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VECTORS OF INDUSTRIAL DEVELOPMENT IN THE REGIONS OF UKRAINE IN CONDITIONS OF FULL-SCALE WAR

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The full-scale Russian aggression caused enormous damage to the industrial potential of Ukraine, as the fighting covered mostly those regions where it was most developed. But even despite the huge losses incurred (over 150 billion USD), industry remains the basic sector of the national economy, in which the greatest amount of added value is formed. The purpose of the article is to diagnose the current state, key trends and prospects for the development of Ukrainian industry in a regional context. The author of the article analyzed the dynamics of the development of Ukrainian industry in wartime conditions in terms of the volume of sold products compared to 2021. It was found that the restoration of the industrial sector of the national economy is taking place by increasing the production of defense products, in particular, the accelerated development of the mechanical engineering segment, primarily the production of other vehicles, as well as light industry. An assessment of the losses of production capacities of Ukrainian metallurgy in a regional context compared to the pre-war period was carried out. Changes in the export potential of processing industry were diagnosed. The growth of innovative activity of industrial enterprises, which exceeded the level of 2021, was emphasized. The vectors of spatial transformation of Ukrainian industry were determined based on the results of calculation of the share of regions in the structure of sold industrial products and the share of processing in the added value of the economy of the latter. The relationship between the dynamics of sold products and the dynamics of employment in the processing industry of the regions of Ukraine was verified. The level of labor productivity in industry was calculated by processing industries and regions based on the ratio between the volume of output and the number of employees in full-time equivalent for business entities. A tendency towards a gradual leveling of the concentration of industrial potential with its movement to the central and western regions was identified, which is to some extent caused by the relocation of enterprises from front-line regions, but is mainly a consequence of the shift of business activity poles to safer regions in general.

Keywords: industry, volume of sales, processing industries, regions, value added, employment, labor productivity.

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Introduction and statement of the problem

Industry plays a key role in ensuring the innovative and socio-economic development of the country. The financial situation of individual economic entities, as well as the technological and national security of the state, depend on how effectively this sector of the economy functions and what priorities are set for its development. Unfortunately, for a number of reasons (including the existence of oligarchy, the influence of unfavorable geopolitical factors, and insufficient consideration of the risks of economic globalization), the structure of Ukrainian industry was dominated by raw material, low-tech, or processing-oriented production long before the full-scale Russian military aggression. The dominance of such production could not ensure the high efficiency of industrial enterprises. As a result, the irrational structure of industry (in terms of technological level and socio-economic returns) led to a critically high dependence of the latter and the national economy as a whole on imports of intermediate and final consumption products and fixed assets of the vast majority, but above all of high- and medium-high-tech industries. The problem of the economy's dependence on imports of industrial products was exacerbated by dependence on the situation on the world raw materials markets and, consequently, on exchange rate fluctuations. However, even under such unfavorable conditions, the national economy retained its industrial specialization: in 2021, industry accounted for 20.39% of Ukraine's gross domestic product, while agriculture accounted for 10.89% and trade for 13.65%.

Russia's full-scale military aggression has caused enormous damage to Ukraine's industrial potential, as the fighting has mainly affected the regions where it was the most developed. These are primarily Kharkiv, Zaporizhzhia and Dnipropetrovsk regions, as well as parts of the Donetsk and Luhansk regions that were previously not controlled by Ukraine. The production facilities of many industrial enterprises in these and other regions (even those far from the front line) were completely or partially destroyed, while others were significantly damaged. However, despite the significant losses incurred, Ukraine is actively rebuilding its industrial potential, with new trends in the structural and spatial transformation of the industrial sector of the economy emerging.

Analysis of research and publications

The strategic importance of industry for ensuring socio-economic development makes scientific research in this area particularly relevant. In particular, the article [1] proves the exceptional importance of industry for ensuring economic stability in both peacetime and wartime; identifies the main shortcomings of Ukraine's economic policy that led to deindustrialization and technological backwardness, the essence of which boiled down to the liberalization and deregulation of economic relations while denying the active role of the state in economic transformations. The study [2] presents the results of an analysis of the compliance of the dynamic and structural development of domestic industrial production with global and European trends; it examines the processes of implementing SDG-9 sectoral goals in national industry as a set of tasks within the concept of sustainable and inclusive production development. A conceptual approach to the selection of a system of leading indicators for the development of national industry is outlined in article [3]. The study [4] proves the feasibility of developing export-oriented production of machinery and equipment based on the modernization of the domestic metallurgical base during the post-war recovery of Ukraine's economy. The search [5] is devoted to revealing the basic scenario for the development of Ukraine's industry until 2035, taking into account the factor of digitalization. Directions for optimizing the structure of the industrial sector of the economy are modelled in [6].

