Adaptability and resilience

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Since the onset of the war in Ukraine in 2022, the logistics landscape has been in a constant state of flux. The ongoing conflict has dramatically altered supply routes, posing unprecedented challenges for forwarders and logistics providers. Despite these difficulties, the sector has shown remarkable resilience, continuously adapting to the evolving situation to ensure the movement of goods into and out of Ukraine.

The country, with its vast territory, has always had a significant demand for a diverse range of cargo. The need for imports such as fertilisers, equipment, and everyday commodities has remained high, alongside exports of raw materials like timber, sunflower oil, grains, and steel. Before the war, the import-export ratio stood at a healthy 52% to 48%, with a balanced circulation of equipment indicating a stable market.

A shift to the Baltic and within the Black Sea

However, the 2022 invasion disrupted this equilibrium. Key logistics infrastructure, including warehouses, was destroyed, while the Black Sea, Ukraine's direct – thus vital – shipping route, was heavily mined and blocked. This situation necessitated a swift re-evaluation of logistics strategies. Local forwarders had to explore alternative routes, often through Polish ports in Gdynia, Gdańsk, and Szczecin-Świnoujście. The Baltic Hub in Gdańsk became a focal point, though not without extra logistics footwork, as shipments often required reloading from shipping containers to trailers to avoid the risks and costs associated with transporting the former into conflict zones.

The disruption forced logistics providers to get innovative. Polish seaports played a crucial role, becoming the primary entry points for goods heading to Ukraine. Given the complexities of transporting goods in a war zone, the reloading of cargo at these ports became a standard practice to bypass the restrictions imposed by shipping lines on their equipment entering high-risk areas. This led to an increased demand for warehousing services and a need for skilled personnel to handle the complex logistics of reloading and transhipment.

Moreover, heavy cargo, such as machinery and construction materials, often found more efficient transport via rail. However, fluctuating market conditions, including strikes at the Ukrainian-Polish border, occasionally led to delays and increased costs, forcing customers to switch between rail and road transport based on availability and cost-effectiveness.

The war has also seen a rise in the movement of project cargo through Polish sea terminals. Items such as stainless steel rounds, cranes and heavy machinery, which are essential for reconstruction and industrial activities, have been imported despite the challenging conditions. The logistics of handling these heavy and specialised items require robust infrastructure, including stationary and floating cranes and experienced personnel to manage the operations.

Meanwhile, the Port of Constanța has also become a significant entry point, especially for Ukraine's southern regions. About



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25% of the volume now passes through the Romanian seaport, offering a cheaper trucking alternative and an increasingly popular train connection. Recently, feeder and direct shipping services, including those provided by Maersk and MSC, have seen the addition of Ukrainian ports like Odesa and Chornomorsk to their schedules despite the risks involved.

Similarly, the Port of Varna in Bulgaria has emerged as another route for diversifying logistics strategies. Although not as popular as its Black Sea EU neighbour, it provides an option for businesses looking to mitigate risks and optimise costs. Cargo arriving here is typically reloaded into trucks for onward delivery to Ukraine, with companies constantly testing these routes to find the most efficient solutions.

Future westward integration

A critical aspect of Ukraine's logistics evolution is its integration into the Trans-European Transport Network (TEN-T). This comprehensive EU project aims to establish a coherent transportation web across Europe, including roads, railways, and ports (sea, inland, and air). Under the Association Agreement with the EU, since 2017, Ukraine has undertaken numerous initiatives to upgrade its transport infrastructure, aligning it with EU standards. These efforts include the modernisation of road and rail networks (among others, key standard rail gauge connections with Eastern EU Members), the development of sea- and river ports, and improvements in airport infrastructure.

Further integration into TEN-T remains a priority, with plans focusing on expanding high-speed rail connections, improving roads, and developing multimodal transport links. These initiatives are vital not only for enhancing Ukraine's logistics infrastructure but also for strengthening its economic and political ties with the EU.

The adaptation of Ukraine's legal and regulatory framework to align with EU standards has been an essential component of these developments. Harmonisation efforts cover, among other things, transportation safety, environmental protection, and technical standards. The process also includes simplifying customs procedures and establishing dispute resolution mechanisms, ensuring smooth and efficient cross-border transport operations.

The logistics sector in Ukraine has navigated through significant challenges since the onset of the armed aggression. Despite the obstacles, the industry has shown remarkable adaptability and resilience, continuously evolving to meet the country's needs. As Ukraine continues to integrate with the EU's TEN-T, the future promises further improvements in infrastructure and connectivity, paving the way for greater economic and political integration. ■

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