

## Rousing the War Industry in Ukraine.

In a recent development a number of senior UK defence industry officials arrived in Kyiv to discuss plans for a joint venture between the two countries. The aim of this venture is to establish industry in Ukraine capable of manufacturing UK licensed vehicles and armaments. The establishment of industry cooperation between the UK and Ukraine would be a major step in the relations between the two countries, boosting

Ukrainian ability to supply their forces as well as fill the growing gaps in UK's own armed forces. There are however many factors that influence the talks between Ukraine and the UK, and their final outcome is quite uncertain.

*The joint venture between UK and Ukraine offers a number of potentially very beneficial outcomes, more equipment for Ukrainian forces, economic boost, strengthened cooperation, transition of Ukrainian Armed Forces into NATO equipment standards, and potential recovery of the British Armed Forces*

### The Pros of production in Ukraine

The potential manufacture of UK licensed vehicles and armaments could yield some very impressive results, both for the war torn Ukraine and the distant United Kingdom. First of all Ukraine has access to an abundance of natural resources needed in heavy industry, such as iron, coal, titanium, and even uranium. The presence of these resources in the area greatly shortens and simplifies the production process, with shorter logistic routes and direct access to the required material. The Dnipropetrovsk and Kirovohrad Oblast, still firmly under Ukrainian control, are very rich with minerals and resources needed for the production of weaponry, iron and lithium especially.<sup>1</sup> Ukraine is also in possession of an extensive military industrial complex, a part of its Soviet heritage. The existence of already established production sites would greatly shorten the process required to start the production of war material. For the sake of comparison several western weapons manufacturers, notably Nexter, BAE Systems, and Rheinmetall, decided to increase shell production, however the creation of a new production line takes roughly two years. Thus the existing infrastructure could significantly speed up the manufacturing process. Furthermore the production of arms in Ukraine would significantly shorten the logistics and supply chain of the Ukrainian Armed Forces. Instead of the complex and convoluted process of organising aid and supplies from the western coalition, which takes weeks if not months to be approved, and only then begins the long road to the front, Ukraine could send material straight from the factories to the front. This sort of freedom in terms of supply could be

crucial, not only in sustaining the frontline, but also in terms of planning future operations. The UK would also benefit from this venture as it would allow for the revitalisation of the United Kingdom Armed Forces. In a recent development an unnamed US general privately told the UK's Defence Secretary Ben Wallace, that the British Army is no longer regarded as a top-level fighting force.<sup>2</sup> With dated equipment, personnel layoffs, and a lacking budget UK's Armed Forces fall short, unable to field even a single division and inability to adhere to NATO's high readiness timelines.<sup>3</sup> The joint UK - Ukraine venture would allow the British forces to refit, and at a potentially lowered cost, while at the same time reducing the amount of their dwindling resources being sent to the Ukrainian war effort. Finally the joint venture would serve as a major political and economic gesture, showing that the western world is staunchly in support of Ukraine and ready for further cooperation. This would include not only Ukraine's transition from Soviet to Western weapon systems but also the strengthening of economic ties and a significant boost to Ukrainian war and post-war economy.

### The realities and challenges of production in Ukraine

While the potential outcomes of the war production in Ukraine look very beneficial for all parties involved, it is worth noting that in order to achieve them they would have to overcome serious challenges. The Ukrainian armaments industry is severely damaged and dysfunctional. One of the major targets of the Russian bombing campaign were the arms manufacturing plants, such as the Kharkiv Malyshev Factory. Others have been lost due to Russian advances, like the infrastructure in Mariupol. Furthermore, the Ukrainian war industry has had significant problems without Russian interference. As stated in the 2020 Annual Report released by Ukroboronprom, the industry was plagued by a number of internal issues such as loss of basic and critical technologies required for manufacture or the absence of closed production cycles of most types of military and civilian products.<sup>4</sup> The report also states that the industry was continuously failing to complete its innovation cycle, with many potential products never reaching the production stage.

Ukroboronprom also stated that the industry was at a critical state of providing highly qualified employees, with increasing problems of training workers and engineers. This issue would probably only be deepened due to the incorporation of potential and existing engineers and professionals into the Armed Forces of Ukraine. As noticed by Bartłomiej Kucharski Ukraine already required support in the maintenance and repair of its existing vehicle fleet, with Polish and Czech plants being mobilised to fill in.<sup>5</sup> It is also worth noting that in some cases these foreign repair programmes had to be enacted in order to accommodate western made vehicles that Ukraine had trouble with repairing, such as for example the Polish "Krab" Self-Propelled Artillery.<sup>6</sup> This raises several concerns in regards to the joint UK - Ukraine venture. First of all the current industry is heavily damaged, lacking critical technologies, and lacking trained workforce. Furthermore, the current Ukrainian defence industry is not able to properly repair advanced western weapon systems. Before anything can be

produced these issues would have to be resolved. The UK would have to invest vast amounts of both resources and personnel to begin the joint venture in Ukraine. Lacking critical technologies would have to be imported into Ukraine from abroad. The local workforce would also have to be trained to not only install these new technologies but also how to manufacture armaments of western design. This could be either done in a similar fashion to the ongoing troops training programmes, with Ukrainian personnel transported to the west for training and then sent back upon its completion. The other option would be to send experienced staff to Ukraine directly to train the workforce locally, this could probably speed up the process, with western experts overseeing the beginning of the manufacturing process, but it would also pose risk to the valuable western experts.

