

Armaments Report

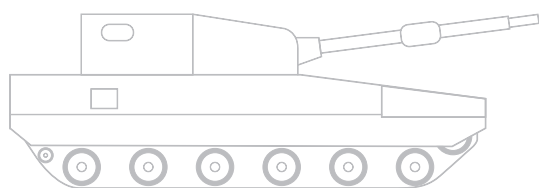
June 2017 r.

POLITYKA
INSIGHT

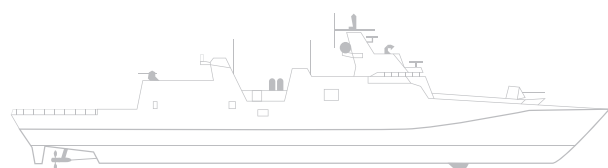
CHANGES IN DEFENSE PROCUREMENT BASED ON CONCLUSIONS OF STRATEGIC DEFENSE REVIEW

CANCELLED / SUSPENDED PROGRAMMES

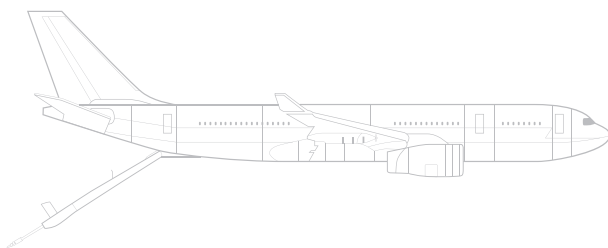
GEPARD FIRE SUPPORT VEHICLES



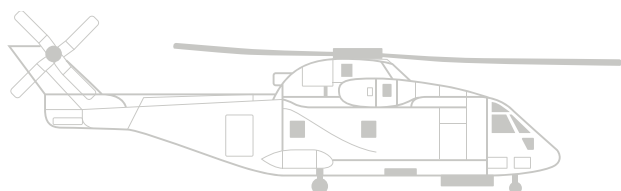
CZAPLA / MIECZNIK SURFACE COMBATTANTS



MRTT TRANSPORT-TANKERS

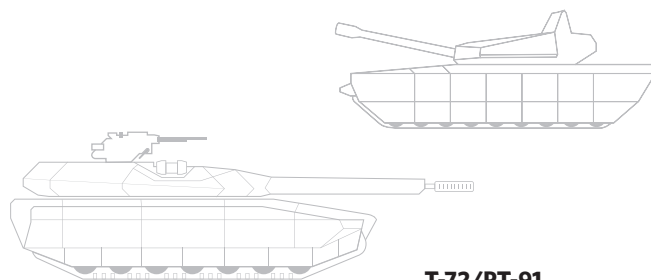


MULTI-ROLE HELICOPTERS



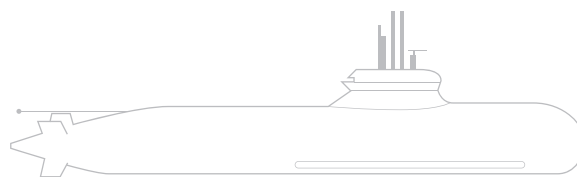
LAUNCHED / ACCELERATED PROGRAMMES

NEW GENERATION TANKS

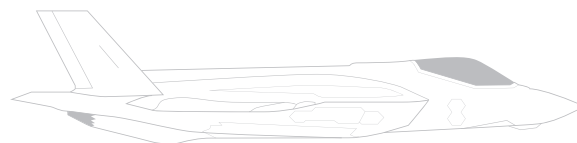


T-72/PT-91
tanks upgrade

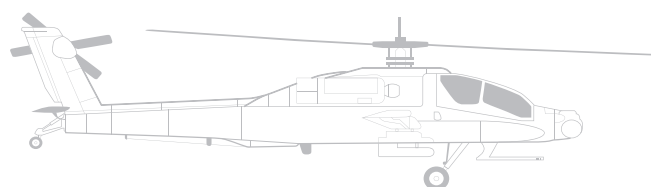
ORKA NEW GENERATION SUBMARINES



5TH GENERATION FIGHTERS



KRUK ATTACK HELICOPTERS



Trump's visit may accelerate armament

Under Donald Trump's pressure, Poland may decide on a quick purchase of ground-to-ground and ground-to-air missile systems.

