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Industrial clusters with the EU: a path to rebuilding Ukrainian industry – Metinvest at Ekonomichna Pravda's Export Forum



Oleksandr Vodoviz, head of the CEO's Office at SCM's steel company [Metinvest](#), recently spoke at Ekonomichna Pravda's Export Forum in Kyiv. He described the challenges facing Ukraine's steel industry, including war damage, the outflow of

workers and new EU trade restrictions. He called for industrial clusters involving Ukraine and the EU as a way to attract investment and rebuild Ukrainian industry.

What was discussed at the Export Forum in Kyiv?

Mr Vodoviz took part in a panel discussion entitled "The Triple Challenge" at the "Export Forum: Surviving Against All Odds", organised by Ekonomichna Pravda. The event brought together representatives of the European Union, exporters and Ukrainian government officials to discuss ways of exporting products, government support for exporters and the prospects of the EU lifting trade restrictions on Ukrainian producers.

Why is Ukraine's steel industry under so much pressure?

The head of the Metinvest CEO's Office noted that Ukraine's steel industry is in an extremely difficult position. One of the main challenges is the extensive destruction of industrial facilities as a result of Russian attacks. Shortly before the forum, Zaporizhstal was attacked for the fifth time, with seven ballistic missiles fired at the plant. With Black Sea ports blockaded, the EU remains the only market for Ukrainian iron ore and steel products.

Mr Vodoviz said:

"Ukraine wants to join the European Union and is ready to operate under its rules. We already report our CO₂ emissions in accordance with European requirements."

He added:

"Russian attacks have already destroyed 60% of our steel production capacity. The remaining 40% poses no threat to European producers."

What does it take to rebuild the industry?

Ukraine's steel industry faces two major challenges: rebuilding enterprises destroyed by the war and tackling the outflow of workers from cities close to the front line. At the same time, European requirements to reduce CO₂ emissions mean that Ukrainian producers must also invest in decarbonisation.

Mr Vodoviz said:

"We are not asking for preferential treatment. Between 2022 and 2025, the European Union allocated EUR9 billion to the ten largest steel companies to bring their production processes into compliance with CO₂ emissions requirements. Now the same is being demanded of us."

How can industrial clusters with the EU help?

Mr Vodoviz identified the establishment of industrial clusters involving Ukraine and the EU as one way of attracting investment to support the recovery of Ukrainian industry: "We need to move as quickly as possible towards establishing the clusters required by the EU and work with our European partners to align our legislation."

He also noted that EU integration is an opportunity for Ukraine to attract financing, gain access to technology and operate in one of the world's most attractive markets.