Logistics hub for LS&H – key reasons

1. Central location within the European consumer market
2. Excellent connectivity to Europe and all continents
3. High share in global import and export flows
4. World class fiscal and business environment
5. Strong logistics base for LS&H distribution
6. Highest quality and competitive costs
European hub for Life Sciences & Health – number 1

1. on the EU Transport Scoreboard (European Commission, 2016)
2. as most connected country (DHL Global Connectedness Index, 2016)
3. on quality of port infrastructure (WEF, Global Competitiveness Report, 2016/2017)
4. on quality of air transportation (IMD World Competitiveness Online, 2016)
Easy access to largest European markets

- Located between Europe’s three major medtech and pharma markets: Germany, France and the U.K.
- To be reached by road within a few hours
- The Dutch trading mentality and cross border business environment made many multinational companies establishing their European logistics base in the Netherlands
- The Netherlands is economically and politically stable

Within a **300 kilometer** (180 mile) radius:

- **Rotterdam and Antwerp**, the two largest container ports in Europe
- **Amsterdam Airport Schiphol**, the #2 best connected airport in the world and #2 cargo airport in Europe
- **UPS and FedEx/TNT**, the two main European integrator air hubs
- In between is the European **sweet spot for life sciences fulfillment**
Short lead times to European markets

- Most European countries can be reached within **one to three days** with regular road transport
- This is often used for or **replenishment** of forward stock locations or regional DC’s
- **Express networks** provide opportunities for late cut-off times and next or same day delivery in Europe
- Extreme flexible **last mile**; therefore a greater choice in delivery and collection
- Multiple **return** options

Source: Royal Rotra, 2017
The Netherlands has the second largest import and export figures in Europe for medical devices from overseas (including European intra-community trade).

Most of these products are imported by sea, Rotterdam and air, Schiphol and distributed across the EU.

Air connectivity

322 destinations worldwide
31 freighter lines
1.7 million tonnes of cargo

North America
23 locations

Europe
194 locations

Middle East
14 locations

Asia
31 locations

South America
28 locations

Africa
32 locations

Source: Amsterdam Airport Schiphol, 2017
Pharma Gateway Amsterdam, Schiphol

- **Fast customs** clearance and shared processes
- Direct link with (academic) centres of innovation focused on pharma supply chain improvements
- **Real-time access** to temperature data at any time
- IATA CEIV **pharma certified logistics** community with best-in-class facilities and capabilities
- Direct air connections to **322 destinations**, excellent connections by sea, rail and road
Fiscal climate – customs

- The Netherlands: **best overall performer** in trade facilitation (119 countries)
- This is due to the **pro-business attitude of customs**
- Meaning a **speedy transshipment of products** and a low risk of product being delayed at ports or DC's
- Netherlands scores **93%**; EU average is **62%**
Fiscal climate – VAT attractiveness

Source: Deloitte VAT Index, 2016
Fiscal climate – VAT deferment

The advantages of the Dutch VAT system:

- VAT deferment at import leads to a considerable cash flow advantage
- Cross-border sales with 0% VAT rate to other businesses within EU
- Be completely VAT compliant without an entity in Europe by using a fiscal representative
Fiscal climate – bonded warehousing

The **advantages** of a customs-bonded warehouse:

- Avoidance of double duty payment and postponement of duty payment
- Possibility of storage for an unlimited period of time
- Less customs interference
- Value added logistics in a customs-bonded warehouse and bonded transport (T1)

Note: Bonded warehousing is possible anywhere in the country and is not limited to, for example, Free Trade Zones
Ease of doing business

- Doing business in the Netherlands is supported by regulations: best score in mainland Europe
- The regulatory environment is most conducive to the starting and operation of a Dutch logistics center for Medtech or Pharmaceutical products

Source: IMD World Competitiveness Online, 2015
Labour force – language skills

- The Netherlands ranks first in terms of adult English proficiency.
- Additionally, the Dutch speak a variety of foreign languages (such as German and French).

Source: EF EPI English Proficiency Index, 2016
Value added logistics (VAL) – medtech

Value added logistics include:

- Assembly, reverse logistics and repair
- Testing, sampling and quality control
- Building of surgical kits
- Packing, re-packing and sealing, labelling
- Storage and de-consolidation
- Clean room storage
- Temperature controlled supply chains
- Many Dutch 3PL's qualify for ISO 13485*

* Facilitates harmonized medical device regulatory requirements for quality management systems
Value added logistics include:

▪ Testing, sampling and quality control
▪ Direct to pharmacy/patient distribution
▪ Packing, re-packing and sealing
▪ Reverse logistics
▪ Secured storage and de-consolidation
▪ Labelling and coding
▪ Temperature controlled transportation
▪ Many Dutch 3PL’s qualify for CEIV Pharma certification*, GMP** and GDP certification***

* Standard for transport and handling of pharmaceutical products
** Ensures that products are produced and inspected in accordance with the established quality norms
*** Ensures that consistent quality management systems are in place throughout the entire supply chain
Value added services (VAS) – medtech

Value added services include:

- Inventory management
- Order processing/invoicing
- Fiscal representation
- Customs (import/export)
- Bonded warehousing
- Track and trace
- Control towers
- Customer service
- Surgical kits usage reporting
Value added services (VAS) – pharma

Value added services include:
- Inventory management
- Order processing/invoicing
- Fiscal representation
- Customs (import/export)
- Quality control
- Quantity monitoring
- Relabeling/repackaging
- Customer service
High quality and competitive costs – medtech

- The Netherlands ranks as a competitive country in terms of operations costs, with seven specific locations.
- These locations are also able to meet MedTech EDC requirements from a quality perspective.

Source: Buck Consultants International, logistics benchmark 2016
High quality and competitive costs – pharma

- The Netherlands ranks as a competitive country in terms of operations costs, with seven specific locations.
- These locations are also able to meet Pharma RDC requirements from a quality perspective.

Source: Buck Consultants International, logistics benchmark 2016
LS&H – who’s there?
Holland International Distribution Council (HIDC/NDL)

HIDC/NDL is:
- A public/private, non-profit organization
- Founded by Dutch logistics industry
- Representing more than 300 members
- Promoting the Netherlands abroad as ‘Gateway to Europe’
- Working closely with the Netherlands Foreign Investment Agency (NFIA)

Services include:
- Advice on cost-effective and agile set-up of European supply chain
- Entry into European market by exporters from North-America and Asia
- Matchmaking and fact finding trips
- Connect to logistics partners
- Free of charge and confidential

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