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# Defense and Security Market Report

**Poland**

April 2023



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# 1 DEFENSE & MILITARY

## 1.1 20 YEARS OF NATO MEMBERSHIP

After the fall of communism in 1989 and the collapse of the Warsaw Pact, Poland needed to form new alliances to ensure the country's national security. In the early 1990s, the Polish government began to move towards membership in the NATO. The first step was the "Partnership for Peace" program, under which the Polish army took part in peace missions in the Balkans as well as in many international trainings. Poland finally joined NATO in March 1999. Due to the war in Ukraine, Poland has become NATO's key partner not only in Eastern Europe ("Eastern flank") but also in Europe as a whole.

In its first years in NATO, Poland took part in multiple training exercises with the allies. In 1999, the Multinational Corps Northeast Command was formed and played an important role in strengthening multi-country cooperation, especially with its closest allies, the neighboring countries.

The Polish Army also joined international missions, including in Afghanistan and Iraq. In these missions, the Army was able to refine its procedures and equipment. While the troops had their own personal gear, small arms, military vehicles, etc., their operations were supported by other allies when it came to helicopters and mine- and attack-resistant vehicles (MRAP). These operations gave the Polish army valuable combat experience, which influenced its further development. One such decision was the establishment of the Special Forces in 2007 as a separate type of armed forces, which helped to take their capabilities to a new level. In 2015, Poland was the first NATO country from the Eastern flank to take the role of a Framework State, in the format of Special Forces.

Over its two decades of membership, Poland became strongly integrated with the Alliance both politically and militarily. NATO became Poland's guarantor of security and contributed to a large-scale transformation of its army through introduction of NATO standards and procedures. Thanks to shared know-how and participation in international exercises, Polish soldiers learned to interact directly with their allies.

Today, the Polish Army is a pillar of NATO on the Eastern flank and cooperates with the U.S. and NATO forces in the region on daily basis, indirectly supporting Ukraine in its armed efforts against Russia. Poland has become an international hub for the transportation of armaments and humanitarian aid mainly through the Rzeszow airport and road crossings with Ukraine. Before that, Poland actively participated in missions in Kosovo, the Middle East and Afghanistan.

The situation in Ukraine has significantly accelerated the modernization process of the Polish army. Previously, despite many programs, technical improvement of the Polish army was slow and most military units – even those assigned to NATO operations – operated outdated post-Soviet equipment, not suitable for upgrades. This was Poland's biggest challenge in NATO - which is now undergoing a major change.



## 1.2 MAIN BODIES

Sovereignty over the Armed Forces is held by the President of the Republic of Poland (Andrzej Duda, elected for a second term in July 2020), and exercised through the Minister of National Defense.

### Ministry of National Defense (MND)

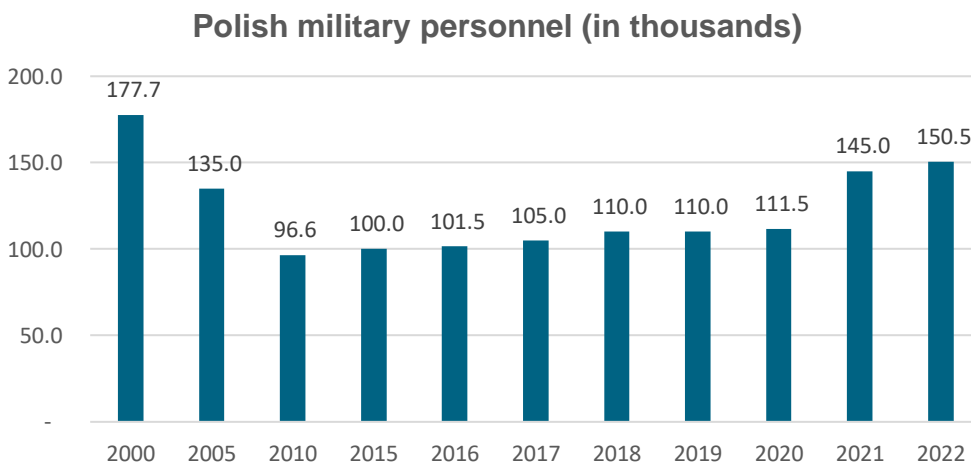
The Ministry manages the operations of the Armed Forces in peacetime, prepares and implements national defense policies, including proposals for development and structure of the armed forces. The Minister coordinates activities of the Ministry and the Armed Forces directly and with the help of the Chief of General Staff, as well as through the Secretaries and Undersecretaries of state.

**Minister:** Mr. Mariusz Blaszczak (since Jan 2018)  
**Headquarters:** Al. Niepodległości 218, 00-911 Warszawa, Poland  
**Website:** [www.gov.pl/web/national-defence](http://www.gov.pl/web/national-defence)

## 1.3 POLISH ARMED FORCES

At the end of 2022, there were 115,500 professional soldiers (an increase from 110,000 at the end of 2019). The Army has also approx. 35,000 personnel in the newly created territorial military service, 1,000 reservists, 8,000 candidates for professional soldiers and 3,600 in preparatory service.

In 2022, the Ministry of Nation Defense announced an increase of soldiers to 300,000 by 2035, with a target of 250,000 professional soldiers and 50,000 territorial defense troops.<sup>1</sup>



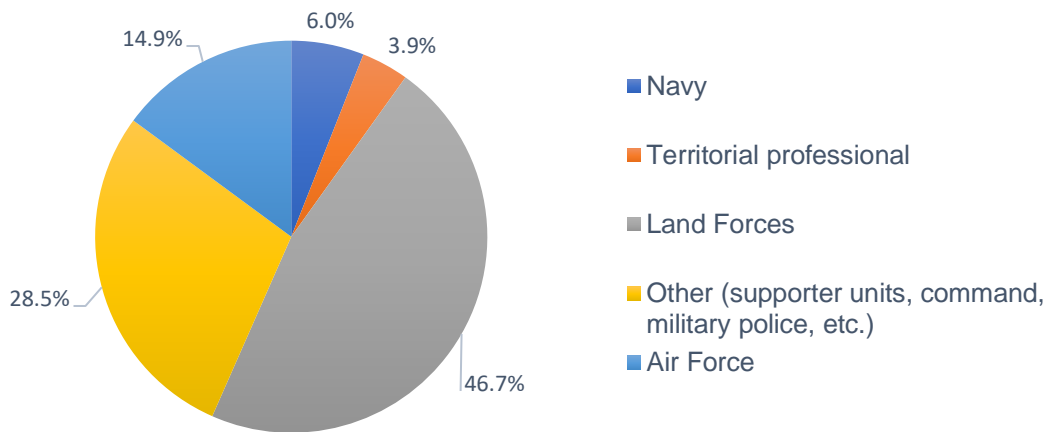
Source: Ministry of Defense

The largest group among professional soldiers is the Land Forces, which constitute 47% of all soldiers. Air Force accounts for 15% and the Navy for 6%.

<sup>1</sup> <https://www.rp.pl/wojsko/art37526781-wojsko-wieksze-ale-szalu-nie-ma-300-tys-zolnierzy-do-2035-roku>



### Military personnel structure



Source: Ministry of National Defense

Poland's defense sector has been undergoing modernization and expansion in recent years, with focus on modernizing and upgrading equipment, as well as increasing its domestic production capabilities. The Polish Ministry of Defense has implemented a multi-billion-dollar program called "**Technical Modernization Plan**" to modernize equipment of the Polish Armed Forces. The government has also been making efforts to develop the domestic defense industry and increase the proportion of military equipment manufactured locally in Poland. The whole process clearly accelerated in 2022 due to Russia's attack on Ukraine both on the side of purchasing new military equipment from foreign military suppliers and increasing local production capacity. Poland is actively involved in regional security and defense cooperation projects and has been increasing its defense spending over the recent years.

Poland has been spending much more on defense than an average NATO member, which is driven by the country's geopolitical position and security challenges in the region. The country has been looking for new partners in the defense industry, such as the United States, South Korea, and Israel, to strengthen its defense capabilities.

Overall, Poland's defense sector is currently in the phase of modernization and expansion, with focus on quickly upgrading equipment and increasing domestic production capabilities.

Poland is also a member of NATO, and is thus actively involved in various NATO-led operations and initiatives. The country has also been strengthening its ties with other countries in the region, such as the Baltic States (Lithuania, Latvia and Estonia), Romania, the Czech Republic, and Slovakia, to enhance regional security and defense cooperation.

Equipment used by the Polish Army is still of a lower standard than that of many other NATO members, but the current government has announced plans to increase investment and create the largest army in Europe in terms of the number of soldiers and equipment at the army's disposal.

### 1.3.1 AIR FORCE

As far as the Polish Air Force is concerned, the Ministry of Defense plans to decommission the oldest Soviet aircrafts and purchase new ones (or at least newer used aircraft, depending on the budget) in the next three years. The newest strategy assumes the purchase of 32 new units of F-35 aircraft (the procurement will be realized within 2024-2030 under the FMS program), as well as additional used F-16 fighters. Poland also ordered 48 KAI T-50 Golden Aircrafts (FA-50PL), 12 of which are to be delivered in 2023. The aircraft will replace the old MIG-29s.

#### Endowment of the Polish Air Forces

The Polish Air Force currently owns:

- F-16 fighters – 48 units
- MiG-29 fighters – 29 units (a dozen of them are to be sent to Ukraine in the nearest months)
- SU-22 (attack aircraft) – 18 units
- CASA C-295 (transport aircraft) – 16 units
- C-130 Hercules (transport aircraft) – 5 units / another 5 on order
- Boeing 737 – 3
- M28 Bryza Skytruck (multi-purpose small aircraft) – 23 units
- Training aircraft – 2 Polish aircraft types - Iskra and Orlik – 54 units
- Mi-2, Mi-8, Mi-17 – multi-purpose helicopters – 29 units
- W-3 Sokol - multi-purpose helicopters – 17 units
- SW-4 Puszczyc – training helicopter – 24 units
- 2 VIP passenger aircrafts – Gulfstream G550 both purchased in 2017.



SU-22



Mi-2

Within 2006-2008, Poland purchased 48 used F-16 aircraft from the US Army. Until 2013, service and maintenance were provided by Lockheed Martin under an offset agreement between the Polish and US military forces. Since 2013, the servicing, maintenance and repairs have been transferred to WZL in Bydgoszcz.

In March 2023, it was announced that MIG29 aircrafts are to be transferred for service in the Ukrainian army (initially 4 units and then a dozen more). Instead, the Polish and Slovakian skies are to be protected by British Typhoon fighters.

### 1.3.2 GROUND FORCES AND SPECIAL FORCES

While the Ground Forces also operate some relatively modern technologies, most of their vehicles and weapons are outdated equipment from the 1970-1990's, from Poland and the Soviet Union, while others (e.g., 250 Leopard 2 tanks from Germany) were already purchased as used years ago (of those, the first were delivered in 2013). However, the modernization process is speeding up because of the situation in Ukraine.

Specifically, the Polish ground forces own the following:

- 1,100 combat tanks (incl. 250 units of Leopard 2, 390 units of T-72, 240 units of PT-91)
- 2,500 armored fighting vehicles (including 1,300 BWP-1, 750 KTO Rosomak – based on Finnish military vehicle Patria, BWR-1 – 38 units, 150 Humvees, 240 units of BRDM-2 (Polish production based on Russian technology)
- Over 300 mobile command and communication vehicles (including 9 Humvees, 19 units M113, 49 units of Rosomak WD/AWD)
- 500 self-propelled artillery
- 180 rocket launchers (including 27 9P133 Malutka-P, 18 units HMMWV for Spike-LR)
- 250 technical support vehicles
- 900 mortars (mostly produced domestically LM-60, caliber 60 mm and produced in the Czech Republic LRM 99 ANTOS, caliber 60,7 mm)
- 140 various multi-purpose helicopters.



