

# ECONOMIC IMPACT

of iron & steel  
industry  
of Ukraine

2024



# WHY IS THE IRON & STEEL SECTOR OF UKRAINE SO IMPORTANT

**1. The basic sector for the Ukrainian economy, providing exports, investments and taxes.**

The iron & steel sector contributed 7.2% to the GDP of Ukraine in 2024, incl. supply chains.

Iron and steel exports from Ukraine up 30% in 2024 by \$1.5 bln. The sector's share in total export of goods from Ukraine also raised to 15.4%.

Despite the war, in 2024 the companies of the sector continue their investment activities, having invested \$650 mln, and paid almost \$900 mln taxes in budgets of different levels.

**2. The responsible employer that creates qualified jobs with high salaries.**

Iron & steel companies create attractive working conditions both through high wages and improved safety.

Wages in the steel industry are 30% higher than the average in Ukraine in 2024.

100 jobs in steelmaking sector provided more than 450 jobs in other sectors, pre-war. The iron & steel sector remains a major employer even today, that ensures regional employment and deter people from migration.

**3. The base for post-war reconstruction and strengthening of defense capabilities.**

The iron & steel sector will be critical to rebuilding of damaged infrastructure. In Ukraine, 236 ths residential buildings, 4.0 ths buildings of educational institutions, 1.5 ths health care buildings were completely destroyed as the result of the war, as of November 2024. It will create demand for mln of tons of steel for recovery.

Also, the iron & steel industry is critical for the development of the defense industry, which is essential for strengthening Ukraine's defense capability after the war.

**4. The key supplier enabling the development of a low carbon economy.**

Ukraine is well suited for the development of projects to produce high quality iron ore for DRI production.

Ukraine has one of the largest global reserves of magnetite ores - 5 bln tons. It enables local iron & steel companies to supply 20-25 mln tons of DR-grade feed to global market.

Ukraine will help the global iron & steel industry in its green transition supplying raw materials: DR-grade feed and HBI.

# THE MOST SUFFERED FROM THE WAR









	PRE-WAR	ANNEXATION OF CRIMEA AND OCCUPATION OF DONETSK AND LUHANSK REGIONS	FULL-SCALE INVASION
	2013	2018*	2024
Number of steelmaking plants	12	9	6
Nominal crude steelmaking capacities, mln tons	42.0	25.3	16.5
Crude steel output, mln tons	32.7	21.1	7.6

\* after the loss of control over steelmaking assets in Donetsk and Luhansk regions



# RESILIENT INDUSTRY

## Iron & steel output in Ukraine, ths tons

	2021	2022	2023	2024
 <b>Iron ore</b>	84,431	31,411	28,823	44,690
 <b>Merchant pig iron</b>	3,236	1,325	1,249	1,290
 <b>Crude steel</b>	21,366	6,263	6,228	7,575
 <b>Longs</b>	3,800	1,350	1,764	2,028 <sup>1</sup>
 <b>Flats</b>	7,980	2,179	2,055	2,430
 <b>Tubes</b>	1,123	632	695	780 <sup>1</sup>
 <b>Ferroalloys</b>	859	540	230	108
 <b>Scrap collection</b>	4,100	997	1,277	1,749

<sup>1</sup> GMK Center assessment

# ECONOMY BASE

## 7.2%

**Contributed by iron  
& steel industry and  
supply chain to GDP  
of Ukraine in 2024**

Iron & steel sector of Ukraine is one of the hardest hit by the war. But nevertheless, the sector remains basic for the Ukrainian economy, contributed 7.2% to the GDP in 2024 (5.7% in 2023).

The share of the iron & steel industry increased in 2024 due to the growth of steel output (+21.5%) and iron ore output (+55.2%). Stable operations within the «sea corridor», which made possible exports from the Black Sea ports of Ukraine, determined the positive dynamics in the iron & steel industry. Ukraine's economy grew by only 3.6% in 2024, according to estimates by the Ministry of Economy.



# THE PART OF EUROPEAN SUPPLY CHAIN

## 15.4%

Contributed by iron & steel industry and supply chain to export of goods from Ukraine in 2024

Iron & steel sector of Ukraine provided every one in six dollar of exports of goods from Ukraine. Last year it provided more than 15% of total exports.

The iron & steel sector of Ukraine is gradually regaining its position as a global player after the resumption of exports from the Black Sea ports. Ukraine took 3rd place globally among the largest suppliers of pig iron in 2024. Also, Ukraine returned to the TOP-5 largest exporters of iron ore.

The iron & steel sector of Ukraine is a part of the European steel industry, as it included to the European supply chains and supply to the EU up to 64% of total steel export from the country.