The purpose of the article and the presentation of the main material

The purpose of the article is to diagnose the current state, key trends and prospects for the development of Ukrainian industry in a regional context.

Ukrainian industry has suffered enormous losses as a result of Russia's full-scale armed aggression. According to the results of a new rapid damage and needs assessment (RDNA4), as of 31-st December 2024, approximately 500 industrial enterprises in Ukraine had been destroyed or significantly damaged, 70% of which were state-owned [7]. Direct losses (or asset losses) to industry amounted to 14.7 bill. USD. At the same time, indirect losses (or losses of enterprise income) amounted to 142.3 bill. USD. This is the largest amount of indirect costs among all sectors of the national economy. The total needs for restoration and reconstruction in industry amount to 43 bill. USD, of which 23 bill. USD is for restoration and 20 bill. USD is for reconstruction.

Despite the enormous losses incurred, Ukrainian industry is gradually returning to its pre-war performance levels. In 2024, the volume of industrial output reached 101.9% of the 2021 level, and manufacturing output reached 99.7% [8]. According to the results of the first half of 2025, the increase in the volume of industrial sales was 15.2% overall and 17.1% in manufacturing compared to the same period last year. All processing industries showed growth, except for the production of coke and refined petroleum products (-18.2%).

The recovery of Ukraine's industrial sector is primarily due to an increase in the production of defense-related products. The highest growth during 2022-2024 was naturally demonstrated by industries directly or indirectly related to the defense industry. In particular, sales of weapons and ammunition increased almost 15-fold, while sales of aircraft increased more than 3.6-fold (Table).

It would be noted that before the war, in 2021, sales of the latter decreased by 9.28%, while the growth in weapons and ammunition production was only 16.75%.

Table

TOP-10 industries by growth rate, %

Manufacture	Code of CTEA	2021/ 2020	2022/ 2021	2023/ 2022	2024 /2023	2024/ 2021
Manufacture of wearing apparel, except fur apparel	14.1	1.68	11.57	54.24	41.21	142.99
Manufacture of weapons and ammunition	25.4	16.75	45.64	294.94	175.38	1484.02
Treatment and coating of metals; machining	25.6	11.39	-19.93	102.10	73.92	181.43
Manufacture of electronic components and boards	26.1	30.70	-54.99	77.09	116.57	72,61
Manufacture of communication equipment	26.3	24.44	-11.76	71.00	69.17	155.27
Manufacture of instruments and appliances for measuring, testing and navigation	26.5	46.65	1.61	95.77	27.22	153.05
Manufacture of motor vehicles	29.1	11.72	0.14	85.04	37.64	155.05
Manufacture of bodies (coachwork) for motor vehicles; manufacture of trailers and semi-trailers	29.2	31.16	-1.86	88.24	52.70	182.11
Manufacture of air and spacecraft and related machinery	30.3	-9.28	9.95	227.04	28.89	363.45
Manufacture of military fighting vehicles	30.4	27.79	-24.46	67.11	81.71	129.38

Source: calculated based on data from the State Statistics Service of Ukraine [8]

During 2022-2024, the share of weapons and ammunition production in the structure of finished metal products production increased by 35.91 pp. (percentage points) – to 41.56%. The production of finished metal products in 2024 showed the highest growth rate of sales – 72.8%. As a result of this positive trend, the share of this production in the structure of the manufacturing industry increased to 3.9% (compared to 1.8% in 2021). In the first half of 2025, the production of finished metal products increased the volume of sales by 40.6% compared to the same period last year.

The constant growth in the needs of the defense-industrial complex stimulated the accelerated development of machine building, primarily the production of other transport vehicles. Compared to 2021, the sales volume of this production increased by 120.2%, and, in particular, the production of aircraft – by more than 3.6 in times. At the same time, the technical and economic efficiency of other transport equipment production also increased: the share of added value in production costs in the volume of manufactured products (goods, services) in this industry reached 39.59% in 2023 (compared to 32.60% in 2021).

Relatively high growth rates during 2022-2024 were demonstrated by: the manufacture of computers, electronic and optical products, and the manufacture of motor vehicles, trailers and semi-trailers: +108.7% and +75.3%, respectively. The volumes of products sold by individual manufacturers belonging to the 2 groups mentioned above increased from 1.3 to 1.8 in times. As a result of this dynamic, the total share of machine-building industries in the structure of industrial products sold increased to 7.8% in 2024 (compared to 5.7% in 2021). In the first half of 2025, the positive trends in the growth of machine-building production continued and intensified, especially in the production of other transport vehicles, where the volume of products sold increased by 62.6% compared to the same period last year.

