OPPORTUNITIES FOR REBUILDING

FOR IRON & STEEL INDUSTRY OF UKRAINE

Stanislav Zinchenko
CEO of GMK Center
s.zinchenko@gmk.center
+380 67 402 67 27

OECD Steel Committee
97th Session
Paris, France
31th March – 1st April 2025

GMK CENTER

Everything about steel:
media, think tank,
research agency

MEDIA

Free data source about iron&steel:

- up-to-date market analytics
- corporate news
- full picture of global iron&steel industry
- interviews and opinions of market leaders
- steel and raw material prices

THINK TANK

Think tank:

- fundamental studies on key challenges for iron&steel industry
- new ideas for decision making, public and expert discussion
- support of the dialogue between steel market stakeholders

RESEARCH AGENCY

Market studies:

- global steel markets coverage
- scrap market
- DRI/HBI and DR-grade feed
- CBAM/ETS/carbon prices impact
- macroeconomic modelling
- prices forecast

Visit our website
https://gmk.center/en/

Follow up in social media
https://www.linkedin.com/company/gmk-center

Contact us:
s.zinchenko@gmk.center

IRON & STEEL INDUSTRY IS FUNDAMENTAL FOR THE ECONOMY OF UKRAINE

GDP

7.2%

contributed by the iron & steel sector to GDP of Ukraine, incl. supply chain, in 2024

EMPLOYMENT

98 ths people

are directly employed at iron & steel plants in 2024. 1 job in iron & steel industry ensured 4.5 jobs in other sectors of economy pre-war