***BWR-1** – built on basis of the BWP-1, currently being upgraded with new battlefield radar stations. In the coming years, the vehicle will be modernized, and eventually replaced by a new reconnaissance combat vehicle*



***BRDM-2** – basic reconnaissance vehicle of the Land Forces. Plans are in place for replacement with a new Light Armored Reconnaissance Transporter Kleszcz 4x4*



**Rosomak WD** – Polish production, 7 vehicles are used by the NATO multinational division North East in Elblag, Poland. In 2019, the MoD ordered two more for the newly formed 18th Land Forces division

## Special Forces

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Poland's Special Forces are equipped mostly with personal gear and small equipment while relying on heavy equipment operated by other divisions of the Army for larger operations. As an example, they do not own any helicopters but use Mi-17 and Mi-17W belonging to the 7th Special Action Squadron, which is part of the Air Force. The Special Forces are also equipped with unmanned aerial vehicles (UAVs) of three types: Aeronautics Orbiter (made in Israel), FlyEye (made in Poland), and ScanEagle (made in the USA). Recently, the Polish Army bought 6 Turkish unmanned combat aerial vehicles Bayraktar TB2 and another 18 are to be delivered in the next two years.

## Expansion of the army and the creation of Territorial Defense Forces

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In 2015, the government took a number of actions to increase the size of the Polish army and expand its structure. As part of this process, the so-called Territorial Defense Forces were formed. Currently, this formation has more than 21,000 soldiers, the vast majority of whom perform territorial military service. The brigades that were formed first - in the eastern part of Poland - are gradually building up capabilities and are being trained with professional operational troops. Ultimately, the TDF size is to exceed 50,000.

Territorial Defense Forces are intended for:

- conducting defense activities in cooperation with operational forces and supporting elements of the non-military system
- conducting independent unconventional, anti-diversion and anti-landing activities
- implementing projects in the internal crisis management, combating natural disasters, protection of property, search and rescue actions
- conducting information activities.

The formation of TDF is also associated with the purchase of equipment and the development of infrastructure, therefore large purchases of small arms, personal gear and vehicles are being made. Other planned equipment includes FlyEye unmanned aerial systems. Currently, TDF struggles mostly with a shortage of anti-tank weapons and 4x4 vehicles.



### 1.3.3 NAVAL FORCES

The Naval Forces defend the Polish sea coast which is over 500 km long (the Baltic Sea is shared also with Russian region Kaliningrad).

Dedicated Navy units also participate in allied operations outside of Poland. Since Poland's accession to NATO, the Polish Navy has participated in over 300 international exercises conducted at sea, air, and land. The organization and participation in large maneuvers and exercises in the Baltic Sea are currently a permanent element of its international undertakings (including: "Baltops", "Open Spirit", "Passex"). In addition, navy ships took part in key NATO operations such as "Iraqi Freedom" and "Active Endeavor".

In terms of its modest equipment compared to other NATO countries, the Navy may be the most neglected type of Polish Armed Forces. Its current fleet includes the following:

- ORP Pulaski and ORP Kosciuszko - Oliver Hazard Perry class missile frigates taken from US Navy in 2001 and 2003
- ORP Kaszub – corvette
- ORP Slazak – patrol ship launched in 2015
- 3 small missile ships – ORP Orkan, ORP Piorun, ORP Grom
- 3 submarines – ORP Orzel (under construction since 2014), ORP Bielik, ORP Sep (type 207/Kobben)
- 4 mine destroyers – 3 built and launched in 60-ties and ORP Kormoran launched in 2015, built in Polish naval shipyard Remontowa Shipbuilding S.A. in Gdansk
- 17 minesweepers
- 5 mine-transport ships
- 12 ships with various functions, including logistics, transport, radio-electronic reconnaissance, training, tankers, rescue, hydrographic
- 14 units of reconnaissance/patrol and transport aircraft
- 26 helicopters of various purposes (including 4 units Kaman SH-2G Super Seasprite for submarine combat, produced in 1990's and transferred to Poland in 2002 and 2003)
- 12 self-propelled Mobile Launch Vehicles, each with 4 NSM rocket containers



***ORP Kaszub*** – built in Polish naval shipyard and launched in 1987, the only one corvette used by the Polish Naval Forces



**ORP Sep** – submarine built in 1962 in Germany for Norwegian naval forces, withdrawal from service in 2002 and transferred to Poland – still in use

In November 2019, MND (Ministry of National Defense) announced negotiations with the Swedish Naval Forces regarding the purchase of two used submarines of type Södermanland. Moreover, the modernization of naval forces is a key point of the newest modernization strategy that will be gradually realized through the Orka program until 2030.

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### 1.3.4 AIRSPACE DEFENSE AND SURVEILLANCE

#### Redzikowo Naval Support Facility

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During the Lisbon summit in 2010, NATO decided to expand missile defense in Europe. A missile shield based on the U.S. Aegis Ashore system is being developed under the EPAA (European Phased Adaptive Approach) program designed to provide protection against ballistic missile attacks on NATO members.

One element of the system will be a U.S. missile base in Redzikow (Poland), the construction of which was started in 2013. Initially, it was to be completed in 2018 but the opening of the base, which is the land-based part of the Aegis Ashore maritime system, has been postponed several times. The other land component of the shield, the base in Deveselu (Romania) has been operational since 2016. In early 2023, a representative of the US Army announced that construction at the Aegis missile defense base has been completed and will become operational later in 2023.



*Aegis Ashore Missile Defense System – rocket base in Redzikow, Poland – under construction, planned launch in 2023*

The first contract for the delivery of two Patriot system batteries was signed in March 2018. Their price is nearly USD 4.7 billion (over PLN 20 billion). This is the first phase of the "Vistula" program (Wisla), i.e., the construction of medium-range air defense. Over the following years, the MND did not proceed to the second phase, but the situation was changed by the Russian invasion of Ukraine. According to the recently signed agreements, the cost of all layers of the Polish air defense system will amount to at least PLN 120 billion (USD 27 billion).



## 1.4 INTERNATIONAL DEFENSE COOPERATION

### 1.4.1 NATO COOPERATION

Poland remains one of the main and active NATO members for the so-called Eastern Flank. The importance of Central and Eastern Europe increased significantly after the Russian annexation of Crimea and subsequent aggression against Ukraine in 2014. After the Russia's annexation of Crimea, first steps were taken to strengthen Poland's national security. In 2014, contracts were signed for the second Navy Coastal Missile Squadron and the first batch of JASSM missiles along with the modernization of F-16 fighters. A decision was taken to strengthen equipment of selected units on the Eastern flank. Initial actions were also taken in two major modernization programs: Wisła (Patriot system) and multi-purpose helicopters (Caracal). It was also planned to speed up the procurement of the Homar system (rocket launchers), unmanned aerial vehicles, and Kruk shock rotorcraft.

In response to Russia's actions, NATO decided to implement additional adaptation and defense measures. The first step was taken at the summit in Wales in 2014. The Readiness Action Plan envisaged strengthening the NATO Response Force by increasing the number of soldiers to 40,000 and setting up an immediate response unit (VJTF), ready to be deployed within 5-7 days.

In addition, Member states decided to increase the scope of exercises on the Eastern flank as well as to establish continuous presence of small units, mainly for training purposes.

In 2015, first exercises on deployment of the new Immediate Response Forces were carried out in Poland (Noble Jump 2015). A year later, at the Warsaw summit, a decision was made to establish a continuous presence of NATO battalion battlegroups on the Eastern flank, including in Poland. These are multinational units in continuous operations since 2017. The range of allied exercises has been increasing systematically.

At the Brussels summit in 2018, NATO adopted a comprehensive strengthening strategy, including enabling the deployment of 30 battalions of land forces, 30 air squadrons, and 30 ships. Command structure and contingency plans will be adapted accordingly. Poland actively contributes to the process of developing these new structures.

Polish Forces contribute to other NATO initiatives such as the enhanced Forward Presence (eFP) on the eastern and southern flank and tailored Forward Presence (tFP). The country plays a special role in the eFP initiative as one of the host countries, and builds a multinational division command on its territory (in Elbląg), with the task of coordinating all eFP groups.

Following the outbreak of the war in Ukraine, an important element of NATO's presence in the region is the Jesionka civilian airport near Rzeszow. In 2022, it became the main logistics center through which military and humanitarian aid directed to Ukraine is transported. Military equipment goes to Jesionka and then overland to Ukraine. The facility is covered by the U.S. anti-aircraft missile defense system.

### 1.4.2 US MILITARY PRESENCE IN POLAND

The U.S. is currently Poland's most key military partner, as evidenced by the planned increase in the number of U.S. troops. Currently, around 4,500 U.S. soldiers are stationed in Poland on rotational basis. The current government aimed to further strengthen the presence of NATO troops in Poland, with particular emphasis on the U.S. Army. In 2016, as part of bilateral arrangements, the U.S. Army



announced a plan to deploy new units in Poland (including armored brigade, logistics and command troops, aviation of land forces).

In 2017, the U.S. Army's 3<sup>rd</sup> Armored Brigade Combat Team of the 4<sup>th</sup> Infantry Division was deployed in Poland and established its headquarters in the Polish city of Zagan. The team conducts operations on rotational basis in other countries of Central and Eastern Europe. The presence of other U.S. units has also been gradually increased. In addition, a US-led NATO battalion battle group was based in Orzysz, including soldiers from the UK, Romania, and Croatia. In May 2017, a part of the command of the Atlantic Resolve mission was transferred from Germany to Poznan to command over 6,000 U.S. soldiers conducting bilateral training operations and multinational exercises with the defense forces of countries on NATO's Eastern flank. A Mission Command Element was created.

The Ministry of National Defense sought to further increase the U.S. presence in Poland. The U.S. government was presented with a proposal to deploy further US Army division with combat units for which Poland has offered co-financing up to USD 2 billion.

Since the beginning of Russia's invasion of Ukraine, the number of U.S. troops in Poland has increased to about 10,000. Among them are F-15 fighter pilots, operators of Patriot anti-aircraft systems and airborne division soldiers. In addition, the US military is establishing equipment depots in Poland.

In 2019, the Mission Command Element in Poznan was formally transformed into a division command, which is to have the same capabilities as any other U.S. division command. Moreover, Poland will prepare infrastructure for U.S. Special Forces, armored brigades, aviation of Land Forces, as well as an Air Force unloading base and a Combat Training Center, allowing certification of U.S. brigades.

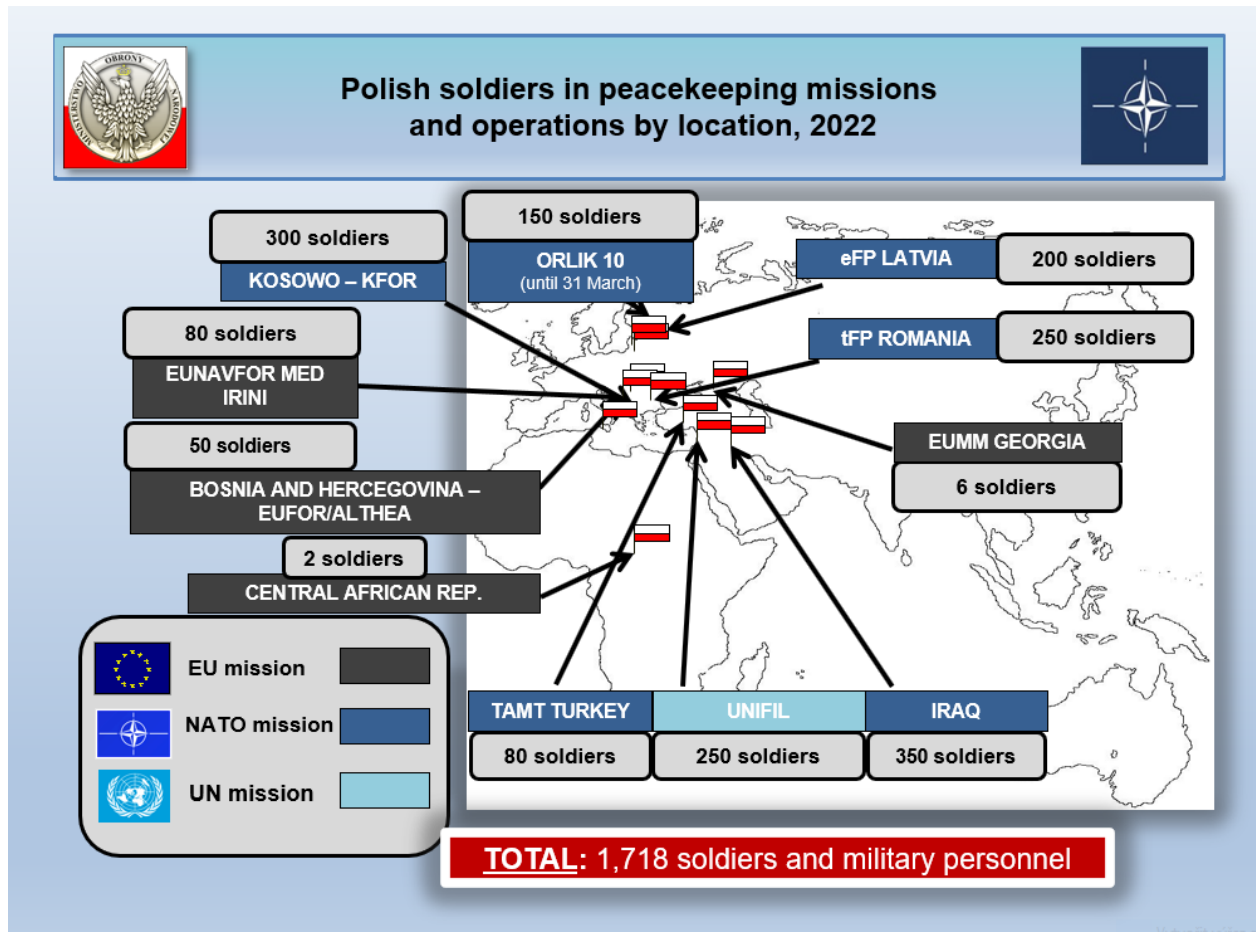
Construction of Army Prepositioned Stock equipment warehouses will be carried out in Powidz, with NATO financial support, allowing for the storage of equipment for a full armored brigade. All these factors will enable a fast increase and consolidation of the U.S. military presence in Poland.

