Tina Manoukian – Country Manager, DHL Global Forwarding & Freight Morocco



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DHL's Tina Manoukian lays out how the global logistics giant helped ensure the safe and timely distribution of medicines and vaccines during the COVID-19 pandemic, outlines the scope and scale of DHL operations in Morocco, and explains why the country is well positioned to become a distribution and logistics hub for Africa and beyond in the coming years.

How challenging was it to take on your first Country Manager role right at the outset of COVID-19?

COVID was tough not only for our company, but for the entire supply chain and logistics sector. Being a large company, DHL was well prepared from the beginning and able to quickly move to a remote solution and continue our operations. We worked with our carriers to develop agreements for chartering solutions, as well as using passenger seats to move cargo. We could not stop; we had to move goods from one place to another across the globe. Additionally, DHL has been investing in digitalization for many years, so we were able to use our digital tools to maintain our real time visibility for our customers and stay connected.

In terms of life science and pharmaceuticals, our specialists in cold chain management enabled us to manage the global distribution of two billion vaccines across the world, including to Morocco. The Moroccan government controlled the movement of the vaccines, although they only trusted

the National Carrier Royal Air Maroc, however our sister company DHL Express was also used to ship the vaccines into the country.

How important and relevant is the pharmaceutical and life sciences segment for DHL in Morocco?

The pharmaceutical sector requires highly skilled people to handle such commodities. And this industry itself has various responsibilities of conducting researches & developments, production & distribution of medications and devices, being very sensitive and requires specific equipment and storage facilities along with proper handling procedures, and cold chain management. Hence, the logistics around this sector requires high expertise, full coordination of many people, facilities or supplies with pharmaceutical transportations, and all regulatory processes must be followed. To meet these requirements, DHL uses a single network of specialized experts to train anyone who will come in contact with these commodities, to ensure everyone speaks the same language.

COVID created a shift in globalization due to increasing prices. Many companies within different sectors moved their production, or manufacturing to cut costs and to be closer to different markets or nearshore their production. Because Morocco can manage the manufacturing of various commodities, has a high level of skilled people, and is well structured, we see lots of companies moving here. In parallel, the government under the auspices of His Majesty King Mohamed VI was already investing in making Morocco a hub to serve Europe and the Western and Northern countries of Africa.

Other countries in North Africa, as well as those in Southern Europe are also positioning themselves as the ‘Mediterranean Hub’ or ‘Hub for Africa’ – how does Morocco differ?

While other countries may be well positioned, Morocco is in a better position primarily due to its proximity to Europe and because of the many tax agreements the Moroccan government has made with other countries. Industries like the automotive sector, aeronautics, and pharmaceuticals have shown their confidence in Morocco by establishing their production here. They have taken advantage of the skilled people to handle the production and the trade facilitation to assist in expanding their business globally.

In 2019, DHL signed a deal to set up a new logistics hub in the Tanger Med Port, representing the largest facility for DHL in the country, and serving as a gateway to international markets for DHL's customers. What was the reason for the company to make these investments into Morocco?

Our DHL regional management had a vision and knew the strategic disposition and the importance of the Tanger Med Port, among the other African ports, as well as how quickly these ports were developing and growing. DHL also saw the opportunity of executing the vision of His Majesty of putting Morocco under the spotlight, making it competitive and creating an international hub that would connect Morocco to Europe. We wanted to contribute to the development of Morocco, so the decision was made to invest and create the facility we have today.

Our presence in Tanger Med has had a positive impact, specifically on our road freight business, since we are connected with more than 220 terminals across the world within our DHL Road Freight network. Particularly, we see the benefit in Europe with respect to the 'less than one truckload' shipments, or LTL, because we can now use our Euro connect network service more than before. Because of our presence at this port, and our high quality service level we managed to attract and bring big names and multinational companies to our organization as well as the Tanger Med Zone itself. Apart from automotive and technology, I'm referring specifically to textiles, retail & fashion.

Does Global Forwarding include air transport or just ship transport?

Not only does DHL Global Forwarding cover air freight and ocean freight, but we also provide end-to-end supply chain management. We offer warehousing and distribution including value added services like packaging, labelling, palletizing, customs clearance, local distribution, and even industrial projects which covers heavy and oversized cargo and large projects.

Another example of DHL Global Forwarding's scope of service, is shipping Bulk Liquids which was due to the recent acquisition of Hillebrand Gori, the experts in bulk liquid transports like olive oil, fish oil, chemicals, wine, and spirits. For these commodities, we even produce our own flexi-tanks and ISO tanks. To ensure a safe environment, we advise customers on what kind of materials should be used and at what capacity, based on HS codes and the commodity details.

We also cover urgent same day cargo requests, which may also be common in pharmaceuticals and life sciences. Or OBC, Just in Time solutions which requires sending a person on board to hand carry a specific item that is likely critically urgent or high value, or both. Another example is what

we call a Taxi service which is using a dedicated van for urgent shipments.

Is the global ‘green transition’ causing an increase in pharmaceuticals being transported by ship rather than by air?