EXPORT

15.4%

contributed by the iron & steel sector to export of goods in 2024

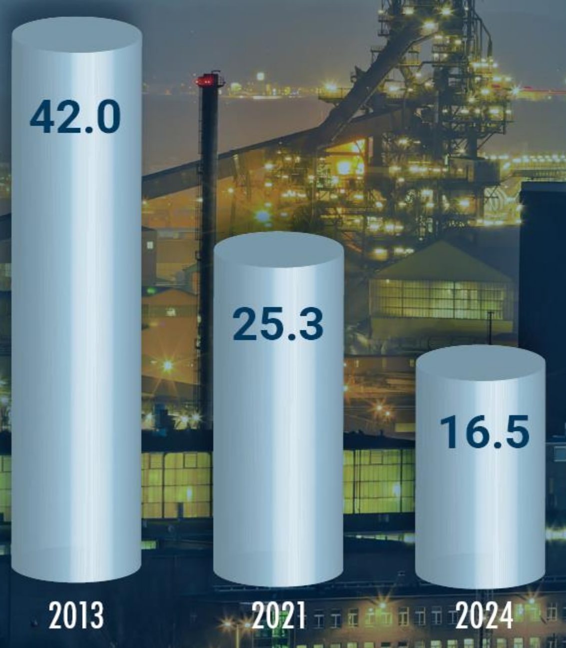
CAPEX

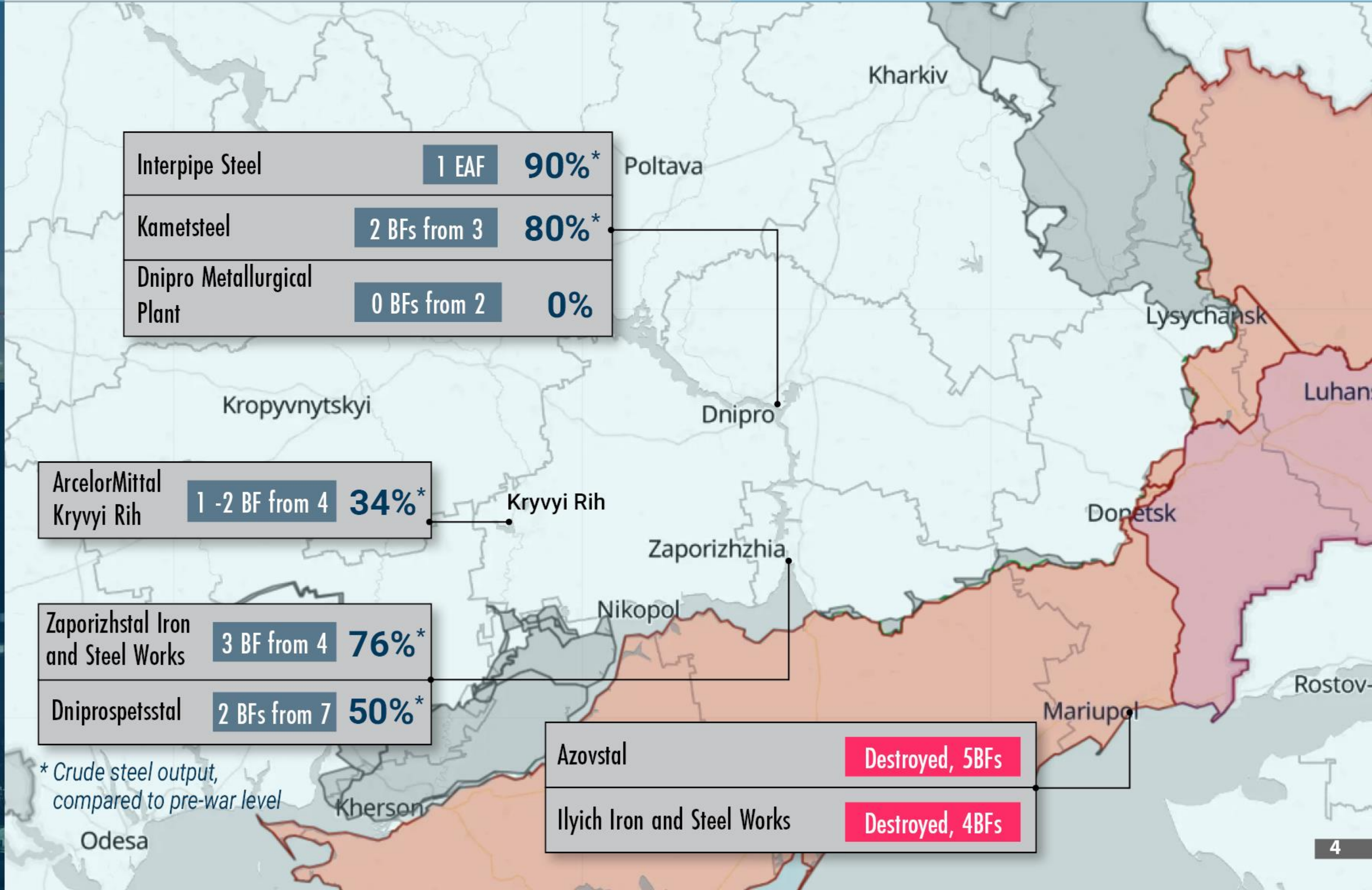
29.4%

were financed by the iron & steel sector of Ukraine as CAPEX in 2024

THERE WERE 6 OUT OF 13 BFs IN OPERATION IN UKRAINE AND 3 EAFs IN 2024

Nominal crude steelmaking capacities, mln tons



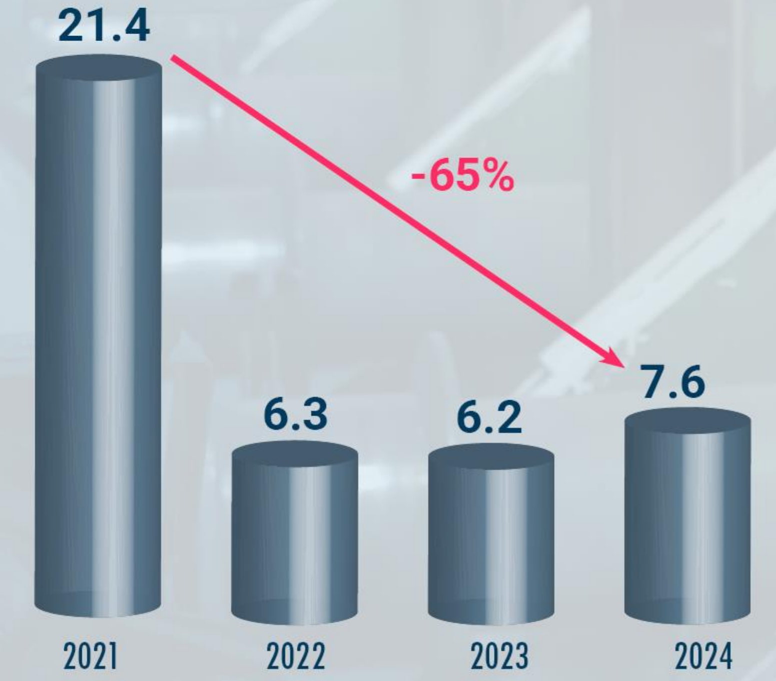


Interpipe Steel	1 EAF	90%*
Kametsteel	2 BFs from 3	80%*
Dnipro Metallurgical Plant	0 BFs from 2	0%
ArcelorMittal Kryvyi Rih	1 -2 BF from 4	34%*
Zaporizhstal Iron and Steel Works	3 BF from 4	76%*
Dniprospetsstal	2 BFs from 7	50%*
Azovstal	Destroyed, 5BFs	
Ilyich Iron and Steel Works	Destroyed, 4BFs	

