

The Role of Ukraine in Global Supply Chains: the Impact of the War and Prospects for Recovery, Denys Kostrzhevskyi

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[/EINPresswire.com/](https://EINPresswire.com/) -- Ukraine has traditionally occupied key positions in global supply chains, in particular, in the production and export of agricultural products, metallurgy, chemical industry, as well as logistics.

“Before the beginning of the full-scale war, our country was among the leaders in the export of grain, in particular wheat and corn, providing about 10% of world exports of wheat

and 16% of corn. In 2021, Ukraine exported more than 33 million tons of grain, which significantly contributed to food security in many countries. The metallurgical industry was also an important sector, because we ranked 12th in the world in terms of steel production, producing about 21 million tons per year”, Denys Kostrzhevskyi, Chairman of the Board of Directors of Kyiv International Airport and Co-founder of the European Facilitation Platform (EFP), said.



Impact of the War

The war has significantly affected Ukraine’s ability to maintain these key roles due to the destruction of infrastructure, the blockade of ports, and general instability. In particular, in 2023, due to active hostilities and the blockade of the Black Sea ports, grain exports decreased by 55% compared to the previous period. In addition, 50% of metallurgical enterprises were stopped or destroyed. This resulted a significant reduction in steel production and limited supply of steel products to the global market.

“The war dealt a devastating blow to our industrial and agricultural sectors. Port restrictions have reduced our ability to export grain, causing shortages in global markets and higher food prices. For Ukraine, this meant not only a loss of income, but also a disruption in supply chains, which has global consequences”, Mr Kostrzhevskyi stated.

State of Production and Logistics

The hostilities on the territory of Ukraine have led to serious disruptions in production processes and logistics routes. The shutdown of some agricultural enterprises, especially in the east and south of the country, caused significant supply disruptions. The destruction of transport infrastructure, including about 25,000 km of roads and 3,500 km of railways, as well as the restriction of port operations and the shutdown of all airports, caused significant difficulties in logistics.

Also, the recent border blockade by Polish farmers, which also had a negative impact on the overall situation, will not be quickly forgotten. Despite these challenges, Ukraine demonstrates resilience and adaptability in ensuring continuity of supply. In particular, the country is developing alternative land routes across the western borders to European markets, and also managed to unblock the work of the Black Sea ports.

“Our efforts to create new logistics routes across the western borders have made it possible to mitigate the effects of the blockade. Transit corridors connecting Ukraine with Polish and Romanian ports have become key in ensuring exports. The high-quality work of the Armed Forces of Ukraine at sea made it possible to continue the export of grain by sea”, he continued.

Prospects for Recovery

The prospects for the resumption of Ukraine’s participation in global supply chains after the end of the war include a large-scale reconstruction of infrastructure. Attracting international investment to rebuild ports and transport routes is critical. For example, the EU and the United States have already announced aid packages totalling more than \$15 billion for reconstruction of transport hubs and modernisation of production facilities.

“We expect that after the end of the war, Ukraine will be able to restore its key positions in global supply chains. Large-scale reconstruction of infrastructure, restoration of Black Sea ports, airports and development of new transport routes will allow us at least to reclaim our previous positions in global supply chains, providing an important contribution to international trade and strengthening its role in the global economy”, Denys Kostzhevskyi summed up.

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