

**SME Development Fund (SDF)/
Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund)
(Organisation Support Programme) (OSP)**

Final Report on Approved Project

This report is for (please put "√" in either one box only):

SDF Final Report

BUD Fund (OSP) Final Report

Project ref. no. : D16 003 008
Project title : To enhance the capability of pharmaceutical distributors in capturing the trend and international pharmaceutical market with the upgrading of distribution services according to international distribution guidelines
Period covered : From 10/04/2017 to 09/04/2019
(dd/mm/yy) (dd/mm/yy)

1. Project Details

(Please mark with "*" if any of the following project details is different from that in the project proposal appended to the project agreement.)

Project Summary (in about 150 words)

World Health Organisation (WHO) defines pharmaceutical product distribution as “procuring, purchasing, holding, storing, selling, supplying, importing, exporting, or movement of pharmaceutical products, with the exception of the dispensing or providing pharmaceutical products directly to a patient or his or her agent” (<http://apps.who.int/medicinedocs/documents/s18678en/s18678en.pdf>), i.e. a local pharmaceutical product distributors may distribute overseas or local pharmaceutical products locally or to overseas markets. Despite that Hong Kong has been well recognized by its good integrity, efficiency and quality of logistics service, there are only very few local pharmaceutical product distributors who are able to capture international business opportunity in distributing pharmaceutical products to other countries for overseas pharmaceutical manufacturers. The major reason is due to the lack of competence in operation practice full compliance with both local regulatory requirements, and to extend towards compliance with overseas regulatory requirements.

In Hong Kong, “Code of Practice for Holder of Wholesale Dealer License” (Code of Practice) has been published by Pharmacy and Poisons Board of Hong Kong with effective from 1 Oct 2015, and Hong Kong became the 47th Participating Authority of the Pharmaceutical Inspection Co-operation Scheme (PIC/S) with effect from 1 Jan 2016. In contrast to the other countries in the region which joined PIC/S for years, their pharmaceutical products distributors are required to fulfill various international-adopted best practice, such as Good Supply Practice (GSP) or Good Distribution Practice (GDP).

Though our local pharmaceutical products distributors are not required to comply with any GDP standard or guidelines, Department of Health (DH) conducts regular audit to their documentations and processes based on the requirements of the Code of Practice, which is relatively generic. In order to improve the overall service quality of the distributors in various aspects, the audit being conducted by DH may have different focus and become more stringent against time. As the Code of Practice is only recently enforced in Oct 2015, many distributors encounter great difficulties to fully comply with the requirements, many distributors are struggling to pass the audits conducted by DH. Those distributors who cannot comply with the Code of Practice, will not be able to survive their business. Since DH serves as the auditor and the authority to grant certificate of compliance, DH may not be appropriate to explicitly offer any implementation methodologies for compliance and share every details of audit findings to the industry. Hence, the local pharmaceutical distributors do not have a systematic way to learn from the good practices, and face great difficulties to upgrade their operations towards higher efficiency and compliance level on top of the Code of Practice.

The majority of the pharmaceutical product distributions industry stakeholders are SMEs, they are lack of resources to individually identify the concrete requirements in the Code of Practice and self-upgrade for the better compliance. In addition, the industry also has no common platform to allow industry SMEs to share their audit findings and processes upgrade experience. Hence, the industry is longing for some resources in supporting them to build a platform to systematically comply with the requirements of the Code of Practice and adoptable effective operational practices, and to share these knowledge and know-how to industry SMEs.

This project will enable the local pharmaceutical distributors to develop the local best practice, to offer means to upgrade their capability and operational processes, to survive our business towards the foreseeable stringent requirement under the Code of Practice, and to polish the reputation of our industry for better business gain in a long run.