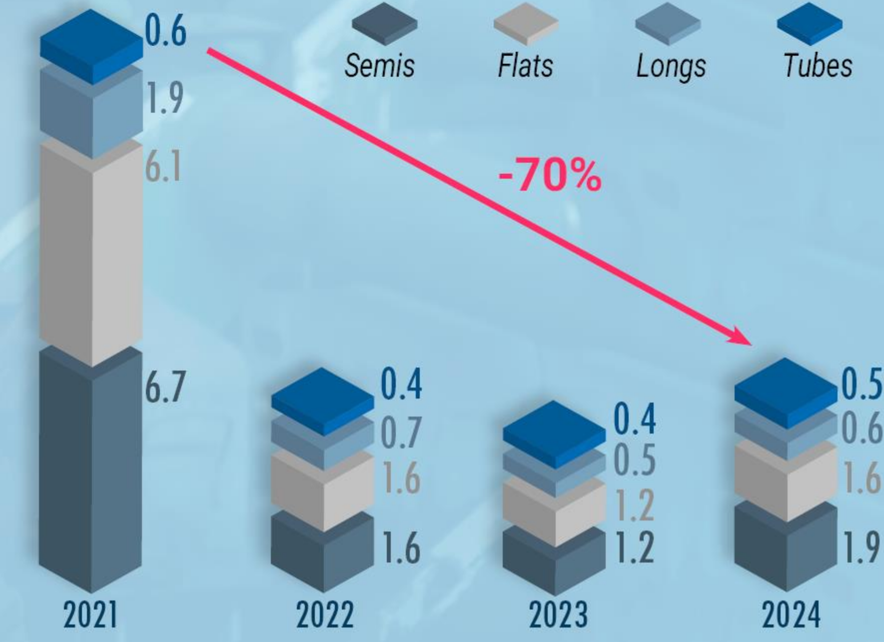
** Crude steel output, compared to pre-war level*

IN 2024 STEEL OUTPUT IN UKRAINE GREW BY 22.6%, BUT ITS 65% LOWER THAN PRE-WAR

Crude steel production, mln tons



Steel exports from Ukraine, mln tons



MAIN CHALLENGES FOR IRON & STEEL SECTOR OF UKRAINE

- **High energy prices**
- Lack of personnel (mobilization, migration)
- High logistic costs
- Competition with Russian products
- Coal shortage, needs for import
- Trade restrictions
- CBAM

€130/MWh

average day-ahead base electricity price in Ukraine in February 2025

93%

of steel in the EU is produced in countries where electricity price is lower than in Ukraine