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### 1.4.3 INTERNATIONAL MISSIONS

Poland performed its first international military mission in 1995 as part of the "Partnership for Peace" program (Albania, AFOR in 1995-1996). Then, as a NATO member, Poland actively participated in operations in Kosovo (KFOR since 1999), Bosnia and Herzegovina (IFOR in 1995-1996 and SFOR in 1996-2004), Afghanistan (since 2002; ISAF and RSM missions) and Iraq (NTM-I in 2005 to 2009).

Since 2016, the number of Polish soldiers on foreign missions has been increasing. As a consequence of the provisions of the NATO summit in Warsaw, Poland directed two contingents to Romania and Latvia in 2017 (approx. 200-250 soldiers in each of the Polish Military Contingents) as part of enhanced Forward Presence (eFP) and Tailored Forward Presence (tFP) on the Eastern flank of the Alliance. Since the beginning of the war in Ukraine, Poland has continued to be active in military operations and missions in the region.



Source: MoD

## Afghanistan

The largest mission in which Polish soldiers participated under NATO was the ISAF operation in Afghanistan. Poland joined the mission in November 2001 and was one of the largest contingents. At the mission peak in 2010-2011, 2,600 Polish soldiers and army employees were stationed in Afghanistan.

At the time, Poland's soldiers were responsible for Ghazni province. The troops were responsible for the reconstruction of damaged infrastructure, medical assistance, training of Afghan soldiers, policemen and civilians, and humanitarian aid for the local population.

Ghazni Province was handed over to the Afghans and the ISAF mission ended in 2014. During the mission period, over 28,000 Polish soldiers were sent to Afghanistan, of whom 43 died and 361 were wounded.

In 2015, the Resolute Support mission was launched, which continues until now. Its operations are focused on training, consulting and support of the Afghan allied forces. The Polish contingent was up to 400 soldiers, and was withdrawn in 2021. At the peak of the engagement in Afghanistan in 2011, almost 2,600 Polish soldiers were involved and it was the largest foreign mission of the Polish Army.



## Iraq

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Poland's second largest contingent was in Iraq, peaking at about 2,500 troops. During the war in Iraq, NATO took responsibility for training local security forces. The mission, called NTM-I, lasted from 2004 to 2011. Poland joined in 2005. Most Polish soldiers were withdrawn from Iraq by 2008, but the army carried out training until the end of the NTM-I mandate. Over 2003–2008, 22 Polish soldiers were killed in Iraq and about 150 were injured.

In 2017-2018, Poland also acted as the leading country (with 80 to 130 soldiers) in training Iraqi personnel in the repair and operation of post-Soviet equipment as part of the NATO training and capacity building mission in Iraq (NTCB-I).

## Air Force missions

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As part of NATO's Baltic Air Policing mission, Polish aircraft are patrolling the airspace of Estonia, Lithuania, and Latvia. The mission has been in place since 2004 when NATO was joined by these three countries which do not have their own air defense. This task was entrusted to troops from other member states shifting every four months. NATO fighters are stationed in Siauliai, Lithuania. In 2014, the mission was strengthened by including a base in Aemar, Estonia. Poland has participated in the mission since 2006 and the Polish Military Contingent "Orlik" has made seven shifts to date. Initially, Poland sent four MiG-29 aircraft during each shift. In 2017, Poland's F-16 fighters were used for the first time.

Currently, the Polish Army participates in the following major international missions:

- KFOR in Kosovo (about 300 soldiers and civilians),
- NATO Mission Iraq (NMI; approx. 400 soldiers, including a mobile training team, security and an engineering platoon),
- NATO enhanced Forward Presence Latvia - eFP (200 soldiers)
- NATO Forward Presence in Romania – tFP (250 soldiers)
- UNIFIL in Liban (250 soldiers)
- Standing NATO ORP Maritime Group 1 - Pulaski battleship, homeported in Gdynia

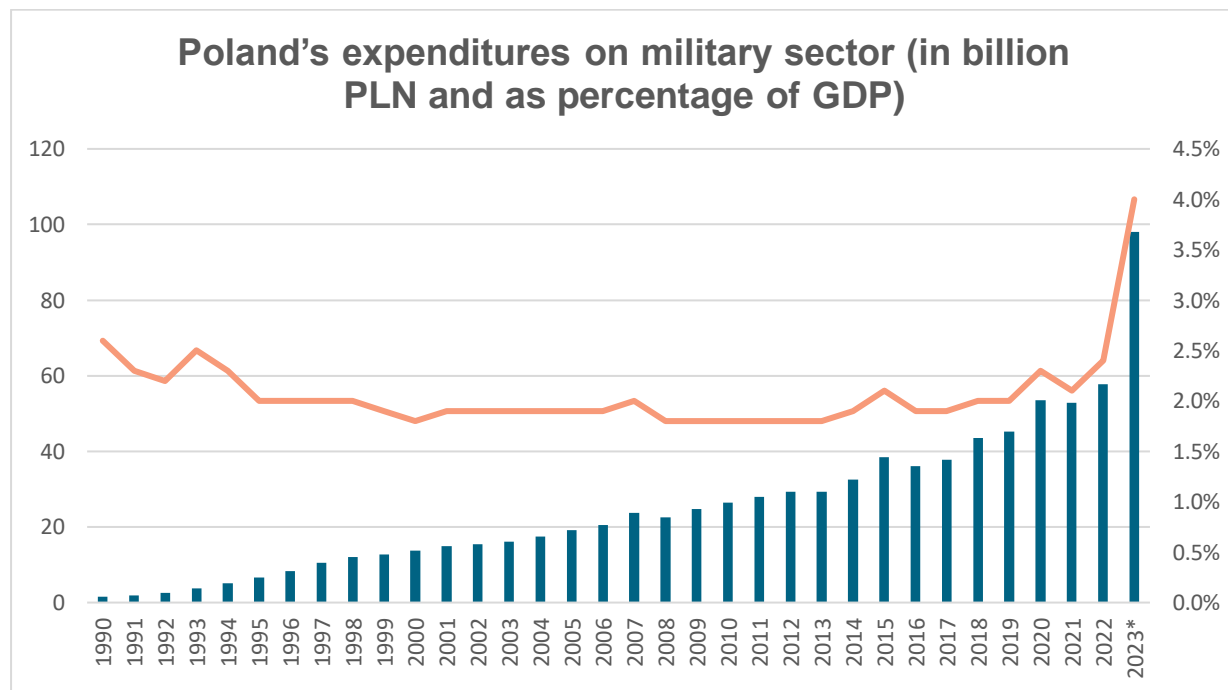


## 1.5 DEFENSE AND MILITARY MARKET

### 1.5.1 DEFENCE BUDGET AND SPENDING

According to a report by the Stockholm International Peace Research Institute (SIPRI), Poland's defense spending amounted to nearly USD 14 billion in 2022, i.e., up 10% from the previous year. According to NATO estimates, Poland spent 2.4% of its GDP on defense and is one of seven NATO countries that have exceeded the assumed 2% expenditure threshold, while the average for all NATO countries was 1.5% (not counting the U.S.) in 2022. Polish military spending accounted for nearly 15% of pan-European spending. Because of the war in Ukraine, the government has announced a plan to almost double defense spending in Poland to 4% of GDP (the highest ratio in NATO). During this year, a huge surge in the value of armaments investments will occur, mainly in modern military equipment. Once these plans are implemented, the Polish army will be among the top 3 NATO armies outside the US in terms of troop numbers and technological advancement and the first in Europe.

The new spending plan envisages spending PLN 524 billion (about USD 133 billion) on modernizing the Polish Army by 2035.



Source: SIPRI, 2023 official est.

In 2022, Poland spent 20.4% of its military budget on armaments and military equipment. Approximately USD 22 billion was allocated for defense in the 2023 budget, of which approx. 1/3 was allocated for modernization of the armed forces (procurement).



**Distribution of defense expenditure by category (percentage of total defense expenditure)**

	2015	2016	2017	2018	2019	2020	2021	2022*
Equipment	33.2	21.6	22.0	27.5	23.4	29.3	33.9	20.4
Personnel	42.0	47.2	50.0	46.1	46.9	44.7	43.6	46.3
Infrastructure	4.7	4.6	4.2	3.5	4.8	4.3	3.7	5.0
Other	20.1	26.6	23.8	22.9	24.9	21.7	18.8	28.3

Source: NATO, \* - estimates

A key program that the Polish Army is already carrying out and which is fundamental to Poland's defense, is the "Harpia" program. It involves the acquisition of 32 fifth-generation F-35 aircraft. The negotiation process with the U.S. government has already been concluded after Congress approved the purchase. This would be the largest contract in Poland's history. The Technical Modernization Plan has also planned funds for the purchase of additional F-16 aircraft for the Polish Army.

A new investment program to complement the Harpia program and strengthen the strike capabilities of the new fighters is the Harpy Talon program. Poland will seek participation in the "loyal wingman" program, concerning the design and development of an unmanned aircraft in stealth technology, i.e., undetectable by radars.

The "Vistula" program is also part of the Technical Modernization Plan and involves deliveries and development of anti-aircraft and anti-missile medium-range missile sets.

In addition to "Vistula," the second element of the country's multi-layered air defense system will be the "Narew" program. The Technical Modernization Plan also calls for the purchase of helicopters.

In addition, the Technical Modernization Plan includes the "Swordfish" program and the "Orka" program, for which a bridging solution is planned to allow the acquisition of two submarines in the near term and ensure continuity of submarine training. The Polish Army will also acquire 6 light missile ships from Polish shipyards under the "Murena" program. In line with the new Technical Modernization Plan, purchases of Krab cannon howitzers, Rak self-propelled mortars and Rosomak Wheeled Armored Vehicle (ROV) will continue.

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## 1.5.2 POLISH DEFENSE SECTOR

The defense sector in Poland is diverse in terms of market position and growth prospects. Profitable companies developing modern technologies operate alongside declining businesses.

The aerospace industry is the most competitive - prospects of its development are largely independent of orders from the Polish Armed Forces as it operates within international chains, providing components, spare parts and whole structures (e.g., fuselages/frames), often to foreign-owned parent companies (e.g., Italian AgustaWestland, U.S. Sikorsky).

Also, military electronics recorded relatively good results, mainly thanks to R&D costs being lower than in other sectors of the defense industry, allowing Poland to offer competitive products even for international customers.





The situation of the Polish industry connected to land military forces is more complicated, as it is highly dependent on orders from the Polish Armed Forces and the unstable dynamics in export markets. It has been struggling with a lack of funds for development of new products. Currently, the core of its portfolio are heavily modified technologies originally developed by the Soviet Union decades ago, and it therefore seeks to enter into partnerships with European market players or to integrate ready components purchased abroad.

The Polish defense industry currently has little chance to gain orders for technologically advanced equipment, yet Polish companies benefited from significant military procurement in recent years. Numerous contracts for the supply of weapons have been carried out, ranging from combat vehicles to small airplanes and helicopters, ships, artillery armament, as well as personal gear for soldiers.