Marek Świerczyński, Senior Security Affairs Analyst

Trump may push for weapon purchases. The US president's circles have received signals that defence companies are becoming impatient with prolonged talks with Poland and the demands made by Warsaw. During his visit in Warsaw, Donald Trump may encourage the Polish government to sign the weapon contracts sooner. This is in line with his approach to promote the US industry. During his first foreign visit to Saudi Arabia, he supported the conclusion of several dozen agreements worth more than USD 100 billion. Trump will take advantage of the meeting with the 3 seas countries' leaders to link the military support for the region with the purchase of arms.

Key talks in Washington. Three weeks before the US president's arrival in Warsaw, MinDef's delegation is in consultation with the Pentagon and US arms suppliers, including Raytheon, Lockheed Martin and Northrop Grumman. The most important talks concern the medium-range air defence system Wisła and the Homar long-range rocket artillery. According to unofficial information, the US government will inform the Polish delegation that Poland will receive an answer to the LoR inquiry on Patriots equipped with the IBCS system no sooner than next year. This excludes the delivery of the Wisła system that meets the Polish requirements from 2019. The US pressure may prompt Warsaw to purchase fewer Patriot batteries in their current configuration.

Homar the only major order in 2017. If the agreement for the Wisła air defence system proves impossible to be signed, MinDef will accelerate the talks on long-range artillery system. The 300 km range ground-to-ground missiles were one of the Ministry's declared priorities, but the negotiations with the suppliers and governments were not completed. The Israeli companies (IMI Systems, IAI), Turkish Roketsan and US Lockheed Martin are competing for the order. It is unofficially known that MinDef is inclined to the US offer, although the military and defence experts see the advantages of a more diverse Israeli offer. According to MinDef, the signing of a contract with the consortium that will be created by the selected supplier and Huta Stalowa Wola is possible in 2017.

Decision on submarines in summer. Deputy MinDef Bartosz Kownacki has said that a choice of a supplier of the new type of submarine technology will be decided in the intergovernmental procedure in the near future. The competitors for the order are: the French DCNS with its Scorpene, the German TKMS with the U212/214, and the Swedish Saab with the newly designed A26 type. Negotiations have been complicated by the Polish requirements for conventional ships to launch under-water, self-steering missiles and to build them in the Polish shipyards unprepared for such construction. If the submarines' order ends in failure, the chances for the resumption of the programme of building three coast defence ships Miecznik will be revived.

Competitive armaments visions. The report of the strategic defence review „Koncepcja Obronna RP”, disclosed on May 23, assumes the liquidation of programmes to build naval combat ships. Instead, the submarine fleet is expected to be expanded by four new Orka type submarines. This is in contradiction to the „Strategic Concept of Poland's Maritime Safety” announced by President Andrzej Duda on February 10, emphasising the expansion of the surface fleet. The review contains a proposal to close the programmes of the fire support vehicle Gepar and tanks destroyer Barakuda, which are being implemented by NCBiR and the Armaments Inspectorate. MinDef has not specified when the review conclusions will translate into changes in the technical upgrade plan.

MinDef wants more freedom in purchases. The ministry has begun legislative work on the cancellation of the CouMin's resolution of 2013 „Priority tasks of technical modernisation of the Armed Forces of the Republic of Poland under operational programmes”. The resolution establishes 14 operational programmes for the purchase of armaments and their funding limits for the years 2014-2022. According to PiS, it restricts MinDef and does not allow for flexibility in the purchases, including the acceleration of some tenders and changes in the technical upgrade plan. Earlier, a special path of equipment and armaments purchase was obtained by the army of territorial defence. Their commander will be practically free in budgetary spending on equipment.

Poland set to invest in firepower

The strategic defence review reveals that attack helicopters, fifth generation aircraft and a new tank will all become defence priorities in the coming 15 years.

Marek Świerczyński, Senior Security Affairs Analyst

Attack helicopters before transport ones. There is strong indication that by the end of this year MinDef will open a tender for attack helicopters under the Kruk programme. They will be designed to destroy tanks and armoured vehicles. In 2014, the order was categorised as urgent, but this did not help the procedure to be quickly implemented. MinDef wants to purchase two squadrons of attack helicopters. The current order for 12-16 helicopters for special forces and the navy will be completed, but the ministry will not purchase a larger number of aircraft designed to transport air cavalry units. Its role will be taken over by forward formations of operational forces and territorial defence.