The need to meet defense needs stimulated the active development of light industry in Ukraine. Thus, the volume of sales of textile products, clothing, leather, leather goods and other materials during 2022-2024 increased by a total of 67.4%, and clothing production in particular increased by 143%. According to the results of the first half of 2025, light industry production accounted for 16.1% of the increase in sales.

On the other hand, the domestic metallurgical industry suffered the greatest decline as a result of the full-scale war, losing more than 40% of its production capacity directly from steel production and part of its coke chemical production. A 52.5% reduction in the volume of metallurgical products sold between 2022 and 2024 led to a more than twofold decrease in the share of this basic segment in the structure of Ukrainian industry (to 7.5%). At the same time, the metallurgical industry saw the largest reduction in the number of full-time employees among all manufacturing industries (-46.50% during 2022-2023) and a 30.56% decline in labor productivity during this period. The technical and economic efficiency of this industrial segment also decreased by 3.2 in times – the share of added value in production costs in the volume of manufactured products (goods, services) in metallurgy in 2023 decreased to 7.81%.

The negative dynamics of all these indicators was a direct consequence of the huge losses of production capacity located in the south-eastern regions. Thus, in 2021, the completely destroyed Mariupol and Azovstal Metallurgical Plants accounted for a total of 19.95% of metallurgical products sold in Ukraine. Before the war, almost 87% of metallurgical products were manufactured in Dnipropetrovsk (35.85%), Donetsk (32.24%) and Zaporizhzhia (18.61%) regions. Accordingly, metallurgy was the main industrial segment in these regions: in 2021, the share of metallurgical products in the total volume of industrial products sold in Donetsk region was 53.20%, in Zaporizhzhia region – 39.50%, and in Dnipropetrovsk region – 34.20%. At the end of 2023, Zaporizhzhia and Dnipropetrovsk regions accounted for 25.29% and 61.14% of the domestic metallurgical industry, respectively. However, the increase in the share of the Dnipropetrovsk region in the structure of metallurgical products sold in Ukraine (despite 37.27% decrease in sales of these products in the region compared to 2021) was the result of an even greater decline in Zaporizhzhia region (-46.56%) and the destruction of enterprises in Donetsk region.

Metallurgy has traditionally been the most export-oriented segment of the national economy: in 2021, the share of metallurgical products sold outside Ukraine accounted for 63.2% of the total sales of these products. Accordingly, the reduction in exports of metallurgical products by a total of 70% during 2022-2024 (with 52.5% decrease in total sales) led to 23.3 pp. decline in the export orientation of metallurgical production to 39.9%.

Compared to 2021, the volume of industrial products sold outside Ukraine decreased by 33.1% overall, and manufacturing products in particular decreased by 30.1%. At the same time, the export orientation of industry, i.e. the share of products sold outside the country in total sales, decreased by 9.8 pp. (to 18.6%) during the period. In the manufacturing industry, decrease was 11.3 pp. (to 26.5%). The most export-oriented segments of the Ukrainian manufacturing industry in 2024 were: furniture production – 60.1% of its products were sold outside the country (compared to 55.3% in 2021) and the production of motor vehicles, trailers and semi-trailers – 45.8% (compared to 64.5%). However, the total share of these industries in the total volume of industrial products sold is traditionally insignificant – in 2024, it amounted to only 2.6% (compared to 1.7% in 2021).

Currently, the food industry has the greatest export potential, with production in 2024 accounting for 23.4% of industrial sales in Ukraine (compared to 18.9% in 2021) and achieving relatively high growth rates in total sales (+17.2%) as well as products sold outside the country (+33.2%). Only the production of computers, electronic and optical products showed higher value of the latter indicator (increase in product exports) in 2024 – 98.3%.

In 2024, innovation activity among industrial enterprises increased markedly, surpassing pre-war levels across key indicators. Expenditures on innovation in the industrial sector rose by 1.48 times compared to 2021 (after having declined by 1.31 times during 2022–2023), while the number of innovation-active enterprises grew by 1.36 times. The volume of innovative industrial products sold increased by 3.72 times, raising their share in the total output of goods and services sold by industrial enterprises to 3.0% (up from 0.93% in 2021 and 9.4% in 2000). In the manufacturing sector, this share reached an even higher level – 4.7% (compared to 0.92% in 2021). For comparison, the corresponding figure is approximately 10% in Poland and around 20% in Germany. The share of innovation-active enterprises in the total number of industrial enterprises in Ukraine increased by 6.1 percentage points compared to the pre-war period for industry overall, and by 6.8 percentage points in manufacturing. In 2024, these shares stood at 15.7% and 17.3%, respectively.