An example of locally procured weaponry is the Krab self-propelled gun cannon manufactured in Huta Stalowa Wola. In March 2019, additional units of this weapon were delivered to two artillery squadrons. According to the signed contract, the Polish Army will have five divisions equipped by 2024. Another example is the Rak self-propelled mortars mounted on the KTO Rosomak chassis, which were also designed at the Military Production Center of Huta Stalowa Wola.

In May 2019, another batch of nine Poprad very short-range anti-aircraft sets manufactured by PIT-Radwar were delivered. These sets are mounted on the AMZ Zubr-P platform, also of Polish production, and have an advanced propulsion system of the tracking and aiming head developed by Polish designers. The contract signed with MND included the delivery of 77 sets by 2021.

An important element of the Polish defense system (called Vistula) are the Jelcz vehicles, which will perform the function of Oshkosh vehicles used in the U.S. IBCS / Patriot system. A contract signed in 2019 with the Jelcz plant provides for the supply of 73 of such vehicles by 2022. The company is booming because also American HIMARS and Korean K239 Chunmoo launchers will be mounted on a Polish Jelcz chassis. The Polish manufacturer is to deliver 59 vehicles and special chassis between 2023 and 2024. The value of the contract is PLN 330 million (USD 75 million).

Stocznia Remontowa Shipbuilding in Gdańsk is implementing a contract signed in 2017, which provides for the supply of six B860 tugs to the Polish Navy. Three ships were handed over in 2019. In November 2022 fourth B860, H-12 Semko was delivered.

In 2018, the PZL-Swidnik plant signed a contract for the supply of four AW101 helicopters for the Polish Navy. These submarines combating units will be delivered by the end of 2023. The contract value amounted to PLN 1,65 billion (USD 375 million).

An example of military equipment of a smaller caliber are light mortars LMP-2017, which were developed by Tarnow. A contract for 780 pieces of this weapon was signed in 2017 and in October 2022 was completed.

At the end of 2018, Lucznik signed a contract for the supply of 20 thousand 9 mm semi-automatic pistol VIS 100 to the Territorial Defense Forces. One of Lucznik best sellers (also in export) are the GROT carbines. In 2023, Lucznik signed an agreement to deliver of almost 88 thousand GROT C16 FB-A2 carbines (caliber 5.56×45 mm) to the Polish Armed Forces by the end of 2026.



## Exports

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According to a report published by the Ministry of Foreign Affairs, the value of exports of military equipment and armaments from Poland amounted to USD 572 million in 2022. According to the latest SIPRI report for 2018–20, Poland ranked 19<sup>th</sup> worldwide in terms of value of arms exports, with a share of 0.4% in global sales (in 2013-2017 it was 0.1%).

According to the Polish Chamber of Manufacturers for National Defense, private producers are doing better in international contacts than companies of the major state-owned group PGZ (Polska Grupa Zbrojeniowa). Private companies generate at least ¾ of exports but the situation is changing as PGZ constantly develops its own production capacity and a large part of production output is exported to Ukraine.

The aviation sector (aircraft, including unmanned aircraft, but also aircraft engines and equipment) has dominated Polish arms exports for years. The largest plants in this sector - PZL Mielec and PZL Swidnik - belong to foreign entities. The value of Polish exports includes not only components produced in Poland, but also the value of the assembly of ready parts, where the most valuable elements are produced abroad.

Other important export categories include land vehicles and their components, specialized equipment for training and simulation of war games, armored and protective equipment, as well as smoothbore weapons with a caliber of 20 mm or larger, other weapons with a caliber larger than 12.7 mm, and launchers and their components.

According to experts, other products that have good potential for export are communication and radiolocation equipment, electronic support systems and even drones used for military operations.

## Main market players

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Over the last decade, Poland has consolidated its defense sector by creating a large state-owned holding company **PGZ (Polska Grupa Zbrojeniowa, Polish Armaments Group – [www.pgzsa.pl](http://www.pgzsa.pl))** consisting currently of over 50 companies, with a combined turnover amounting to USD 1.7 billion in 2021 and 18,000 employees, ranking 70th among the world's largest arms companies.<sup>2</sup> Key subsidiaries of the PGZ group are (in order of their importance):

### **Huta Stalowa Wola S.A.**

[www.hsw.pl](http://www.hsw.pl)

Designer and producer of artillery equipment (self-propelled mortars, howitzers, rocket launchers, automatic cannons). The company also manufactures light armored command vehicles and engineering equipment. The turnover amounted to USD 191 million in 2021.

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<sup>2</sup> <https://people.defensenews.com/top-100/>



**JELCZ Sp. z o.o.**

[www.jelcz.com.pl](http://www.jelcz.com.pl)

Manufacturer of armored and unarmored heavy goods vehicles and trucks. The turnover amounted to USD 77 million in 2021.

**Rosomak S.A.**

[www.rosomaksa.pl](http://www.rosomaksa.pl)

The company specializes in the manufacturing and maintenance of vehicles (fire support, spike carrier, medical evacuation, reconnaissance) and military simulators. Its flagship product is the 'Rosomak' Armoured Personnel Carrier. It was also responsible for the modernization of T-72 tanks for the Polish Army. The turnover amounted to USD 57 million in 2021.

**Stocznia Remontowa "NAUTA" S.A.**

[www.nauta.pl](http://www.nauta.pl)

The company provides a wide range of shipbuilding and overhaul services. Apart from standard overhauls, it also performs complex conversions and reconstructions and provides outfitting for ships that serve the offshore sector. Its 2021 turnover reached USD 46 million.

**MESKO S.A.**

[www.mesko.com.pl](http://www.mesko.com.pl)

The company manufactures small and medium caliber ammunition, mortar ammunition, tank and artillery ammunition as well as anti-armor and anti-aircraft missile sets and rockets. Their products are the standard equipment of the Polish Armed Forces and other uniformed forces. The turnover amounted to USD 164 million in 2021.

**Wojskowe Zakłady Lotnicze Nr 2 S.A.**

[www.wzl2.mil.pl](http://www.wzl2.mil.pl)

WZL2 provides overhaul and maintenance of combat strike fighters and fighter aircraft. It is the sole plant in Poland to overhaul and upgrade MiG-29 and Su-22 airplanes and maintain F-16 and C-130 Hercules aircraft. Their turnover amounted to USD 67 million in 2021.

**PIT-RADWAR S.A.**

[www.pitradwar.com](http://www.pitradwar.com)

Engineering company, designer and constructor of innovative solutions in electronics, ICT, security of people and infrastructure. Their dual-use systems being developed are related to biomedical sensor projects (telemedicine, telecare), critical infrastructure protection systems, and unmanned systems. The turnover amounted to USD 144 million in 2021.

Other companies of PGZ:

- **"Łucznik"–Radom Sp. z o.o.** ([www.fabrykabroni.pl](http://www.fabrykabroni.pl)) – a leading weapon manufacturer and supplier for domestic and foreign markets
- **Wojskowe Zakłady Lotnicze Nr 1 S.A.** ([www.wzl1.mil.pl](http://www.wzl1.mil.pl)) - WZL1 handles overhaul of helicopters and aircraft engines
- **Wojskowe Zakłady Lotnicze Nr 4 S.A.** ([www.wzl4.mil.pl](http://www.wzl4.mil.pl)) – an overhaul company providing technical maintenance of turbine engines for military airplanes and helicopters, as well as auxiliary turbine power units.



- **PZL-KALISZ” S.A.** ([www.wsk.kalisz.pl](http://www.wsk.kalisz.pl)) - manufacturer of ASz-62 IR aircraft radial piston engines, producer of gears and gear-wheel transmissions for global aviation companies.
- **Wojskowe Zakłady Uzbrojenia S.A.** ([www.wzu.pl](http://www.wzu.pl)) - overhaul and upgrade of medium- and long-range defensive rocket missile technology.
- **Wojskowe Zakłady Motoryzacyjne S.A.** ([www.wzm.pl](http://www.wzm.pl)) - repair and upgrade of armored equipment, such as Leopard 2A4, T-72, BWP-1, 2S1 Goździk or BRDM-2.
- **Wojskowe Zakłady Inżynieryjne S.A.** ([www.wzinz.com.pl](http://www.wzinz.com.pl)) - manufacturing and overhaul of engineering equipment for Polish and foreign armies and for the civil market.
- **Wojskowe Zakłady Elektroniczne S.A.** ([www.wze.com.pl](http://www.wze.com.pl)) - military equipment for reconnaissance and radio electronic combat, command, communications and air defense.
- **Wojskowe Zakłady Łączności Nr 1 S.A.** ([www.wz1.com.pl](http://www.wz1.com.pl)) - manufacturer of communications equipment for armed forces and telecommunications.
- **Wojskowe Zakłady Łączności Nr 2 S.A.** ([www.wz2.pl](http://www.wz2.pl)) - manufacturer of communications systems. It is the only entity in Poland to run an authorized maintenance center and deliver training in the operation of the HARRIS Corporation radio station.
- **PCO S.A.** ([www.pcosa.com.pl](http://www.pcosa.com.pl)) - manufacturer of optoelectronic products, laser-based surveillance and targeting instruments, night vision and thermal imaging technologies.
- **"DEZAMET" S.A.** ([www.dezamet.com.pl](http://www.dezamet.com.pl)) - the company develops and manufactures a wide and complete range of high quality ammunition and for civil: manufacturer of bolts, tie rods, plows, and other welded elements of construction machines.
- **"BUMAR-MIKULCZYCE" S.A.** ([www.bumar-mikulczyce.pl](http://www.bumar-mikulczyce.pl)) – manufacturer of mechanical transmissions for military and civil customers. The company’s products are used in the automotive, machine tool and agricultural industries – on domestic and foreign markets. Specialized in the production of drive units and subassemblies as well as various parts for heavy tracked vehicles.
- **"BUMAR-ŁABĘDY" S.A.** ([www.bumar.gliwice.pl](http://www.bumar.gliwice.pl)) - manufacturer of heavy tracked vehicles for military and civil purposes.
- **Tarnów S.A.** ([www.zmt.tarnow.pl](http://www.zmt.tarnow.pl)) - producer of sniper rifles, machine guns, mortars, grenade launchers, anti-aircraft artillery, and training equipment
- **"MASKPOL" S.A.** ([www.maskpol.com.pl](http://www.maskpol.com.pl)) – producer of safety equipment - gas masks, bulletproof vests, composite combat helmets, NBC clothing and decontamination systems.

The largest Polish private manufacturer of military equipment is **WB Group** (<https://www.wbgroup.pl>). It is the key export supplier of defense equipment in Poland (group of companies). For instance, **WB Electronics** offers TOPAZ ICMS, WARMATE loitering munitions, or dismounted observation & command system U-GATE. The other subsidiaries are involved in manufacturing UAV Systems FLYEYE or Strike Systems, Tactical Radio Communications Systems RADMOR, etc.



### 1.5.3 AVIATION SECTOR

Poland has over 140 companies operating in the aviation sector with combined annual sales of over approx. USD 2.6 billion employing a total of over 17,000 employees.

The majority are small and medium-sized enterprises and companies with foreign capital. Approximately 80% of the companies are located in the south-eastern part of the country in one of three clusters, the so-called **Aviation Valley**.

The factories specialize in the production of aircraft (agricultural, training, training, disposition), helicopters, gliders and components (aluminum, composites, GRFP) and accessories. Most of the production is exported to customers abroad in countries such as the United States, Venezuela, Indonesia, Italy, Greece, Canada, Spain, Germany, South Korea, or Vietnam.

Competitive advantages of Poland's aviation sector lie mainly in the product quality (based on knowledge of materials processing, mechanics and electronics) and competitive labor costs. The existing network of manufacturing and service companies supported by R&D centers has good potential for further development of international cooperation and for commission orders for spare parts and finished products for the aviation sector.