MAIN CHALLENGES FOR IRON & STEEL SECTOR OF UKRAINE

- High energy prices
- **Lack of personnel (mobilization, migration)**
- High logistic costs
- Competition with Russian products
- Coal shortage, needs for import
- Trade restrictions
- CBAM

15-20%

of steelmakers` workforce were drafted to the Ukrainian defense forces

4,000

vacancies in engineering and technical specialties had Metinvest in February 2025

gmk.center

MAIN CHALLENGES FOR IRON & STEEL SECTOR OF UKRAINE

- High energy prices
- Lack of personnel (mobilization, migration)
- **High logistic costs**
- Competition with Russian products
- Coal shortage, needs for import
- Trade restrictions
- CBAM

x2 times

freight costs in 2024 were higher than pre-war level

gmk.center

MAIN CHALLENGES FOR IRON & STEEL SECTOR OF UKRAINE

- High energy prices
- Lack of personnel (mobilization, migration)
- High logistic costs
- **Competition with Russian products**
- Coal shortage, needs for import
- Trade restrictions
- CBAM

3.3 mln tons

imports of russian semis to the EU in 2024

2.1 mln tons

imports of russian pig iron & HBI to the EU in 2024

MAIN CHALLENGES FOR IRON & STEEL SECTOR OF UKRAINE

- High energy prices
- Lack of personnel (mobilization, migration)
- High logistic costs
- Competition with Russian products
- **Coal shortage, needs for import**
- Trade restrictions
- CBAM

66%

domestic market share of Pokrovske Mine, which stopped working, in 2024

2.5 mln tons

of coking coal or coke should be imported to maintain current level of steel production

MAIN CHALLENGES FOR IRON & STEEL SECTOR OF UKRAINE

- High energy prices
- Lack of personnel (mobilization, migration)
- High logistic costs
- Competition with Russian products
- Coal shortage, needs for import
- **Trade restrictions**
- CBAM

200,000 tons
of steel export from Ukraine are affected as a result of “Trump`s tariffs”

28
trade restriction measures in force against steel products from Ukraine

25% OF MEASURES
were introduced more than 20 years ago

gmk.center

MAIN CHALLENGES FOR IRON & STEEL SECTOR OF UKRAINE

- High energy prices
- Lack of personnel (mobilization, migration)
- High logistic costs
- Competition with Russian products
- Coal shortage, needs for import
- Trade restrictions
- **CBAM**

$1.6 bln
potential annual export losses in 2030 due to CBAM

0.3 mln tons
of pig iron exports to the EU could be lost by Ukraine due to CBAM

FUTURE OF UKRAINIAN IRON & STEEL INDUSTRY

KEY SUPPLIER OF DR-GRADE FEED

LOW CARBON HBI SUPPLIER

SUPPLIER OF ENVIRONMENTALLY FRIENDLY STEEL PRODUCTS

IMPORTER OF HVA STEEL PRODUCTS

IMPORTER OF TECHNOLOGIES

UKRAINE SUPPORTS DECARBONIZATION WITH POTENTIAL 20-25 mln tons OF MERCHANT DR-GRADE FEED SUPPLY

Potential DR-grade feed capacities in Ukraine

Company	Product	Capacity	Status
Metinvest (Central GOK)	Pellets	1.0[1]	Operating
Ferrexpo	Pellets	3.0-5.0[1]	Operating
Metinvest (Northern GOK)	Pellets	6.0	Project
Metinvest	Concentrate Fe68-70%	19.0	Project
ArcelorMittal Kryvyi Rih	Pellets	5.0	Project
Black Iron	Concentrate Fe68%	4.0-8.0	Project
Southern GOK	Pellets	3.0[1]	Announcement

[1] GMK Center assessment

Data source: companies data, GMK Center assessments

THE FUTURE OF UKRAINIAN IRON & STEEL INDUSTRY IS IN LOW CARBON PRODUCTION

Potential decarbonization projects in iron & steel sector of Ukraine

Company	Projects
Metinvest	2 DRI modules × 2.5 mln tons
Zaporizhstal	EAF complex of 3.3-3.8 mln tons
Metinvest (Kamet Steel)	EAF + slab casting + bloom casting
ArcelorMittal Kryvyi Rih	2 DRI modules × 2.5 mln tons[1]
Interpipe	EAF + slab casting + flat rolling mills