In addition to structural changes, the war caused significant spatial transformations in Ukraine's industrial sector. In particular, the share of traditionally industrial regions, such as Donetsk, Zaporizhzhia and Poltava regions, in the volume of industrial products sold decreased by 75.3% (-8.59 pp.), 32.2% (-2.51 pp.) and 36.5% (-2.43 pp.), respectively (Fig. 1).

Despite some losses in structural positions (-3.68 pp.), Dnipropetrovsk region remained the industrial leader, far ahead of the other regions. At the same time, 12 regions increased their share in the structure of Ukraine's industry during 2022-2023. The highest growth in the volume of industrial products sold during this period was demonstrated by Chernivtsi (+52.4%), Vinnytsia (+33.69%), Zakarpattia (+33.65%), Lviv (+33.27%) and Kyiv (+29.04%) regions. The result of this dynamic was 1.6-fold decrease in the concentration of industrial potential in the eastern region (while in 2021, Donetsk, Dnipropetrovsk and Zaporizhzhia regions accounted for a total of 40.71%, in 2023 it will be only 25.93%) and its gradual shift to the central and western regions.

The transformations in the spatial structure of industrial production in Ukraine described above are largely due to the physical relocation of a large number of enterprises from the combat zones and adjacent territories. During the first year of the war, relocation took place mainly to western regions, but today the most sought-after region is Kyiv, which accounts for

30-40% of all requests for industrial and warehouse real estate [9]. It is followed by Lviv, Zakarpattia, Zhytomyr, Chernivtsi, Ivano-Frankivsk, Ternopil, Vinnytsia, Khmelnytskyi, Rivne and Volyn regions. The change in the legal address of registration of many companies has an even greater impact on the assessment of the industrial potential of the regions. According to the Unified State Register [10], 11.083 companies (about third of which are industrial) changed their legal address within the country in 2024. This is 18% less than in the previous year and 25% less than before the full-scale invasion.