New tanks and modernisation of older models. MinDef will cancel the Gepard programme, launched in 2013 as research and development programme financed by NCBiR. The support fighting vehicle was described as a “tank-like product”, while the adopted guidelines were viewed as impossible to achieve. The ministry will also cancel the development of the Barakuda artillery tank destroyer. Instead of those vehicles MinDef wants to develop new generation tanks, built in cooperation with foreign partners and modernise older ones – T-72s and PT-91s. Poland has already signalled its readiness to join the Franco-German tank programme – the new tank is set to be built by Nexter and KMW by 2030.

Increased investment in missiles and guns. Poland plans to create its own anti-access area denial (A2AD) system. It will be based on long-range rocket and gun artillery. According to deputy minister Tomasz Szatkowski the budgets of those programmes will increase several times. Such artillery is designed to stop the enemy at distant frontiers, limit its ability to operate in all possible domains (on land, on the sea, in the air and cyberspace), preventing it from conquering the country's territory. Referring to the future defence capabilities Szatkowski uses the notion of the “fortress”. In his view, in previous concepts, Poland was merely a “buffer”.

Two F-35 squadrons. MinDef said that in the upcoming 10-year defence plan (2017-2026), it would purchase 32 fifth generation aircraft. The ministry has not revealed what kind of aircraft it might be, but the only fifth generation aircraft produced in the West and sold to US allies is the F-35 Lightning II manufactured by Lockheed Martin. Currently, the cost of a single F-35 amounts to nearly USD 100 mln, but would eventually drop to around USD 85 mln. The fighters would carry long-range precision-guided weapons. The air force would be supported by layered air defence: the ministry declares it would purchase both the medium-range Wisła system under the current modernisation plan, and the short-range Narew system (the latter in several years' time).

Mainly submarine vessels for the navy. The core of Poland's naval forces is set to be based on four submarines fitted with long-range self-guided missiles. Compared with the Orka programme, the current plan includes one additional vessel. The group of surface vessels will be limited to Kormoran II minehunters and unmanned ships. The plan does not call for the construction of larger vessels capable of operating outside the Baltic Sea. Coastal missile vessels, fitted with naval strike missiles (NSM) and radars that allow to destroy enemy ships from a long distance, are set to become one of the main elements of Poland's naval forces. MinDef also plans to order aircraft designed to destroy submarines and surface ship.

WHAT'S NEXT

MinDef defence plans were developed as part of the strategic defence review, but do not include the systems' cost estimate or maintenance costs.

The strategic defence review was based on the financial forecast that assumed for a gradual increase of Poland's defence budget to 2.5 per cent of GDP after 2030. The planned hardware purchases will only be possible if the economic outlook remains hopeful and Poland maintains sound state finances. They should therefore be treated as a long-term vision, not ready-made lists of purchases.

Why Poland will not build submarines

Defence ministry's resolve to continue this programme would result in colossal costs and offer a slim chance of success.

Marek Świerczyński, Senior Security Affairs Analyst

Inexperienced shipyards and design offices. Poland has never built its own submarines. The only vessels of this type built within the country's borders include German U-Boats built in Gdańsk and Gdynia shipyards during World War II. Pre-war Polish Navy used imported submarines or ones leased by the allies: France, the Netherlands, United Kingdom and United States. During the communist era, the Polish Navy purchased Soviet-made submarines (the last vessel of that type, ORP Orzeł, remains in service). After the democratic transition, Poland began using submarines decommissioned by Norway. In addition, the Navy shipyard (Stocznia Marynarki Wojennej) can only carry out basic repairs, since it has no history of designing such vessels.

Lack of technology. Poland does not have access to technologies that could be used to build or carry out fitting work on submarines. It has no access to, for instance, automatic circular welding of heavy duty pressure steel. Technologies used in the construction of surface vessels cannot be used to build submarines, which operate submerged, need to withstand high pressure, lack access to atmospheric oxygen and standard radio transmission. The development and implementation of technologies transferred as part of possible offset would take a dozen or several dozen years to complete.

