, solutions, capacity and delay information available to all shippers



Pricing regulations and controls to prevent irrational increases



Standardized approach to validating shippers for **freight prioritization** – life savings drugs, PPE donations to humanitarian agencies etc.



Peer groups for shippers to share best practices and efficiencies to the extent permitted under relevant laws and regulations



Tackle **vaccine capacity requirements** innovatively – Combined charters, leverage capacity based on flows, fair pricing



For destinations that require new and alternate routings, establishing industry wide **security considerations**

Call to Action



Leverage the lessons learned from the crisis and tackle the new challenges associated with **vaccine requirements and delivery** as a combined humanitarian venture across the globe

“WHAT”



Peer Groups

- Capacity
- Temperature Control Solutions
- Integrated network solutions



Unified Controls

- Cost & Reliability
- Visibility
- Security

“HOW”

- **Develop combined solutions** and leverage capacity where feasible to meet the global demands for vaccine shipments – **Combined Charters, Flow Optimization based on origin and destination**
- Review **temperature control solutions for vaccines** as an industry wide need versus a peer to peer competition to the extent permitted under relevant laws and regulations
- **Explore opportunities for a unified consortium** of shippers, providers and **IATA** to maintain governance and controls for fair shipping costs and reliable, secure and visible shipping process from origin to destination

Q & A

Manufacturer's Perspective & Expectations



Victor SOH
Director, Global Distribution &
Logistics Strategy Lead
MSD



COVID-19 VACCINES LOGISTICS CHALLENGES



INVENTING
FOR LIFE

Sep 2020
Victor Soh

COVID-19 VACCINES Logistics Challenges

1. **Global Transportation:** Competing for limited and volatile air and road freight capacity for cold chain products
2. **Thermal Protection Systems:** A range of thermal protection systems is needed to cater for all temperature requirements.
3. **Customs & Regulation:** Vaccines have to be delivered to vaccination sites as rapidly as possible to conserve shelf life.
4. **Allocation:** Central agencies & NGO's have to deal with vaccine **variations** resulting in divergent distribution requirements
5. **Distribution:**
 - Time pressure to expand existing and build new infrastructures, equipment and handling capabilities to cater for all temperature requirements at an unprecedented scale, without certainty of when, what and how much vaccines will be approved and available.
6. **Point of Use:** Limited short-term storage capacity to cater for all temperature requirements, especially lacking for ultra frozen.

Conclusion

1. Distribution system must be **scalable** and **sustainable** and does not disrupt existing cold chains.
2. **Fast track** and **simplify** customs and regulations to enable ease of flow.
3. **Collaborate** to jumpstart the development of multi-client storage and distribution systems that can cater to vaccines from 2-8°C to ultra low temp.
4. **Partnerships** to operate standard processes, enable economy of scale and risk sharing.

COVID-19 VACCINES LOGISTICS CHALLENGES

Q & A



INVENTING
FOR LIFE

Sep 2020
Victor Soh

Challenges in the health and humanitarian supply chain



Andrew JACKSON
Head of External Supply Chain Services
World Food Programme (WFP)





World Food
Programme

SAVING
LIVES
CHANGING
LIVES

Challenges in the Health and Humanitarian Supply Chain

AirPharma webinar

6 October 2020



SAVING
LIVES
CHANGING
LIVES



World Food Programme

Global Presence Map 2020

- Country Office
- Regional Bureau
- ★ Rome Headquarters
- WFP Office
- Centre of Excellence
- Humanitarian Response Depot
- Innovation Accelerator
- COVID-19 Humanitarian Response Hubs

Asia & the Pacific
Regional Bureau

West Africa
Regional Bureau

Eastern Africa
Regional Bureau

Middle East, North Africa,
Eastern Europe and Central
Asia Regional Bureau

Southern Africa
Regional Bureau

Latin America
& Caribbean
Regional Bureau

September 2020

The programme implements and coordinates all aspects of its operations and activities in support of the objectives of the United Nations World Food Programme. The programme is implemented through the United Nations World Food Programme, which is the only United Nations agency in the world that is dedicated to fighting hunger and improving the lives of the world's most vulnerable people. The programme is implemented through the United Nations World Food Programme, which is the only United Nations agency in the world that is dedicated to fighting hunger and improving the lives of the world's most vulnerable people.

