

Jan - May 2025

# DEFENSE SECTOR NEWS

## from Poland

- Defense Sector Portal (incl. list of Polish defense sector companies) - link..... 2
- Industry Updates & General News..... 2
- Defence News..... 5
- EU Projects & Funding News..... 10
- Military Trends 2025..... 12
- Unmanned Ground Vehicles..... 13
- AI Defense Technology..... 14
- News From Ukraine..... 15



Defense Sector Portal (incl. list of Polish defense sector companies) - [link](#)

---

## Industry Updates & General News

---

Polish defence policy update | May 2025

- Poland suggests a shared EU defense system. It would help countries buy weapons together, making things cheaper and faster. [\[Defence News\]](#)
  - Poland may now have the strongest military in the EU, spending nearly 5% of its GDP on defense. The country plans to double its military personnel by 2027 and is reinforcing its eastern border with bunkers, shelters, and radar systems. [\[kronika24pl\]](#)
  - France signs a mutual defense treaty with Poland. President Emmanuel Macron and Prime Minister Donald Tusk signed an agreement in Nancy, France, ensuring military support between both nations. [\[France24\]](#)
  - Polish general Wiesław Kukuła confirmed plans for missiles with a 3,000 km range under "Projekt 400". The country is boosting missile production, developing long-range precision weapons and expanding manufacturing facilities. [\[Innpoland\]](#)
- 

Polish defence policy update | April 2025

- Poland prioritizes defense financing during its EU Council presidency. Finance Minister Andrzej Domański confirmed that Poland is pushing to finalize the ReArm Europe plan, unlocking 800 billion EUR for defense spending across the EU. [\[RTE\]](#)
- Olaf Scholz meets Poland's Prime Minister Tusk in Warsaw. [\[DW\]](#)
- Polish Defense Minister Władysław Kosiniak-Kamysz attended a European defense ministers' meeting in Warsaw on April 3d, 2025 [\[EDA.EUROPA\]](#)
- Finland's Minister for Foreign Affairs Elina Valtonen attended the NB8 meeting in Denmark on April 28–29th, alongside Nordic, Baltic, Polish, French, and German



ministers. Discussions focused on foreign policy, Ukraine support, and European security cooperation. [\[UM.FI\]](#)

---

### Polish defence policy update | March 2025

- President Duda has submitted an amendment to the constitution assuming military spending at the level of 4% of GDP. [\[PAP\]](#)
  - Defense minister Kosiniak-Kamysz: The government will allocate 0.3% of GDP from the state budget for civil defense. [\[PAP\]](#)
  - Finance minister Domański: We want to apply for "as much as possible" from the EUR 150 billion ReArm loan instrument. [\[Investments\]](#)
  - MFiPR: A Security and Defense Fund will be established with PLN 30 billion of funds from the KPO. [\[Bankier\]](#)
  - Prime Minister Donald Tusk announced that defense funds may be supplemented from structural funds if necessary. He emphasized that according to intelligence from EU countries and Ukraine, Russia is preparing for a full-scale war within 3-4 years, which may make it necessary to allocate 5% of GDP for defense in the following years.
  - The Prime Minister also announced the introduction of military training for men in the event of a conflict. In addition, he presented the idea of creating a Defense Bank, modeled on the European Investment Bank, which would finance key investments in the military sector, but its implementation requires cooperation with international partners.
  - The Defense Fund also will support construction projects, steel production, and specialized factories making equipment and ammunition. Builders will work on shelters and infrastructure, while steelmakers will supply materials like structural steel. [\[Defence.24, Polskieradio.pl\]](#)
- 

### Polish military export potential is high | May 2025

Poland is expanding its arms exports. For example, Piorun anti aircraft missile is already popular abroad. Now other military vehicles like the Baobab mine laying system and the Borsuk infantry fighting vehicle could also be exported. Defense Minister Władysław Kosiniak-Kamysz believes Poland can sell these products globally. Additionally, Minister of State Assets Jakub Jaworowski aims to fully localize the



making of ammunition of large caliber in Poland. The Polish Armaments Group (PGZ) is applying for funding (550 million EUR) to strengthen its production (decisions expected in June 2025). The government is investing heavily in defense, securing 27.5 billion EUR for military equipment, including Rosomak armored vehicles, Krab self-propelled howitzers, and Borsuk infantry fighting vehicles. Poland aims to reduce reliance on foreign suppliers and strengthen national defense capabilities through local ammunition production.

