

Infrastructure, transport, and logistics in Ukraine

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1. Sector status

Logistics and transport are key sectors that ensure the functioning of most economic industries. These sectors directly influence the development of the state, the competitiveness of national producers, budget revenues, and the access of national goods to international markets.

The need to develop transport routes and logistics is also driven by the military actions in Ukraine. The delivery of necessary goods, equipment, and humanitarian aid from partner countries is an urgent necessity.

Thanks to its geographical location, Ukraine has historically served as a connecting link between Europe and Asia. This has led to the development of transport infrastructure across all modes of transport.

Because of the military conflict, transport infrastructure has suffered significant damage – both direct and indirect. The total amount of losses incurred by the transport sector due to the war is estimated at a minimum of EUR 30.5 billion, while reconstruction and urgent restoration needs amount to EUR 66.8 billion. The largest funding requirements are for the restoration of national roads – 29%, while local roads account for another 16%.

Despite the war, Ukraine's infrastructure remains an important area for development and investment. Therefore, Ukraine is taking steps to simplify investors' access to this market.

2. Legislation

The transport and logistics sector in Ukraine is regulated by a number of legal and regulatory acts, including the National Transport Strategy of Ukraine until 2030. This strategy aims to harmonise with European Union standards, reflecting Ukraine's aspiration to integrate with the Trans-European Transport Network (TEN-T).

The strategy includes, among other things:

- the "build back better" principle. To adhere to this principle, a digital system called DREAM has been introduced;
- an annex to the strategy – the Operational Plan for 2025-2027 – which is clearer and more structured;
- by 2026, plans to adopt EU laws regarding market access for road transport and to ensure social guarantees and working conditions for drivers;
- by 2027, the government commits to submitting to parliament a draft law amending the Law on Road Transport, covering the transport of perishable food products;
- by 2027, several ministries are expected to adopt amendments to legal acts prohibiting carriers from loading vehicles beyond dimensional and weight limits without proper permits and from releasing such vehicles onto roads from loading points (quarries, elevators, logging sites, port agents, etc.);
- the signing of bilateral and multilateral agreements is expected to liberalise freight road transport.

In August 2025, the Government of Ukraine published the Draft Government Action Programme until the end of 2026. The programme provides, in particular:

- ensuring the financial stability of Ukrzaliznytsia as a critically important carrier;
- introduction of European interoperability and safety standards in rail transport;
- priority for public-private partnership in the port of Chornomorsk;
- implementation of the Maritime Single Window in Ukraine's seaports;
- reform of road transport according to European safety standards;
- the government plans to strengthen the Recovery Agency as a centre of expertise for the modernisation of the transport system according to European standards;
- increasing border throughput capacity by at least 15% for freight and passenger transport;
- ensuring the sustainable operation of the grain corridor;
- creation of modern border infrastructure for efficient business operations;
- formation of prerequisites for restoration, modernisation, and sustainable development of infrastructure.

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The Government of Ukraine introduced the digital ecosystem "Public Investment Management System DREAM" to ensure transparency in the financing and implementation of infrastructure projects.

These and other adjustments to Ukrainian legislation are also aimed at harmonising with the European Union's Green Deal, which involves new standards on emissions and energy-efficient transport.

It is expected that in 2025, legislation on digital logistics systems and paperless trade will be submitted.

3. Challenges

Despite progress in legislation, there are several factors hindering the development of Ukraine's transport and logistics infrastructure.

Military actions and shelling have caused serious damage to transport infrastructure, with losses estimated in billions of euros. According to the National Recovery Council of Ukraine, by early 2024, a significant portion of infrastructure required reconstruction. This is particularly relevant in border regions, where road wear has increased due to growing freight flows to European Union member states.

Limited state funding and budget cuts for modernisation complicate the situation. For example, the "residual financing" approach to road maintenance results in inefficiency and delays in implementing important projects.

Problems also arise due to slow adoption, selective implementation, and weak enforcement of regulatory acts necessary for harmonising legislation with the European Union.

The slow introduction of EU safety standards and environmental regulations limits Ukraine's integration. Corruption risks and bureaucratic inefficiency, which investors frequently cite, continue to hinder increased investment.

Operational issues persist in the logistics sector, including outdated equipment, insufficient digital infrastructure, and a lack of adequate domestic investment.

4. Sector development prospects

Despite the challenges, Ukraine's transport and logistics sector holds significant investment potential.

The National Transport Strategy of Ukraine until 2030 and its Operational Plan for 2025-2027 include a range of measures, such as the

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modernisation of transport assets by 2030 and attracting investment through public-private partnerships and international financing.

Related article: Public-private partnerships in Ukraine – new rules

Additionally, the programmes provide for the protection of investments and international partnerships.

Specifically, the plans include:

- the introduction of a state compensation mechanism in case of damage caused by armed aggression at sea to ensure stable navigation in the Black Sea area;
- completion of the Chop-Uzhhorod railway line construction up to European standards by the end of 2025;
- continuation of the "transport visa-free" regime with the EU and the opening of new markets for export;
- by the end of 2026, ensuring the possibility of permit-free passage for bilateral and transit freight road transport to the EU;
- increasing border throughput capacity by at least 15% for freight and passenger transport;
- by the end of 2026, increasing border throughput capacity by another 15% and opening at least 12 new or modernised checkpoints;
- establishment of new infrastructure at 10 border checkpoints with EU countries and the Republic of Moldova;
- signing an agreement between Ukraine and the EU on the use of smart tachographs;
- by the end of 2025, announcing a concession competition for the 40th container terminal and the first universal terminal at the seaport of Chornomorsk, along with making a decision on the feasibility of the ferry complex concession project.

The principle of "build back better" implies prioritising modern and sustainable infrastructure.

Furthermore, the development of transport and logistics infrastructure creates additional opportunities for construction, reconstruction, and growth in other sectors.

Within the framework of the Ukraine Facility programme and with the support of international partners, expansion of solar and wind power plants, as well as the modernisation of power grids to ensure a stable energy supply, is planned for the coming years.

Related article: Energy system and renewable energy in Ukraine

Integration of energy projects with transport infrastructure, such as railway electrification and the creation of charging infrastructure for electric vehicles, opens new opportunities for investors in green technologies.

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Moreover, infrastructure reconstruction, including logistics hubs, warehouses, and administrative buildings, is a key element for further rebuilding damaged or destroyed facilities and structures.

At the same time, many projects in renewable energy and construction are funded through public-private partnerships and international grants, which reduces risks for investors.

Thus, in 2025, Ukraine's transport and logistics sector is at the intersection of challenges caused by the war and significant opportunities for development.

Adopting a regulatory framework harmonised with European Union standards lays the foundation for growth, while state initiatives and international support create a favourable investment environment.