

Bio-Pharmaceutical Logistics Global Market Report Including: Cold & Non-cold Chain Logistics, Transportation

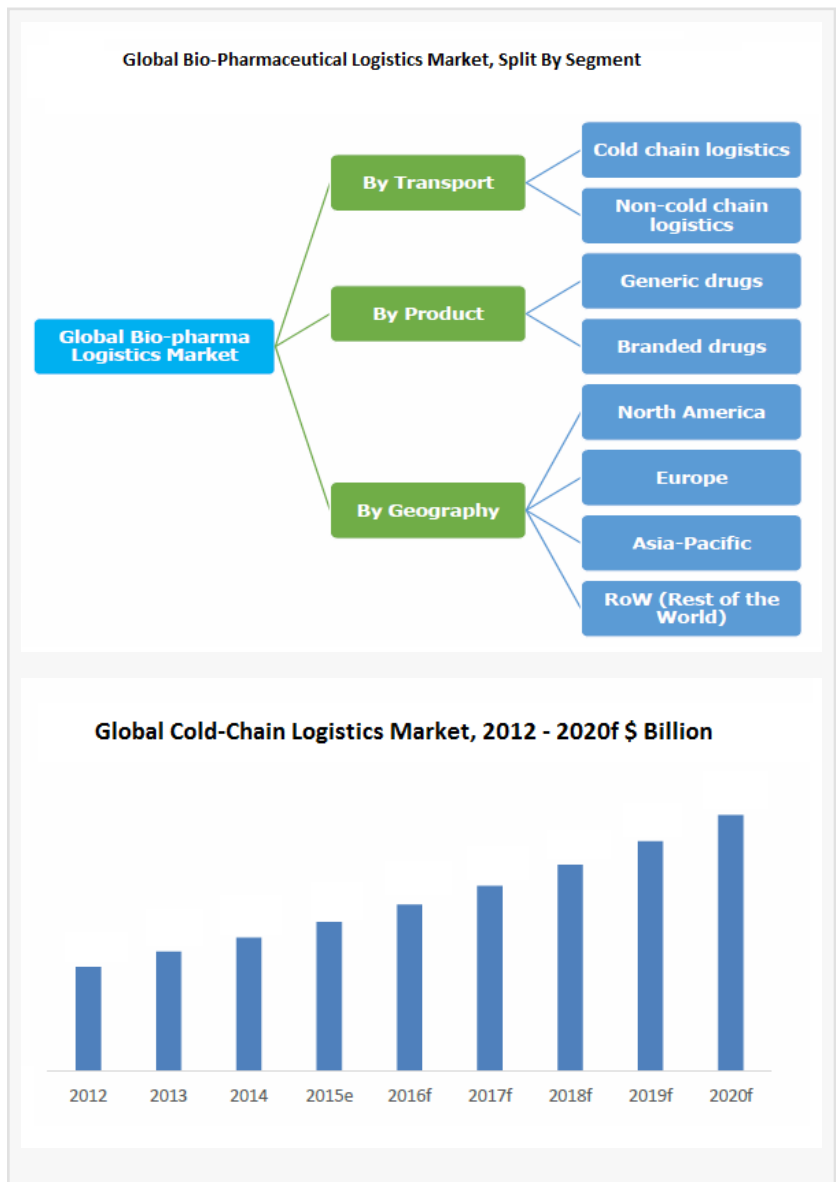
The pharmaceutical industry utilizes logistic services for the complete distribution of medicinal products and devices to different end users.

LONDON, GREATER LONDON, UK, November 17, 2016 /EINPresswire.com/ -- "At present, the distribution structure in the European and American markets are heavily inclined towards national warehouses both regionally and centrally. Developing warehouse structures and outsourcing to logistics service providers is the key focus areas for the pharmaceutical manufacturers. Low cost and greater visibility in the supply chain are the main advantages of outsourcing logistics services and is becoming an integral part of overall business strategy"

1. Introduction

In an organization, [logistics deals with the procurement, planning, and implementation](#) of process activities in the forward and reverse transportation of goods from one place to another. The pharmaceutical industry utilizes logistic services(<http://goo.gl/ICKhGA>) for the complete administration of the

distribution of medicinal products and devices to different end users where they are required. These logistics services help the pharmaceutical companies have a continuous supply of drugs, devices and equipment from suppliers and distributors of various locations. Nowadays, most of the pharmaceutical companies are outsourcing their logistics services to third party providers known as LSPs (Logistics Service Providers) to focus on their core business activities such as marketing, sales and research & development activities. The outsourcing of logistics services is becoming core of business strategies in most of the organizations, as a cost cutting program.



