Interview: Michael Dembinksi – Chief Advisor, British Polish Chamber of Commerce, Poland



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Michael Dembinski, chief advisor of the British Polish Chamber of Commerce, discusses the important role of the chamber in driving forward Polish clinical trials and the challenges in unlocking Poland's R&D potential. He also highlights the possible impact of Brexit and looks at the similarities and differences of business culture between the two nations.

As the chief advisor, could you introduce to our international readers the British Polish Chamber of Commerce?

The chamber this year is celebrating 25 years; we provide services from a business and regulatory point of view for our 340 members. One-third are UK investors, household names such as Tesco, Rolls-Royce, AstraZeneca and GSK. The other two-thirds are business-to-business service such as consultants, accountants, lawyers, estate agents and head-hunters. We have 12 policy groups in a range of areas, including healthcare, that meet each quarter to discuss their concerns and challenges together, as well as with invited members of the government.

In the last few years, we have focused heavily on creating more favourable regulatory conditions for business, especially in clinical trials which is a hot topic globally as medicine becomes more personalised and takes into consideration a greater abundance of factors. Furthermore, we see the need for better collaboration between countries, as conducting a trial in a few hospitals is not

enough; it must be a collective effort to drive forward medical advancements.

What role is the chamber taking up in regard to clinical trials?

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We invited the head of the UK's National Institute of Clinical Research to talk at the British Embassy in Warsaw about the importance of clinical trials within a nation's healthcare system, which is an area where Poland needs to advance. For example, in order to set up a trial in Poland it takes roughly 130 days, a huge difference compared to the 21 days in the UK.

Moreover, we need to educate the Polish population on the benefits of participating to clinical trials, as many people have the perception that large foreign companies are using the Polish people like guinea pigs. They just need to understand that clinical trials are a great way to deliver the latest generation of medical treatments that are not generally available, and in turn increasing the chances of bringing them back to health.

The government has recently begun the implantation of the "Morawiecki Plan", to stimulate innovation. What more can be done to push the nation's R&D operations?

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Deputy prime minister Morawiecki is well aware of the dangers facing Poland should it fall into the 'middle-income trap'. As wages rise, it's no longer seen as a low-cost economy, but neither is it an economy driven by innovation, such as, say, the UK, the US, Switzerland or Sweden. The only way out of the middle-income trap is to ensure higher value added across the economy – and that means up-skilling the population.

Poland is very strong in primary and secondary education, but falls flat when it comes to the tertiary, or university, level. When looking at the OECD's ranking of 15 year-olds' education levels around the world, Poland has some of the highest scores for reading with understanding, maths and science, though only a handful of Polish universities are ranked in the top 500.

Personally, I believe Polish schools are great at teaching straight facts and for teaching young minds that soak up information like sponges. The issue is at the university level, they are continuing to teach by rote in this manner, and many elderly professors are out of touch with modern advancement in their area of teaching.

The government must take up the challenge of radically evolving the teaching methods at universities as we are experiencing a steady Polish brain drain. Many bright Polish minds are going

abroad and making amazing discoveries – and indeed commercialising them, all over the globe – in the UK, America Germany and Australia; we must ensure they are able to reach their full potential by remaining in Poland.

What obstacles are facing start-ups?

Generally, start-ups must face failure a few times before being able to differentiate themselves and succeed, and Poland has not been investing long enough into small starts-ups yet. Furthermore, there is not enough institutional support and funding in Poland; therefore, many Polish scale-ups are going through London to go global and reach their potential. In the UK there is a greater level of understanding, compared to in Poland, of investment potential and the banks are more creative. Saying that, Polish banks' cautious approach allowed Poland's economy to get through the global financial crisis relatively unscathed.

What is the overall impact of British companies in Poland?

British companies in Poland are continually upping their investments, and if you look at the statistics of the National bank of Poland you will see this is not the case for equally strong economic nations such as France, the US and Japan. UK investors are expanding and employing more people, they are still in 'invest' mode and realise the opportunities and long-term potential of the nation. If you look at the figures from 2015, the UK had the second-most capital investment in to Poland.

What challenges need to be overcome so Poland can experience another wave of foreign direct investment?

In recent years, more and more medium-sized companies are positioning themselves in Poland to get closer to their customers, in particular in advanced engineering of the aerospace and automotive sectors.

Poland has the bright minds on hand to kick start larger investments, but it also needs institutional support and must tackle legislative areas head-on to simplify processes and attract further investment. This must be done in specific areas, like tax, while in the meantime constantly introducing efficient digital systems to bring the country further into the global, modern approach of business.

How will Poland be able to capitalize on Brexit?

This will all depend on the terms of the Brexit agreement, and all companies are looking at a Plan A and a Plan B as they are unsure what will happen. Nevertheless, we have noticed that many companies – not necessarily British ones, but US or Far Eastern, that for decades treated the UK as a part of the single European market, are considering relocating their operations, such as manufacturing, supply-chain, logistics, mid- and back offices. This is to countries like Poland, Romania and the Czech Republic, to ensure they remain close to their customers.

From a pharmaceutical perspective, this will all depend on the relocation of the EMA. The UK life-sciences sector does not have any more global enterprises such as GSK and AstraZeneca, both of which have large operations in Poland – though the UK does have the life-sciences clusters in Cambridge. It will be interesting to witness how the UK convinces European scientists to remain there, as with Brexit many are feeling the need to return back to mainland Europe.

Business mentality is important in establishing solid business relationships. What do you see as the similarities and differences between the British-Polish business mindset?

An observation I have noticed throughout the years is that Brits are instilled from an early age with the idea of teamwork. Poles have been taught to be more independent, and have the amazing ability to focus on a single problem for a long period until they come up with a solution, rather than picking up the phone and asking for someone else's thoughts. Blending the two business traits of both nations creates an amazing workforce and we see many UK investors conducting team-building exercises to unlock this potential.

Another factor is trust. In the UK trust is a given, until somebody does something to abuse it, while in Poland trust is earned. This means generating a good working relationship takes a lot longer and can result in additional friction that does not normally exist in the UK. Nevertheless, this mentality is changing, and Poland is a great place to conduct business and is only improving year-on-year, as we can see in the World Bank's Doing Business ranking.

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