[1] GMK Center assessment

Data source: companies data, GMK Center assessments

ZAPORIZHSTAL

Technology route	BF-OHF
Products	Flats
Nominal crude steelmaking capacity[1]	4.1 mln tons
Facilities in operations in 2024	4-5 OHFs out of 6 Double-bath steelmaking unit
Utilization in 2024[2]	88%
Development plan	EAF complex 3.3-3.8 mln tons
Crude steelmaking capacity after realization of development plan	3.3-3.8 mln tons

[1] *According to Ukrmetalurgprom*
[2]*-Facilities in operations*

KAMET STEEL

Technology route	BF-BOF
Products	Longs
Nominal crude steelmaking capacity	3.2 mln tons[1]
Facilities in operations in 2024[2]	1 BOF out of 2
Utilization in 2024[3]	88%
Development plan	EAF complex Slab casting Bloom casting
Crude steelmaking capacity after realization of development plan	3.2 mln tons[4]

[1] Limited by BF capacity at 2.7 mln tons
[2] According to Ukrmetalurgprom
[3] Facilities in operations
[4] GMK Center assessment

ARCELORMITTAL KRYVYI RIH

Technology route	BF-BOF
Products	Longs
Nominal crude steelmaking capacity	6.0 mln tons
Facilities in operations in 2024[1]	1-2 BOFs out of 6
Utilization in 2024[2]	83%
Development plan	Pelletizing plant 5.0 mln tons 2 DRI modules × 2.5 mln tons[3]
Crude steelmaking capacity after realization of development plan	5.5 mln tons[3]

[1] *According to Ukrmetalurgprom*
[2] *Facilities in operations*
[3] *GMK Center assessment*

