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Metinvest to Supply Steel for Ukraine's Reconstruction in Partnership with Italian Companies



Metinvest Group intends to work with the Ukrainian government and Italian businesses on the post-war reconstruction of Ukraine. Yuriy Ryzhenkov, the Chief Executive Officer of Metinvest, made this announcement at the Ukraine Recovery Conference, which took place on April 26 in Rome and was attended by Denys Shmyhal, the Prime Minister of Ukraine and Giorgia Meloni, the Prime Minister of Italy.

During the discussion, Denys Shmyhal noted that Ukraine is hoping for Italy's participation in joint infrastructure, logistics, production, and commercial projects to help Ukraine recover from the impact of the war.

“Hundreds of Italian and Ukrainian companies, businesses, and associations that are here today send a message that we have a common interest in the recovery projects that the President of Ukraine has described today. We invite Italian companies to invest in Ukraine and implement recovery projects,” the Ukrainian

Prime Minister said.

Denys Shmyhal stressed that Ukraine is counting on the allocation of €1 billion from the Italian Export Credit Agency (SACE) for the urgent financing of the restoration of energy infrastructure, and damaged housing, as well as humanitarian demining, critical and social infrastructure, and support for small and medium-sized businesses.

Yuriy Ryzhenkov, taking part on a special metallurgical panel at the conference, noted that Metinvest, as a potential steel supplier, is considering a strategic partnership with Italian companies in Ukraine. This includes cooperation in transport infrastructure (roads, bridges, seaports), energy infrastructure (production and supply of energy), and social infrastructure (schools, hospitals, and other public institutions).

“Ukraine lost rails and slabs production due to the destruction of mills in Mariupol. On the one hand, this is a problem, since Italy was a large consumer of Ukrainian slabs. On the other hand, there is an opportunity to rebuild Ukraine, since these are the most obvious areas that need investment. One of the first drafts of the Ukraine Recovery Plan, which was published last year, already contains initiatives in which Italian businesses can participate. And this is where Metinvest is ready to cooperate to implement the recovery plan for Ukraine,” Yuriy Ryzhenkov emphasised.

In addition, Metinvest, working with Italian companies, aims to improve the technological level of metallurgical production in Ukraine and become part of the ‘green’ transformation process of European industries. Specifically, this includes expanding the production of DR pellets, the main raw material for more environmentally friendly metallurgical production that uses electric arc furnaces. Metinvest is considering a partnership with DRI d'Italia, a joint project of InvItalia and CEIP Scarl, a consortium of electric arc furnace steel producers.

However, participation in these projects will require additional investment in production facilities. For example, around US\$6 billion will be needed to modernise some enterprises and build new factories

In line with the goals of the Ukraine Recovery Plan, developed and presented in mid-2022, potential investment projects include the modernisation of the iron ore enrichment process and the construction of production lines for DR pellets, the construction of electric steelmaking facilities and new rolling mills.

In his speech to the conference, the President of Ukraine, Volodymyr Zelensky, emphasised that Ukraine has significant potential for the development of green metallurgy. “From iron ore to lithium and other resources that are in high demand around the world – Ukraine has it all. From natural gas to titanium... We can and will supply all this to global markets. In many ways, we can replace companies from Russia – those who chose to work for war rather than global development,” he said.