

The African Pharmaceutical Distribution Association Holds Its First Official Meeting in Morocco

On Thursday, October 10th, the new African Pharmaceutical Distribution Association (APDA) got down to the business of positively impacting the pharmaceutical supply chain to ensure its safety and security on the African continent. This was the third meeting of the new association. Previous organizational meetings were held in Lusaka, Zambia in November 2018 and Accra, Ghana in April of 2019. Those meetings helped to determine the level of interest in such an association and, once validated, to establish a Steering Committee to manage the efforts required to stand up the association until a board of directors could be seated and formal initial members identified.

The third meeting took place October 9th – 11th in Casablanca, Morocco and kicked off with the APDA steering committee meeting. Representatives from Algeria, Ghana, Nigeria, and South Africa, along with IFPW and IQVIA, who served as advisors to the steering committee, meticulously planned the following days for the first-ever general assembly and board of directors meeting.

The general assembly meeting convened the next morning with individuals representing trade associations from, Nigeria, Ghana, Ivory Coast, Cameroon, Egypt, Tunisia, Madagascar, and Morocco, as well as direct company representatives from Burkina Faso, Gabon, Senegal, Ghana, Sudan, Madagascar, and Ethiopia. After welcome remarks from GPDP, the pharma distribution trade association in Morocco, and IFPW, meeting attendees heard presentations from IQVIA on pharma trends around the world with a strong focus on the African continent and the challenges and opportunities in Moroccan pharmaceutical market.

All attendees then participated in a session led by the World Health Organization (WHO) on regulatory harmonization in



Africa and efforts to ensure quality medical products are available on the continent. After a break, IQVIA led a panel discussion on manufacturer wholesaler relations and pharma distribution trends in Africa. Representatives from Merck, Imperial Logistics, and

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In Brief...

- ◆ U.S. healthcare distribution solutions provider **McKesson Corporation** posted total revenues of US\$57.6 billion, reflecting 9% growth in its second quarter of 2020. U.S. pharmaceutical and specialty solutions segment saw revenues of US\$46.0 billion, up 10 percent. Operating profit came in at US\$639 million with an operating margin of 1.39%, down 14 basis points due to higher volume of specialty pharmaceuticals. Adjusted operating profit was up 1% to US\$641 million due to continued growth in the specialty businesses and partially offset by customer and product mix.

- ◆ Romania's **Competition Council** approved the acquisition of three smaller drug store chains by German distribution group **Phoenix**. The three chains (**Tino Farm, Flora Farm** and **Proxi-Pharm**) are subsidiaries of **Help Net Farma**, one of the biggest networks of pharmacies. The acquisition will add 33 more unit's to Phoenix's pharmacy network. Phoenix operates in 26 European markets and has over 34,000 employees.

- ◆ Pharmaceutical manufacturer **GlaxoSmithKline** has agreed to sell its rabies and tick-borne encephalitis vaccines to **Novartis**. The deal includes a combination of an upfront payment (US\$335 million) and inventory (valued at US\$177

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UPS Partners with AmerisourceBergen to Enhance Healthcare Operations in the U.S.

(Sources: An article by Chelsea Toczaur for Air Cargo World, an article by Mark Solomon for FreightWaves and an article by Sandra Levy for Drug Store News)

UPS, in ramping up efforts to develop more "high quality" revenue for its healthcare logistics businesses, recently launched a nationwide drone company, UPS Flight Forward (UPSFF) focusing on deliveries to hospital and consumer through relationships with large partners, such as AmerisourceBergen and CVS. The dedicated business unit has been formed to service this specialized segment through a network of Internet of Things (IoT) system that will effectively track packages through the supply chain. Currently, UPSFF is the only company approved to operate a drone airline by the FAA under Part 135 Standard approval, which was granted on September 27, 2019. The approval is a major milestone for unmanned aviation in the United States.

UPSFF has already announced agreements to develop a variety of drone delivery use cases. AmerisourceBergen will take its delivery of medical products to the next level through partnership with UPS Flight Forward and will service a variety of medical campuses already serviced by AmerisourceBergen. Medical samples have already been delivered during UPS test flights to WakeMed Hospital in Raleigh, North Carolina and the company is building out its ground and air infrastructure to meet the needs of a diverse customer base. The addition of drone transportation provides an option for aerial delivery, enabling the ability to avoid roadway delays, increase medical distribution

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Kofikrom Pharmacy Ltd. (Ghana) led a lively discussion involving all meeting participants.

Members interested in Board service were then identified and offered an opportunity to make additional remarks after which voting for the board took place by region. Diaware Ibrahimia was elected to serve as an additional member of the Board to fill vacant seats and represent Francophone countries in West Africa. After the full board was seated, proposed revisions to the by-laws passed unanimously and the meeting was adjourned.

The first official APDA board meeting was held and the board approved and accepted the initial members of APDA.