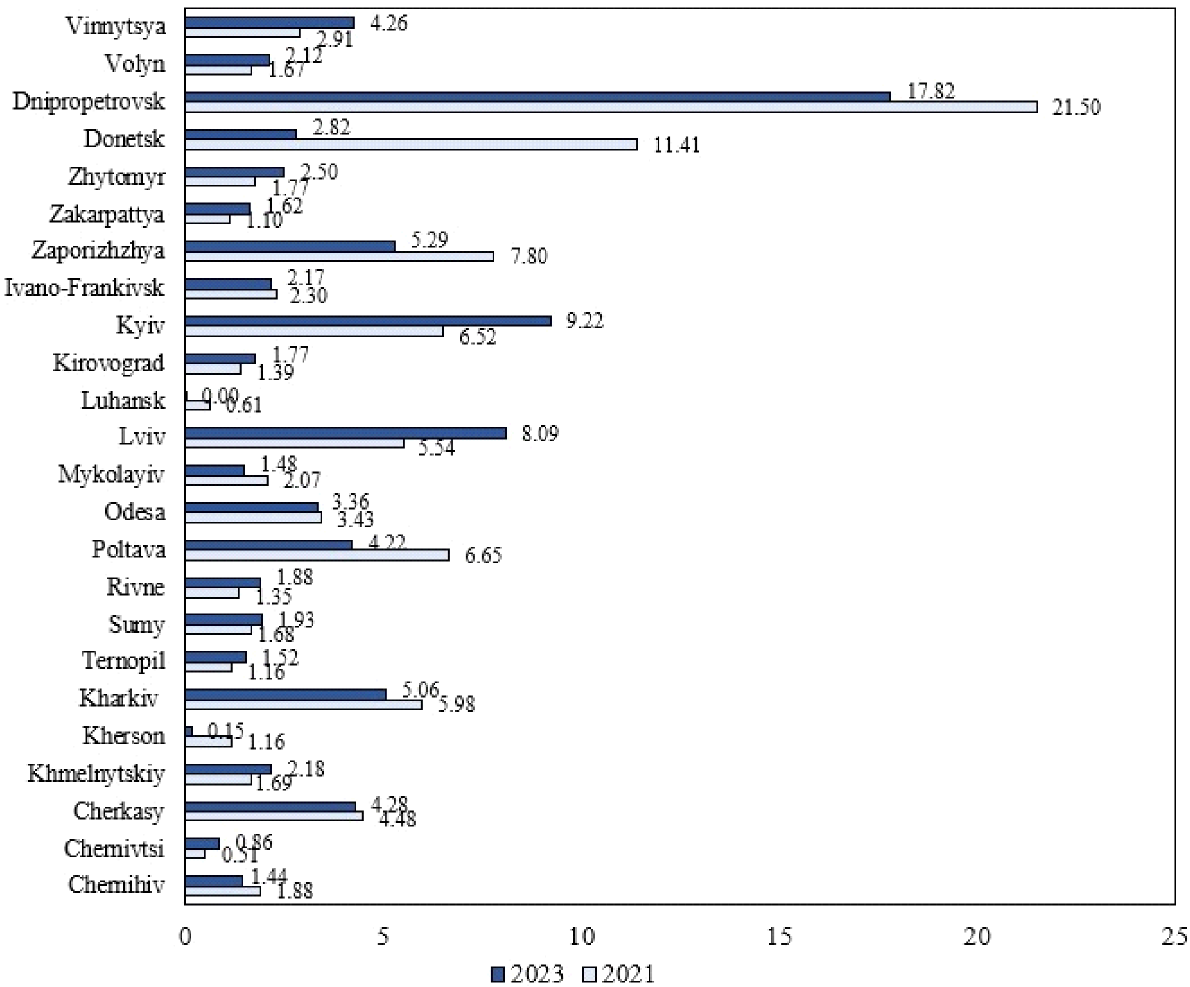


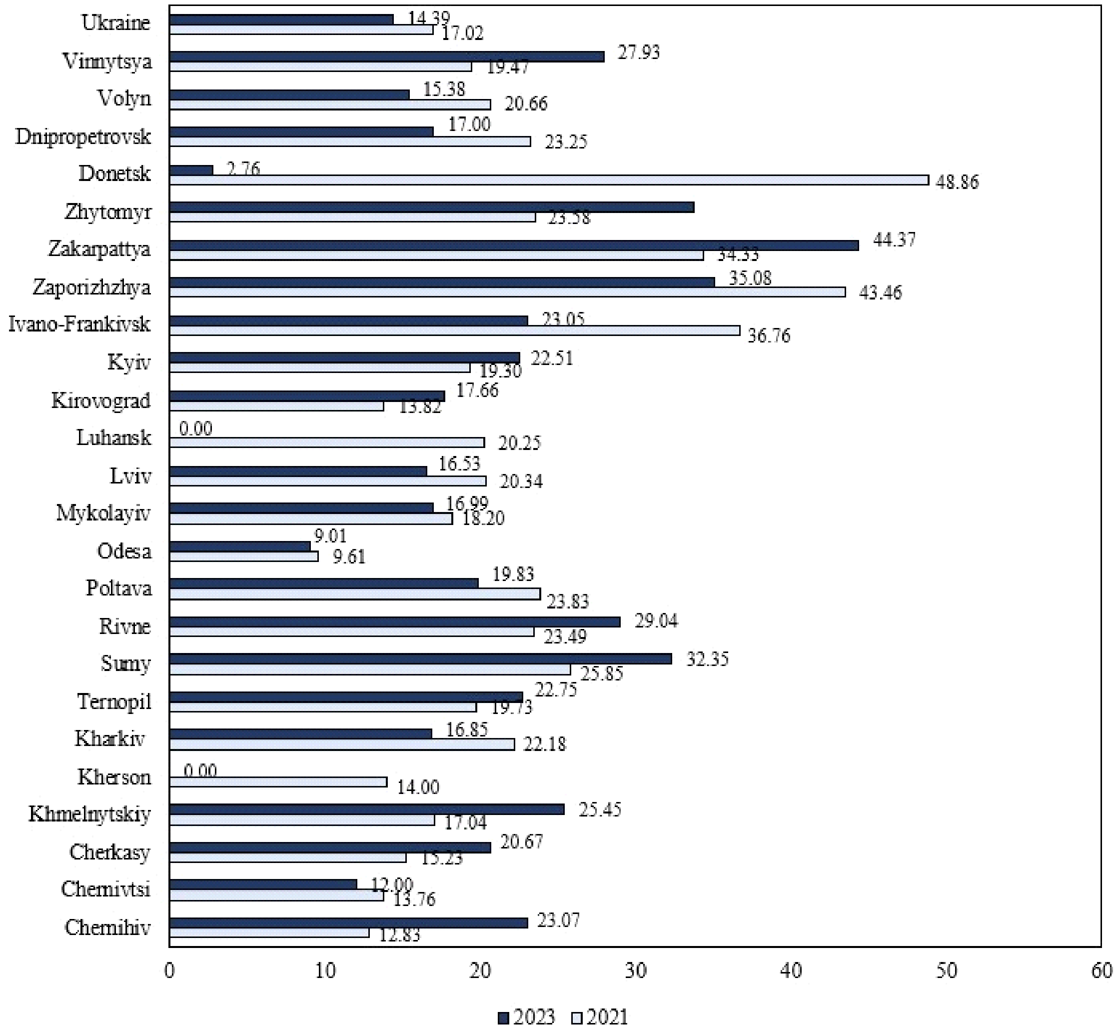
Fig. 1. Share of regions in the volume of industrial products sold in Ukraine, %

Source: calculated according to data from the State Statistics Service of Ukraine [8]

A positive vector of spatial transformation of Ukraine's industry is the growth of the share of processing in added value (in terms of production costs) in 11 regions (Fig. 2).