2. Bio-Pharmaceutical Logistics Market Overview

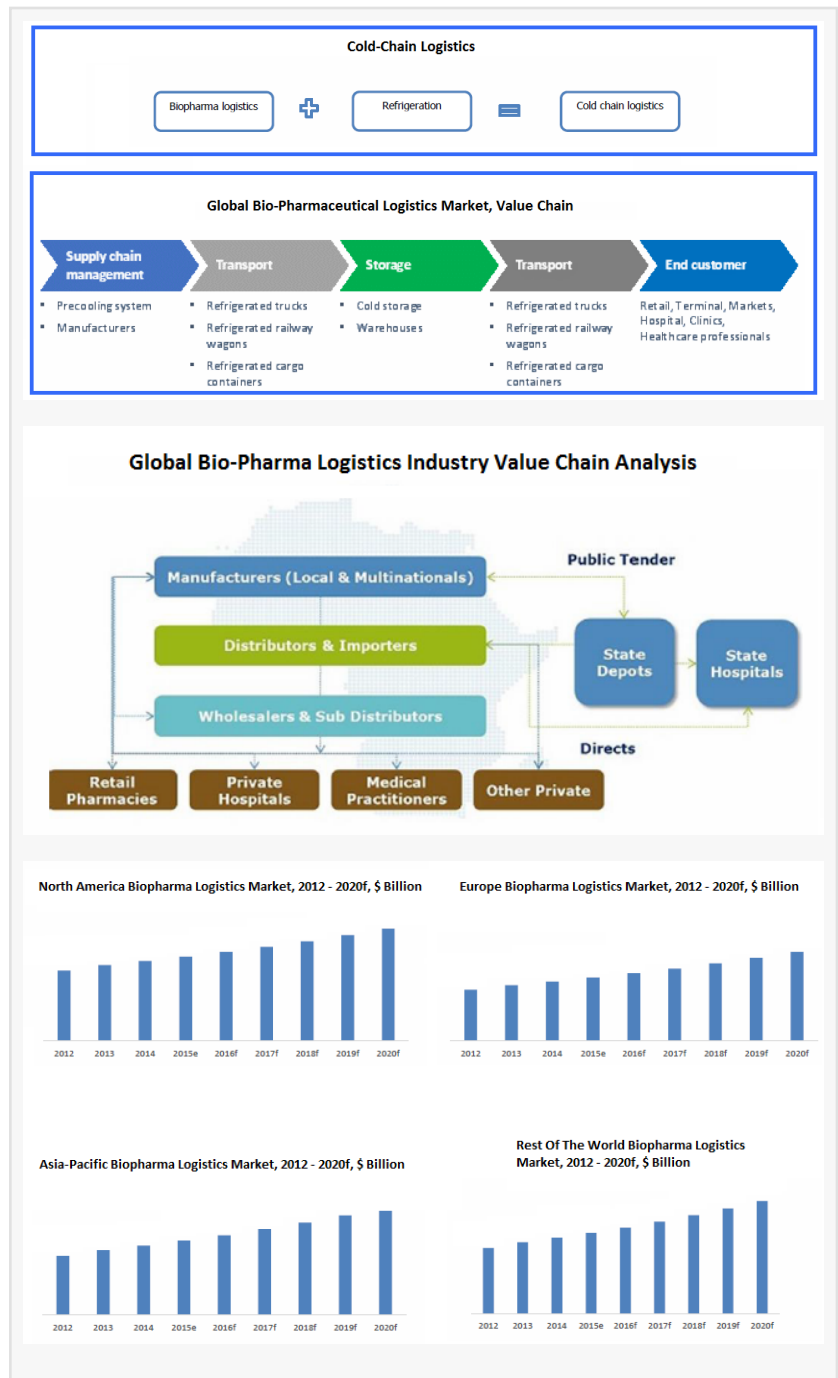
Global bio-pharmaceutical organizations produce drugs by combining ingredients precisely under specific conditions, while meeting a specific set of stringent regulations, good manufacturing practices and quality controls. At the same time, the third-party companies involved in the transportation of these drugs should also meet these set of regulations and conditions. Most of the drugs are highly sensitive to temperature and some are extremely costly, all these are subject to a complex array of stringent regulations. For a long time, the drug manufacturers are reluctant to outsource their logistics services to third party logistics providers because of these specifications. However, since most of the drugs are becoming off-patent and with an intention to focus on their core business operations, the companies now are opting for third party vendors for their transportation services. In addition, rising demand for home healthcare products and cost cutting measures taken by companies in their supply chain also forcing the companies to outsource their distribution activities.

"The global pharmaceutical market has more than doubled in the past ten years and is expected to reach USD 942 billion in terms of sales volume by the end of 2016. Moreover, patent rights for several leading drugs are set to expire, indicates that large portion of sales will shift from original brand manufacturer to generic manufacturers. Similar to other sectors, the pharmaceutical industry is also undergoing the geographic shift in its production facilities and sales markets. Markets like Asia, Latin America, Middle East, China, etc. are becoming increasingly attractive to these pharmaceutical companies, however, these markets are considered as the most challenging in terms of supply chain regulations"

3. Market Drivers & Challenges

Drivers

The Market Growth - Currently, most of the pharmaceutical companies are strategically focusing on diversification their portfolio of services and products with an intention to meet the growing demand for home healthcare products. This increasing demand for home healthcare products is key for the growing pharmaceutical logistics demand. With the innovations in home healthcare, patients can use





Geographically, Asia-Pacific dominates the market, which is evident from the presence of key players, lower logistics costs and also increasing trend in logistics outsourcing services.