# LARGE INVESTOR

**\$650** mln

Capital expenditures of  
the iron & steel sector  
in Ukraine in 2024

The iron & steel sector provided 18.3% of total capital investments (CAPEX) in Ukrainian industrial (manufacturing) sectors in 2024. The total CAPEX amount in 2024 was 8.3% higher than in 2023.

The ongoing war in Ukraine prevents the restoration of investment activity. Most companies have frozen large investment development projects. But they will be resumed as soon as the war is over, and the iron & steel sector will be the driver of industrial development in Ukraine.

# KEY EMPLOYER

## +30%

**Salaries in iron & steel sector are higher than average in Ukraine in 2024**

Ukrainian iron & steel companies are major employers in the regions of presence. They invest in better working conditions, training, and social programs to retain staff. However, in 2024, headcount dropped by 8% year-over-year due to war challenges. Companies struggle to fill vacancies.





# RESPONSIBLE TAXPAYER

During the war iron & steel companies continue to support abilities of state budget to finance defense and social needs. In 2024 largest steel companies of the sector (Metinvest, ArcelorMittal Kryvyi Rih, Interpipe, DCH Steel, Ferrexpo) contributed 1.7% of total tax revenue in Ukraine. But the successful operations of steel companies is much more important for regional and local budgets.

**\$0.9 bln**

taxes paid by  
five largest steel  
companies of  
Ukraine in 2024



# KEY SUPPLIER OF DR-GRADE FEED IN THE FUTURE

Ukraine has one of the largest global reserves of magnetite ores (5 bln tons), which are suitable for beneficiation to Ferrum content of 68-70%. These products will be in demand in the future, as the major raw materials for low-carbon steel production via DRI-EAF route. Ukraine will help the global iron & steel industry in its green transition supplying raw materials. Ukraine has the potential to supply 20-25 mln tons of merchant DR-grade feed and satisfy significant part of the market demand.

## Potential of DR-grade feed capacities in Ukraine, mln tons

COMPANY	PRODUCT	CAPACITY	STATUS
Metinvest (Central GOK)	Pellets	1.0 <sup>1</sup>	Operating
Ferrexpo	Pellets	3.0-5.0 <sup>1</sup>	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 <sup>1</sup>	Announcement

<sup>1</sup> GMK Center assessment

Data source: companies data, GMK Center assessments



# ESSENTIAL PART OF NEW LOW CARBON ECONOMY



## Potential DR-grade feed capacities in 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 <sup>1</sup> × 2.5 mln tons <sup>1</sup>
Interpipe	EAF <sup>1</sup> + slab casting + flat rolling mills

Data source: companies data, GMK Center vision

The future of the Ukrainian steel industry is low-carbon. Ukraine, as a candidate for membership in the European Union, intends to join the European Emissions Trading System in the future. It means that Ukrainian steelmakers will have to follow the same path as European colleagues.

Local companies have already announced a number of decarbonization projects. Ukraine can become an important part of the low-carbon economy as an exporter of HBI and green steel. It could turn reality in a short time if Ukraine gets access to the European infrastructure for financing decarbonization.