Project Objective(s) (in about 80 words)

1. To upgrade the common operational processes of the local pharmaceutical distributors in order to better comply with the newly published Code of Practice by the Pharmacy and Poisons Board of Hong Kong by developing a local best practice, to first survive their business and to ultimately increase the competitive edge of our local industry by creating a clustering effect to gain more business by serving as the Asia pharmaceutical product distributions hub.
2. To learn from practical implementation experience of pharmaceutical distribution operation for the compliance with international-adopted best practices from Pharmaceutical Inspection Co-operation Scheme (PIC/S) participating authorities (including US, EU, Singapore, Malaysia and Australia) for better compliance of Code of Practice, as well as narrowing the gap against the requirements of industry-adopted best practices.
3. To disseminate the knowledge and know-how gained from this project deliverables among the industries, to lower the overall economic cost of individual company to comply with the good distribution operation requirements.

Grantee/Collaborating Organisation/Implementation Agent

Grantee : The Pharmaceutical Distributors Association of Hong Kong Limited
Collaborating Organisation(s) : Hong Kong Sea Transport and Logistics Association Limited
Hong Kong Logistics Association Limited
Implementation Agent(s) : Hong Kong Productivity Council

Key Personnel

| | <u>Name</u> | <u>Company/Organisation</u> | <u>Tel No. & Fax No.</u> |
|-----------------------------|----------------------|---|--|
| Project Co-ordinator | : <u>Ms Tina Yap</u> | <u>The Pharmaceutical Distributors Association of Hong Kong Limited</u> | <u>Tel: 2527 8898</u> <u>Fax: 2865 0345</u> |
| Deputy Project Co-ordinator | : <u>Mr. Rick Mo</u> | <u>Hong Kong Productivity Council</u> | <u>Tel: 2788 5022</u> <u>Fax: 3187 4575</u> |

Project Period

| | <u>Commencement Date</u> (day/month/year) | <u>Completion Date</u> (day/month/year) | <u>Project Duration</u> (No. of months) |
|--------------------------------|--|--|--|
| As stated in project agreement | <u>10/04/2017</u> | <u>09/10/2018</u> | <u>18</u> |
| Revised (if applicable) | <u>10/04/2017</u> | <u>09/04/2019</u> | <u>24</u> |

2. Summary of Project Results

Project Deliverables

(Please list out the project deliverables as stated in the project proposal appended to the project agreement and provide details related to the actual result achieved for each of them.)

| | Project deliverable | Quantifiable target number (e.g. 100 participants) | Actual result achieved (e.g. 90 participants) | Reasons for not achieving the target, if applicable (e.g. The total number of registered participants was over 120. However, some of them did not show up eventually. Will strengthen promotion and try to make up for the shortfall in the following two seminars.) |
|----|---|--|---|--|
| a) | Formation of Steering Committee | 1 Steering Committee | 1 Steering Committee | N.A. |
| b) | Implementation of Industry-wide Skill Upgrade Program | Conduct the skill upgrade program on 15 companies | Conducted the skill upgrade program on 15 companies | N.A. |
| c) | Organizing 5 Local Half-day Seminars | 250 participants (50 each) | 171 participants 1 st : 55 2 nd :42 3 rd : 34 4 th : 28 5 th : 12 | The total no. of registered participants was over 250. However, some of them did not show up due to the long Easter holiday in April. |
| d) | Organizing 3 Local Half-day Training Workshop | 60 participants (20 each) | 90 participants 1 st :30 2 nd :30 3 rd :30 | N.A. |
| e) | Compilation of Industry Guidebook (e-version) | 1 booklet | 1 booklet | N.A. |
| f) | Project Website | 1 website | 1 website | N.A. |
| g) | Helpdesk Service | 1 helpdesk service | 1 helpdesk service | We got some enquires from the industries for the standard related problem, seminar and workshop details. We had not recorded the no. of the enquires. |
| h) | Posters and leaflets for seminars and workshops | 50 posters and 250 leaflets per seminar and workshop | 50 posters and 250 leaflets per seminar and workshop | N.A. |

Details of the deliverables (e.g. date, duration, venue, speaker, topic discussed, etc.)