### Infrastructure placement and energy issues

Assuming these issues could be dealt with, the manufacturing infrastructure would have to be protected from Russian attacks and have a steady access to energy. The first issue limits the number of possible places for potential development, with the potentially best spot – Kharkiv Malyshev Factory unavailable due to its proximity to both the Russian border and Russian forces. Another potential spot could be the many manufacturing plants in and around Kyiv, sufficiently safe from Russian attacks, and any potential missile or drone strikes countered by the capital's extensive air defence network. These production plants are also relatively close to resource deposits in Zhytomyr and Dnepropetrovsk Oblasts thus, shortening and simplifying the production process. Kyiv is however plagued with energy issues, the effect of Russia's extensive bombardment and strike campaign, with regular blackouts and power shortages. The logical solution to this would be to place the manufacturing plants further west, where Russian strikes are less frequent, and the energy infrastructure more stable, for example Lviv. Furthermore the arms factories could always benefit from energy provided via the connection to Poland, in case local power plants are damaged. Close proximity to Poland would also mean that the critical components needed to start the manufacturing process would be more readily available, along with any potential specialised personnel or training. However at this point why not consider the option to place the plants in eastern Poland, close to the border. This would offset any potential energy issues, as well as any dangers from Russian strikes. This investment could be thus expanded to include Polish designs, technology, and capital thus, significantly boosting the ventures ability to support the Ukrainian war effort. It would also help bridge the gap between UKs western and soviet originating Ukrainian favoured designs, as Poland possesses facilities and knowledge to produce and repair both.

### What could be built in Ukraine

The UK - Ukraine deal would most probably result in the production of licensed and UK designed vehicles and weapons or some adapted versions of these, optimised for Ukrainian conditions and manufacturing ability. The production would also probably be oriented towards currently most

needed and most used supplies. All manner of ammunition types needed to supply the continuous war effort would most probably be designated as top priority. This would be followed by all manner of armoured vehicles with Armoured Personnel Carriers and Infantry Fighting Vehicles being prioritised, due to the demand needed to supply new units and replace losses, as infantry mounted in such vehicles composes the bulk of any modern army. The British designed Warrior IFV could be one such product, very fast, capable of transporting 10 troops (3 crew members and 7 infantrymen), and able to provide impressive fire support with its 30mm Rarden cannon and eight 94mm light anti-armour weapon HEAT (High-Explosive Anti-Tank) rockets.<sup>7</sup> The Warrior and its impressive systems however would require a higher degree of sophistication and a more complex manufacturing process, thus the Bulldog APC might be more suitable. Bulldog is an upgraded version of the FV430 APC first introduced in the 1960s, while the original design may be a little dated, the Bulldog is a very capable vehicle still serving in the British Armed Forces. The simplicity of the design, and the fact that it's built almost entirely out of steel that is easily accessible in Ukraine, is also very important as it would allow for quicker production. This however comes at the cost of slower speed, less armour, and smaller offensive capabilities compared to the Warrior. Finally the cooperation with the UK would also allow Ukraine to manufacture the very effective and advanced Osprey body armour - a very important piece of equipment for every soldier of Ukrainian Armed Forces.

### Conclusion

1. The joint venture between UK and Ukraine offers a number of potentially very beneficial outcomes, more equipment for Ukrainian forces, economic boost, strengthened cooperation, transition of Ukrainian armed forces into NATO equipment standards, and potential recovery of the British armed forces.
2. As much as this deal could do it is also plagued by very real and daunting challenges, the threat of Russian attacks, lack of sufficient infrastructure and professional workforce, energy outages. To overcome these challenges the two countries would have to invest vast amounts of resources and manpower, and keep investing them to keep the manufacturing sites safe, most notably from Russian strikes. A potential partnership with Poland could offset some of these issues, while at the same time increase the potential benefits, though it would take away from the symbolism of the gesture.

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<sup>1</sup> UkraineInvest, "Ukraine's Mining sector Investment opportunities", *The Cabinet of Ministers of Ukraine*, March 4, 2021, <https://poland.mfa.gov.ua/storage/app/sites/61/pdac-2021-final.pdf>.

<sup>2</sup> Deborah Haynes, "US general warns British Army no longer top-level fighting force, defence sources reveal", *Sky News*, January 30, 2023, <https://news.sky.com/story/us-general-warns-british-army-no-longer-top-level-fighting-force-defence-sources-reveal-12798365>.

<sup>3</sup> Ibid.

<sup>4</sup> Ukroboronprom, *Ukroboronprom Annual Report 2020*, November 15, 2021, [https://ukroboronprom.com.ua/storage/documents/report\\_eng.pdf](https://ukroboronprom.com.ua/storage/documents/report_eng.pdf).

<sup>5</sup> Bartłomiej Kucharski, "Możliwości uzupełnienia strat ukraińskich wojsk pancernych", *Casimir Pulaski Foundation*, December 19, 2022, <https://pulaski.pl/raport-pulaskiego-mozliwosci-uzupelnienia-strat-ukrainskich-wojsk-pancernych/>.

<sup>6</sup> Karolina Jeznach, and Joe Parkinson, "The Covert Polish Repair Shop Patching Up Ukrainian Arms", *The Wall Street Journal*, January 28, 2023, <https://www.wsj.com/articles/the-covert-polish-repair-shop-patching-up-ukrainian-arms-11674920742>.

<sup>7</sup> The British Army, "Combat Vehicles", accessed February 15, 2023, <https://www.army.mod.uk/equipment/combat-vehicles/>.

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