# WHAT DOES THE IRON & STEEL SECTOR OF UKRAINE LOOK LIKE TODAY

## IRON & STEEL



Coke



Pig iron



Crude steel



Flats



Longs



Stainless Steel



Semis



Welded pipes

Zhytomyr

**6** Steelmaking plants

Vinnytsia

**16.5**  
mln tons

Steelmaking capacities  
as of December 2024

Dnipro Metallurgical Plant

Interpipe Steel

Kamet Steel

Dniprospeysstal

Zaporizhstal Iron and Steel Works

ArcelorMittal Kryvyi Rih

Azovstal Iron and Steel Works

Ilyich Iron and Steel Works

Kharkiv

Poltava

Dnipro

Zaporizhzhia

Nikopol

Kherson

Odesa

Alchevsk Iron and Steel Works

Yenakieve Iron and Steel Works

Donetsksteel, metallurgical plant

Luhansk

Kurakhove

Donetsk

Elektrostal

Mariupol

Rostov-on-Don

Shakhty

Destroyed or occupied  
ukrainian enterprises



# WHAT DOES THE IRON & STEEL SECTOR OF UKRAINE LOOK LIKE TODAY

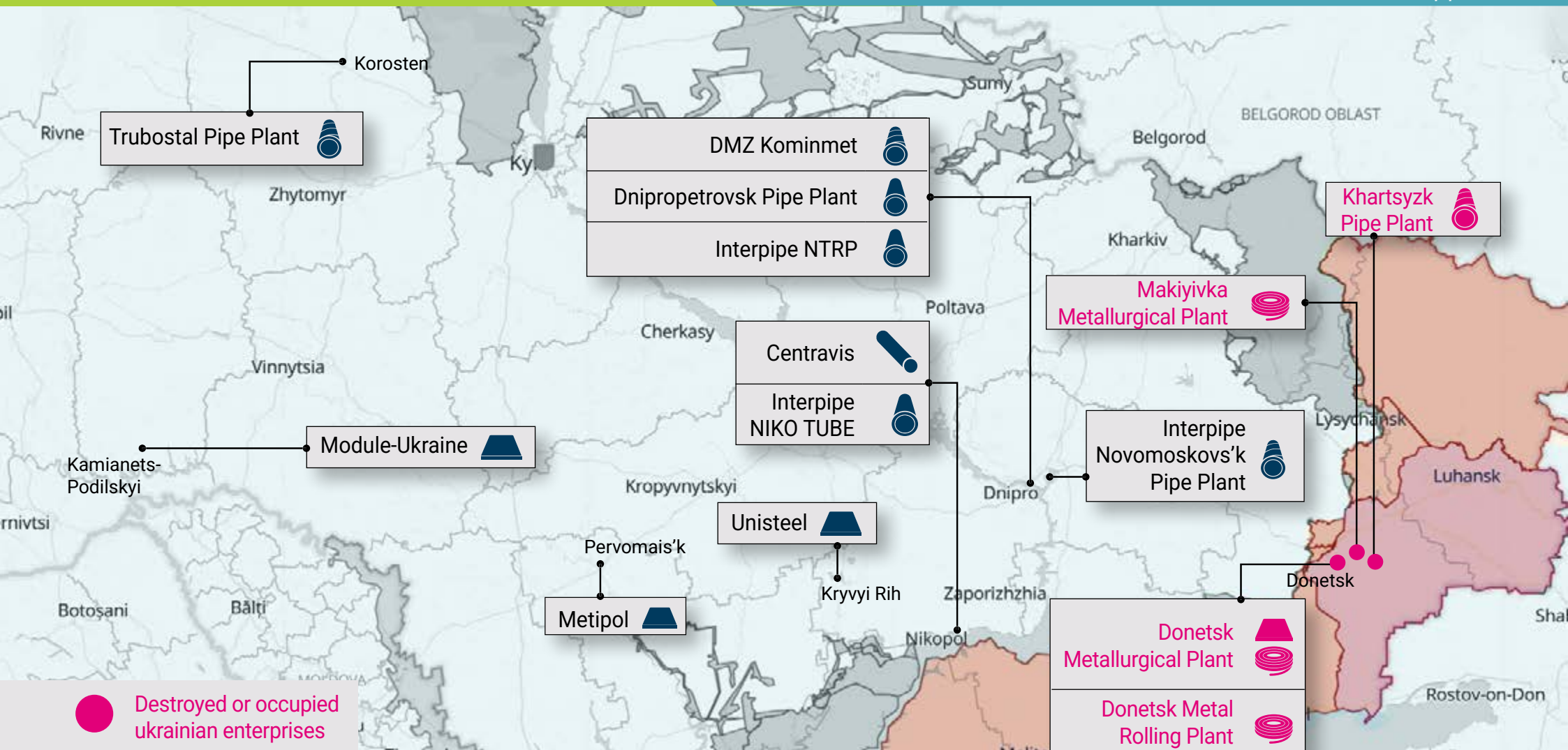
## ROLLING MILLS & TUBES



Flats



Longs

Welded  
pipesSeamless  
pipesSeamless  
stainless  
pipes

# WHAT DOES THE IRON & STEEL SECTOR OF UKRAINE LOOK LIKE TODAY

## IRON ORE















# 10

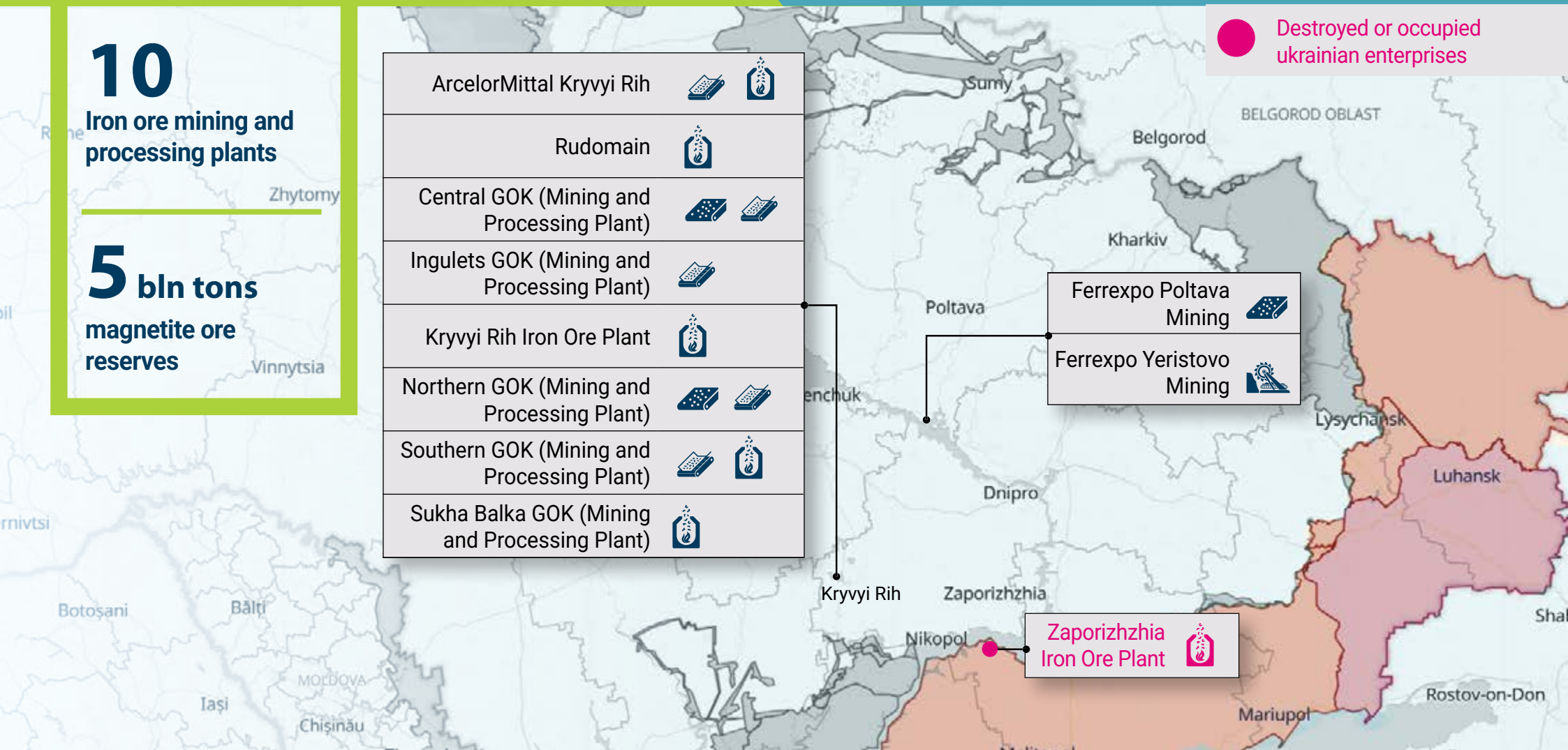
Iron ore mining and processing plants

# 5

bln tons magnetite ore reserves

ArcelorMittal Kryvyi Rih	 
Rudomir	
Central GOK (Mining and Processing Plant)	 
Ingulets GOK (Mining and Processing Plant)	
Kryvyi Rih Iron Ore Plant	
Northern GOK (Mining and Processing Plant)	 
Southern GOK (Mining and Processing Plant)	 
Sukha Balka GOK (Mining and Processing Plant)	