Source: [WNP Inwestycje.pl](https://wnp.inwestycje.pl)

---

### Increased German spending will support Polish exports and industry | March 2025

Germany's fiscal plan, including €500 billion for infrastructure and €400 billion for defense, aims to help the German economy recover from stagnation and support Polish exports and industry, according to ING BSK economists. New investments in Germany are expected to benefit traditional sectors, including military electronics. The increase in spending could improve GDP forecasts for Germany and Poland in 2026. Higher investments may also strengthen the złoty, though geopolitical risks linked to Trump's policies remain concerning. German industry is considering relocating production to Central Europe, with half of the companies potentially choosing Poland.

Source: [Investing](https://www.investing.com)

---

### Simplified decisionmaking and document flow for the Polish army | March 2025

Poland's government approved a new law to speed up defense projects. The law simplifies rules for building military units and systems like "Tarcza Wschód." Current procedures take too long, sometimes up to six years. The new rules will cut this time significantly. Companies can now use one certificate for many projects instead of repeating paperwork. Public procurement rules won't apply to key defense investments, so this will help the army improve national security. The law will now go to parliament for approval.

Source: [Gov](https://gov.pl)

---



## How much did Poland spend on defence in 2024? | Jan 2025

In 2024, Poland spent approximately €31 billion on defense, representing 3.7% of GDP and 20% increase y/y. It is a record amount, although lower than the originally planned around €38 billion. In 2025 the defence spending is expected to reach 4.7% of GDP.

Source: [RP](#)

## Defence News

---

### US will sell missiles to Poland | May 2025

The US has approved a 1.33 billion EUR sale of 400 AIM-120D3 AMRAAM missiles to Poland. The missiles will improve Poland's air defense, helping protect NATO forces. Defense Minister Władysław Kosiniak-Kamysz called it another step in the modernization of the Polish military. The new AIM-120D3 version has a 50% longer range and improved accuracy. Poland will first use them with F-16s and later with the F-35s it has ordered. Prime Minister Donald Tusk commented that this will help build strong Polish-American relations, essential for Europe's air defense needs.

Source: [Notes from Poland](#)

---

### New ammunition plant in Poland, mainly for export | April 2025

A large-caliber ammunition production plant will be built in the Świętokrzyskie region, with an investment worth 100 million PLN (around 23 million EUR) by AMC Global Group. The facility will assemble 155 mm shells using imported components and is expected to produce up to 120,000 units annually, primarily for export. The ammunition will not be used by the Polish Armed Forces due to lack of certification for Krab and K9 howitzers. Production is set to begin in 2027, and the highly automated plant will employ around 80 people. This investment is part of broader efforts to develop Poland's domestic ammunition industry.

Source: [Business Insider](#)



---

## South Korean missiles manufacturing in Poland | April 2025

WB Group from Poland and Hanwha Aerospace from South Korea signed a contract to make CGR-080 missiles (and the factory will be built) in Poland. These missiles are used in Homar-K rocket launchers and have a range of 80 km. The first missiles will be ready in three years. Poland will also produce 60 Chunmoo launchers that NATO countries are interested in buying. The project will help Poland's defense and allow faster delivery of ammunition in the future and strengthen relations with South Korea.

Source: [Portal Samorządowy](#)

---

## Bankrupted Rafako will have a fresh start as military production site | April 2025

Poland plans to turn Rafako, a company in Racibórz, into a defense production site. Rafako used to make boilers but faced financial problems for the past few years. The government will invest money to help remake the company into production of armored vehicle parts and possibly artillery systems. Prime Minister Donald Tusk said that the Silesia region has good potential for production of defense equipment for Poland and Europe. The "rebranding" plan includes simplified procedures to speed up the beginning of production.