At the end of 2023, this indicator exceeded 20% in 12 regions (compared to 9 in 2021). The processing industry dominates (with a share of over 30% in the added value of the economy) in Zhytomyr, Zakarpattia, Zaporizhzhia, and Sumy regions. It would be noted that before the full-scale war, Donetsk region was the undisputed leader in terms of the share of processing in the economy (48.86%).

The manufacturing industry plays a key role not only in ensuring high-tech innovative development, but also in the socio-economic development of the country as a whole, as it is one of the largest taxpayers. According to the State Tax Service, in January-April 2025, the manufacturing industry provided 17.2% of the total revenues to the consolidated budget of Ukraine [11]. The growth amounted to 43.4% or 34 bill. UAH compared to the same period last year. Trade also accounted for 17.2% of the state budget, but the dynamics of tax revenues from this sector of the economy were significantly lower – 30.8% or 26.3 bill. UAH, although at the end of 2024, the share of trade in Ukraine's gross domestic product (11.81%) exceeded the share of the manufacturing industry (8.41%) by 3.4 pp.



* no data for 2023

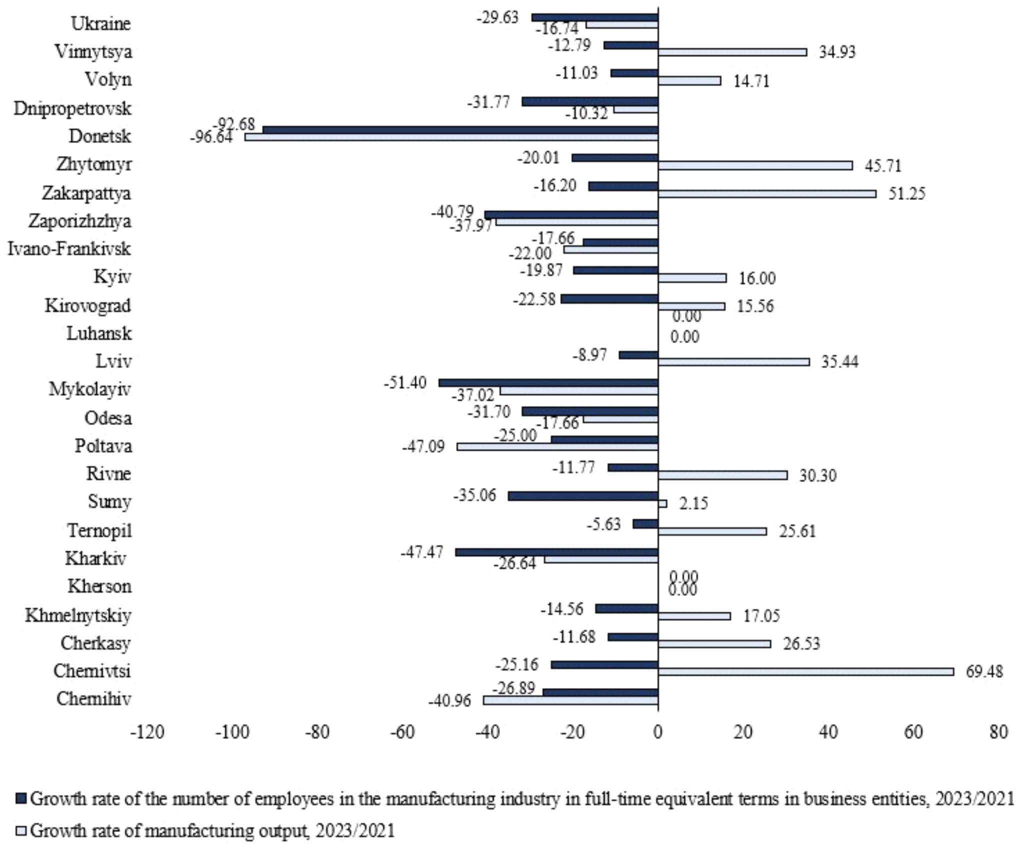
Fig. 2. Share of the processing industry in the added value of the regional economy, %

Source: calculated according to the State Statistics Service of Ukraine [8]

One of the key problems facing manufacturing industries in the context of full-scale war is the shortage of labor. Thus, during 2022-2023, the number of employees (in full-time equivalent terms) in the manufacturing industry in Ukraine decreased by almost 30%. Staff reductions occurred in all regions without exception, but their intensity correlated with the distance of the latter from the front line (Fig. 3).