Morocco was selected to house the secretariat for a period of up to 12 months with the subsequent and permanent location(s) of APDA to be brought before the next General Assembly meeting for further discussion and consideration.

Lahcen Senhaji from GPD (Morocco) was elected to serve as Chairman of APDA until the next General Assembly, and Ken Accajou (Eurapharma) and Kofi Addo-Agyekum (Ghana) were elected to serve as Co-Vice Chairman for the same period. IFPW and IQVIA have both been critical to the successful formation of APDA and both organizations expressed ongoing support for the Association. Each also pledged to assist with the transfer of information and workstreams from the Steering Committee to the Board.

Before adjourning the board of directors immediately began choosing the timing, location/method and format of the next meeting. In addition, conversations relating to recruitment of countries not represented in the initial membership will take place as APDA is truly a Pan African association with the official language being both French and English. Any discussions around recruitment or future meetings will be centered around the objectives of APDA as outlined in the bylaws.

IFPW would like to express sincere thanks to our partner (and IFPW member), IQVIA, as their support has been critical in the progress made thus far. Additionally, IFPW would like to express gratitude to the four founding members and leaders of their respective associations, led the Steering Committee efforts until initial APDA members were approved and a board of directors seated. Our sincere thanks go out to Trevor Phillips from PLASA in South Africa, Anthony Ameka from the Chamber of Pharmacy in Ghana, Ernest Okafor from POWDG in Nigeria, and Abdelaouahed Kerrar from ADPHA in Algeria.

Pharmaceutical supply chains on the African continent need significant improvement. Improved efficiency of these pharmaceutical supply chains can lead to better health outcomes. APDA and its members' challenges are significant but for now the new association has a toehold in the African healthcare landscape from which it can build upon to have a lasting and positive impact.

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efficiency, lower costs and improve the patient experience with potentially life-saving benefits.

"We're proud to introduce this groundbreaking drone logistics service to AmerisourceBergen's distribution network," said David Abney, UPS chairman and CEO. "Efficient, timely delivery of critical medicines is paramount when patient health is at stake, and drone services can make a big difference when delivery time is a critical factor."

AmerisourceBergen operates distribution services that rely on prompt daily deliveries to ensure that crucial medications efficiently and reliably reach their destination every day. More than 1,500 pharmaceutical manufacturers and tens of thousands of healthcare providers rely on AmerisourceBergen to help patients access the medications they need, when they need them. The company distributes medicines to 95% of hospitals across the country through a network of 27 distribution centers.

"Patient-centered care is at the core of our business," Steve Collis, AmerisourceBergen chairman, president and CEO said. "This partnership gives us tremendous flexibility in meeting patient needs with emerging technology that will improve supply chain efficiencies in unique and innovative ways. Working with UPS to deliver innovation to our customers is consistent with our commitment to help solve challenges facing healthcare providers."

In a move that will increase its physical distribution footprint in the segment by more than 30%, UPS has announced that it will add 1.3 million square feet of U.S. healthcare warehouse and distribution space by the end of 2020. It has opened a 450,000-square-foot facility in Louisville, Kentucky and will open another 315,000-square-foot facility in Harrisburg, Pennsylvania within proximity to a transport hub. Additional plans are in the works for another healthcare operations facility in Swedesboro, New Jersey. No date for that facility opening has been announced. Other locations slated for expanded healthcare operations include: Atlanta, GA; Columbus, OH; Reno, Nevada; and Tracy, CA.

UPS also said its French and German networks received the European Union's Good Distribution Practice (GDP) certification for pharmaceutical shipping. This certification demonstrates that networks in both France and Germany follow proper standards for shipping pharmaceuticals, diagnostic products and stable blood products. EU guidelines are strict in the conditions a wholesale distributor must meet to ensure the quality, integrity and efficacy of medicines throughout the supply chain.

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million) as well as potential milestones covering technology transfer and transfer of approvals worth US\$550 million. The decision comes as GSK's vaccines group posted strong growth, due in large part to its shingles vaccine, *Shingrix*, which won FDA approval in October of 2017.

- ◆ The U.S. Food and Drug Administration announced that 1,171 general drugs were approved during fiscal year 2019, 935 of them receiving full approvals and 236 receiving tentative approvals. This is up from last year's all-time record of 971 drug approvals. The FDA and U.S. federal government have encouraged the utilization of generic drugs to create a direct cost-savings for consumers, as well as to drive competition.

- ◆ Biopharmaceutical manufacturer **Biogen** announced that its Alzheimer's treatment was ready to begin the regulatory approval process, reversing previous announcements. The decision was made after the drug met the primary endpoint of a Phase 3 Emerge study, and after consulting with the U.S. Food and Drug Administration. Biogen's *aducanumab* is manufactured in partnership with **Eisai Co. Ltd.** (Japan).

(Sources: Biospace News, Company Press Releases, FiercePharma, Romania Insider and Yahoo Finance)