Staffing problems. Shipyards in Szczecin have already indicated that it would take at least a couple of years before they reconstruct the engineer staff and hire workers who would be involved in the construction of passenger ferries under the government's Batory programme. In recent years, a number of Polish shipbuilders, drawn by attractive salaries, went to work in Germany and Norway. The state-controlled shipyards in Gdańsk and Gdynia fare much better, but they are expected to support the construction of ferries. Despite the announced takeover of Stocznia Marynarki Wojennej by PGZ, the new owner has not presented a development plan for the shipyard of 600 employees that specialises in surface vessels.

Submarines' missile capability makes the design more complicated. A submarine fitted with missiles presents the highest level of technological advancement, one that would be even harder to achieve. MinDef wants the new type of the submarine to be fitted with long-range self-guided missiles. They could be fired from standard horizontal torpedo launchers or vertical ones designed to launch missiles only. The process of integrating such weapons with the vessel would require additional research and development work and de facto a completely new design. No Polish shipyard nor a research and development centre is competent enough to work on a new design.

No buyers for Polish submarines. Today's conventional diesel-electric submarines are constructed in several western countries (the US and United Kingdom only build nuclear-powered ones). The list includes Germany (Thyssen Krupp Marine Systems), France (DCNS), the Netherlands (RDM) and Sweden (Saab-Kockums). Turkey, Greece, South Korea, Spain and Australia have licensed their submarines. The annual demand is estimated at several to more than a dozen submarines. If an inexperienced producer entered the market, it would find itself in an extremely challenging situation. In addition, the development of costly technology in order to build three to four submarines is simply uneconomic.

WHAT'S NEXT

It is unrealistic to expect that submarines fitted with cruise missiles could be built in Poland's shipyards. Such vessels should rather be ordered from an experienced western producer to take advantage of the offset to gradually increase the shipyards' know-how, so that they are eventually able to become part of the supply chain of large European companies. The government's insistence on building such complicated weapons systems by domestic producers (which are in fact unprepared to do so) would result in squandered funds and would not deliver new vessels within the expected deadline.

How the territorial defence will purchase weapons

The commander of territorial defence forces might spend over PLN 2 bln on weapons purchased under a simplified procedure.

Marek Świerczyński, Senior Security Affairs Analyst

The commander to individually set priorities. The decision No. 92 issued by MinDef authorises the territorial defence (WOT) commander to define, specify and notify the ministry about hardware needs. The commander is set to make such requests after analysing current functioning of WOT, but MinDef failed to set up an advisory body that could help during the analytics stage of the procedure. Since the first three WOT brigades are currently being formed, it is impossible to carry out a thorough analysis of their operation. The commander will, however, be supported in the process of preparing requests for new hardware by the logistics department (T4) at the WOT headquarters.

Limited technical documentation. The WOT commander is authorised to individually indicate what kind of weapons systems are required and what their technical specifications should be. The official request needs to include technical documentation based on data provided by the manufacturer or product data sheet, which might also be prepared by the hardware disposer. The hardware needs to be included within the framework of the MinDef central resource plan, which in case of weapons is realised by the technical modernisation plan (PMT). The plan, revised in 2016, has not been released to the public, apart from a declaration made by MinDef that WOT weapons and equipment will be treated with priority.

The commander's request needs MinDef approval. Hardware orders need to be evaluated by the department of resource planning (P8) at the general staff and by the task's executor included in the request, for instance the armaments inspectorate, support inspectorate or several other military institutions. Their evaluation should check available funding and the procedure included in the request. They cannot block the purchase, but might insist on drawing up a record of divergences in the event that their opinion is negative. The final decision is taken by MinDef, without the participation of the department of defence policy or secretary of state responsible for technical modernisation.

WOT set to develop its own system of order support. The programme and methods that regulate whether the purchased hardware complies with the requirements and how it should undergo testing is drawn by the territorial defence commander, who also appoints a testing group responsible for overseeing the process and preparing a final report. If the hardware available on the market does not meet the requirements and it is necessary to use the so-called "purchase and adjustment" procedure – the territorial defence commander also sets up a team responsible for carrying out the order and indicates what kind of modifications are necessary.

Territorial defence will decide the future of MSBS. According to an earlier decision No. 76 MinDef authorised the WOT command to become the so-called disposer of military equipment in 11 categories of weapons and hardware. The list includes the Modular Firearms System (MSBS), or a range of new generation rifles and guns developed by Fabryka Broni Łucznik-Radom. The ministry charged WOT with testing the new system (Ragun gun and the 5.56 mm calibre MSBS rifle). In addition, WOT played a key role (as a disposer) in the order for short-range attack drones, patrol ships, intelligent mines, anti-UAV defence systems, firearms sights, helmets and bulletproof vests.

