

registered in Liechtenstein have invested \$US 269,300 per joint venture in 47 investments. Of the major investors, the French have brought in the most capital, averaging \$US 259,000 per venture.

A large proportion of the first outsiders to invest in Poland were individuals who brought little more than a car and some office equipment. Many of them were Poles living abroad and operating in the service sector, transportation, construction, consulting, or translation - areas that do not require huge investments. Nevertheless, these types of investment do modernize Poland's infrastructure. They help to create a business climate that facilitates the activities of larger investors such as those with interests in hotels, communications, machinery, clothing, or chemicals. Indeed, a significant and growing number of large western firms operating in these sectors has established a presence in Poland (see Figure 7.2).

Predictably, a disproportionate share of external investment has come to Warsaw, the national capital, which has attracted almost one third of all foreign joint ventures (see Figure 7.3). Another third is distributed

Figure 7.2
Major Companies Operating in Poland

<i>United States:</i>	General Motors, Johnson & Johnson, Coca Cola, Proctor & Gamble, RJ Reynolds Tobacco, TRW, Philip Morris, Marriott, Hyatt, Hewlett Packard, Unisys, DHL International, Levi Strauss, United Parcel Service, Central Soya
<i>Great Britain:</i>	Imperial Chemical Industry, Trusthouse Forte, ICL-STC, Eastman Kodak
<i>Germany:</i>	Krupp Maschinenbau, Dolomitewerke (Thyssen Hoechst), Siemens, Adidas, Philip Holzmann
<i>France:</i>	Thomson, Alcatel, Pullman, L'Expansion, Socpresse (Hersant)
<i>Japan:</i>	Sony, Minolta, Mitsubishi, Toyota, Nissho Iwai
<i>Sweden:</i>	IKEA, Alfa Laval
<i>Austria:</i>	Billa, Reifeisen Sparkasse
<i>Canada:</i>	Northern Telecom
<i>South Korea:</i>	Hyundai Electronics
<i>Switzerland:</i>	Asea Brown Boveri
<i>Holland:</i>	Philips
<i>Lichtenstein:</i>	Hilti

Source: Polish Foreign Investment Agency, 1991.

Figure 7.3
Regional Distribution of Joint Ventures in Poland, 1990 and first half of 1991

Warsaw	1470	32.8
Gdansk	294	6.6
Katowice	286	6.4
Krakow	173	3.9
Lodz	193	4.3
Poznan	389	8.7
Wroclaw	163	3.6
Others	1517	33.7
of which Szczecin	(284)	(6.3)
Total	4485	100.0

Source: GUS.

through Poland's next six largest cities. The remaining third is scattered throughout the rest of the country. The city of Szczecin belongs to this third category. Szczecin has taken advantage of its location on the German border and on the Baltic Sea to attract significant investor interest.

Foreign companies can establish joint ventures in Poland on their own, without the participation of Polish partners. Even so, partnering between foreign and Polish firms holds some obvious benefits for both sides (see Figure 7.4). Western businesses can employ Poland's strengths — a strategic geographic position, cost-effective human resources and superior technical training — to build a profitable export base in Central Europe. For their part, Polish firms can acquire the technology, capital, and business expertise they need to modernize their operations and compete in the global economy.

Establishing a Joint Venture

The process for establishing a joint venture in Poland begins with the identification of a promising business opportunity and possibly the identification of an appropriate Polish partner. A number of institutions such as the Polish Chamber of Commerce or the Polish Association of Employers can provide good initial points of contact. Foreign companies considering Poland for the first time, can get help from a variety of companies whose speciality is bringing Polish and western partners together. These mediators may scout for opportunities, find potential partners, prepare feasibility studies, provide representation with Polish authorities, and