#### Largest companies in Poland's aviation sector

Company name	Location	Employment (2021)
Pratt & Whitney Rzeszów	Rzeszow	3,766
WSK „PZL - Świdnik” / Augusta Westland	Swidnik	2,545
GE EDC Poland	Warsaw	1,800
PZL Mielec, Sikorsky a Lockheed Martin Company	Mielec	1,700
Thoni Alutec	Stalowa Wola	1,626
Pratt & Whitney Kalisz	Kalisz	1,471
UTC Aerospace Systems (Goodrich)	Krosno	1120
MTU Aero Engines Polska	Rzeszow	881
PZL „Warszawa Okęcie”, Airbus Defence and Space Company	Warsaw	860
Safran Transmission Systems Poland	Sedziszow	767



## 1.6 MODERNIZATION AND ARMAMENT STRATEGY

The need to modernize the Polish army was already apparent in the 1990s, however, the first important decisions were made only after joining NATO in 1999 and were to some extent forced by the need to adapt to standards applied in other member states. At that time, Poland had an army based on conscripts and equipped almost exclusively with post-Soviet equipment. Technical modernization in this period was focused on command and communication systems as well as IFF systems (identification Friend or Foe). They were the basis for increasing cooperation with NATO even before new equipment was procured.

In the late 1990s, the Polish Army had eight all-military divisions and 1,700 tanks, however, a significant part of them were T-55A/AM. In addition to command and communication equipment, several other modernization programs included, for example, the introduction of the first versions of the Grom mobile anti-aircraft systems and PT-91 tanks.

The first realistic and comprehensive army modernization plan was implemented in 2001-2008. Among other, Poland purchased 48 modernized F-16 Block 52+ aircraft, 8 Casa/Airbus C-295M transport aircraft, 264 portable Spike-LR rocket launchers, and 120 used Leopard 2A4 tanks. However, a significant proportion of the planned improvements were not implemented for political or financial reasons.

After the 2015 parliamentary election, the United Right government announced an increased commitment to strengthening national defense. Since the beginning of 2017, the Territorial Defense Forces were formed, in order to recreate the territorial strength. In 2018, a new 18th Mechanized Division was also launched.

The government plans further modernization of the army associated with planned rising expenditures. In October 2019, a **Technical Modernization Plan** for the Polish Armed Forces was signed, which provides for approximately **USD 50 billion** for defense purposes **by 2026**.

Major modernization programs:

- "Harpia" – acquisition of 32 fifth-generation F-35 aircraft – negotiations with the US government (under the FMS program) are in progress, the first aircraft shall be delivered by Lockheed Martin in 2024. In addition, under the "Harpia" program, Poland will seek participation in the "loyal wingman", regarding development of UAV in stealth technology.
- "Observer" – a comprehensive program for the development of capabilities for multi-level and integrated satellite and image reconnaissance – the purchase of satellites, micro-satellites, reconnaissance aircraft and drones linked to an image recognition center for data processing and command support
- "Wisła" – continuation of the medium-range anti-aircraft and missile delivery program
- "Narew" – a short-range air defense program
- "Kruk" – purchase of rotorcraft for Special Forces and Navy, as well as attack helicopters for land forces
- "Homar" – continuation of the program to buy rocket launchers capable of reaching targets distant up to 300 kilometers
- Naval forces – purchase of two submarines and six light rocket ships (contract planned for Polish shipyards)
- Combat vehicles – purchases from Polish suppliers (including Krab guns, Rak self-propelled mortars and KTO Rosomak military vehicles)
- "Pustelnik" – purchase of light anti-tank guided missiles
- "Balsa" - purchase of modern engineering robots supporting the work of sappers
- "Gladius" – acquisition of unmanned search and impact systems



- "Cyber.mil" – creating a package of national tools and software based on the latest Polish cryptographic technologies in order to effectively defend Polish cyberspace
- a program for digitizing combat platforms and command systems.

The current modernization plans assume that Poland will make the bulk of its foreign purchases mainly **from the U.S. and South Korea**. Of the funds allocated for armaments modernization by 2026, contracts worth a total of USD 20 billion have already been concluded. Of this amount, USD approx. 4 billion was allocated to domestic arms producers, and up to USD 10-12 billion will be spent on procurement from the U.S. The largest order is the purchase of 32 F-35A Lightning II fighters from Lockheed Martin. According to the schedule, the first F-35s are to be delivered to the Polish Air Force in 2024, with deliveries continuing through to 2030. The value of the contract is USD 4.6 billion.

Other notable investments:

- USD 7 billion earmarked for the purchase of Patriot anti-aircraft missile systems and the IBCS system for the Polish Wisla program
- Purchase of one squadron of multi-guide rocket launchers of the M142 HIMARS system
- Supply of four S-70i Black Hawk helicopters that will be manufactured at Polskie Zakłady Lotnicze in Mielec, part of Lockheed Martin.

A part of the most important purchases from the U.S. (e.g., aircraft and components of Wisla system) will go through the FMS program.

Despite increased budgets and intensified procurement, the modernization process of the army is slow and the list of modernization negligence is long, but all this is of systemic nature. The military procurement system is inefficient, and problems with the development of strategic documents make the situation even worse. The modernization plan until 2026 should have been adopted at least two years ago. Frequently changing strategies for restructuring the domestic defense industry and staff changes in the army do not bring much improvement either.

Although the Ministry of National Defense announced a structural strengthening of the military equipment procurement system by establishing the Armaments Agency, this institution has not been launched yet and the Ministry has not provided any details on its future authority.



## 2 HOMELAND SECURITY

### 2.1 INTERNAL SECURITY SYSTEM

#### 2.1.1 MINISTRY OF THE INTERIOR AND ADMINISTRATION

The Ministry of the Interior and Administration (Polish name: Ministerstwo Spraw Wewnętrznych i Administracji) is responsible for internal security of the state. Its particular tasks include:

- protection of public safety and order
- protection of the state border and border traffic control
- control of foreigners, coordination of activities related to the country's migration policy
- crisis management
- civil defense
- fire protection
- supervision of mountain and water rescue.

The Ministry supervises uniformed services such as the Police, Border Guards, State Protection Service and the State Fire Service. The Minister of Interior also coordinates the special services.

<b>Full name:</b>	<b>Ministry of the Interior and Administration</b> (Ministerstwo Spraw Wewnętrznych i Administracji)
<b>Governing body:</b>	Prime Minister
<b>Minister:</b>	Mr. Mariusz Kaminski
<b>State Secretary:</b>	Mr. Maciej Wasik
<b>State Secretary:</b>	Mr. Pawel Szefernaker
<b>Website:</b>	<a href="http://www.gov.pl/web/mswia">www.gov.pl/web/mswia</a>
<b>Headquarters address:</b>	Stefana Batorego 5, 02-591 Warszawa, Poland

#### 2.1.2 INTERNAL SECURITY AGENCY (ABW)

The Internal Security Agency (Polish name: Agencja Bezpieczeństwa Wewnętrznego) is a special service established to protect the constitutional order of the Republic of Poland. The main task is to protect the state and organize activities against a threat to the independence of the constitutional order, disruption of the state structures or threats to the country's fundamental interests. The duties are obtaining, analyzing and processing information about the dangers (including terrorism, counter-espionage, economic and organized crime, or corruption).

The structure includes 8 main departments:

- I - IT Security Department
- II - Counterintelligence Department
- II - Department of Criminal Proceedings
- IV - Department of Classified Information Protection
- V - Department of Operational and Technical Support
- VI - Department of Internal Security and Audit
- VII - Strategic Threats Department





- VIII - Information, Analysis and Forecast Department

Their work is supported by administration offices, including the Logistics Office responsible for conducting procurement procedures. Annual budget of the institution amounts to USD 200-220 million, of which almost 60% is spent on salaries.

**Full name:** **Internal Security Agency**  
(Polish name: Agencja Bezpieczeństwa Wewnętrznego)  
**Governing body:** Ministry of Interior and Administration  
**Chief Officer:** Mr. płk Krzysztof Waclawek  
**Website:** [www.abw.gov.pl](http://www.abw.gov.pl)  
**Headquarters address:** Rakowiecka 2A, 00-993 Warszawa, Poland

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### 2.1.3 FOREIGN INTELLIGENCE AGENCY

Foreign Intelligence Agency (Polish name: Agencja Wywiadu) provides intelligence services and information to key state authorities of Poland, which need to make optimal decisions for the state and its citizens in changing international conditions.

The structure of the organization includes the following departments and offices:

- Operations Department
- Information Department
- Technical Department
- Security Bureau
- Administrative and Finance Office
- Personnel and Training Office
- Legal office
- Chief's office
- Independent Department of Crisis Management.

The unit responsible for procurement is the Administrative and Finance Office. The agency's annual budget amounts to USD 50-55 million.

**Full name:** **Foreign Intelligence Agency**  
(Polish name: Agencja Wywiadu)  
**Governing body:** Ministry of Interior and Administration  
**Head of FIA:** Mr. płk Bartosz Jarmuszkiewicz  
**Website:** <https://aw.gov.pl/en>  
**Headquarters address:** Miłobędzka 55, 02-634 Warszawa, Poland



### 2.1.4 POLICE FORCES

The Polish police forces have about 100,000 people, 58% of whom serve in the prevention department, 34% in criminal department, and the remaining 8% in auxiliary departments.

Main units of Polish Police:

- Main Police Command
- Central Police Investigation Bureau
- Internal Police Office
- 16 Provincial Police Directorates
- Police Schools
- Central Police Forensic Laboratory.

The annual budget of the Police amounts to USD 3 billion. The unit responsible for procurement is the Financial Office of the Police Main Command Faculty of Public Orders and Aid Funds.

In November 2022, the government announced a plan of modernization of uniformed forces for 2022-2025. The budget for the police amounted to USD 2.5 billion. However, the Minister of the Interior underlined that a part of the modernization budget was to be allocated for salary increases for police officers. Planned equipment purchases included systems for improving road and public safety, as well as for increasing police officer and border guards' safety. The biggest part of the budget is dedicated to new equipment and personal equipment for officers, and infrastructure investments. The second segment is investment in human capital.

<b>Full name:</b>	<b>Police</b> (Polish name: Policja)
<b>Governing body:</b>	Ministry of Interior
<b>Chief commander:</b>	gen. Jaroslaw Szymczyk
<b>Website:</b>	<a href="http://www.policja.pl">www.policja.pl</a>
<b>Headquarters address:</b>	Puławska 148/150, 02-624 Warszawa, Poland

### 2.1.5 BORDER GUARDS

The Border Guard is responsible for the protection of state borders on land and at sea and for the control of border traffic. The Border Guard also has additional powers in counter terrorism.

The total length of Polish border exceeds 3,500 km. The eastern border is also the external border of the European Union (535 km with Ukraine, 418 km with Belarus, and 232 km with Russia), which imposes additional security measures in order to maintain the internal EU safety. Moreover, the Border Guard supports 70 border crossings (including 18 air, 20 road, 14 rail, and 18 sea).



**Map of Poland:**



The Border Guards have 15,000 officers and more than 3,000 civil employees. The annual budget of the organization amounts to USD 400 million. The unit responsible for procurement is the Office of Technology and Supply of the Main Command.

The importance of border guards has increased in the last two years as refugees from Africa began to enter the European Union via the border from Belarus.

<b>Full name:</b>	<b>Border Guard</b> (Polish name: Straz Graniczna)
<b>Governing body:</b>	Ministry of Interior
<b>Chief commander:</b>	Gen. Tomasz Praga
<b>Website:</b>	<a href="http://www.strazgraniczna.pl">www.strazgraniczna.pl</a>
<b>Headquarters address:</b>	al. Niepodległości 100, 02-585 Warszawa, Poland

**2.2 DOMESTIC AND INTERNATIONAL THREATS**

For centuries, Poland was torn by numerous internal and external conflicts. Its specific geopolitical situation put the country in an eternal spread between East and West.

Today, Poland’s international security is protected by NATO and the membership in the European Union also plays an important role, stabilizing its political system and driving economic growth. Poland is also a member of the UN, OSCE, the Visegrad Group (four states in Central Europe – Poland, the Czech Republic, Slovakia, and Hungary), and the Council of Baltic Sea States. Each of these organizations stabilizes its international relations and forces their members to seek compromises as a way out of crises.

Poland borders non-NATO and non-European Union countries, which, under certain political and economic conditions, may prove to be a threat to its sovereignty. The proximity and common land border



with Russia, and with Belarus, which is Russia's close ally, poses a challenge for Poland's foreign policy, especially since the annexation of Crimea by Russia in 2014.

Major risks exist of potential political and military crises provoked to exert strategic pressure on Poland under the current policy, without crossing the threshold of war. Such hostile actions may be manifested by developing military potential near Polish borders, by a practical show of force, or by military blackmail. However, direct military threats cannot be excluded either, although they are less likely. Because of the war in Ukraine, Poland has become a frontline country, a leader in Europe in terms of its commitment to humanitarian and military aid. It is a key part of NATO's policy in the region and a key representative of the European Union in the current geopolitical situation.

