



## UKTI DSO MARKET BRIEF: POLAND



**Issue Date: May 2013**

### **MILITARY OVERVIEW**

The crash of a Polish Air Force VIP aircraft in April 2010 in Smolensk, Russia, killed the country's previous president (Lech Kaczynski), plus major decision-makers including the Chief of Staff (Gen. Franciszek Gągor), Commander of the Navy (Vice-Adm. Andrzej Karweta), and other senior Polish military personnel. Consequently, restaffing of the most senior military echelons has been a top priority.

The Polish armed forces are undergoing the most radical changes since the end of the Cold War and collapse of the Warsaw Pact. Conscription has now been abolished, as part of the reforms designed to modernise the armed forces and achieve greater interoperability with NATO. These reforms – which include the armed forces coming totally under civilian control – have been supplemented by a strategic plan to modernise the Polish defence industry. Poland has been a member of NATO since 1999, and has over 2,500 troops in Afghanistan as part of ISAF plus around 225 soldiers serving in Kosovo; and is on course to form a French-German-Polish EU battlegroup slated to stand up in the first half of 2013.

Although it receives most of the total defence modernisation budget, the Polish Air Force still suffers from cash shortages. As a result, it has had to close several bases and dispose of several hundred aircraft. It is believed that the force can muster only 60 flying hours per year. At the same time, it recognises the need to improve radar coverage from fixed sites which, currently, is only westward-facing. The Air Force is also on active deployment in Afghanistan, and is also a member of NATO's Strategic Airlift Capability, which grants access to the pooled C-17 fleet. It is due to gradually retire its

Soviet-made combat aircraft (SU-22 and MiG-29s) by 2013, whilst enjoying a close military relationship with the US, which will enable Poland to benefit from the JSF programme (through the technology to be fitted to the aircraft).

Despite having the smallest share of the defence budget, the Polish Navy is recognised as the best-managed of the country's armed forces, with effective staff and well-defined areas of co-operation with domestic industry. However, it has also been subject to severe rationalisation. It also has a requirement to procure new vessels with the development of the next-generation minehunter having been postponed. Poland's first indigenously-built corvette, *ORP Słazak*, was launched in September 2009; however, the *Gawron*-class corvette programme was recently cancelled owing to lack of funding.

Further details of the future size and shape of the Polish armed forces can be found in the "Vision of the Polish Armed Forces 2030", at: [http://www.wp.mil.pl/pliki/File/vision\\_of\\_paf\\_2030.pdf](http://www.wp.mil.pl/pliki/File/vision_of_paf_2030.pdf)

## **DEFENCE & SECURITY OPPORTUNITIES**

Poland's defence sector has seen rapid change since the fall of Communism and Poland's accession to the EU and NATO. Conversion of the defence industry is strictly related to the process of transformation of the Polish Armed Forces in terms of technical modernisation which will meet the actual and forthcoming requirements of the Army. Modernisation programs presented in 2009 are in progress. Amongst them are 14 programmes expected to be implemented in 2009-2018.

The Polish army will spend PLN 6bn on modern weapons and upgrades in 2012; however, the biggest investments are due to be realised in subsequent years. The armed forces plan to procure new helicopters, anti-aircraft missiles, armed unmanned aerial vehicles, submarines and electronic systems supporting the command within the next few years. The first of the big tenders – a PLN 3bn contract for 26 helicopters – is due to commence in Autumn 2012. The army plans to order 100 more new helicopters sometime thereafter. More than PLN 10bn will be spent on investment into the national air-space defence system within the next decade. Approximately PLN 7.5bn will be spent on modernising the navy, whilst the total budget allocated for these programmes is PLN 30bn.

## **ECONOMIC BACKGROUND**

*Source: IMF World Economic Outlook Database*

	<b>2009</b>	<b>2010</b>	<b>2011</b>
<b>GDP (\$BN)</b>	430.521	469.401	531.758
<b>Per Capita GDP (\$)</b>	11,296.43	12,322.73	13,966.75

## DEFENCE ECONOMICS

Defence Budget

*Source: Website of Polish Defence Ministry (via British Embassy Warsaw)*

Year	2011	2012
PLN	27.536m	29.5m
(\$m)	(8.228)	(8.815)

## THE POLISH DEFENCE MARKET AND HOW TO DO BUSINESS

### **Fundamentals Needed to Succeed in the Polish Defence Market - Routes to Market**

UK companies wanting to present and export their products to the Polish Defence Ministry can do business with the Ministry directly.