Yes, of course. However, in the pharma sector, when there is a new medicine that is being produced for distribution, the producer, who has the rights to the product, usually chooses to ship by air for the initial phase. Once the rights to produce the same medicine are given to other companies, the distribution is not as urgent and will then be shipped by ocean freight combined with other solutions. However, despite the transport mode, we always focus to maintain clean operations for climate protection, by using Clean Fuel & Technology, such as SAF/SMF (Sustainable Aviation or Marine Fuel), or Electric Trucks, and various combined solutions, and we also provide Free of Charge Carbon Reporting solutions to our customers at the click of a button by simply using our MyDHLi tool.

DHL also has a big focus on sustainability, which is a major part of our ESG roadmap. Currently, we have more than 70,000 trained certified GoGreen specialists, with a goal of achieving 80 percent of our employees to be certified GoGreen specialists by 2025.

GoGreen is part of our Go Programs. To live up to our Purpose of “Connecting People & Improving Lives”, we commit to invest to create a lasting impact to the communities that we serve. And one of the ways is through our Go Programs, which include also Go Help, Go Teach, and Go Trade. When referring specifically to pharma, we have also our humanitarian aid competence center based in Dubai, whose one of the main roles is to connect pharma companies that want to donate to countries that need help like Ukraine, Russia, Sudan, and similar countries. We connect them, including NGOs and ship the goods to facilitate the mission of delivering the aid.

The supply chain is one of the industries that was most shaken by the pandemic and the current global economic situation. Looking at Morocco, what are the gaps that could be filled or improved in the overall supply chain, particularly in pharmaceuticals?

Specifically for pharma, there is little room for improvement. While it is a challenging market, I think compared to other countries it is not as challenging and staying compliant is not as difficult. Compliance is a key priority for DHL, it is part of our ESG roadmap. The pharma sector has very different requirements and the picture is not different in Morocco. The pharmaceutical customers

will not work with non-compliant forwarders. Here, when we talk compliance, we are not just talking about general compliance, but also pharma specific compliance. We operate under our GXP standards which requires formalized global standards, compliance processes, and auditable networks. We audit, coach, and train our suppliers, and we get audited by our customers. Without these standards you cannot serve pharma customers. Logistics plays a big role in this relationship because at the end of the chain is the life of a person. Whatever you touch, operate, or do has an impact on someone's life, and it cannot be taken lightly.

As mentioned, our standard is GXP, which is the equivalent of the good distribution practices, or GDP. Our team that services the pharma customer is comprised of trained specialized experts starting from the salesperson down to the smallest operator. The pharma customer, as well as the Moroccan government, do not take this topic lightly as they are all aware of how critical and essential this sector is.

We also follow other recognized quality management systems, audit certification programs and the Life Track system for the pharmaceutical sector, specifically, complaint handling tools, corrective and preventive action (CAPA) etc.

How would you characterize the regulatory conditions for logistics companies like DHL operating in Morocco?

When it comes to medication, the Ministry of Health has a set of procedures and rules that you need to follow. Shipping pharmaceuticals is not like shipping any other product. At DHL we have sub products with different requirements: Air Controlnet (controlled and compliant shipment of medical devices not requiring in-transit temperature control), Air ThermoNet (a solution for temperature-sensitive shipments), and LifeConEx (a premium management solution for temperature-sensitive goods in the pre-launch, launch and distribution stages). Each sub product customer is treated with white glove service as they need a tailor-made solution or combination of solutions, most involving same day delivery.

We always need to be aligned with the Ministry of Health. For any updates, or any new rules, we need to be aligned as part of GXP as it covers all of the local regulatory and legal rules. We are required to be compliant every step of the way, not only in how to handle the cold chain management, the storage, and the transportation but also in all the regulations in every country that we are operating in.

DHL Morocco has traditionally been more focused on importing pharmaceuticals; however, you mentioned nearshoring as Moroccan pharma companies look towards Europe and Africa, do you see your role shifting more towards an export focus in the coming years?

DHL in Morocco & for all commodities in general, has been mainly Import focused, however also very strong in Ocean Freight acting as a Control Tower for a major Oil & Gaz customer. We also are importing raw materials for some of our customers for production in Morocco and then exporting finished goods for others. Our long-term target is to have the full scope of importing, production and re-exporting, it is a work in progress.

How do you see your team evolving along with this shift at a company level? Is this going to require new profiles on your team and require talent development training or perhaps bringing people in from abroad?

In terms of skilled profiles, Morocco has all the skilled & talented people needed. In addition, DHL has an internal training program under the header of CIF, or Certified International Forwarder. Under this Certified program, a whole set of various trainings are covered. DHL believes in investing in its own people. We are currently recruiting because we are growing and need more people to handle additional business. In terms of requiring different skilled people, we can rely on our own people who are available now or train the ones that we are recruiting. Any person that we hire immediately starts with the training. We have a set of mandatory training courses that everyone needs to do together with any other sector specific training. Some of the courses are recurring every year or every couple of years, just as a refresher.

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