Other threats and challenges (non-military):

- ensuring energy security (Poland has diversified gas supplies significantly but still crude oil is imported from Russia although on a lower scale)
- security on the border with Belarus and Russia
- maintaining the necessary level of food self-sufficiency
- biosafety of food products
- maintenance of potable and industrial water resources
- improving air quality
- fighting against sudden weather changes (mainly droughts and floods)
- preventing demographic decline
- ensuring security in cyberspace

## 2.3 CYBER DEFENSE AND SECURITY

As with other countries, cyberspace protection is currently one of the principal strategic tasks for Poland's security. To meet new challenges related to the development and wide application of ICT networks, the **Ministry of Administration and Digitization** was created in 2011 and in 2015 separated as sole Ministry of Digitization. The new body received full competence in the fields of computerization and communications, as well as cyber security.

The body responsible for appropriate response in the event of an attack on ICT systems is the CSIRT GOV (Computer Security Incident Response Team, <https://csirt.gov.pl>) led by the Head of the Internal Security Agency. The institution is responsible for coordinating the process of responding to cybersecurity incidents. Its tasks include recognizing, preventing, and detecting threats to the continuity of public administration and ICT networks in critical infrastructure.

A similar institution was established within the MND (Ministry of National Defense) - CSIRT MND, as well as in the scientific community – CSIRT NASK.

- **CSIRT MND** (<http://csirt-mon.wp.mil.pl>) - coordinates the handling of reported incidents by entities reporting to or supervised by the MND and entrepreneurs of particular economic and defense importance for Poland
- **CSIRT NASK** – is operated by the Scientific and Academic Computer Network ([www.nask.pl](http://www.nask.pl)) and handles incidents reported by research institutes, Polish Air Navigation Services Agency, or individual citizens.



Within the structures of NASK, **CERT Polska** is Computer Emergency Response Team conducting research and scientific activities, operating the national .pl domain registry and providing advanced IT network services. Active since 1996, it became a recognized and experienced entity in the field of computer security. Since its launch, the core of the team's activity has been handling security incidents and cooperation with similar units worldwide.

In 2021, operators from the CERT Poland identified 29,483 security incidents, i.e., on average, over 80 incidents per day (an increase of 180% compared to 2020). The largest number of recorded events involved phishing (44%), malicious software, and spam. The most common scenarios concerned phishing scams on foreign websites such as Netflix or PayPal hosted on Polish servers, as well as phishing scams on Polish institutions (mainly banks) located in foreign hosting. The leading motive for such attacks was to obtain personal data for access to paid services or money theft from bank accounts. Many scenario variants also involved fake websites imitating fast online payments sites.

Another important institution in cybersecurity is the **National Center for Cyberspace Security** (NCBC, <https://ncbc.wp.mil.pl>), responsible for key resources in cryptology and cybersecurity. It is a leading institution in providing IT security for the Ministry of National Defense and plays a key role in the process of digitalization of the Polish government. NCBC's tasks include conducting operations in cyberspace 24/7/365 - analysis, monitoring, setting new directions and techniques of activities, active response to incidents affecting network security and its users.

## CYBER.MIL

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Cybersecurity is an area that will be co-financed by the MND under the Technical Modernization Plan of the Polish Army until 2026. The Ministry has prepared the **CYBER.MIL** program, for which Poland will allocate **USD 1 billion** in the coming years. As part of the program, the ministry will acquire domestic tools and software that will allow it to conduct effective operations in cyberspace and equip the Polish Armed Forces with the latest Polish cryptographic technologies.

The program covers two strategic areas:

- comprehensive support for the formation of cyberspace defense troops
- integrating the cybersecurity environment of the Ministry of National Defense.

Cyberspace Defense Forces will be formed on the basis of the Cybernetic Operations Center, which will eventually be transformed into the Cyberspace Defense Forces. The task of forming troops was entrusted to the newly appointed Proxy for the creation of Cyberspace Defense Forces.

In addition, the cyber security sector (military and civil) is one of the fastest developing sub-sectors in Poland and presents significant opportunities. In 2022, the cybersecurity market in Poland was valued at approx. USD 450 million and is expected to grow up to USD 600 million by 2024, with an annual average growth rate of more than 10%.



## 2.4 CRITICAL INFRASTRUCTURE

The first National Critical Infrastructure Protection Program from 2015, which was updated in 2020 (mainly in the field of coordination between different government bodies) and which is supervised by the Government Security Center, lists five basic methods for critical infrastructure protection:<sup>3</sup>

1. Physical protection – protection of persons and property, as well as prevention of damage and unauthorized access to a protected area.
2. Personal protection – reducing risks associated with persons who, through authorized access to critical facilities, equipment, installations and services, may cause interference with critical infrastructure. This applies to employees and other personnel temporarily present within critical infrastructure facilities such as service providers, suppliers, guests.
3. Technical protection, which includes compliance of buildings, equipment, installations and services with European and national regulations (e.g., construction standards), as well as other regulations (e.g. fire protection), to guarantee safe use of critical infrastructure and its technical security (including fences, barriers, CCTV systems, access systems, etc.).
4. ICT protection – ICT systems and networks serving critical infrastructure facilities, including protection against cyber-crime and -terrorism and effective prevention of such incidents.
5. Legal protection – preventing the risk of a hostile takeover, controlling, blocking or limiting decisions of management boards, merger or sale of elements of critical infrastructure.

### Airports

The civil aviation transportation sector develops very dynamically. In 2020-2021, the traffic was seriously affected by the COVID-19 pandemic, but in 2022, Polish airports served over 41.1 million passengers, implying a twofold increase in less than a decade. Regional airports handled 26.7 million passengers and Warsaw's Chopin Airport additional 14.4 million.



Source: GUS

The Polish air traffic system consists of 15 airports.

<sup>3</sup> <https://www.gov.pl/web/rcb/narodowy-program-ochrony-infrastruktury-krytycznej>



Source: [pasazer.com](http://pasazer.com)

The **Chopin Airport in Warsaw** is the central port, serving approximately 40% of all passengers using air services in Poland. It is also the only one serving intercontinental flights. The Chopin Airport is owned and managed by the state-owned enterprise **Polskie Porty Lotnicze** PPPL ([www.polish-airports.com](http://www.polish-airports.com)). The company also holds majority shares in the Krakow Airport (76%) and minority shares in 10 regional airports (6 - 49% of shares, depending on the airport). The other owners of regional airports are local municipalities.

Along with the increase in passenger traffic, airports plan to further develop their infrastructure:

- **Warsaw Chopin Airport** – the airport is expanding its runways, as well as north and south piers to the passenger terminal<sup>4</sup>. The airport will be closed after the Central Communication Poland opens.
- **Katowice Airport** – announced in February 2022 a project worth approx. PLN 95 million (USD 22 million) to build a new cargo and fuel hub.
- **Gdansk Airport** – in 2020 planned construction of a new pier, as an extension of T2 terminal, its area will increase from 53,000 sqm to 69,000 sqm, increasing the number of security control lines and baggage carousels. The project is under construction.
- **Modlin Airport** – second passenger airport in the Warsaw area. Ryanair's chief has unveiled great plans for the Modlin airport to finance the expansion of the airport to increase capacity and serve up to 6 million passengers. But due to a disagreement with the owners of the project, it is currently on hold.

<sup>4</sup> <https://www.lotnisko-chopina.pl/pl/fundusze-europejskie.html>



**Number of passengers served by largest Polish airports in 2022**

Airport name	No. of passengers 2018	No. of passengers 2022
Warsaw Chopin	17,737	14,400
Krakow Balice	6,759	7,390
Gdansk Walesa	4,966	4,570
Katowice Pyrzowice	4,825	4,410
Warsaw Modlin	3,080	3,120
Wroclaw Strachowice	3,293	2,870
Poznan Lawica	2,465	2,250
Rzeszow Jasionka	769	731
Szczecin Goleniow	598	420
Lublin	545	330
Bydgoszcz	398	254

Source: tvn24bis.pl

A major change in the Polish airport map will be the launch of a planned Central Communication Port which is to serve as an air hub in the region of Central and Eastern Europe.

**Central Communication Port**

The largest infrastructure project planned for the next few years in Poland is the construction of the Central Communication Port (Centralny Port Komunikacyjny – **CPK**; <https://www.cpk.pl/en/>) located 60 kilometers from the capital Warsaw. Ultimately, there will be a large international airport combining passenger and cargo functions, along with a network of high-speed rail connections from major cities. The project is called the “Solidarity” Transport Hub. Recently, it was announced that the project will be expanded with a military function and will include an air force base.

It is the largest infrastructural investment in Poland. This mega airport – set to replace the Warsaw Chopin Airport – will serve as the country’s main transport hub integrating air, motorway, and railway elements. The estimated cost of the project is more than USD 7 billion and its target is to serve 45 million passengers annually.

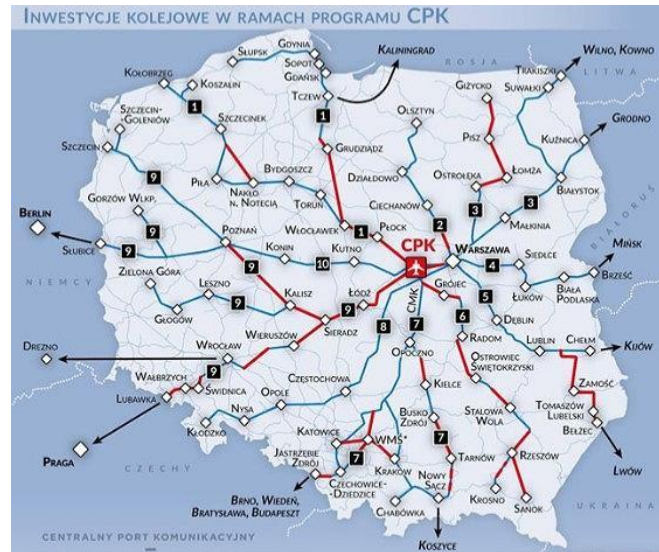
The Central Communication Port will integrate air, rail and road transport in the region on an area of approx. 3,000 hectares. It will bring massive investments also in the Polish railway sector. It envisages the construction of almost 2,000 km high-speed railways in order to make the airport accessible from all major Polish cities within 2.5 hours. The railway component is one of the biggest engineering projects in Central and Eastern Europe. According to the signed agreements and plans, the project should also integrate highways and speed roads networks between the Baltic States, Ukraine, the Czech Republic, Slovakia, and Poland.

In the first stage, it will be able to handle up to 45 million passengers per year. In addition, an Airport City will be built in the CPK area, which will include conference and office facilities. Government sources estimate that the investment is expected to create over 150,000 new jobs. The CPK will be 100% state-owned.





**Central Communication Port with road and railway networks:**



Strategic partners for the project include:

- Incheon Airport / Seoul – strategic advisor,
- Foster+Partners and Buro Happold – design consortium / master architect and the design company
- Dar Al-Handasah – the master civil engineer

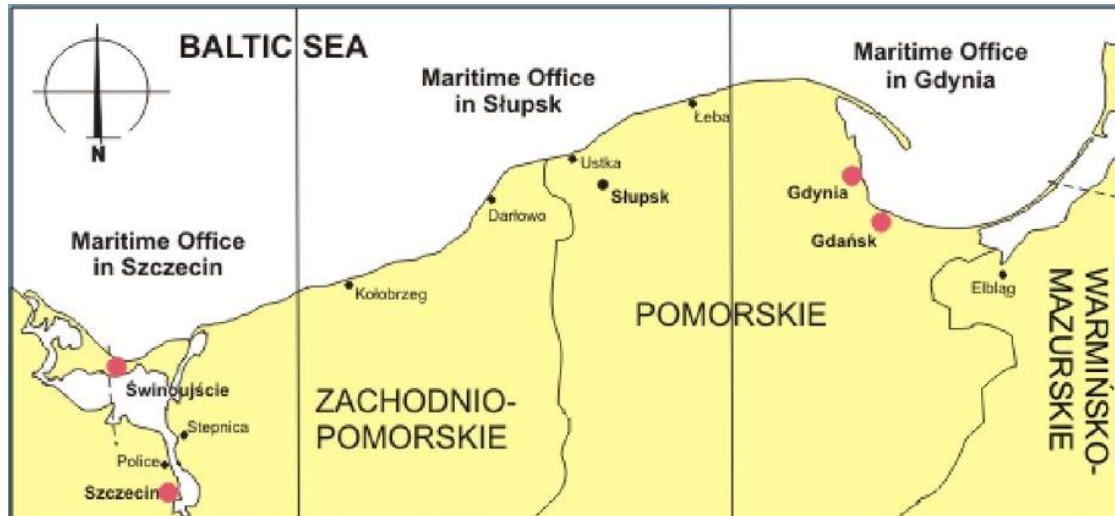
Construction work is expected to begin in 2023 and the first stage was to be completed in 2027. However, there are already significant delays at this stage, so it is unlikely that the proposed date will be maintained.