Sources: [Rafako Biznes](#)

---

## PGO developed 155mm missiles, to be made in Poland | April 2025

Defence company PGO says in its statement it has developed a 155mm missile. "War efforts in Ukraine changed the perception of barrel artillery, which was considered declining before the outbreak of the conflict compared to rocket artillery. Meanwhile, it proved its firepower in the modern battlefield, and the 155mm caliber proved to be a barrier difficult to break. That is why more than two years of cooperation with the Military Institute of Armament Technology resulted in the development of a fully Polish 155 mm missile corps. and today we are starting with the construction of prototypes" – says Andrzej Bulanowski, Vice President of the Management Board for Commercial Affairs at PGO S.A.



Source: [PGO Group](#)

---

### New defense sector factories being built | April 2025

The article by money.pl summarizes new defense sector factories by Jelcz, Dezamet and Mesko group.

Source: [Money](#)

---

### Over 100 Borsuk tanks will be produced until 2029 | March 2025

The Borsuk infantry fighting vehicle is a proud achievement of Polish engineering. It is designed and produced entirely in Poland by Huta Stalowa Wola, part of the Polish Armaments Group (PGZ). The deal for 111 units (worth €1.4 billion) was signed on March 27th 2025, and deliveries will continue until 2029. This advanced combat vehicle is built to replace outdated Soviet models and meet modern military needs. The Borsuks are amphibious, modular, and equipped with cutting-edge weapon systems, including a remote-controlled turret. Borsuk (in English: meles) as a name continues the tradition of naming army vehicles after animals.

Source: [Defence24](#)

---

### Airplane parts produced by GE Aerospace in Poland | March 2025

GE Aerospace will invest €78 million in European factories, where Poland will receive about €11 million for production of parts for airplane engines and military helicopter engines. The investment includes new machines, equipment, and upgrades to infrastructure. This project will create over 500 jobs in factories across the EU. Other countries, including Italy, Czechia, and Romania, will also benefit from this investment.

Source: [GE Aerospace](#)

---

### New Polish spy satellites already in orbit | March 2025



The Polish-Finnish company ICEYE has launched 4 new satellites, including the groundbreaking Gen4 model, as part of the SpaceX Transporter-13 mission. SAR satellites enable Earth imaging regardless of weather conditions or time of day, revolutionizing disaster monitoring, military operations, and unit tracking. Gen4 features a twice-as-large antenna, providing better resolution and wider coverage. ICEYE, the owner of the world's largest SAR satellite constellation, plans further expansion, aiming to launch 20 satellites per year and deliver near real-time data.

Source: [Spiderweb](#)

---

### Unibep makes another investment for the army | March 2025

Unibep signed a contract with the Military Property Agency (AMW) on March 11th for a value of 235.4 million PLN (around €56 million) net. As part of the investment, three barrack buildings for 1200 soldiers and a dining hall for 1428 people will be built at the Powidz Military Base. Work will start in the first quarter of 2025 and is expected to be completed by the fourth quarter of 2027.

Sources: [Unibep Bankier](#)

---

### Niewiadów Group plans new ammunition plant by 2026 | February 2025

Niewiadów Group, Poland's largest private ammunition producer, plans to launch a new factory by the end of 2026. Company's President Grzegorz Niedzielski stresses that Poland should have at least 3-5 such plants to secure the needs of the army, due to the shortage of 155mm ammunition production. The Ministry of Defense has ordered 283,000 pieces of 155mm ammunition for six years (about 50,000 a year), which is enough for just 30 days of combat.