— International Boundary — Administrative or International Administrative Line — Other Line of Separation — Special Boundary Line

A key player: WFP Aviation Service

In sudden onset emergencies, WFP Aviation can respond and position an aircraft between 48 to 72 hours thanks to a pool of aircraft available in different parts of the world to ensure a swift response.

2019 highlights

WFP Aviation

- 35,100 mt of cargo
- 90 aircraft
- 620 airdrops

UNHAS

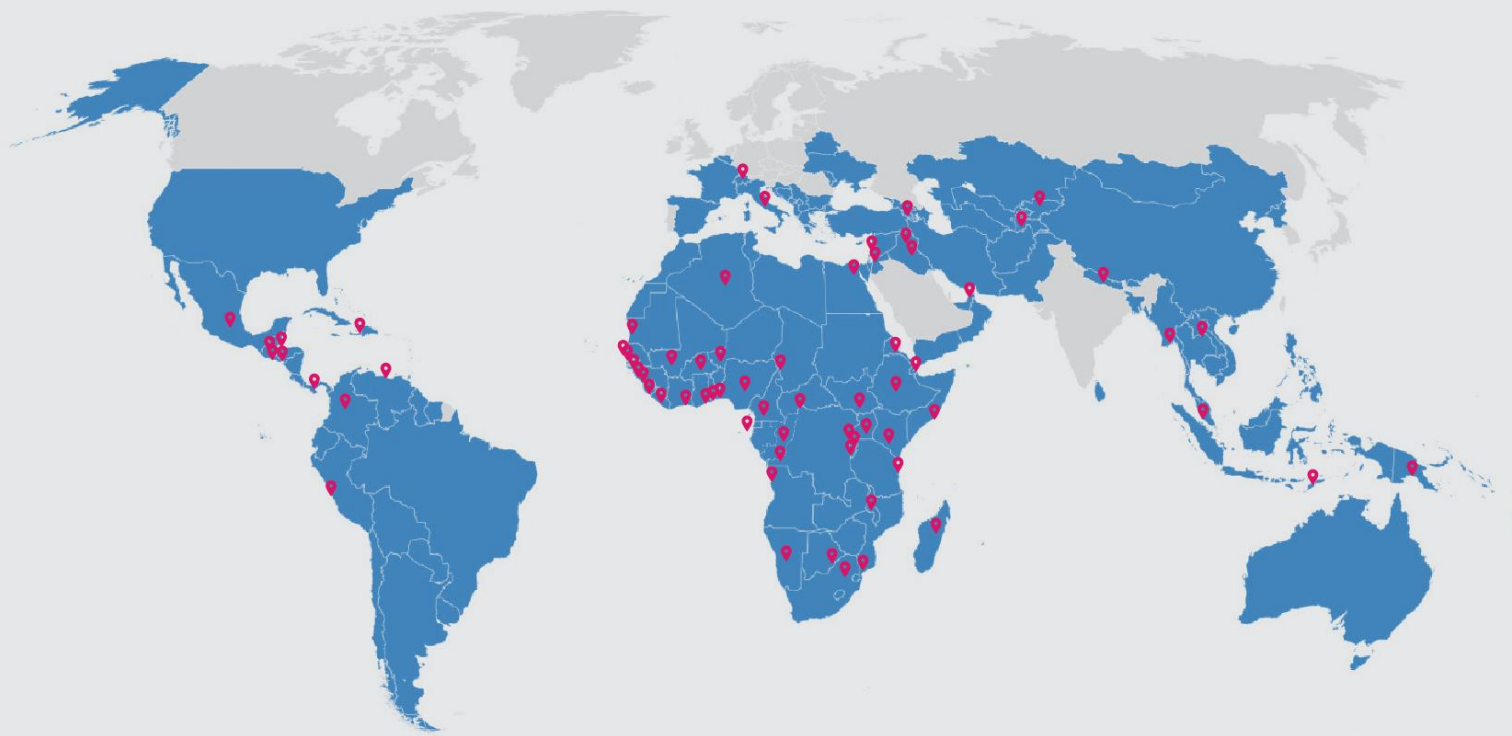
- 404,000 passengers
- 310 destinations
- 800 organizations