Destroyed or occupied ukrainian enterprises





# WHAT DOES THE IRON & STEEL SECTOR OF UKRAINE LOOK LIKE TODAY

## FERROALLOYS



Ferroalloys

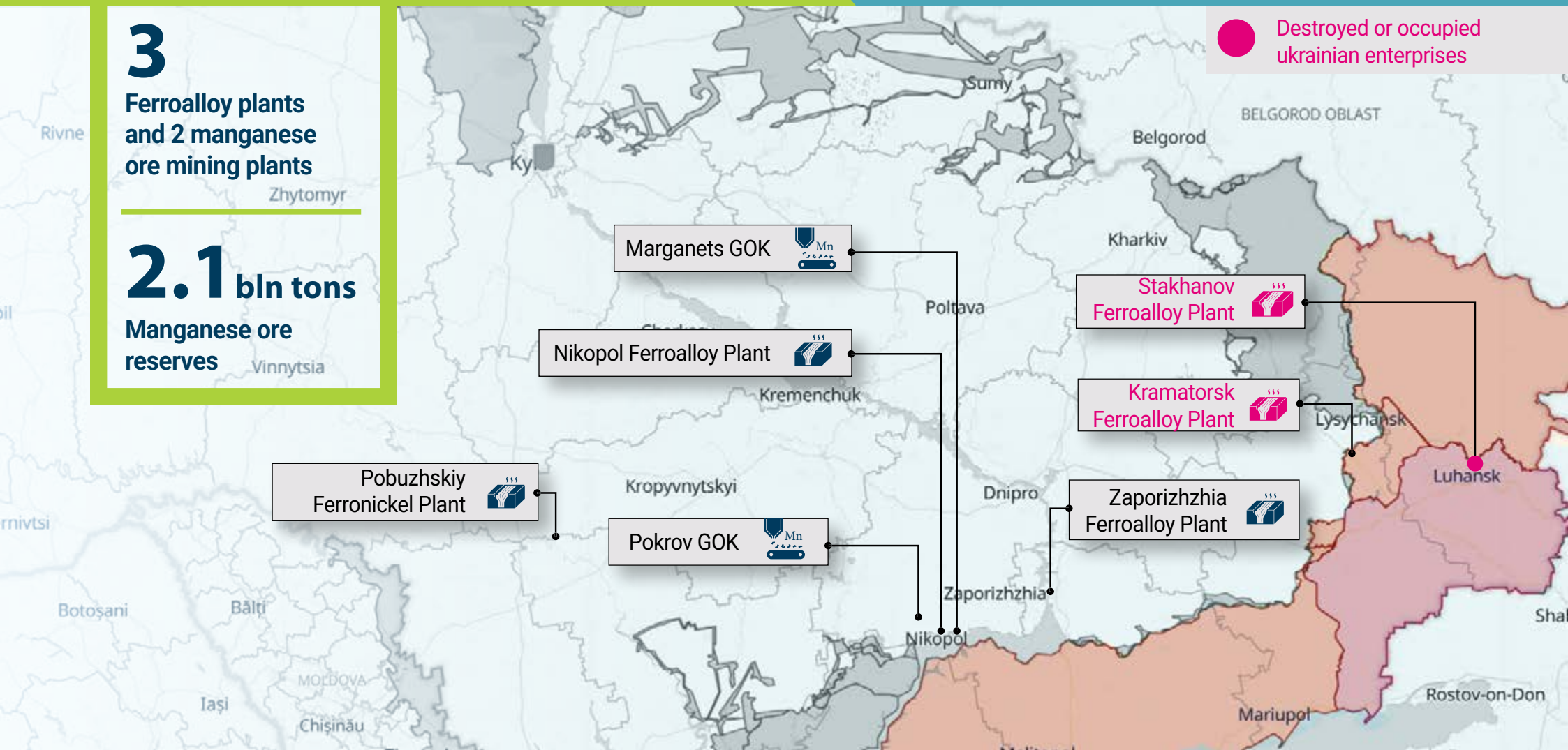
Manganese  
concentrate

### 3

Ferroalloy plants  
and 2 manganese  
ore mining plants

**2.1 bln tons**  
Manganese ore  
reserves

Destroyed or occupied  
ukrainian enterprises







# METHODOLOGY

The share of the iron & steel sector in GDP, including supply chains, includes direct, indirect and induced contributions from the following sectors: metallurgical production, iron ore mining, coke production, coking coal mining, metal products manufacturing.

Indirect contribution is the portion of the total contribution created in other sectors through the consumption of iron & steel sector. The induced contribution is created through consumer spending by workers of the iron & steel sector. The source of data for indirect and induced input is the input-output table, which is published by the State Statistics Service of Ukraine.

The contribution to GDP in 2024 is calculated based on the dynamics of real output of the iron & steel sector subsectors in 2021-2024, the dynamics of real GDP in 2021-2024 and the share in GDP of the iron & steel sector in 2021, since the input-output table was not published in Ukraine in 2022-2024.

Capital investment share is calculated as CAPEX of iron & steel industry divided to capital investments of activities belonging to NACE codes B (Mining and Quarrying) and C (Manufacturing).

Tax payments are calculated using press data from the five largest Ukrainian iron & steel companies: Metinvest, ArcelorMittal Kryvyi Rih, Interpipe, DCH Steel, Ferrexpo.

Employees number and average salaries data was provided by Federation of metallurgists of Ukraine.

All information in this report is based on publicly available data.





## Our expertise:

- Market studies and global trends
- Impact analysis, analysis of regulatory documents
- Modelling and business valuation
- Global trade issues
- Concept of reforms and policy papers
- Decarbonization and green energy transition issues
- Sustainability, ESG activities and reporting

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