(Please list out in table format if necessary.)

| Deliverables | Date | Venue | Speaker/ Author | Topic discussed/ Title |
|---|---|-------|-----------------|---|
| a) Formation of Steering Committee | 09/06/2017 | N.A. | N.A. | <p>Steering Committee was set up with the following composition:</p> <ul style="list-style-type: none"> - Ms Tina YAP, Chairman of PDAHK (Chairman, Steering Committee) - Mr Andrew TSE, Vice Chairman of PDAHK (Deputy Chairman, Steering Committee) - Dr Grace LAU, General Manager of DKSH HK Ltd. (Member, Steering Committee) - Mr John CHAN, Quality Assurance of DCH Auriga (Member, Steering Committee) - Ms Sharon LI, Representative from SGS (Member, Steering Committee) - Mr William TSUI, Hon Secretary of PDAHK (Member, Steering Committee) |
| b) Implementation of Industry-wide Skill Upgrade Program | <p>1. Treasure Mountain Develop. Co.Ltd 23/10/2017</p> <p>2. 香港環球醫藥貿易有限公司 25/10/2017</p> <p>3. Chong Lap (H.K.) Co. Ltd. 12/12/2017</p> <p>4. Trenton Boma Limited 5/1/2018</p> <p>5. Indukern Hong Kong Ltd. 12/1/2018</p> <p>6. Health Alliance International Co. Ltd. 22/1/2018</p> <p>7. Baton Limited 8/2/2018</p> <p>8. Hong Kong Medical Supplies Ltd. 13/2/2018</p> <p>9. Hong Wo Pharmaceutical Co. Ltd. 28/2/2018</p> | N.A. | N.A. | <p>In the program, we had conducted on-site visit for those companies and reviewed their documents and environments. After reviewed all materials, we would provide comments in the guidebook based on the observations.</p> |

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|--|---|--|--|--|
| | 10. Wing Hing Chemical Co. Ltd. 16/3/2018 | | | |
| | 11. Jacobson Medical (Hong Kong) Limited 19/4/2018 | | | |
| | 12. Hind Wing Co., Ltd. 18/7/2018 | | | |
| | 13. TCM Healthcare (London) Ltd. 23/7/2018 | | | |
| | 14. KOBAYASHI Pharmaceutical (Hong Kong) Co., Ltd. 26/7/2018 | | | |
| | 15. Trinity Trading Co. Ltd 8/11/2018 | | | |

c) Organizing 5 Local Half-day Seminars

| | | | | |
|-----------|---------------------------------|---|---|--|
| Seminar 1 | 27/7/2018 2:00 pm – 5:00 pm | Theatre 1, 1/F, HKPC Building, 78 Tat Chee Avenue, Kowloon Tong | Mr. Kon Hiung, Lai (Hong Kong) (Regional Quality Director, DKSH Healthcare Business Unit) Mr. Bryan So Principal Consultant, Smart Healthcare, MedTech & Optics Unit, HKPC | 良好藥物分銷 冷藏供應鏈規範研討會 |
| Seminar 2 | 31/8/2018 2:00 pm – 5:00 pm | Theatre 1, 1/F, HKPC Building, 78 Tat Chee Avenue, Kowloon Tong | Ms. Tania Snioch (South Korea) Director Healthcare, GS1 Global Office Mr. Bryan So Principal Consultant, Smart Healthcare, MedTech & Optics Unit, HKPC | Seminar on Track and Trace for Pharmaceuticals Products |
| Seminar 3 | 30/10/2018 2:00 pm – 5:00 pm | Theatre 1, 1/F, HKPC Building, 78 Tat Chee Avenue, Kowloon Tong | Mr. Steve Williams (Australia) Director and Partner - CBE Pty Ltd | Seminar on Risk Management Implementation throughout Distribution Services |
| Seminar 4 | 6/11/2018 2:00 pm – 5:00 pm | Theatre 1, 1/F, HKPC Building, 78 Tat Chee Avenue, Kowloon Tong | Mr. Jack Wong (Singapore) Founder of Asia Regulatory Professional Association | Seminar on Comprehensive Internal Audit Skills for Wholesale Distribution |