Source: [Puls Biznesu](#)

---

### Thales International SAS signed an agreement with Ukroboronprom | February 2025



Ukraine's Ukroboronprom and French company Thales International SAS signed an agreement to create a new company focused on air defense, radar systems, electronic warfare, tactical communication, and optical technology. The deal was finalized at the Munich Security Conference, with Minister Herman Smetanin. Ukroboronprom's CEO Oleg Hulyak said the partnership will help protect Ukraine's skies and give experts access to top-level technology.

In recent news of the US government becoming uncertain with its support of Ukraine, Europe considers strengthening its defense technology, to be stronger and more independent from the United States.

Source: [ukroboronprom](#)

---

### Ursus Factory transitions to military equipment production | January 2025

Ursus production company began facing declines in tractor sales in 2016. In July 2021, the District Court in Warsaw declared Ursus bankrupt. However, a recent acquisition by Ukrainian entrepreneur Oleh Krot's company, MI Crow, for about €16 million has opened a new chapter for the factory: military equipment production. Previously known for agricultural machinery, Ursus will now return to its roots. Before WW2, it produced tank engines and motorcycle parts for the Polish Army. The shift aligns with the rising demand for defense equipment, driven by the current geopolitical climate. The new owners plan to retain existing jobs, hire additional specialists, and expand production capacity, positioning Ursus as a significant player in Poland's defense sector.

Source: [prolviv](#)

---

Several Polish companies that were previously focused on civilian industries have transitioned into military production due to increased defense demand:

- WB Group and Hanwha Aerospace from South Korea signed a contract to make CGR-080 missiles (and the factory will be built) in Poland.

Source: [Portal Samorządowy](#)

- Huta Stalowa Wola (HSW) has deepened its partnership with South Korea's Hanwha Aerospace to deliver 87 new Krab self-propelled howitzers. The



agreement includes the supply of K9 Thunder chassis components and powerpacks.

Source: [Army Recognition](#)

- AMC Global Group is investing 100 million PLN (23 million EUR) in a large-caliber ammunition plant in Świętokrzyskie, set to produce up to 120,000 155 mm shells annually for export starting in 2027. The facility will do exports and not supply the Polish Armed Forces due to lack of certification for Krab and K9 howitzers.

Source: [Business Insider](#)

- Rafako switched from boilers to armored vehicle parts and possibly artillery systems (to avoid bankruptcy, got funded by the government).

Sources: [Rafako Biznes](#)

## EU Projects & Funding News

---

Now civilian and military projects will get equal priority from EU | May 2025

Minister Katarzyna Pełczyńska-Nałęcz announced that the European Commission has agreed to allow support for technologies with both civilian and military applications. Previously, EU cohesion policy only funded civilian technologies, but now Poland can finance developments in drones, artificial intelligence, and cybersecurity. The decision aims to strengthen Poland's technological capabilities and support innovation in strategic industries.

Source: [Biznes](#)

---

ICEYE signs 200 million EUR deal to provide SAR satellites to polish armed forces

ICEYE has signed a 200 million EUR deal with the Polish Ministry of National Defense to deliver three SAR satellites for the MikroSAR program, with an option for three more. This agreement also includes a mobile ISR platform for real-time data and analysis,



enhancing Poland's defense capabilities by providing continuous monitoring of key locations. ICEYE's system allows for cross-tasking and data sharing with other nations to strengthen collective European defense. Władysław Kosiniak-Kamysz, Deputy Prime Minister of Poland, emphasized that this agreement marks a significant step towards full independence in radar reconnaissance, highlighting the importance of sovereignty and innovation in defense technology.

Source: [Iceye](#)

---

### Creotech satellite program gets over 50 million EUR from ESA | April 2025

The European Space Agency (ESA) will invest around 50 million EUR in Poland's satellite program. The program will be led by Creotech Instruments, a well-known Polish space tech company. The deal is part of the CAMILA project and includes three observation satellites (radar and optical), as well as ground systems for data control. The satellites will help observe Earth and manage space missions. The CAMILA project will run from 2025 to 2027. Creotech also works on other programs, like MIKROGLOB for the military.