Despite significant staff reductions, 13 regions increased their manufacturing output compared to 2021, with the largest increases in Chernivtsi (+69.48%), Zakarpattia (+51.25%) and Zhytomyr (+45.71%) regions. Unsurprisingly, these regions saw the highest growth in labor productivity: +125.02%, +85.87% and +86.13%, respectively.

In Dnipropetrovsk, Zaporizhzhia, Mykolaiv, Odesa and Kharkiv regions (as well as in Ukraine as a whole), the rate of decline in sales of processed products was lower than the rate of decline in the number of employees in this segment of industry. At the same time, in Donetsk, Ivano-Frankivsk, Poltava and Chernihiv regions, the ratio between these indicators is the most critical, i.e. the decline in sales exceeded the decline in employment. As a result, during 2022-2023, labor productivity in the processing industry in these regions (with the exception of Chernihiv) fell by 62.54%, 7.92% and 12%, respectively.



* no data for 2023

Fig. 3. Dynamics of sales and employment in the processing industry, %

Source: calculated according to the State Statistics Service of Ukraine [8]

The highest labor productivity in 2023 was achieved by the manufacturing industries of Dnipropetrovsk (3443930 UAH/person) and Kyiv (3184770 UAH/person) regions. Before the full-scale war, Donetsk region (4370640 UAH/person) was the undisputed leader in terms of this indicator, far ahead of the other regions, with metallurgy dominating the structure of its processing industry. The latter is characterized by the highest labor productivity among manufacturing industries in Ukraine (4151460 UAH/person in 2023 compared to 5978370 UAH/person in 2021), which exceeded the average for the manufacturing industry by 2.94 and 1.52 in times, respectively.

During 2022-2024, Ukrainian processing became more specialized in the production of food, beverages and tobacco products – its share in the volume of products sold in this industrial segment increased to 39.05% (compared to 30.89% in 2021). As before the full-scale war, in 2023, this type of production dominated (with a share of over 30%) the processing industry in 18 regions. At the same time, metallurgy remains the main industry in Dnipropetrovsk and Zaporizhzhia regions (with a share of 37.63% and 45.70%, respectively), Ivano-Frankivsk – the production of rubber and plastic products, other non-metallic mineral products (33.17%), Volyn – woodworking (31.99%), and Zakarpattia – machine building (44.07% in 2021). Therefore, it can be stated that, in general, the structure of the Ukrainian manufacturing industry is not very diversified in regional terms. Compared to 2021, only in Dnipropetrovsk and Zaporizhzhia regions did the concentration of the dominant industry – metallurgy – decrease, which is directly related to the decline in the volume of its sales.

Conclusions

Despite the huge direct and indirect losses, i.e. losses of assets and revenue from sales (the largest among all sectors of the national economy), Ukrainian industry continues to function actively and is gradually returning to its pre-war performance levels. The recovery is mainly taking place through an increase in the production of defense-related products. The constant growth in the needs of the defense industry has stimulated the accelerated development of the production of finished metal products (primarily the production of weapons and ammunition), as well as all segments of mechanical engineering, the largest of which are the production of other transport vehicles and the production of motor vehicles, trailers and semi-trailers. Deepening strategic cooperation in the field of research and development between Ukraine and EU will contribute to the gradual integration of Ukrainian defense industry into European defense technology and industrial base, as well as into EU defense equipment market. This creates a basis for optimistic forecasts regarding the structural transformation (in the medium and long term) of the industrial sector of the national economy towards an increase in the share of high-tech industries, primarily machine building. This will allow Ukraine to restore and further increase its industrial and, in particular, defense potential on a new technological basis.

In parallel with machine building, sectors related to the defense-industrial complex are actively increasing production, in particular, the food, light, woodworking and pharmaceutical industries. On the other hand, the problems facing the metallurgical industry (the sector that suffered the greatest losses as a result of the full-scale war) are deepening against the backdrop of a steady decline in coke production and the virtual halt in coking coal mining in Ukraine. Undoubtedly, the restoration and further development of domestic metallurgical production should take place in traditionally "metallurgical" regions where the relevant raw materials are extracted. At the same time, however, efforts must be made to overcome the significant structural and spatial unevenness in the distribution of industrial capacity across Ukraine, which is concentrated predominantly in the eastern regions and certain large cities. This unevenness has led to a disproportionately large reduction in economic activity and budget revenues compared to the areas where production facilities are located and where active hostilities are taking place. As the results of the study show, Ukraine has already seen a trend towards a gradual levelling of industrial capacity concentration, with a shift towards the central and western regions. To a certain extent, this is due to the relocation of enterprises from frontline regions, but it is mainly a consequence of the shift of business activity poles in general to safer regions. This trend will intensify, at least until the end of the full-scale war.