WHAT'S NEXT

The hardware purchasing procedure acts to set WOT aside from the other branches of armed forces, and its commander has become a key player on the defence market. Brigadier General Wiesław Kukuła is authorised to manage a large section of the budget, but one that has not been formally excluded. According to MinDef declarations, this year's territorial defence budget is set to amount to PLN 831 mln and it will rise to over PLN 2 bln by 2019. The money will be invested in the domestic defence sector – to pay for uniforms, personal equipment and firearms. Any specialised weapons, for instance portable anti-tank missiles, will be ordered among competing foreign suppliers.

The Patriot order reached a dead end

The key defence programme will not be completed on time or in the configuration announced by the Polish government.

Marek Świerczyński, Senior Security Affairs Analyst

No IBCS-equipped Patriots in the expected timeframe. Northrop Grumman's Integrated Battle Command System (IBCS) has been delayed beyond 2019, set by Poland for the delivery of the first batch of Patriot batteries, which were to have included the additional capability. In April, it turned out that IBCS has serious design flaws and needs an additional series of military tests and further modifications. In May, the White House published a budget proposal for the 2018 fiscal year that contained annexes describing the status of defence programmes – it became clear that IBCS will not go into production before 2021. All of this means Poland is unlikely to receive it within the expected timeframe.

Complications of Poland's own making. The requirement of integrating IBCS in the Patriot systems announced during last year's international defence industry exhibition (MSPO) in Kielce came as a surprise both for Raytheon, the supplier of the main missile defence system, and Northrop Grumman, which produces software for IBCS. Earlier, Poland suggested it wanted to combine Patriots with IBCS in the final stages of the missile system's implementation, in the mid- 2020s. The requirement for IBCS-equipped Patriots was included in the formal Letter of Request (LoR), but Poland is still waiting for the US government to send an official reply.

Suppliers warn of risks. Northrop Grumman has reservations regarding the proposal that the IBCS system could be introduced in Poland before it enters service in the US Army. Raytheon has also warned about risks involving the integration of innovative software before the completion of tests. In theory, it is possible since Poland was granted the so-called Yockey waiver, an exception from the Foreign Military Sales (FMS) procedure, which, in principle, only allows weapons that are used by the US military to be sold abroad. This exception, however, rules out the US government's responsibility for the operation of IBCS and its successful integration with the Patriot systems.

At least a four-year delay. Raytheon has publicly announced that the first IBCS-equipped batteries would be ready in four to six years. As a temporary solution, it suggested that the Patriots should be equipped with the group's own command and control system (CC2) and later on upgraded to include IBCS at no additional cost. It also stressed that the current configuration is still on the table – according to Raytheon, deliveries could start within two years. The US is going to present the available options (given the delay in IBCS implementation) during the June visit of the Polish MinDef delegation.

Romania and Sweden might take priority over Poland. The Polish order for the Patriots are further complicated by two requests lodged by Raytheon's European clients. In March, Romania sent its own LoR, which revealed that Bucharest does not require research and development work on a new radar, nor does it need the command system, low-cost interceptor missile or offset. Sweden is also getting ready to place its own order for the Patriots in current configuration, without IBCS. The size of both orders is smaller than the Wisła programme, but their implementation is going to be considerably easier and faster.

WHAT'S NEXT

The delay affecting IBCS does not exclude the possibility that Poland and the US would eventually reach an agreement for the Wisła system, as both the Polish MinDef and Donald Trump's administration would like the contract to materialise. It is also possible that both sides would agree on an on-the-go implementation of IBCS as the system is gradually completed. Another option involves purchasing a smaller number of systems, for instance two batteries in current configuration – and postponing the Wisła programme. The least likely scenario involves abandoning the Patriots and opting for the short-range Narew system.

Delays mount in Poland's military R&D

Delays in R&D programmes for the army result from changing requirements and lack of coordination among ministries.