Source: [Creotech](#)

---

### 10 billion zlotys for East Shield cooperation | April 2025

Construction of the so-called East Shield will be another billion scale project. The ministry of Defense has signed a cooperation deal with State Forests and the National Center for Agricultural support to start the construction of modern fortifications, warehouses, access roads, logistics points, military and civil infrastructure to protect Poland.

Source: [Gov](#)

---

ReArm EU Initiative: The European Commission project to mobilize 800 bln EUR for European defense over the next decade. Joint investments in air and missile defense, artillery, drones, cyber defense, and military mobility | March 2025



Source: [Commission](#)

---

### Poland will buy submarines with EU loans | March 2025

Poland will receive EU loans for defense, including 20 billion euros for weapon purchases and support for the defense industry. The funds will be used, among other things, to purchase submarines as part of the "Orka" program, which has been ongoing for several years. The companies benefiting the funds are for example Polish companies within the PGZ group, such as Dezamet, Autosan, Jelcz, and Huta Stalowa Wola, which will modernize the production of drones, combat vehicles, communication systems, and ammunition. The "Tarcza Wschód / Eastern Shield" project, which will also be funded with these loans, aims to strengthen Europe's defense. A total of 90% of the funds will be allocated to Polish industry, while 10% will be used for weapon purchases within Europe.

Source: [rmf24](#)

---

### WZL-1 to receive funding for service center | February 2025

According to news sources, Polish WZL-1 got approval to build a service center for Abrams tank engines. Most likely, they will need a maintenance contract with the Ministry of Defense to fund this project. For Apache helicopters, they will get help from an American offset program. WZL-1 also plans to expand its services and hire more workers as part of Poland's effort to modernize its military equipment. The new center will support the maintenance of advanced vehicles and helicopters, improving the country's defense capabilities.

Source: [defence24](#)

---

European Defence Fund Investment: European Commission (1.065 bln EUR) funding projects in ground combat, space, air combat, energy resilience, and environmental transition | January 2025

Source: [Defence Industry Space](#)



## Military Trends 2025

---

Quantum computers for security: Poland is researching quantum encryption to protect military secrets. Quantum computers will make hacking much harder.

FPV drones and ground robots (UGVs): more armies use drones and robots for missions. Ukrainian companies build stronger, smarter drones for defense. One of the main advantages of FPVs: faster logistics and assembly when protection needs come fast and in high demand.

3D Printing for military gear: Poland and the Czech Republic use 3D printing to make better military parts. For example, Excalibur Army (CZ) builds strong equipment using this technology.

Satellites for defense: Countries use satellites to track enemy movements. Poland's KP Labs builds smart satellites for real-time spying and tracking.

Poland is teaming up with Germany, South Korea, Turkey, and France to make weapons. Albania, Croatia, and Kosovo signed a deal to share defense technology.

Source: [The Recursive](#)

## Unmanned Ground Vehicles

---

Milrem Robotics' THeMIS UGV (Estonia): This unmanned ground vehicle (UGV) is widely used in battlefields, including Ukraine, to transport supplies and equipment safely. It helps soldiers by reducing risks in dangerous areas.

Source: [Linkedin post](#)

---

Finnish Drone Ambulance: A Finnish volunteer helped develop battlefield evacuation drones in Ukraine, combining ground drones and aerial scouts to rescue wounded soldiers without risking human lives.



Source: [Euromaidanpress](#)

---

ARX Robotics (Germany): ARX Robotics is expanding into the UK with a €52.2 million investment, aiming to produce 1 800 UGVs per year. Their Gereon RCS UGV can carry 500 kg, operate autonomously, and support missions like mine clearance and casualty evacuation

Source: [euro-sd.com](#)

## AI Defense Technology

---

### AI Defense Innovation Event, May 14-16th, Kraków

The European Defence Innovation Days take place in Krakow, Poland, in May. The event presents AI-driven military solutions, including battlefield automation and cyber defense tools. A Pitch Battle awarded €15,000 to the best AI startup focused on military decision-making.