They should send a letter to:

Head Armament inspectorate

Ul. Krolewska 1a

00-909 Warsaw

Poland

(suggest copy to: [dpz@mon.gov.pl](mailto:dpz@mon.gov.pl))

[www.iu.mon.gov.pl](http://www.iu.mon.gov.pl)

The law is that all purchases by the Polish Defence Ministry must be done in the form of a tender (with the exception of urgent operational requirements). The advantage of actively presenting one's products to the MoD is that if the Ministry knows of a specific company that can produce goods meeting its current requirements, it will invite the company to participate in the tender.

### **HMG Support**

For the Polish defence market, advice, support and assistance to UK companies is provided by UKTI DSO RD Africa, Europe, Middle East, Central & South Asia in London, and the Defence Attaché for Poland based at the British Embassy in Warsaw.

We encourage the companies interested in opportunities in the country's defence and security sectors to contact the UKTI Trade & Investment Team at the British Embassy in Warsaw for advice and practical support.

## **Poland Export Controls**

UK defence manufacturers must first obtain a F680 licence, in order to be able to export, but should also ensure that none of the items are controlled, or appear on the Military List. This also applies to UK security companies.

For more information, contact the Export Control Organisation of the Department of Business, Innovation and Skills, at <http://www.bis.gov.uk/exportcontrol>.

## **Visit Security Clearance**

This is obtained from the UK Ministry of Defence's (MoD) International Visits Control Office, which is located at Abbey Wood in Bristol.

Further guidance and the required forms are at: <https://www.gov.uk/defence-equipment-and-support-principal-security-advisor#inward-visits>

## **ARMED FORCES - MILITARY STRENGTH**

**Active: ca. 110,000**

Land forces: 43,700;

Air Force: 16,100

Navy: 6,400

Others (including Reinforcement, Military Police, and the Polish Armed Forces Command): 43,700

It is understood that further personnel cuts across the armed forces are expected in 2012 and eventually a reserve force of 20,000.

## **SECURITY ISSUES**

The security market in Poland is growing and predicted to be worth £2.5bn annually by 2015.

Public security and crime reduction as well as energy and cyberspace security are among the key priorities of the Polish government. Although crime in Poland is falling, the public sector continues to be one of the largest buyers of security products.

The Polish security sector is well developed and the main international players are present on the market. While Poland is quite strong in manufacturing mechanical security products, there are few local companies specialised in sophisticated electronic equipment. Most is imported, and therefore, the

Polish security sector is a huge area of opportunity for UK excellence in security production and services.

Major areas of business opportunity in Poland are:

- public CCTV monitoring systems in cities and municipal transport;
- upgrade of security systems at airports and on railways;
- integrated cutting-edge access control systems;
- specific road safety solutions and equipment such as high-speed cameras;
- integrated online security systems as Polish businesses continue to build their presence online;
- border control solutions as Poland continues expenditure on its border guards and customs operations;
- monitoring, viewing and recording systems.

UK businesses are perceived in Poland as having cutting-edge technology and know-how in the security sector.

## **DOMESTIC DEFENCE INDUSTRIAL CAPABILITY**

Poland has a sound defence industrial capability, with noted manufacturers and exporters of defence equipment including Bumar Sp. z.o.o., Huta Stawola Wola SA, WZK PZL-Mielec, PZL-Świdnik SA (95% owned by Finmeccanica and AgustaWestland), Radmor SA, Unimor Radiocom Sp. z.o.o. and the Lucznik munitions factory. These companies have been suppliers to the Polish armed forces, as well as the country's security agencies, for many years.

## **DEFENCE IMPORTS & EXPORTS 2007-2011**

*Source: UKTI DSO Survey of Defence Exports & Various Open Sources*

### **Identified Polish Defence Import Procurement:**

Total: \$954M

### **Identified Country Suppliers/Market Share:**

Norway	\$256M	(27%)
USA	\$150M	(16%)
Denmark	\$130M	(14%)
Spain	\$79M	(8%)
Italy	\$71M	(7%)

### **Identified Polish Defence Exports:**

Total: \$389M

## **COMPETITORS**

Major competitors come from the US, Germany, Italy, Russia, and Israel.

## **PROCUREMENT ORGANISATION**

Major defence procurement is carried out by the Polish Defence Ministry's procurement department.

