Figure 7.1
Significant Sources of Foreign Investment in Poland
(as of October, 1991)

Country of Origin	Total Number of J.V.s	% of Total Number	Total in $US 1000	% of Total Capital	Average Investment in $US 1000
Germany	1483	30.3	157,138.4	22.8	105.9
United States	406	8.3	56,827.7	8.3	139.9
Sweden	345	7.0	52,633.3	7.6	152.6
Austria	322	6.6	37,664.3	5.5	116.9
Holland	282	5.8	46,987.2	6.8	166.6
Multinational	277	5.7	48,961.3	7.1	176.8
France	254	5.2	65,850.2	9.5	259.3
Great Britain	252	5.1	35,388.3	5.1	140.4
Italy	224	4.6	32,853.4	4.8	146.7
Switzerland	144	2.9	25,335.0	3.7	175.9
Soviet Union	132	2.7	8,295.5	1.2	62.8
Oenmark	130	2.6	19,852.4	2.9	152.7
Belgium	103	2.1	15,992.9	2.3	155.3
Canada	84	1.7	6,513.2	0.9	77.5
Australia	59	1.2	9,584.7	1.4	162.5
Other	405	8.2	69,757.5	10.1	172.2
Total	**4902**	**100.0**	**689,635.3**	**100.0**	**140.7**

Source: Polish Foreign Investment Agency.

Intellectual Property

Poland has ratified the two fundamental international conventions on the protection of intellectual property: the 1883 Paris Convention regulating the transfer and use of industrial property; and the Berne Convention of 1886 governing the protection of literary, scientific and artistic properties. Poland has also passed a series of domestic laws which supplement the provisions of these international agreements. These measures provide western investors with strong protection of intellectual property. Trademarks and patents of foreign companies are protected provided that reciprocal rights are granted to Polish companies in the country concerned. Moreover, the Law Against Dishonest Competition discourages any actions which would mislead either customers or business partners, or which would disclose confidential information or falsify data about an enterprise. Redress of individual rights in these matters is addressed in the 1965 Polish Civil Code. Further information can be obtained from the Patent Office in the Polish Chamber of Commerce.

The Inflow of Foreign Investment

The liberalization of Poland's investment legislation has encouraged some western companies to set up joint ventures with Polish partners. As of October 1991, a total of 4902 such joint ventures had been reported (see Figure 7.1). In almost 60% of all joint ventures, foreign capital held more than 60% of the shares. Moreover, the number of joint ventures is accelerating. About 1000 joint ventures were approved in the first half of 1991 alone. Companies that initially adopted a "wait and see" attitude have been convinced of the depth and permanence of Poland's economic transformation and are now moving to take advantage of new business opportunities.

Even so, it should be noted that, at just under $US 700 million, the total amount of capital inflow remains small. It does not approach the amount needed to transform an economy as large as Poland's. Investments exceeding $US 3 million constituted only about 0.5% of the total number of joint ventures. In 70% of the cases, the equity investment was at a minimal level, between $US 50,000 and $US 60,000. As a consequence, the average joint venture in Poland brings in only about $US 140,000 from overseas investors - an investment characteristic of smaller enterprises. Ironically, the highest average investments were recorded by smaller investor countries. For example, Irish investors have placed an average of $US 1,242,600 per investment in five joint ventures. The Norwegians have put $US 566,300 per joint venture into 40 investments. And companies