Source: [eda.europa.eu](#)

---

### Patria and AI swarm platform | May 2025

Finnish company Patria will use €45 million to develop AI-WASP, an adaptive swarm platform for military use. The system will improve battlefield awareness, secure communication, and electronic defense. It will work on drones and manned aircraft. Several EU nations, including Finland, Sweden, and Italy, support the project.

Source: [Defence-industry](#)

---

### HAVOC 8X8 Robotic Combat Vehicle

Source: [EDGE Group](#) [Linkedin post](#)



---

## EU Invests €1 Billion in AI Defense Tech | January 2025

The European Defence Fund allocated 1.065 billion EUR for AI-powered military research. The funding supports ground combat, air defense, cybersecurity, and autonomous systems. The EU aims to boost innovation and help small defense companies grow. The program includes AI-driven battlefield analysis and smart surveillance systems.

Source: [defence-industry-space.ec.europa.eu](https://defence-industry-space.ec.europa.eu)

---

## News From Ukraine

---

### Ukrainian next generation battlefield | May 2025

Ukraine is advancing its defense technology, competing with top European missile systems like Taurus and Storm Shadow. At the Ukraine-EU Defense Forum on May 12th, 2025, experts acknowledged Ukraine's superior electronic and navigation technologies, developed under wartime pressure. Smart mines, battlefield VR tools, and military robots are already used to defend against Russia and ballistic missiles are in combat, proving their effectiveness. Developers are seeking European investments to expand production. Industry leaders say Ukrainian weapons are becoming a global brand, like Swiss banks or Scottish whisky, but security secrecy limits media exposure.

Source: [rfi.fr](https://rfi.fr)

---

### Ukraine can start exporting weapons it produces. Here is what changed | May 2025

Ukraine is preparing to open arms exports in 2025. Officials are considering different models, including a special fund for military purchases, or export taxes on weapon sales. Former Deputy Minister of Economy Ihor Fomenko said a political decision could come in May. The Ukrainian arms industry has struggled due to low government contracts, with drone and electronic warfare firms operating at only 37% capacity. Three possible export approaches include government approval per deal, a 50%



export cap, or a 20% tax fund. Experts debate whether Ukrainian weapons can compete globally with China, India, Europe, and the U.S.

Source: [Unian UA](#)

---

### 1.35 mln artillery shells from EU | May 2025

The EU will send 1.35 million artillery shells to Ukraine by the end of 2025. These shells will help Ukraine in its fight against Russia's invasion. EU leaders say they will try to produce even more ammunition to support Ukraine.

Source: [Militarnyi](#)

---

### Ammunition and the Russian war in Ukraine | April 2025

Russia is relying on North Korean artillery to sustain its war effort, with Pyongyang supplying up to 50% of Moscow's ammunition needs. Experts warn that North Korea's involvement is prolonging the war and giving its troops valuable combat experience. Germany's largest ammunition manufacturer is expanding production by 600 million EUR to meet increasing artillery demands in Europe. Ukraine is investing in drone warfare, funding 2.5 billion EUR for local manufacturers and testing new long-range missile drones.

Source: [Euromaidanpress](#)

---

### Poland resumes military aid to Ukraine | January 2025

Poland is sending more weapons to Ukraine, but in smaller amounts than before. Defense Minister Władysław Kosiniak-Kamysz confirmed that Poland has already given Ukraine 324 tanks and 400 BMP-1 vehicles. Ukraine still needs more weapons, especially artillery and air defense systems. Poland is working with other EU countries to supply missiles and ammunition.

Source: [Defence-ua](#)



Do you want to stay up to date with



Polish-Finnish business news?

Follow our LinkedIn profile  
& Subscribe to our  
newsletter on LinkedIn

[Click here to join +4.700 followers](#)

[and here to join +1.700 newsletter subscribers](#)

Regards  
Spondeo Team

Tuomas Asunmaa  
tuomas@spondeo.fi