



# *Experiences of Drug Procurement and Distribution in PNG*

A CPL GROUP PRESENTATION

## ***CPL Group - Major Retailer in PNG, Listed on POMSOX, Approx. 3200 Employees***



- ***Retail Pharmacy Outlets – PORT MORESBY - 13***
- ***Retail Pharmacy Outlets – Other towns in PNG – 19***
- ***Wholesale Distribution - Various Mines, Hospitals, NGO's Institutions etc.***
- ***DOH Supplies***
- ***Stop n Shop - 6 Shops in POM***
- ***Hardware Haus - 10 Shops Nationwide***

## *Number of Lines –*

- *Pharmacy – Medicines, Hospital Consumables & Varieties - Approx. – 8000*
- *Stop n Shop – Grocery, Varieties - 16000 lines*

**PNG is one of the most challenging Market as far as Logistics and Distribution is concerned, due to Remoteness, lack of infrastructure, and geographical locations.**

# Challenges – Procurement



- *Most of import comes from Australia, India, China, UK, South Africa*
  - *Cost of Logistics and only container loads orders*
  - *Forex Availability*
  - *PNG is not a separate market for multinationals*
  - *Small market size - Sometimes the requirements are smaller than MOQ, you have to buy the goods from Wholesalers / Retailers*
  - *Consistency in Demand*
  - *For DOH Supplies: sometimes Documentation is an issue due to Small Quantities*
  - *Shelf Life*

# *Challenges of Distribution in PNG*



- *Cost of Onward freight – eg. POM – KOKOPO, K 8000/ compare to K 4000 – India / China*
- *Consistent Availability of stocks and all locations - Automatic Order*
- *Storage Conditions and Infrastructure at other towns*
- *Only Sea and Air the major transport*

## *Suggestions –*



- *Public Private Partnership to Share infrastructure*
- *More communication between buyers and Suppliers*
- *Classification of Stocks from Logistics point of view*
- *Developments of more suppliers for Key Lines, Split the orders*



THANK YOU