

Andrzej Kiński and Maciej Szopa are interviewing Mr. Piotr Kisiel – the president of the WCBKT S.A. - Central Military Bureau of Design and Technology – about increasing potential and growing number of orders of this company, as well as about its cooperation within the Polish Armaments Group (PGZ).

## **DEVELOPMENT WITHIN PGZ**

## There is the 50th anniversary of workshops in 2018 but WCB-KT S.A. has been operating for a slightly shorter period?

Yes. In 2015 we celebrated the 35th anniversary of the entity known as WCBKT S.A. The beginning of the company dates back to 1968, when the Experimental Production Workshop (ZPD) of the Military Technical Academy (WAT) was founded. We are its continuator. The building stays at the same place and between our staff there are still employees who used to work for ZPD. Thus this double anniversary celebrations. We don't cut our roots, on the contrary, we cultivate them, because ZPD used to stick to the same rules as WCBKT S.A. does now. It was an entity pro-technically directed, eager to take up challenges, elaborating untypical projects, e. g. lasers or communication devices. This innovative approach is still present.

At the beginning you weren't engage in producing the ground support equipment (GSE) for servicing aircraft, you were only involved in training simulators. Later on you suddenly take up this direction. This is a unique solution in our industry and a new sector which dominates your operations.

After the collapse of the Warsaw Pact, the need for creating ground technology for servicing our military aircraft was born. It was about enabling servicing of both former-Soviet and Western aircraft, which were supposed to arrive soon. They were looking for an entity which could elaborate and start the production of such an equipment. We managed to do this. This is the real proof that the company can take technical and production challenges upon itself.

#### What percentage of your production are currently GSE?

More than 90 percent. Especially when considering also the production for the civilian market. In this respect the former management board started the cooperation with companies of the handling type. We do our best to meet their requirements. We know that besides complicated devices they also need stairs and other easy solutions. We want to get in to this area, although if we have a lot of orders from armed forces they will be the ones that absorb our production capacities. Polish Armed Forces will always be priority for us. I won't decline that their orders are more profitable for us although they are more technically advanced.

#### Are you planning to get back to produce training simulators?

This is the area that had been the most important for us for years. Now it is not so, but we want to revive it. In 2017 we managed, in cooperation with our sister-company within PGZ - Research and Development Centre for Mechanical Appliances OBRUM S.A. from Gliwice, refresh the training simulator Beskid for T-72 tanks. This is a completely new product. We show it during the International Defence Industry Exhibition in Kielce last year, and we want to follow this path. We would like to modernize Beskid for PT-91 Twardy tanks and renew the system Ortles for infantry combat vehicle BMP-1. All of this we will do altogether with OBRUM. We count on market demand for such solutions, considering the fact that MON (Ministry of National Defence) wants to modernize T-72. Another chance here is the creation of the Territorial Defence (WOT). This is a light infantry but it is possible that low training costs using BMP-1 training simulator cause that soldiers could obtain additional skills.

This is also an interesting solution for the Territorial Defence, before infantry combat vehicles Borsuk will enter the line in mass. We would also like to appear in other areas related to combat vehicle and military vehicle systems.

### Do you mean the Stopfire system?

Yes. Finally, after many years of works in different companies, we were able to finish this long-term project, which a number of companies contributed to. The system has passed state tests and we want to install it in Polish military vehicles.

### Who do you talk to about this project?

The most advanced talks are carried out with Huta Stalowa Wola S.A. We would like to install this system in infantry combat vehicle Borsuk, which is in the initial state right now. The easiest process would be installing Stopfire in the whole new type of a vehicle. Beside these negotiations, we carry out talks through PGZ. We want our system to be manufactured also for both ROSOMAK

and OBRUM, within the KTO program. We are also in touch with potential foreign customers. We talked with the Ukrainians, Brits from BAE Systems and with the Swedes. We have their initial interest but negotiations are still in progress. Our system meets all requirements. It is cheaper, better and after all it is our - Polish. In the circumstances of a potential crisis, we will have its full documentation and we will secure all emerging needs.

### Will your system be installed in the first prototype of Borsuk?

Yes, and we even offered that the first *Stopfire* can be free in order to test it. We have also other products. WAT has a great project of an active system of defending vehicles, already after initial tests. The bureau of ground platforms of PGZ is interested. WCBKT S.A. would like to be a partner in this project.

# This is a very ambitious plan and entering the most advanced solutions

Yes. Because we realize that in the mass production we won't defeat foreign competitors, e. g. Chinese. We can outrun them only when it comes to the technological level and quality.

Recently, the opening of Ground Support Equipment (GSE) Delivery and Maitenance Centre for the whole aviation of the Polish Armed Forces, took place.

Will new aircraft equipment contracts include notations about the necessity of consulting with WCBKT S.A. the problems of GSE?

We would be satisfied by the notation that GSE has to be secured by the national industry. In order to avoid mistakes made when purchasing F-16 and M-346. In those days together with Jastrząb planes came to Poland American devices which didn't differentiate from the technology we produce, but the money were spent abroad. Now, there are legal issues – the Americans say that they can't allow us to this equipment , that we have to obtain certain certificates. What we have recently signed with the BAE Systems is an attempt to regain that abovementioned field – given up a dozen years ago without any fight. Our strategic aim is the polonization, which is securing that GSE in Poland is of Polish production. From the military point of view, the unification always leads to cost efficiency and facilitate servicing, so it is not only about profits for our company.

# What is then a percentage of GSE of your production in Polish Armed Forces?

We estimate that it is about 80 percent and this number is growing. In 2017 we supplied for example a dozen of new devices not counting a number of modernized ones within bulletins. The former ones are de facto new devices – they didn't increase the state of possession of Armed Forces , but they increased its quality. Now, we have an idea for changing former-Soviet devices of the APA class. It is time to do this – they are old, unreliable and there is a problem with parts for them.