Marek Świerczyński, Senior Security Affairs Analyst

Eighteen-month delay in radars. In May and December 2012, the National Centre of Research and Development (NCBiR) concluded agreements with industrial and scientific consortia to develop four types of radar for Poland's air defence systems – delays in their implementation amount to 8-18 months. The early and passive detection radars (P-18PL and PCL/PET) are set to be developed by mid-2018. Both are planned to become part of the Wisła medium-range air defence system. R&D work on the new radars has so far cost the budget PLN 307 mln. The construction of the fire-control radar for the Narew short-range system has come across some technological obstacles, and after it placed the order for Patriot systems, MinDef is considering to abandon the construction of the Polish-made fire-control radar for the Wisła system.

Tytan as the soldier of the distant future. Project "Tytan", which began in 2009, currently has accumulated a two-year delay. It would provide infantry soldiers with digital communication systems, sensors, new personal firearms, and even exoskeletons. Changing encryption requirements for the communication system resulted in the need to re-design the radio station. Delays also affect the approval tests for the Modular Firearms System (MSBS), or new assault rifles and pistols. There were also changes in the requirements concerning the design of ballistic helmets. So far, R&D work on the Tytan programme cost PLN 40 mln, out of the PLN 120 mln that was set aside for the project. MinDef plans to order 12,000 sets, and up to 40,000 in the future.

Tracked vehicles in four years at the earliest. The development of the Borsuk amphibious infantry fighting vehicle and Gepard fire support vehicle have been affected by 18-24 month delay. According to an agreement from 2014, the lighter of the two, Borsuk, was to have been finished in 3 years – later on, the deadline was extended to 5 years. Currently, MinDef expects that the prototype will be ready in 2021. In 2016, the army changed its operational requirements, despite the deadline being set at 2020. Both programmes are of key importance for the future of Poland's land forces: Borsuk is set to replace over 1,000 Soviet-era BWP-1s, while Gepard will serve as a "light tank". R&D programmes for the two vehicles were set at PLN 175 mln, with 30 per cent already spent in the development process.

Kryl gives way for Krab and Rak. The development of the 155 mm Kryl wheeled howitzer suffers from a five-year delay. The gun is set to replace over 100 Dana howitzers currently used by the Polish army. When the programme started in 2011, the time needed to launch the production of the howitzers was estimated to be four years. But the group's leading entity, Huta Stalowa Wola S.A., had to focus on two other programmes: the Krab self-propelled gun-howitzer and Rak self-propelled automatic mortar. The PLN 28 mln Kryl programme does not only involve constructing a gun on a wheeled chassis but also a number of additional vehicles, which complicates its implementation. A similar programme called Regina (Krab and additional vehicles) also registered a five-year delay. As for the Rak programme, in 2016 MinDef decided it would only purchase some supplementary vehicles because the rest had not yet been developed.

No tender for satellites. The construction programme of Poland's first earth observation satellites, which began in 2012, has not been fully launched, despite it being considered key and despite previous announcements that the tender would be opened in 2016. Work did not continue beyond the 2015 feasibility study, which recommended the construction of two devices. The programme was originally set to cost PLN 700 mln and last until 2020. MinDev latest forecasts included in the "Polish space strategy" indicate that by 2024 Poland would put in orbit two military satellites.

WHAT'S NEXT

The research and development programmes are delayed as a result of changes in army requirements and MinDef or NCBiR decisions to launch the R&D programmes "on their own". The ordering parties are typically too optimistic about the capabilities of industrial and scientific consortia in implementing the future visions of the military. Also, research deadlines are not kept as a result of separate defence budgets for research and development of both NCBiR and MinDef and scattering of decision-making authority among entities that report to MinDef, MinDev and MinSci.

What's new in the defense sector

US-SAUDI DEFENCE „DEAL OF THE CENTURY“

Agreements signed during president Donald Trump's visit have a total value of USD 110-300 billion. The most important include:

reconnaissance, early warning and communication systems (unspecified)	USD 18 bln
THAAD missile defence system	7 batt. - USD 13.5 bln
Patriot missile defence systems upgrade	USD 6.65 bln
F-15 aircraft upgrade	USD 6.25 bln
LCS missile frigates	4 units - USD 6 bln
KC-130J/C-130J transport-tanker aircraft	23 units - USD 5.8 bln
precision air to ground munitions	104 000 units - USD 4.46 bln
MH-60R/UH-60 maritime and SAR helicopters	USD 3.8 bln