## KEY PERSONALITIES

<b><u>Defence Minister</u></b>	<b>Tomasz Siemoniak</b>
<b><u>Secretary of State</u></b>	Czesław Mroczek
<b><u>Under-Secretary of State</u></b>	General (Retd) Waldemar Skrzypczak
<b><u>Armed Forces</u></b>	Chief of General Staff – Gen. Mieczysław Cieniuch
<b><u>Land Forces</u></b>	Commander – Lt-Gen. Zbigniew Głowienka
<b><u>Navy</u></b>	Commander-in-Chief – Vice-Adm. Tomasz Mathea
<b><u>Air Force</u></b>	Commander – Lt-Gen. Lech Majewski Chief of Staff – Maj-Gen. Sławomir Kaluzinski
<b><u>Minister of Internal Affairs and Administration</u></b>	<b>Jacek Cichocki</b>
<b><u>Secretary of State</u></b>	Piotr Stachańczyk

## Further Information:

If you require further information/clarification on anything in this Fact Sheet, please contact:

UKTI Defence & Security Organisation  
BD Market Analysis  
1st Floor  
1 Victoria Street  
London SW1H 0ET  
Telephone: 020 7215 8209

E-mail: [dso.businessservices@ukti.gsi.gov.uk](mailto:dso.businessservices@ukti.gsi.gov.uk)

## Next steps - How UKTI can help

British companies wishing to develop their business in the Polish market are advised to undertake as much market research and planning as possible in the UK. UKTI's team in Poland, with its wide local knowledge and experience, can provide a range of services to British-based companies wishing to grow their business in global markets.

This can include:

- Provision of market information
- Validated lists of agents/distributors
- Key market players or potential customers in the Polish market
- Establishment of interest of such contacts in working with you
- Presentation of companies' products/services hosted either at the Embassy or at HM Ambassador's residence
- Business lunches, dinners or receptions with targeted top management from Government and/or private entities

This work is available via our [Overseas Market Introduction Service \(OMIS\)](#) a chargeable service which assists British-based companies wishing to enter or expand their business in overseas markets.

To find out more about commissioning this work, or accessing other UKTI services and specialist advice, please visit the UKTI website to find [contact details for your local UKTI office.](#)



**Other Useful Contacts:**

**Poland Desk, UKTI Defence & Security Organisation**

RD, Desk Officer for Central & Eastern Europe  
UK Trade & Investment Defence & Security Organisation  
1 Victoria Street  
London SW1H 0ET  
T: +44 (0)20 7215 8234

**Polish Embassy London**

Embassy of the Republic of Poland  
47 Portland Place  
London W1B 1JH  
Tel: 020 7291 3520  
Fax: 020 7291 3575  
E-mail: [london@msz.gov.pl](mailto:london@msz.gov.pl)

Internet: <http://london.polemb.net/index>

**British Embassy in Poland**

British Embassy Warsaw  
ul. Kawalerii 12  
00-468 Warsaw

Tel: 0048 22 311 00 00  
Fax: 0048 22 311 03 11 [Katarzyna.Bogusz@fco.gov.uk](mailto:Katarzyna.Bogusz@fco.gov.uk)

Internet: <http://ukinpoland.fco.gov.uk/en/>

## **Other Useful Websites:**

Government of Poland: <http://www.premier.gov.pl/en/>

Ministry of National Defence: <http://www.wp.mil.pl/en/index/>

Ministry of Interior and Administration: <http://www.msw.gov.pl/portal/en>

Customs procedures: <http://www.mf.gov.pl/index.php?const=2>

Polska (promotional website): <http://en.poland.gov.pl/>

## **Poland Travel Advice**

Travel information and general Embassy contact details can be found at:

<http://www.fco.gov.uk/en/travel-and-living-abroad/travel-advice-by-country/europe/poland>

<http://ukinpoland.fco.gov.uk/en/>

## **Foreign Consular Offices in Poland**

Media, travel, careers, business and state links/information can be found at:

Thenews.pl (in English): <http://www.thenews.pl/>

Polish News (bilingual): <http://www.polishnews.com/>

Tourism: <http://en.poland.gov.pl/Things,Worth,Seeing,,403.html>

## **Visa Services and Links**

(UK Nationals do not require visas for Poland unless for visits of more than 3 months' duration)

## **BBC Country Profiles**

[http://news.bbc.co.uk/1/hi/world/europe/country\\_profiles/1054681.stm](http://news.bbc.co.uk/1/hi/world/europe/country_profiles/1054681.stm)

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