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Healthy trade
 proves resistant
 to global
 economic ills

PHARMACEUTICALS' STRONG **IMMUNE SYSTEM**

By Ina Paiva Cordle

It's a simple fact of life: People get sick. So when economies take ill worldwide, the one area consumers won't skimp on is their own health. For the pharmaceuticals industry, it amounts to a recession-proof formula.

And that's why growing demand for pharmaceuticals has been one of the rare bright spots in an otherwise bleak year for shippers, carriers and intermediaries and — with food imports and exports — why the refrigerated transportation industry has fared much better than other transportation segments in this economic downturn for the ages.

Air cargo carriers, logistics firms and package delivery companies report an increasing flow of trade in temperature-controlled pharmaceuticals, particularly exports from Puerto Rico.

Helping to drive the growth — and putting increasing pressure on logistics interests and technology providers — is the periodic outbreak of diseases requiring a global response: China's SARS threat earlier this decade, avian flu fears last year and, now, swine flu.

"Especially when it comes to vaccinations, and distributing vaccinations to remote parts of the world, pharmaceuticals have some of the greatest logistical challenges," said Evan Armstrong, president of Stoughton, Wis.-based consulting firm and analyst Armstrong & Associates. "Avian flu vaccine, from Texas to the Congo ... these are logistical challenges you just don't have when you think of distributing

Xboxes or other types of commodities," he said.

Technology and logistics providers are rising to meet the demand. UPS this summer opened a 150,000-square-foot, temperature- and humidity-controlled distribution facility in Caguas, Puerto Rico, that serves the pharmaceuticals and medical device industries.

Vaccines, pills, insulin and other injectibles from customers such as Johnson & Johnson and Merck are trucked from the manufacturer to the UPS facility. As orders come in from customers, the products are packed and flown to their destinations on the U.S. mainland, the Caribbean and other parts of the world, said John Menna, director of marketing for UPS's Healthcare Logistics Strategy Group.

Packaging is among the keys to maintaining the required temperature. Items may be packed in a "passive container," using gelpacks or styrofoam to retain the temperature, or they may be loaded into an "active air container," in which the container maintains the required temperature and humidity by using a battery-operated system, or other mechanism, such as dry ice, he said.

"We set the aircraft temperature to maintain that environment, as well," Menna said.

Once the plane lands, the temperature-sensitive containers are quickly offloaded so they are not exposed for long to the outdoor temperature. They are moved to another