OTHER IMPORTANT DEFENCE DEALS

Qatar	F-15 multirole aircraft	36 units - USD 12 bln
United Arab Emirates	PAC-3 (60 pcs), GEM-T (100 pcs) interceptors	USD 2 bln
New Zealand	P-8A Poseidon maritime patrol aircraft	4 units - USD 1.46 bln

**18.04
2017**

Anti-tank tenders accelerate. MinDef's Arms Inspectorate has invited bidders to preliminary talks on purchasing tank destroyers. They are to be equipped with rocket launchers for combating tanks with active protection systems. Companies have until the end of May to apply. The Inspectorate announced a technical dialogue for portable launchers of anti-tank missiles at the start of April and for a hand grenade launcher with anti-tank ammunition in February. These are the latest de facto modifications of the army modernisation plan. Some of the new weapons will go to territorial defence units.

**20.04
2017**

Romania outranks Poland in the Patriots order. Bucharest sent a Letter of Request (LoR) to the US government, enquiring about the Patriot system. According to PI's sources, the document was received before the Polish LoR and will be considered before the enquiry from Warsaw. Romania wants to purchase four fire units in current configuration and does not seek offset. As a result, the production of missile defence systems for Romania would be less complicated than the Polish order, with shorter delivery deadlines and lower overall cost.

**22.04
2017**

MinDef wants to increase spending. According to a draft law published on the Government Legislation Centre website, the ministry will change how it counts the 2 per cent of GDP spent on defence in 2018. Rather than using the previous year's GDP, last year, it will use the current one's. MinDef also wants the army to spend 2.1 per cent of GDP on defence in 2019, rising to 2.5 per cent in 2030. According to calculations based on MinDev forecasts, defence spending would rise by PLN 2 billion in 2018 and over PLN 5 billion in 2019. These changes would symbolically fulfil PiS's pledge to increase defence spending.

**07.05
2017**

Helicopters no longer priority among MinDef orders. Replying to an MP's question Deputy MinDef Bartosz Kownacki said that after an analysis of threats and army capabilities that helicopters are no longer considered to have priority in the army's technical modernisation plan. However, he failed to indicate which hardware would be flagged as high priority orders. In January, MinDef presented a list of this year's orders including, for instance, the Wisła air defence system, Homar rocket artillery, Orka-class submarines and the said helicopters - for the special forces and the navy. De-prioritising the helicopter order might indicate that the procedure would not be completed this year.

**08.05
2017**

Changes on PGZ's management and supervisory boards. The company announced that chairman of the supervisory board Tomasz Siemiątkowski has resigned. It is unclear why; there is no successor, either. Szczepan Ruman, head of the strategy office, and Robert Gut, head of Nauta shipyard's supervisory board, joined the management board. CEO Arkadiusz Siwko, who had links to Antoni Macierewicz, resigned in February. Director General Andrzej Skąlecki, head of the arms and ammunition office Maciej Matera, and head of the maritime office Joanna Sztiller were dismissed in April. The appointments to the management board signify a new division of spheres of responsibility at PGZ.

**09.05
2017**

Warheads for drones made in Bydgoszcz. Belma SA signed an agreement for the delivery of 375 sets of mines of various types and for the production of warheads, training and practise rounds for loitering munition (kamikaze drones). The technology to produce munition carried by small UAVs has been licenced by the Military Institute of Armament Technology, which developed several types of warheads, including a fuel-air explosive.