## Seaports

There are 3 large seaports in Poland, all of them focused on cargo shipments and under state control:

- **Gdańsk** ([www.portgdansk.pl](http://www.portgdansk.pl)) – state-controlled (95% shares), shipped 45 million tons in 2021
- **Gdynia** ([www.port.gdynia.pl](http://www.port.gdynia.pl)) – state-controlled (99% shares), shipped 23 million tons in 2021
- **Szczecin-Swinoujście** ([www.port.szczecin.pl](http://www.port.szczecin.pl)) – state-controlled (55%, other shareholders are local municipalities), shipped 18 million tons in 2021

### Polish coastline and major sea ports:



Polish seaports develop dynamically: total volume of shipments amounted to 96,7 million tons in 2021 up 9.2% in comparison to 2020.

The Ministry of Maritime Economy and Inland Navigation which is the governing body of seaports intends to further develop their capacity. Close to USD 8 billion has been pre-allocated for infrastructure extension and equipment modernization by 2030.

Major plans include:

- construction of Central Seaport in Gdansk
- construction of external port and ferry terminal in Gdynia
- deepening of the Szczecin-Swinoujście fairway up to 12.5 m
- building of a shipping channel through the Vistula Spit.

## Power system

The total installed capacity in the Polish power system exceeds 38,000 MW, and consists of power plants and combined heat and power plants (CHP), including industrial CHP.

There are 10 large power plants, mostly coal-fired (about 70% of produced power was sourced from coal, however, its share decreases slowly).

Depending on their location, they are owned and operated by one of four state-dependent, vertically integrated power system operators: PGE ([www.gkpgge.pl](http://www.gkpgge.pl)), Enea ([www.enea.pl](http://www.enea.pl)), Energa ([www.energa.pl](http://www.energa.pl)),

Tauron ([www.tauron.pl](http://www.tauron.pl)). Beside power plants, system operators also own coal mines, as well as local power distribution grids.

**Largest Polish power plants and their installed capacity:**



The owner of the power transmission network is state-dependent company PSE ([www.pse.pl](http://www.pse.pl)), which operates a high voltage infrastructure consisting of 267 lines with a total length of 14,695 km, including:

- 1 line, 750 kV, 114 km long
- 102 400 kV lines with a total length of 6,826 km
- 164 220 kV lines with a total length of 7,755 km
- 106 highest voltage stations (LV)
- 450 kV DC Poland - Sweden undersea connection with a total length of 254 km (of which 127 km belongs to PSE).

## Crude oil pipelines



### Crude oil infrastructure in Poland

Until the war in Ukraine, crude oil was transported to Poland mainly via the Druzhba (“Przyjazn”) pipeline. In 2022, the share of Russian crude oil transported via Przyjazn went down and, in 4Q, amounted to 12.6% of total imports. The company PERN Przyjaźń SA (<https://pern.pl>) handles the pipeline network for transporting crude oil and liquid fuels and also provides oil storage. Their storage bases are in Adamowo (Polish-Belarussian border), Plock (Central Poland), and Gdansk (Northern Poland) and have a total capacity of 3.5 million cubic meters.

The infrastructure of PERN "Przyjazn" SA for crude oil transport consists of three main sections:

- **Eastern section** of the Druzhba pipeline connects the Reservoir Base in Adamow at the border with Belarus with the storage base in Plock. This section reaches a capacity of 50 million tons of crude oil per year
- **Western section** of the Druzhba pipeline connects the storage base in Plock with the oil base located in Schwedt. This section supplies two German refineries: PCK Raffinerie GmbH in Schwedt and Total Raffinerie Mitteldeutschland GmbH in Spergau. The Western section of the Druzhba pipeline reaches 27 million tons of crude oil per year
- **Pomeranian pipeline** connects the storage base in Plock with the base in Gdańsk. From this point, Russian crude oil flows to the refinery in Gdańsk belonging to Grupa Lotos SA and for export via



Naftoport. The Pomeranian pipeline can transport raw material in two directions. Its capacity is about 30 million metric tons of crude oil per year.

Since 2002, alternative oil supplies from other directions, mainly by sea, have become increasingly important. The largest operator for shipments of crude oil imported or exported by sea is Naftoport Oil Terminal ([www.naftoport.pl](http://www.naftoport.pl)). Their infrastructure includes five shipment stations with a potential exceeding 40 million metric tons of liquid fuels per year. In 2022, Naftoport shipped 22.6 million tons of crude oil and liquid fuels (363 tankers).

Imported and extracted oil is processed in the refineries belonging to two leading state-owned entities, but there is ongoing a merger of the two companies:

- **PKN „Orlen” SA** ([www.orlen.pl](http://www.orlen.pl))  
Polish largest oil & gas company, with a turnover exceeding USD 63.2 billion in 2022. It manages six refineries, of which three are located in Poland: Płock, Trzebinia and Jedlicze (Poland), Litvinov and Kralupy (Czech Republic), and Mažeikiai (Lithuania). Their total processing capacity amounts to 35.2 million tons per year.
- **Lotos SA** ([www.lotos.pl](http://www.lotos.pl))  
Polish second largest oil & gas company with a turnover over USD 8.8 billion in 2022. Owner of the Gdansk refinery with a processing capacity exceeding 11 million tons per year.

As far as diversification of gas supply to Poland is concerned, the key investment was the opening of the Baltic Pipe and gas transmission from Norway in 2022 as well as the increase of import capacity through Gazoport (LNG from the U.S. and Qatar among others by sea).

### Nuclear power plants projects

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Poland has no nuclear power plants; however, the government intends to build the first one in the future. Nuclear energy is mentioned in government strategies as an important energy source for Poland after 2033.

In November 2022, the Polish government adopted a resolution to build a total of three nuclear power plants in Poland. The first, a U.S. reactor, will stand in Lubiatow-Kopalino. A letter of intent was also signed to develop a plan for the construction of a power plant in Patnow. The location of the third power plant is expected to be known soon.

American technology will be used in the construction of the first reactor. Westinghouse AP1000 technology has been selected for the construction of first Polish nuclear power plant in Lubiatow-Kopalino, indicated by the investor as the preferred location. Construction of the power plant in this location will begin in 2026, while its completion is planned for 2033. In October, ZE PAK (private company), PGE (state-owned company) and Korean concern KHNP signed a letter of intent to develop a plan for the construction of a nuclear power plant in Patnow based on the Korean APR 1400 reactor technology.

In total, the plan for the nuclear power construction calls for the creation of facilities with a total installed capacity of 6 to 9 GWe based on proven, large-scale, Generation III pressurized water nuclear reactors. If the plan to build nuclear energy in Poland is to be fully implemented, the total value of investment will be PLN 184 billion (approx. USD 42 billion).

As calculated by the Polish Economic Institute, the Polish nuclear program could raise Polish GDP by more than 1% by 2043. According to PIE, nuclear power could meet 40% of Poland's electricity demand in 2043.



In addition, based on official announcements, there are plans to build at least 2-5 small modular reactors (SMR). Two units are to be commissioned by 2029. First letters of intent were signed, for instance, with Canadian technology provider BWXT Canada and GE Hitachi. On the Polish side, not only state-controlled companies showed interest in this technology, but also private ones such as Synthos Green Energy.

## 2.5 PHYSICAL SECURITY MARKET

According to Deloitte, the value of the Polish market of security equipment and services reached approx. USD 3 billion by 2021, while in 2017, it was USD 2.5 billion. Growth in the next years will be mostly driven by the physical security segment, which accounts for 80% of the market, while cash handling and security surveillance services represent the remaining 20%.

The market of equipment and integration services is fragmented with a large number of players offering local or nationwide services, while the sector of physical and professional security is significantly more concentrated – with 4 largest security agencies serving about 70-80% of the market. These four largest security agencies are listed below:

### **Solid Security**

[www.solidsecurity.pl](http://www.solidsecurity.pl)

Polish second largest security agency providing services to businesses and individual clients (2,355 employees). They offer physical security, cash handling, monitoring, design, and assembly of electronic security systems, fire protection, access control, and intrusion protection systems. The turnover amounted to USD 227 million in 2021.

### **Seris Konsalnet**

[www.konsalnet.pl](http://www.konsalnet.pl)

Largest physical security agency, has 19,500 employees and a fleet of over 700 cars. They provide physical protection for over 3,500 facilities, monitoring services for 64,000 buildings and 13,000 vehicles. Their clients include banks, retail chains, public utilities, strategic facilities and industrial companies, as well as military units. Its turnover amounted to USD 127 million in 2021.

### **Impel**

[www.impel.pl](http://www.impel.pl)

Large capital group providing a wide range of B2B outsourcing services. Their offer includes physical security, CCTV surveillance, property and mass-events protection, cash handling, facility management, financial and HR/payroll, catering, and industrial cleaning. The turnover amounted to USD 88 million in 2021.

### **Ekotrade**

[www.ekotrade.com.pl](http://www.ekotrade.com.pl)

Large security agency with a focus on the protection of people and property, also providing cash handling, public events protection, monitoring with intervention patrols, fire monitoring, design and assembly of electronic security systems, as well as GPS satellite location services. They employ more than 8,500 people, including 200 intervention teams and convoy groups.

Many importers and distributors look for new technologies and innovative solutions that could be introduced to the Polish market. Among the latest trends with high dynamics are **integrated surveillance systems** and **intelligent monitoring solutions**. Surveillance systems are increasingly popular, especially among municipalities aiming to build smart city systems using modern digital infrastructure for more efficient and



effective management of municipal services and traffic. It is estimated that video monitoring has been already installed in 80% of Polish cities.

Some examples:

- **Warsaw** – the monitoring system of the Polish capital has nearly 14,000 cameras, almost half of which are installed on the city buses. The municipality formed a special department of over 100 staff providing surveillance services and analysis.
- **Katowice** – its monitoring and analysis system was launched in 2016. It is the first intelligent monitoring solution in Poland, which detects and alerts dispatchers to a dozen of specific events - e.g., a collision of vehicles, gathering crowd or lying person. The system was equipped with 194 cameras, located in the city center and the largest districts, and at 10 points on the main road arteries in the city. The cameras scan the license plates of passing vehicles, helping police in prosecuting car thieves and perpetrators of accidents. The system is constantly further developed and the monitoring extended to other districts of the city.
- **Łódź** - over the past four years, the authorities have invested around USD 4 million in monitoring. This allowed for nearly 450 cameras, including license-plate scanning devices at intersections. In 2019, the city started the next, fifth stage of the system's expansion. The project involves additional 153 cameras installed in over 40 locations.

Video monitoring is also massively used by **railway operators**. Most rail-road crossings are already equipped with cameras. There are currently around 3,000 monitored railway crossings. They are part of a safety improvement program implemented by Polish Railways. The company intends to continue the program and install cameras in a majority of level crossings.

At earlier stages of market development, Polish clients were very price sensitive. However, experts have been observing rising demand for quality solutions that provide better picture resolution and include additional functionalities. Along with rising technical capabilities and growing demand for video monitoring systems, sales of auxiliary equipment are also developing dynamically. Advanced server solutions, data recognition and management systems, as well as surveillance software enabling precise picture analysis all enjoy high dynamics on the security market in Poland.



## 3 PUBLIC PROCUREMENT SYSTEM

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In accordance with the Public Procurement Law of 2004, all public entities, including army units and the Ministry of National Defense, are obliged to public procurement for orders exceeding EUR 30,000 (USD 33,333). For each tender procedure, a document with terms of reference (ToR, Polish: SIWZ) has to be prepared, where technical specifications as well as all criteria and conditions for tender participation (including selection criteria) are clearly stated. Usually, the template of contract to be signed is also attached. All orders shall be officially announced in the Public Procurement Bulletin published online by the Public Procurement Office ([www.uzp.gov.pl](http://www.uzp.gov.pl)).

