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# REBUILDING UKRAINE: OPPORTUNITI- TIES

## RECONSTRUCTION NEEDED ACROSS ALL SECTORS

While current estimates put Ukraine's reconstruction at \$588 billion, this is not a static figure. The cost of recovery increased by more than 10% in 2025 as the geographical scope of the damage also continued to broaden beyond the frontline regions. As the war continues into its fifth year, the cost of rebuilding continues to climb.

Almost every sector of Ukraine's economy faces some reconstruction need. However, three areas account for almost half of the cost – energy, housing and transport each make up about 15% of recovery needs.

These three largest reconstruction needs are also good examples of the opportunity to 'build back better'. For instance, rather than rebuilding damaged housing stock brick by brick, recovery presents an opportunity to modernize Soviet-era multi-family blocks, which needed modernization long before the war. Indeed, the imperative of accessible housing has only increased as both civilians and veterans have been injured during the war.

## OPPORTUNITIES FOR PRIVATE SECTOR CONTRIBUTION

Ukraine's allies are already indicating that they will support the country's

reconstruction from their public budgets.

However, it is widely considered unlikely that public spending alone will meet the full cost of recovery. If reconstruction funds were to come only from international donor governments, meeting the \$588 billion cost would require Ukraine's allies to continue spending at almost the same rate that they have during the four years of war, for the next decade.

Other sources of capital can supplement public spending. Private sector investment is one, and we see three potential contributions:

1. Enabling economic reinvigoration and the curation of a dynamic business. Driving economic growth in Ukraine is a standalone pillar of recovery. It can also indirectly fund social recovery needs, for instance through taxes or by enabling consumer spending.
2. Creating jobs and other economic opportunities. This will be key for reintegrating veterans into the civilian population and supporting refugees to return to their homes.
3. Investing in direct reconstruction and recovery needs. Some of the infrastructure that has been damaged by the war – like telecommunications or newer segments of the energy market – already

have strong private sector participation.

## COMPANIES ALREADY PREPARING TO ENTER POST-CONFLICT UKRAINE

International companies are already laying the groundwork to invest in post-conflict Ukraine. Some have signed agreements and memoranda committing to ongoing investment and participation in the recovery. As Citi's Country Officer and Banking Head for Poland, Elzbieta Czetwertynska is "already seeing more clients interested in Ukraine" with some "opening small offices, in preparation for their entry into the market".



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Citi Institute analysis of press releases published by companies in the period surrounding the 2025 Ukraine Recovery Conference showed that private sector interest has so far focused on the energy and defense sectors.

Rebuilding Ukraine will cost \$588 billion over the next decade, according to the World Bank Group. A recent Citi Institute report, *Rebuilding Ukraine*<sup>1</sup>, argues that Ukraine's post-conflict recovery presents an era-defining economic opportunity for the private sector – and countries in Central and Eastern Europe could play a distinctive role.

30% of public announcements concern the energy and extractives sector. Most of these are very early-stage commitments, though this is to be expected as energy infrastructure has remained a key target of Russian military strategy meaning that investment today carries too much risk.

Other commitments focus on Ukraine's defense sector, with companies recognizing that necessity has catalyzed innovation. The level of interest suggests that the international private sector sees major potential to export Ukraine's new military technologies at increasing scale – especially to Europe where defense spending is increasing and boosting the share of the defense budget that is spent domestically is a priority.

In light of this early-stage interest, Citi Institute scenario analysis suggests that foreign direct investment into Ukraine could reach between \$87 and 145 billion over a decade after the conflict ends. This would be between 15 and 25% of the costs of reconstruction.

## A DISTINCT ROLE FOR CENTRAL AND EASTERN EUROPE

Rebuilding Ukraine will be a global undertaking. Indeed, the country is already attracting global attention. Alex McWhorter, Citi's Country Officer and Banking Head for Ukraine,

notes that he is "having conversations all around the world". He has "been to around 15 different countries in the past 12 months having different meetings and webinars globally around Ukraine's recovery".

However, there is a distinct role for countries in Central and Eastern Europe, and some have already started to prepare. For instance, a 2025 report from the German Marshall Fund, highlights that more than 3000 Polish companies responded to a government call offering to support businesses' entry into the Ukrainian market and in Romania, preparations are underway to become a regional logistics hub for the recovery. "For Slovakia, this is a clear opportunity to engage early and position our businesses where they can add real value," says Jan Melichar, Citi's Country Officer and Banking Head for Slovakia.

Perhaps the biggest opportunity for the region is to develop that infrastructure that can integrate Ukrainian companies into European supply chains. The routes that brought humanitarian aid to Ukraine after Russia's invasion could in future enable the flow of materials, capital and exports.

<sup>1</sup> <https://www.citigroup.com/global/insights/rebuilding-ukraine>