- 15.05 2017** **Dismissal of chief executive at Mesko.** Waldemar Skowron, who had been the CEO of the munitions factory in Skarżysko since 2009, was removed from office. He was replaced by Mariusz Kolankowski, former head of the Army Cartographic Service (WzKart). Skowron's dismissal became a subject of some speculation after PGZ was taken over by MinDef – he was accused of signing rather vague contracts with military advisers. The former Mesko chief executive, however, managed to gain the trust of MinDef leaders and often accompanied MinDef Macierewicz during his trips. Mesko SA is one of key entities within PGZ group – it is responsible for rocket and ammunition technologies for key army modernisation programmes.
- 16.05 2017** **500 Jelcz lorries for WOT.** The Armament Inspectorate and Jelcz reached an agreement for the delivery of high mobility Jelcz 442.32 lorries. The vehicles are planned to be delivered in 2017-2019. The order worth PLN 420 mln includes a total of 500 lorries, a logistics and training package. The new vehicles will mainly be used by the territorial defence forces. So far, Jelcz has delivered nearly 600 lorries of this type to the Polish army.
- 23.05 2017** **MinDef wants a fourth division of land forces and combat helicopters.** These are the main conclusions of the strategic defence review (SPO) announced by Antoni Macierewicz's ministry. The document is set to change the hierarchy of defence orders and give priority to offensive systems with extended firepower. Poland is set to abandon the large order for multi-task helicopters and instead choose specialised attack aircraft. Missile and anti-tank weapons will also be given priority. MinDef wants to create a fourth division of land forces, which would be deployed in the east of the country. SPO is set to present a plan of the army restructuring in a 15-year perspective, but in order to be fully implemented, the plan would require an increase in military spending.
- 23.05 2017** **MinDef will not order six ships.** The ministry confirmed that it is withdrawing from plans to purchase the Czapla and Miecznik ships worth a total of PLN 5 billion. Both types of ships were supposed to be the foundation of Poland's surface naval fleet and be built in Polish shipyards, which technological support from foreign partners. The cancellation is a blow for Poland's ship-building industry and navy. MinDef now wants to base Baltic defence on submarines, which are more complex to build and have never been produced in Poland.
- 28.05 2017** **PGZ belatedly takes over SMW.** PGZ Stocznia Wojenna and Stocznia Marynarki Wojennej, which is in a state of liquidation bankruptcy, signed the preliminary agreement. The Gdynia-based naval shipyard is to be taken over in three months' time, but PGZ has reserved the right to analyse its state, which could affect the final price. SMW's official receiver estimates its value to be PLN 225 million, which the state-owned arms giant refuses to accept. Misunderstandings have delayed the takeover, which was supposed to take place this spring.
- 29.05 2017** **MinDef concerned by delay with IBCS.** Deputy MinDef Bartosz Kownacki told Defence24.pl that the four-year delay in the American command system for air defence ordered by Poland is worrying and will have a significant impact on the Wisła programme. In his view, Poland has a choice: to wait or to buy the Patriot system without IBCS. He added that MinDef is still considering the MEADS system by Lockheed Martin as a reserve option. The delay could prompt Warsaw to abandon the purchase of a mid-range air defence system in favour of the short-range Narew one.
- 30.05 2017** **Army looking for next-generation tank.** MinDef's Arms Inspectorate has begun the analytical-conceptual phase of its programme for buying new tanks. The deadline for applications by companies interested in technical dialogue is June 30. The Inspectorate's announcement does not provide details about the tank, its weaponry, tonnage or how many would be ordered. It merely states that the new tank should have active protection and defence systems. The idea to buy new tanks, rather than Gepard fire support vehicles, stems from the strategic defence review.
- 07.06 2017** **MinDef in defence of the Boeings for VIPs.** During a meeting of the Sejm's defence committee Deputy MinDef Bartosz Kownacki said that he was not worried that the court's decision expected on June 23 would cancel the order for three Boeing 737-800NGs aircraft. During a meeting with MPs the ministry expounded on the agreement for VIP jets: Boeings and Gulfstream G550s. The first smaller jet is planned to arrive at the air base in Warsaw on June 21.
- 20.06 2017** **Honker replacement cancelled.** Armament's Inspectorate decided to cancel acquisition procurement for the replacement of Honker 4x4 vehicles. The military wanted to buy more than 800 vehicles. Only one offer was submitted in the tender, for militarized version of Ford Ranger pick-up truck. Media revealed shocking prices of the offer: 2.9 million zlotys per vehicle in armored version and 2.3 million for regular one. A commercial Ford Ranger cost is 160 thousand zlotys in high-end version.
- 21.06 2017** **No progress in purchase of Patriots.** At a meeting with the Polish MinDef's delegation in Washington, the Americans supposedly proposed a two-stage contract. The first part, which could be signed this year, would provide two batteries of Patriots in their current configuration. The second, expected in 2018, would add six batteries featuring a target system with an omnidirectional radar. Raytheon is offering to deliver the first launchers in 2022, rather than in 2019, as Warsaw expected. The MinDef delegation did not receive a guarantee on full offset and technology transfer either, which could prompt it to postpone the entire Wisła air defence project.



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