On any given day, WFP manages 100 aircraft



Common Services for the COVID-19 Response, 2020

WFP is leading a **global supply chain response** with unprecedented scale to support the humanitarian and health community.



● Destinations reached with cargo
● Destinations reached with passenger flights



Cargo

- **169** countries reached
- **70,700 m³** transported
- **61** organizations supported



Passengers

- **67** destinations
- **23,600** passengers
- **1,323** flights
- Over **360** user organizations



Medevacs

- **45** completed by WFP, 22 carried out by the wider system



World Food Programme

Lessons learned: how can we achieve success together?



World Food Programme

How is WFP preparing for the next phase of COVID-19?

Delivering temperature sensitive health commodities



Extend WFP's global network to mitigate supply chain shocks & enable delivery through a highly agile pull delivery system. Equipping itself with cold chain capability for temperature sensitive medicines, medical and health related commodities (including vaccines).



Offer risk mitigation, in-market flexibility and redundancy measures for countries with low or limited cold chain maturity and UN agencies who do not have capacity for cold chain storage and distribution.



Pre-positioning for the phases of immunization for COVID-19 (2021-2023) by:

1. Leveraging on enhanced WFP strategic warehousing facilities;
2. Long term support for cold chain services, nutritious and temperature sensitive medicines, medical and health related commodities (including vaccines).



World Food Programme

Questions



World Food Programme



AirPharma Webinar

Panel & Interactive Q&A Session

Please submit your
questions through the
Questions box and send
to **Everyone**



Panel



Luis ROMAN
Global Vice President, Deliver
The Janssen Pharmaceutical
Companies of J&J



Victor SOH
Director, Global Distribution &
Logistics Strategy Lead
MSD



Andrew JACKSON
Head of External Supply Chain Services
World Food Programme (WFP)



Enrica CALONGHI
Director Verticals Global Head
Pharmaceutical Logistics
Air France KLM Cargo



Brice BELLIN
Healthcare & Life Science
Director – Europe
Bollere Logistics



Joachim von WINNING,
Executive Director
Air Cargo Community Frankfurt



AirPharma Wrap Up – Call To Action

Industry's readiness and preparedness to manage globally a temperature-controlled supply chain for vaccines, health, and humanitarian supplies

- **Plan - Prepare - Inform**
- **Sharing is Caring – Global Collaboration**
- ***"Continuous improvement is better than delayed perfection"* quote from Mark Twain**



Global Collaborative Pharmaceutical and Life Science Logistics and Distribution Approach

Set of considerations and awareness on large scale handling, transport and distribution of vaccines, pharmaceutical, life science and medical products.

Edition 1 – 22 September 2020



Additional Outreach & Engagement

IATA CARGO WEBINARS

Six-part Cargo Webinar Series from 6 – 13 October 14h00-15h30 CEST

- | | |
|-----------------------|--|
| Wednesday, 7 October | - Cargo Claims & Loss Prevention Webinar |
| Thursday, 8 October | - Cargo Border Management Webinar |
| Tuesday, 13 October | - Cargo Operations Webinar |
| Wednesday, 14 October | - Lithium Battery Webinar |
| Thursday, 15 October | - E-Commerce Webinar |

IATA WEBINAR

Industry readiness for
vaccine and life science
products transportation

Save your spot

Wednesday October 21st,
2:30 - 3:45PM CEST (75 min.)



Thank you

- Please visit **iata.org/events** for the upcoming webinars
- Please visit **iata.org/cargo** for all COVID-19 resources
- Contact us at cargo@iata.org