| | | | | |
|--|--------------------------------|---|---|--|
| Seminar 5 | 8/4/2019 9:30 am - 12:30 pm | Theatre 1, 1/F, HKPC Building, 78 Tat Chee Avenue, Kowloon Tong | 張丹博士 (San Francisco) “千人計畫”專家聯誼會秘書長 (I/II 屆); 方恩醫藥發展公司執行董事長 | ICH 時代下亞洲藥物開發戰略研討會 |
| d) Organising 3 Local Half-day Training Workshops | | | | |
| Workshop 1 | 7/2/2018 2:00 pm - 5:00 pm | Classroom 125, HKPC Building, 78 Tat Chee Avenue, Kowloon Tong | Ms Cherry Yan Marketing Manager, Epicor Software (North Asia) Limited | 中小企藥物倉庫系統管理體驗工作坊 |
| Workshop 2 | 29/3/2019 2:30 pm - 5:30 pm | Classroom 112, HKPC Building, 78 Tat Chee Avenue, Kowloon Tong | 高斐先生 生命科學認證(藥品, 化妝品)亞太區技術中心負責人; 全球新產品及服務開發經理; 香港通用檢測認證有限公司 | 優化藥物二次包裝及倉庫系統工作坊 |
| Workshop 3 | 4/4/2019 2:30 pm - 5:30 pm | Theatre 1, 1/F, HKPC Building, 78 Tat Chee Avenue, Kowloon Tong | 李崑霞女士 香港生產力促進局資深顧問; 陳天恩先生 香港生產力促進局見習工程師 | 分析<香港醫藥經銷行業技能提昇計劃>及<執業守則>工作坊 |
| e) Compilation of Industry Guidebook | 29/3/2019 | N.A. | N.A. | Guidebook for Pharmaceutical Distributors in Coping with the Code of Practice for Holder of Wholesale Dealer Licence |
| f) Project Website | 29/9/2017 | N.A. | N.A. | https://pdahksdf.wixsite.com/pdahk-sdf |
| g) Helpdesk Service | 10/4/2017 | N.A. | N.A. | Ms. Belva Leung Tel: 2788 6355 (10/4/2017 – 9/4/2019) |

Milestones (in chronological order)

(# Please indicate if the milestone is completed (C), deferred (D) or not achieved (N). If it is deferred, please indicate the revised completion date. For those milestones which are deferred or not achieved, please also provide the reasons under item 2.4.)

| <u>Milestone</u> (as set out in the approved project proposal appended to the project agreement) | <u>Original target completion date</u> | <u>Revised completion date</u> (if applicable) | <u>Status</u> (C/D/N) # |
|---|--|---|----------------------------|
| Formation of Project Steering Committee, Promotion of Project to the Public and | | | |
| (a) Literature Research | 09/06/2017 | / | C |
| Construction of project Website and | | | |
| (b) Helpdesk Service | 09/10/2017 | / | C |
| Selection of Pharmaceutical Companies for | | | |
| (c) Industry-wide Skill Upgrade Program | 19/09/2017 | / | C |
| Organization of Local Half-day Seminars | | | |
| (d) and Workshops | 19/09/2018 | 09/04/2019 | D |
| Implementation of Industry-wide Skill | | | |
| (e) Upgrade Program | 19/09/2018 | 08/11/2018 | D |
| (f) Compilation of Industry Guidebook | 09/10/2018 | 29/03/2019 | D |

Future Plan for Promoting the Project Deliverables (N.A. if not applicable)

The help desk service and project website had been set up. The summary about the awareness training workshops, experience-sharing seminar, and industry-specific guidance manual has been updated at the project website. It provides a convenient platform for the beneficiaries to collect the valuable and useful information for capturing business opportunity in the healthcare and medical device market.