In addition to spatial disparities, Ukraine also needs to overcome structural imbalances in industry. Low diversification of production and the predominance of a narrow range of industrial products for intermediate consumption with a low degree of processing have the same negative effects on the economy as excessive spatial concentration of production capacities. Accordingly, further research by the author will be devoted to the scientific justification of directions for capital investment in the development of processing industries in Ukraine with the aim of overcoming these imbalances.

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ВЕКТОРИ РОЗВИТКУ ПРОМИСЛОВОСТІ РЕГІОНІВ УКРАЇНИ В УМОВАХ ПОВНОМАСШТАБНОЇ ВІЙНИ

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Повномасштабна російська збройна агресія завдала величезної шкоди промисловому потенціалу України, оскільки бойові дії охопили здебільшого ті регіони, де він був найбільш розвинутим. Але навіть попри понесені величезні втрати (понад 150 млрд дол. США) промисловість залишається базовим сектором національної економіки, в якому формується найбільше доданої вартості. Метою статті є діагностика сучасного стану, ключових тенденцій і перспектив розвитку української промисловості в регіональному розрізі. Автором статті проаналізовано динаміку розвитку промисловості України в умовах війни за показником обсягу реалізованої продукції у порівнянні з 2021 роком. Констатовано, що відновлення промислового сектору національної економіки відбувається шляхом нарощення обсягів виробництва продукції оборонного призначення, зокрема, прискореного розвитку сегменту машинобудування, передусім виробництва інших транспортних засобів, а також виробництв легкої промисловості. Проведено оцінку втрат виробничих потужностей української металургії у регіональному розрізі порівняно з довоєнним періодом. Діагностовано зміни в експортному потенціалі виробництв переробної промисловості. Наголошено на зростанні інноваційної активності промислових підприємств, яка перевищила рівень 2021 року. Визначено вектори просторової трансформації промисловості України на підставі результатів розрахунку частки регіонів у структурі реалізованої промислової продукції і частки переробки у доданій вартості економіки останніх. Верифіковано співвідношення між динамікою реалізованої продукції і динамікою зайнятості у переробній промисловості регіонів України. Розраховано рівень продуктивності праці у промисловості у розрізі переробних виробництв і регіонів за показником співвідношення між обсягом виробленої продукції і кількістю найманих працівників в еквіваленті повної зайнятості у суб’єктів господарювання. Встановлено тенденцію до поступового вирівнювання концентрації промислового потенціалу в напрямку його переміщення у центральні і західні області, що певною мірою спричинено релокацією підприємств із прифронтових регіонів, але переважно є наслідком зміщення полюсів ділової активності загалом у безпечніші регіони.

Ключові слова: промисловість, обсяг реалізованої продукції, переробні виробництва, регіони, додана вартість, зайнятість, продуктивність праці.

Vectors of industrial development in the regions of Ukraine in conditions of full-scale war

VECTORS OF INDUSTRIAL DEVELOPMENT IN THE REGIONS OF UKRAINE IN CONDITIONS OF FULL-SCALE WAR

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The full-scale Russian aggression caused enormous damage to the industrial potential of Ukraine, as the fighting covered mostly those regions where it was most developed. But even despite the huge losses incurred (over 150 billion USD), industry remains the basic sector of the national economy, in which the greatest amount of added value is formed. The purpose of the article is to diagnose the current state, key trends and prospects for the development of Ukrainian industry in a regional context. The author of the article analyzed the dynamics of the development of Ukrainian industry in wartime conditions in terms of the volume of sold products compared to 2021. It was found that the restoration of the industrial sector of the national economy is taking place by increasing the production of defense products, in particular, the accelerated development of the mechanical engineering segment, primarily the production of other vehicles, as well as light industry. An assessment of the losses of production capacities of Ukrainian metallurgy in a regional context compared to the pre-war period was carried out. Changes in the export potential of processing industry were diagnosed. The growth of innovative activity of industrial enterprises, which exceeded the level of 2021, was emphasized. The vectors of spatial transformation of Ukrainian industry were determined based on the results of calculation of the share of regions in the structure of sold industrial products and the share of processing in the added value of the economy of the latter. The relationship between the dynamics of sold products and the dynamics of employment in the processing industry of the regions of Ukraine was verified. The level of labor productivity in industry was calculated by processing industries and regions based on the ratio between the volume of output and the number of employees in full-time equivalent for business entities. A tendency towards a gradual leveling of the concentration of industrial potential with its movement to the central and western regions was identified, which is to some extent caused by the relocation of enterprises from front-line regions, but is mainly a consequence of the shift of business activity poles to safer regions in general.

Keywords: industry, volume of sales, processing industries, regions, value added, employment, labor productivity.

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