INTERPIPE

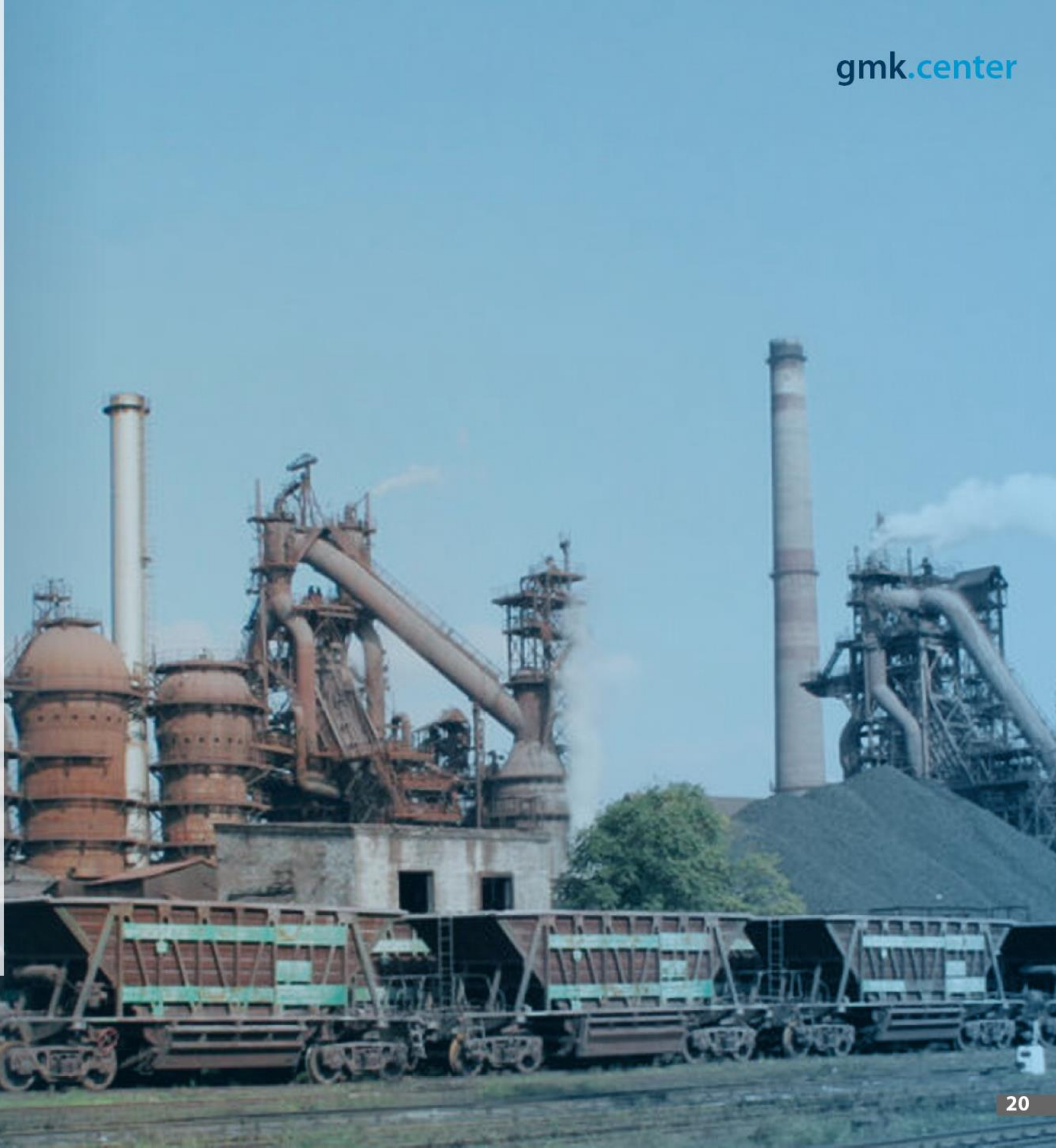
Technology route	Scrap-EAF
Products	Pipes & tubes
Nominal crude steelmaking capacity[1]	1.3 mln tons
Facilities in operations in 2024[1]	1 EAF
Utilization in 2024[2]	65%
Development plan	EAF[3] Slab casting Flat rolling mills
Crude steelmaking capacity after realization of development plan	2.3 mln tons[3]

[1] According to Ukrmetalurgprom
[2] Facilities in operations
[3] GMK Center assessment

gmk.center

DNIPRO METALLURGICAL PLANT

Technology route	BF-BOF
Products	Longs
Nominal crude steelmaking capacity[1]	1.0 mln tons
Facilities in operations in 2024[1]	0 BOFs out of 3
Utilization in 2024[2]	idled
Development plan	None, BFs and BOFs could be decommissioned[3]
Crude steelmaking capacity after realization of development plan	0 mln tons[3]



[1] According to Ukrmetalurgprom
[2] Facilities in operations
[3] GMK Center assessment

DNIPROSPETSSTAL

Technology route	EAF/IF
Products	Longs, stainless
Nominal crude steelmaking capacity[1]	0.9 mln tons
Facilities in operations in 2024[1]	2 EAFs out of 7
Utilization in 2024[2]	35%
Development plan	None, decommission of 5 EAFs[3]
Crude steelmaking capacity after realization of development plan	0.3 mln tons[3]

[1] According to Ukrmetalurgprom
[2] Facilities in operations
[3] GMK Center assessment

VISION BY GMK CENTER

gmk.center

UKRAINIAN IRON & STEEL INDUSTRY IN 2035

	2021	2024	2035
Nominal steelmaking capacities, mln tons	25.3	16.5	15.1
Capacities in operations, mln tons	25.3	9.0	15.1
Steel output, mln tons	21.4	7.6	12.5
Capacities utilization, mln tons*	84.5%	84.1%	82.8%
Low carbon steel output, mln tons	1.0	0.9	12.5
Domestic market (finished), mln tons	4.6	3.4	5.0
Steel export (finished), mln tons	15.1	4.7	7.5
Pig iron export, mln tons	3.2	1.3	0.0
HBI export, mln tons	-	0.0	2.0

** Utilization of capacities in operations*