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portable devices to check blood glucose level, blood pressure and various important health parameters personally without any healthcare professional help. Ultimately, this led to the development of various businesses and is expected to drive the market growth over the next 15 years.

Timely Reliability And Reduced Warehousing Costs - The important three reasons for outsourcing pharmaceutical logistics to third-party vendors are predominantly due to transportation cost-cutting motives, timely deliveries into the market and reducing warehouse costs. Outsourced transportation and outsource warehousing operations together is likely to represent more potential cost reductions.

Challenges

Stringent Government Regulations And Quality Control - Increasing quality concerns, regulatory compliance requirements and stringent regulatory standards together have further increased the burden on pharmaceutical companies to maintain standards while manufacturing and distribution. This, ultimately pressurizing the logistics service providers to make sure the safer delivery drugs by providing highest quality transportation services. However, the transport of these pharmaceutical drugs and active pharmaceutical ingredients will require various documentation process and consume time for their approval. This might lead to damage to the products. Hence, the logistics service provider needs to take corrective actions in order to deliver the services by complying with all the required regulations.

Emerging Countries With Less Developed Logistics Infrastructure And Unstable Regulatory Environment - Globally, Western Europe and the United States countries are considered to be the mature markets in terms of bio-pharmaceutical logistics, with the least issues related to supply chain of pharmaceutical products. However, the logistics market in emerging nations is less developed compared with developed nations and is confronted with an unstable regulatory environment.

"Temperature control, regulatory compliance, security, safety and chain of custody are the key obstacles that can stop the bio-pharmaceutical manufacturers at every turn. As a remedy, the strategic supply chain management will help the manufacturers overcome these obstacles. In every organization, logistics is the key integral part of the supply chain management, which deals with procurement, planning and implementation of all the logistics activities. The effective logistics management will help the pharmaceutical companies to have a constant supply of drugs, devices and equipment from various dealers and distributors in different locations"

4. Value Chain Analysis

The bio-pharmaceutical industry has been subject to substantial turbulence on account of various factors including widespread regulatory modifications, changing business models, rising costs, advancement of the patient-centric model (includes social media platforms and mobile computing to access the information from anywhere), and growing demand for home healthcare products. These factors enabled the industry to innovate and adopt to new models in business operations, while also

renovating their existing operations, and processes. As the time evolves, the pharmaceutical organizations with an intention to reduce the operational costs and focus on their core business operations are constantly focusing on outsourcing their transportation services to the logistics service providers. The selection of these logistics service providers will depend upon the timeliness of delivery, quality and standards maintained during the transportation of drugs.

5. Global Bio-Pharmaceutical Logistics Market Analysis

5.1 Global Bio-Pharmaceutical Logistics Market, By Mode Of Transport

The [global pharmaceutical logistics market](#) was valued at USD 70 billion in 2014 and is expected to reach USD 90 billion in 2020f, growing at a CAGR of 8% during the forecast period of 2015f – 2020f. Based on the type of transport used in the distribution of pharmaceutical drugs, the logistics market is segmented into cold-chain and non-cold chain transport. Among these, non-cold chain transport held largest market share of 70% in 2014, whereas the cold-chain transport markets is growing at a highest growth rate of 15% during the forecast period of 2015e to 2020f. The cold-chain transport market is the emerging segment when compared with non-cold chain transport owing to the growing demand for vaccines and blood plasma related products which require temperature controlled environment for the transport. The market cold-chain transport was valued at USD 15 billion in 2014 and forecast to reach USD 25 billion in 2020f, growing at a CAGR of 15% during the forecast period of 2015e to 2020f.

5.2 Global Bio-Pharmaceutical Logistics Market, By Product Type

The global biopharma logistics market based on the type of product is segmented into two segments, which includes branded and generic drugs. Among these above mentioned segments, the market for generic drugs logistics segment accounted the largest market share of nearly 75% of total market in 2014 and is expected to grow at an attractive CAGR of 9.5% during the forecast period of 2015e to 2020f. Whereas, the market for branded drugs logistics is expected to grow at a CAGR of 8% during the forecast period owing to the data breach and patent issues.

5.3 Global Biopharma Logistics Market, By Geography

The global biopharmaceutical logistics market based on the geography is segmented into four segments, which includes North America, Europe, Asia-Pacific and Rest of the World (RoW). RoW comprise various regions like South America, Africa, Middle East, etc. Among these above mentioned geographies, the Asia-Pacific market accounted for largest market share of nearly 40% of total market in 2014 and is followed by North America, Europe, and RoW regions, which accounted for 35%, 15% and 10% share of overall biopharma logistics market in 2014.

- Bio-Pharmaceutical Logistics Global Market Report is a detailed report giving a unique insight into this market.

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