The organizer of a public tender is obliged to provide fair treatment to all bidders. The procuring party must allow time for questions from potential bidders and provide explanations which shall be publicly available to all (other) interested parties. Many army units operate a dedicated team for handling public tenders, usually subordinated directly to the Chief officer.

The final selection of the winner is also publicly announced together with the final bid value. Possible selection criteria are price, delivery time and costs, additional services and training offered to military staff, conditions of technical maintenance, or warranty period.

For high-value projects, the procuring body may require a security deposit not exceeding 3% of the expected contract value. In some large projects, the winning bidder may be asked to provide a performance bond prior to the contract signature (usually 5-20% of total price indicated in the offer).

### Confidentiality clause for strategic governmental purchases

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The Law introduces exceptions for government procurement when public or national safety is considered. This is often used especially in military procurement. In such case the army unit keeps the tender confidential and is not obliged to publicly announce the subject matter, bidders, the winner, or contract value. The law also allows for procurement without a tender in specific cases.

### Technical dialogues

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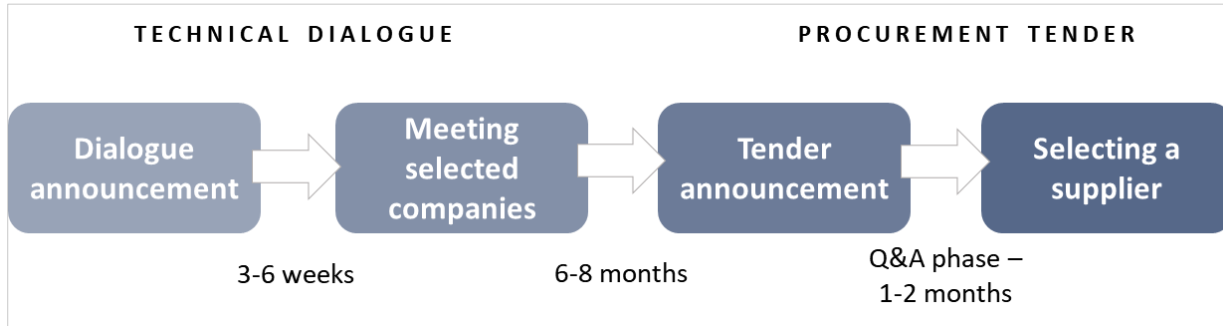
According to the Law, when considering the purchase of new technical systems or solutions, the institution responsible for the purchase is entitled to conduct a procedure of “technical dialogue” which would precede the actual tender. The purpose is to collect information about existing solutions (including technologies, applications, costs, maintenance issues, necessary staff training, etc.) in order to prepare technical specification for the actual tender.

Technical dialogues are a kind of open invitation announced online for companies interested in the subject and ready to provide information. The buyer has the right to select companies for individual meetings (not all interested companies will be automatically accepted). Based on the findings from the meetings, the buyer prepares the specification (SIWZ) and opens the tender.





**Scheme of procurement procedure**



The length of the procurement cycle depends on many factors, including the complexity of the subject and the institution realizing the project. For procurement projects where technical dialogue is involved, the length can vary from 8 to 10 months, or even over a year (assuming that the procedure is not stopped or put on hold due to, for example, external factors or the changing political situation in the country, which is in fact quite common, especially in the defense sector).

**Process for U.S. companies seeking to bid on Polish government tenders**

U.S. companies have equal rights to participate in technical dialogues and tenders. In the defense sector, however, MND representatives often emphasize in official statements that Polish defense contractors (especially those associated with PGZ) will have priority as suppliers for the Polish army. A review of actual tender results over the past few years indicates that the current government is especially keen on using domestic suppliers (at least officially) in comparison to previous governments but due to current geopolitical situation is forced to increase military equipment export quickly and on a quite mass scale.

One of possible obstacles for foreign companies may be the language barrier, as all documents and procedures are in the Polish language and the submitted bids must be in Polish as well.

**Military procurement**

The Polish army does not currently have an integrated process or unit coordinating and realizing all military procurement. The system is fragmented and ineffective, with at least a dozen institutions responsible for formulating requirements - often contradictory - and the procurement process is lengthy. Moreover, the Armaments Inspectorate, which performs most large and strategic purchases, has insufficient resources, including human resources.

The government intends to improve and streamline procedures in order to allow for faster and more efficient modernization of the army. In November 2019, the Minister of National Defense announced a plan on the creation of Armaments Agency, an institution to deal with comprehensive implementation and realization of military procurement. Finally, the agency was established in September 2021.

The Polish government realizes some strategic purchases from U.S. contractors under the FMS program. So far, Patriot rocket launchers for the Wisla system and F-16 fighters were procured through the U.S. government. Currently, the purchase of F-35 aircraft is being negotiated under FMS. The Polish government declares interest in participating in the FMS program in the future, however, there are no further agreements announced.



## Agencies involved in the procurement of military equipment:

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### **Armaments Agency**

<https://www.wojsko-polskie.pl/au/>

The agency is subordinated to the MND and conducts analytical, strategic and implementation tasks in procurement of armaments and equipment for the Armed Forces. It is responsible for the preparation of feasibility studies as well as preliminary tactical and technical assumptions and market analyses. It organizes and conducts technical dialogues and tenders. In some cases, it is a contracting party, responsible for overseeing deliveries. The agency cooperates with NATO bodies, including the Support Agency (NSPA), as well as with other international agencies and units. The Inspectorate coordinates equipment repairs for Polish forces, delivered by companies belonging to the PGZ group. This entity is also responsible for identifying and monitoring the development of innovative technologies, counselling to the Polish army, coordination and supervision of implementation projects with new military solutions, as well as active participation in the modernization of the Polish army. The Inspectorate is directly subordinated to the MND.

Chief Officer: gen. dr Artur Kuptel  
Address: Królewska 1/7, 00-909 Warszawa, Poland  
Telephone: +48 261 873 060



## 4 ROUTE TO MARKET

### 4.1 ENTERING THE POLISH MARKET

Thanks to economic growth and the progressing modernization of its Armed Forces, Poland offers good opportunities for U.S. defense companies seeking to enter new markets.

The biggest opportunities exist for new technologies and innovative solutions where there is a lack of domestic competitors.

The Polish army needs to further adjust its systems to NATO standards and this process will continue in the next decade.

Potential is also significant in the personal security and surveillance systems sector, where demand is created not only by uniformed forces, but also by municipal authorities, owners of critical infrastructure, and private companies.

U.S. companies have equal rights to sell to Poland and to take part in public tenders as in other EU countries. As member of the European Union, Poland applies the same legal rules on imports as other EU countries.

The Polish government has been using the FMS program for its strategic defense procurement.

U.S. companies have multiple options to enter the Polish market:

- direct export – through public tenders and direct sale to Polish army or other buyers
- setting up a representative office or subsidiary (for more information see the [Investor's Guide compiled by the Polish Investment and Trade Agency](#))
- establishing a local partner/distributor, already active in the defense/security sector

With regard to the local environment, technical standards and legal procedures, as well as the language barrier and time difference, working with local companies as business partners is typically the recommended route to market for most U.S. firms. The advantages of local partners include:

- **Knowledge of the local language**  
All procedures of technical dialogues and actual tenders are conducted in Polish; all documentation and specification, as well as the actual contract are written/signed in Polish, all data provided by suppliers have to be in Polish.
- **Existing business relations**  
Many local distributors were established by former (retired) army employees or they are the main consultants/managers of these vendors. They have the best knowledge of and established connections to relevant state's institutions.
- **Experience on the market, knowledge of legal regulations, procurement plans and overall political climate**  
The Polish army is in an ongoing process of modernization and reorganization. There are times when procurement processes speed up, and then they slow down. In the past, newly elected



government have repeatedly brought a different vision for the army, its equipment and overall operation, changing earlier strategies and introducing new ideas.

- **Familiarity with local standards, technical situation of military equipment and the army's actual needs**

Local firms know which army units require modernization, as well as their budgets, thus they can direct sales and marketing activities more effectively.

Examples of major US contractors who have established some in-market presence and operations in Poland include:

- Northrop  
[www.northropgrumman.com/AboutUs/OurGlobalPresence/Europe/Poland/Pages/default.aspx](http://www.northropgrumman.com/AboutUs/OurGlobalPresence/Europe/Poland/Pages/default.aspx)
- Raytheon  
[www.raytheonmissilesanddefense.com/lang/pl/poland](http://www.raytheonmissilesanddefense.com/lang/pl/poland)
- Boeing  
[www.boeing.com/resources/boeingdotcom/global/pdf/Poland-Backgrounder-2017.pdf](http://www.boeing.com/resources/boeingdotcom/global/pdf/Poland-Backgrounder-2017.pdf)
- Lockheed Martin  
[www.lockheedmartin.com/en-pl/index.html](http://www.lockheedmartin.com/en-pl/index.html)



## 4.2 ASSOCIATIONS, PUBLICATIONS AND FAIRS

### TRADE SHOWS

Name: **MSPO International Defence Industry Exhibition**  
 Website: [www.targikielce.pl/pl/mspo](http://www.targikielce.pl/pl/mspo)  
 Date: 5-8 September 2023  
 Venue: Kielce  
 Profile: tradeshow of military, aviation, ships, police equipment



Name: **Balt-Military-Expo Baltic Military Fair in Gdańsk**  
 Website: <http://baltmilitary.amberexpo.pl/title,Jezyk,lang,2.html>  
 Date: TBA  
 Venue: Gdansk  
 Profile: tradeshow of military, aviation, ships, police equipment



Name: **Europoltech**  
 Website: <http://europoltech.amberexpo.pl>  
 Date: 2023 TBA  
 Venue: Gdansk  
 Profile: tradeshow for security systems focused on uniformed forces and national security



Name: **Securex**  
 Website: [www.securex.pl](http://www.securex.pl)  
 Date: 23-25 April 2024  
 Venue: Poznan  
 Profile: largest Polish tradeshow for security systems



ASSOCIATIONS AND ORGANIZATIONS

Name: **Association of Suppliers for Armed Forces**  
 Website: [www.wojsko.media.pl](http://www.wojsko.media.pl)  
 Description: Organization gathering manufacturers and importers of equipment sold to army, police and other armed forces, security companies, etc.



Name: **Polish Chamber of National Defense Manufacturers**  
 Website: <http://przemysl-obronny.pl/en/>  
 Description: Association of 120 defense sector companies



Name: **Dolina Lotnicza (Aviation Valley)**  
 Website: [www.dolinalotnicza.pl](http://www.dolinalotnicza.pl)  
 Description: Cluster of 140 companies in aviation, located mainly in the south-eastern part of Poland



Name: **Polish Chamber of Security**  
 Website: [www.piooim.pl](http://www.piooim.pl)  
 Description: Nationwide association of companies and public institutions in the security sector



Name: **Polish Chamber of Information and Communication Technologies**  
 Website: [www.piit.org.pl](http://www.piit.org.pl)  
 Description: nationwide association of ICT developers, integrators, and equipment providers





## PUBLICATIONS

Name: **Nowa Technika Wojskowa**  
Frequency: monthly  
Website: [www.magnum-x.pl/sklep/nowa-technika-wojskowa/id-2023](http://www.magnum-x.pl/sklep/nowa-technika-wojskowa/id-2023)  
Publisher: Magnum X  
Description: magazine about military issues and equipment



Name: **Defence 24**  
Frequency: Internet portal  
Website: <https://defence24.pl>  
Publisher: Defence24.pl  
Description: Portal covering military issues, defense



Name: **Polska Zbrojna**  
Frequency: monthly  
Website: [www.polska-zbrojna.pl](http://www.polska-zbrojna.pl)  
Publisher: Wojskowy Instytut Wydawniczy  
Description: magazine focused on general military issues



Name: **Ochrona Mienia i Informacji**  
Frequency: bi-monthly  
Website: [www.ochrona-mienia.pl](http://www.ochrona-mienia.pl)  
Publisher: Euro-Media  
Description: magazine for security professionals



Name: **Zabezpieczenia**  
Frequency: bi-monthly  
Website: [www.zabezpieczenia.com.pl](http://www.zabezpieczenia.com.pl)  
Description: magazine for security professionals

