

# Alona Lebedieva: "Ukrzaliznytsia is a mirror of the wartime economy. What we see in that mirror today is alarming"

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[/EINPresswire.com/](https://EINPresswire.com/) -- " "Ukrzaliznytsia is a snapshot of the wartime economy, where the transportation system continues to operate on inertia, subsidies, and remnants of old infrastructure. But this resource is running out. Without new decisions — on tariffs, investment, and governance models — we risk losing more than logistics. We risk losing the foundation for exports, defense, and internal mobility," says Alona Lebedieva, owner of the Ukrainian diversified industrial and investment group Aurum Group.



Alona Lebedieva

According to Ukrzaliznytsia CEO Oleksandr Pertsovskyi, the company's performance in the first half of the year looks cautiously optimistic — but the numbers tell a harsher story. Ukrzaliznytsia transported 79.6 million tonnes of cargo, which is 11.8% less than in the first half of 2024. This represents just 52% of the transport volume recorded in 2021. In essence, the company has lost half of its freight "circulatory system" in four years.

All key segments are declining. Exports dropped by 13.5% (to 38.7 million tonnes), domestic shipments by 11.7% (to 35.5 million tonnes). Imports rose by 5.4% to 5.3 million tonnes — but this increase is clearly insufficient to offset the overall downturn. The greatest losses are seen in strategically important cargo: grain shipments fell by 32.5%, coal by 27.5%. These were traditionally Ukrzaliznytsia's most profitable categories.

The increase in shipments of construction materials and cement — up by 4% and 10% respectively — looks promising, but these are low-tariff goods. They contribute volume but not profit.

"Ukraine ceased to be a regional logistics hub around 2015. Now we've also lost transit flows. There are initial attempts to launch multimodal routes — including container ferries via the Black

Sea — but these are merely pilot projects, not systemic replacements for lost cargo streams,” Lebedieva explains.

Passenger traffic has grown: 13.52 million passengers were transported in the first half of the year — 1.2% more than in 2024, and 23% more than in 2023. However, passenger services remain loss-making. They are subsidized by the freight segment. This chronic issue must at least begin to be addressed. One potential source of compensation could be surplus local budgets, as most losses occur on suburban routes.

As Lebedieva notes, today Ukrzaliznytsia is essentially earning only from scrap metal. Over three months, the company sold scrap worth UAH 164.8 million. However, its balance sheet still holds scrap valued at UAH 1.6 billion — meaning only 10% of its potential has been realized. The reason: artificial sales blockages caused by pressure from buyers seeking artificially low prices.

“As for staff reductions: 536 office positions have been eliminated — that's 25% of the management apparatus. But the system overall employs 176,000 people, plus another 12,000 mobilized personnel. In the context of the company as a whole, this cut represents just 0.3% of the workforce. Labor costs in 2024 amounted to UAH 52 billion — or 50.4% of total revenue. So far, there is no real savings,” she emphasizes.

In conclusion, the current operating model — based on remnants of pre-war infrastructure and subsidies — is nearing its limits. The systemic decline in freight volumes, unprofitability of the passenger sector, low asset efficiency, and limited management optimization all indicate a lack of structural reform.

“Without an economically sound tariff policy, capital investment, and reform of the management model, Ukrzaliznytsia is gradually losing its ability to serve as the critical infrastructural backbone of the economy — both during wartime and in the period of recovery and future growth,” Lebedieva concludes.

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