#### Can we count on the presentation of its successor this year?

Yes, APA will be utilized and we will be offering our GPU (ground power unit) Luzes V/D series V instead, which is mounted on Jelcz. The first device of this kind will be ready in the first quarter of 2018 and its production is already carrying out. It will be modern solution, able to move in any terrain, which is guaranteed by Jelcz, and at the same time it will have a couple of new functionalities. It will be the project completely made in Poland, an effect of the cooperation of two companies within PGZ. We also want to switch the devices that are now mounted on low-racing chassis for Jelcz vehicles, in order to secure their mobility. We have an idea which makes use of a 15-steps container so different units can be easily mounted on a car, depending on specific needs.

### When American equipment for F-16 will have to be replaced?

F-16 started perform their duties in Poland in 2006-8 so the "bulletin" period for these devices is coming soon. There is a need at this point to think what will be more profitable: their repair or a replacement.

Recently, there have been great investments when it comes to the reconstruction of an aircraft fleet for VIPs. Is there any part in this process that WCBKT S.A. plays? Within the set that Boeing will provide there will also be some Polish devices. A part of them is ours. At the moment there are two pairs of stairs and our tow tractor *Pegaz*. We are also waiting for orders from Boeing concerning tools, hydraulic lifts, a large airfield tow tractor, waste water tanks. The orders are being made in the following way: the main supplier will be the company of Wojskowe Zakłady Lotnicze Nr. 2 S.A., which is a certified Boeing cooperator. We will be a subcontractor. We assume that these supplies will be carried out in 2018. This will be approximately 50 units altogether, including small equipment.

# Does it mean that thanks to this you will be able to offer analogous equipment also for other users of Boeing 737?

Certainly we will use it in our marketing. This is a ground equipment and it is enough to have an attestation that it can be used for a 737 model, thus it can be offered everywhere for this aircraft. It opens a wide market for us. We specially broaden the offer of our company for a documentation from the company of ZREMB Wojkowice, which is approximately 80 types of airport equipment, starting from stairs for different platforms, hoists, luggage trolleys and so on. We carry out negotiations with Polish handling companies in order to – irrespectively from highly technical devices – equip them in basic devices. Our ambition is this: when the Central Airport will be built, we will fully equip it with our airport devices – both complicated and easy ones. We know that it will be a serious challenge. There are also other airports, which will need our equipment. In Poland but also on the eastern markets.

#### Could it be said that you are on the top world level in the defense sector when it comes to quality?

Yes, we can be definitely ranked among those better ones. Our devices originated from military so they meet more serious standards. We cannot afford mass production but we have a good quality – price ratio. In the past there was a trend in the civilian sector to buy the cheapest GSE. But a lot of customers burnt their fingers with such deals so now there is a demand for a quality. This is a great chance for us.

#### Do you develop your potential and employment?

Yes. Among other plans, we want to build a new production hall at the place of the 118 building by the Radiowa Street. We will also build a shed and modernize an existing factory hall. All of this just for making the production process more efficient. In 2017 revenue was higher for a dozen percent than in the previous year. Now, our main weakness is an area. We have on the Bemowo district a hectare and we can only develop within this space. For a short period it is enough, but if we have a lot of orders then we may need to rent or purchase a hall somewhere else.

# Do you consider a cooperation in this field within the PGZ group?

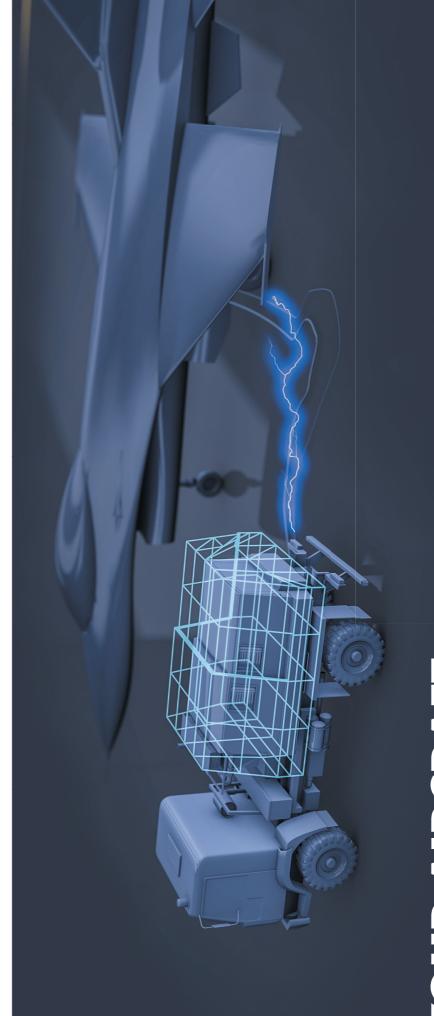
Yes, we have even already talked to WZL No. 4 about this issue. There is no problem in leaving office buildings and a prototype workshop on Radiowa but move the mass production elsewhere. The fact that we operate in the group is a big chance for us, because we can share information or we will give away somewhere part of our production, for example to Dęblin, like in the previous year we have already done it to WZInż. We even consider giving them larger part of an easy production.

# Are you trying on supplying GSE for the aircraft of the next generation? F-35?

F-35 will have similar needs as F-16 in this respect. For us the key factor is the question, what are the needs of an aircraft for voltage, pressure etc. If the same then the devices can be used without any changes. And we projected them with a large surplus of power and we are capable of their further modifications. For example, now we are working on a self-operating device. It would be operated from a tablet from a Jelcz cabin. There will also be displayed all information on it.

Thank you for the interview Mr. President.







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