AVIATION AND PHARMACEUTICAL - LINKING BILLION DOLLAR INDUSTRIES

News / Airlines

Safety, strong regulations, a global market, and a hefty cash flow make up the common ground for two industries that at first glance would seem to be absolutely different – pharmaceutical and aviation. The main thing they have in common is the fact that they are essential to today's life.

Extremely profitable markets is another very important point of correlation. The aviation industry itself generates billions of revenue every year. According to the International Air Transport Association (IATA), in 2016 the aviation industry reported global revenue of 736 billion USD. In comparison, the global pharmaceutical industry was even bigger. In the same year according to ACS Chemical Neuroscience, the global revenue of the pharmaceutical industry reached around 967 billion USD.

Industries heavily controlled by laws and regulations

"I have been investing in businesses for around 15 years and I have found my way into many aviation related companies. It's been almost 100 years since the first aviation regulations became

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law. The Air Commerce Act of 1926 established federal responsibility for the first time in the United States giving way to many more regulations and standards for registration, periodic examination, airworthiness, ratings, and many other things. The same has happened within the pharmaceutical industry. Since both aviation and pharmaceuticals directly affect the lives of every individual alive," says Gediminas Ziemelis, Chairman of the Board of the investment company ZIA Valda.

According to Ziemelis, just like in aviation, the pharmaceutical industry has a lot of dangers involved if not controlled accordingly. That is why Europe has Good Manufacturing Practice (GMP) certificates and the USA – Food and Drug Administration (FDA). Every manufacturer has to receive licenses to operate as a manufacturer otherwise their products will not be certified for retail. "If you want to operate in the US market you need to get the FDA certificate – this is a very long, extremely expensive project that costs around 10-15 million euros. Despite that, these investments are imperative to enter an industry worth 450 billion dollars. It might seem impossible, but I would beg to differ. As in aviation, if you want to proceed and expand, you have to certify that your product is absolutely safe. Whether you talk about aircraft or medicine, it must be 100% safe," says the international investor.

Different industries, same working principles

It does not matter which industry your business enters – aviation, pharmaceutical, IT – there are universal principles that must be used and followed. "In my experience, the key point of starting a global business is to know the market you are going to. You have to be prepared, determined, and, at times, even very persuasive. Knowing where you stand and what you try to reach is the key to success," says Gediminas Ziemelis. According to him, determination is the essence of a true businessman.

There are other specific and very important things that cannot be ignored while conducting international business. First on the list is employees. "A business is its people. Without loyal employees that are willing to invest themselves into the growth of the company, nothing will work. Only qualified professionals working in a company can create a high quality product for clients," G. Ziemelis

Just as in aviation, the pharmaceutical industry is extremely dynamic. "It is awe-inspiring to see, how the development of technologies directly effects developments in pharmaceutical industry. The fast pace of this industry is astonishing. Diseases that were once death sentences are now easily treated. We want to take advantage of trends happening around the world. We want to make history by extending the human life. The Pharmaceutical industry is so impressive. Just as in the aviation sector, there is always something new to learn and whatever you learn will always be right at the cutting edge of technology," says Gediminas Ziemelis.

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