Södra's position regarding infrastructure

Forest – a prerequisite for a robust infrastructure with a low climate footprint

For generations, the forest has helped build our nation's prosperity. More than 50,000 family forest owners in Södra manage forests that are an asset for the country's economy, employment, a vibrant countryside and biodiversity. From the raw material provided by family forestry come sawn timber, building systems, pulp for paper and textiles, chemicals, energy and much more. For this value chain to function, a reliable infrastructure with a low climate footprint is essential – from the smallest forest road to railways, ports and the power grid.

Why infrastructure is crucial

Södra is one of Sweden's largest transport buyers. Timber from members' forests must be transported cost-effectively from forest to mill and onwards to customers, often through intermodal flows where lorry, rail and shipping work together. Today, a large share of forestry transports start on private roads, while outbound product flows take place both nationally and globally. Robust infrastructure at every stage is a prerequisite for competitiveness, climate transition and a vibrant countryside.

Current situation and challenges – as well as opportunities

Road network bearing capacity and climate adaptation

Sweden's road network faces a growing maintenance backlog, both on state and private roads. Insufficient bearing capacity leads to weight restrictions, longer transport times, higher emissions and increased costs. Bottlenecks such as bridges and road sections that fail to meet BK4 classification hinder more efficient 74-tonne transports. BK4 is the highest bearing class in the Swedish road network and allows gross weights up to 74 tonnes. It was introduced to improve freight efficiency, particularly in forestry and industry, by enabling fewer but heavier lorries. Roads that do not meet BK4 requirements create obstacles, resulting in detours, transhipments and higher emissions. To secure raw material flows and reduce emissions, major investments are needed in bearing capacity, faster upgrades to BK4 on priority freight routes, targeted reinforcement of sensitive points and increased, climate-adapted state grants for private roads.

On private roads – where most timber transports begin – reduced state grants have lowered standards and restricted accessibility. Climate change with wetter winters and heavier rainfall worsens the situation. Traditional winter road maintenance routines are not always sufficient, and many private road owners are left to cope alone during extreme weather. More flexible winter maintenance based on forecasts and real-time data, together with earmarked funds for drainage and base layers, will increase resilience.

Regional development and improvement measures

To strengthen the transport chain for forest products, investments are needed in environmental and improvement measures, such as better road connections, bridges and traffic safety. This would help reduce emissions, improve delivery reliability and

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create better conditions for electrifying transport.

Rail and intermodal solutions

Rail is an important complement for long, heavy transports but is currently limited by capacity shortages, delays and a major maintenance backlog. At the same time, rising track charges risk counteracting the shift from road to rail. To make rail more competitive, increased maintenance and capacity investments are required, more passing loops, more robust signalling systems and a charging model that rewards long and heavy freight trains. Bottlenecks in ports and terminals must be eliminated to enable faster transfers between modes of transport.

Electrification and energy supply

Heavy road transport is being electrified rapidly, but southern Sweden faces power shortages and long lead times for grid reinforcement. Charging infrastructure without secure access to power risks being underutilised, and rural areas will lose out if the market only builds where customer density is high. Södra is running projects with electrified heavy vehicles to gather experience. For large-scale electrification, targeted expansion of charging infrastructure at strategic locations – terminals, sawmills and hubs – is crucial, as well as faster permit processes for grid reinforcement. Policy instruments should focus on actual power availability, not just the number of charging points.

Digital infrastructure and automation

A competitive and sustainable forestry sector requires access to both digital infrastructure and up-to-date road information. Today, information on the standard and bearing capacity of private roads is often inadequate, inaccessible or not digitised, making planning and logistics difficult. To create effective planning data, a coordinated effort is needed to digitise, update and make road information available to relevant stakeholders.

At the same time, insufficient digital infrastructure in forest areas is a barrier for both forest owners and industry. For Södra's members, poor connectivity limits the use of connected machinery, autonomous solutions and smart services – making planning less efficient, increasing the need for physical interventions and reducing

the potential to meet climate targets through fewer transports and better resource use.

The need for broadband expansion and coordination

For Södra's industries, digital development is vital to strengthen competitiveness. By linking data from the forest with production systems in real time, raw material use can be optimised, production planning improved and logistics flows streamlined. This enables greater automation, smart process control and more flexible, sustainable production. To make this a reality, enhanced broadband support for rural areas, prioritised expansion of mobile broadband and 5G, and testbeds for autonomous transport are required. A clearer mandate for collecting and sharing road information, as well as better IoT coverage along transport corridors, can deliver major efficiency gains and lower emissions. But expansion is costly and requires coordination between the state, regions and private actors. For Södra's members, uneven expansion risks creating digital divides, which could slow innovation and sustainable development in some areas.

5G and improved mobile broadband enable real-time data from machines, drone monitoring and AI-based decision support – delivering more precise and resource-efficient forestry, increased safety and new business models within the bioeconomy. Without digital infrastructure, both forestry and industry risk being less prepared for future demands on efficiency, innovation and climate adaptation.

Testbeds for autonomous vehicles in rural areas

Autonomous transport can reduce emissions, increase efficiency and address skills shortages in the logistics chain. Through testbeds in Södra's operating areas, we can drive innovation and strengthen Sweden's position in sustainable bioeconomy. The technology requires advanced digital infrastructure, regulations and investment. For Södra, the challenge is to ensure that testbeds are established in relevant environments and that results lead to scalable solutions.

Fossil-free fuels and bioenergy

The forestry sector can deliver more biofuels and bioenergy, but investment risks and uncertain regulations are slowing progress. Tax design and quota obligations have sometimes disadvantaged domestic production and high-quality biofuels. Technology-neutral, long-term policy instruments – including risk-sharing for first commercial plants and adjusted taxes based on energy content – can accelerate investment and provide more fossil-free options for heavy transport.

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What political initiatives does Södra need to move forward?

Södra wants to see broader policy instruments and investments prioritised where they deliver the greatest benefit for climate and competitiveness. Below are the key proposals:

In Sweden

- Eliminate the maintenance backlog in the road network. Speed up upgrades to BK4 on priority freight routes and reinforce bridges and sensitive sections.
- Increase and climate-adapt state grants for private roads. Ensure bearing capacity and year-round accessibility in forest regions.
- Introduce more flexible winter road maintenance based on forecasts and real-time data. Shorter lead time from weather event to action.
- Make rail competitive: prioritise freight in capacity planning, build more passing loops and adjust track charges so that long/heavy freight trains are rewarded.
- Link electrification with the power grid: faster permits for grid reinforcement, direct support for charging in rural areas and at industrial nodes, focus on power availability.
- Strengthen digital infrastructure: improve data quality and accessibility for road information, invest in connectivity along transport corridors, establish testbeds for automation.
- Ensure equal digital infrastructure nationwide.
- Prioritise rural areas in broadband and 5G expansion.
- Testbeds for autonomous transport should be established in forest environments to drive innovation and sustainable development.
- Promote domestic biofuels and bioenergy through technology-neutral policy instruments, risk-sharing in first plants and taxes based on energy content.
- Increase investment in maintenance and improvement measures for rural roads.
- Regional plans should prioritise measures that strengthen bioeconomy transport chains.

In the EU

- Ensure that charging and capacity rules support the shift of freight to rail and shipping and do not penalise efficient freight trains.
- Strengthen frameworks for expanding charging and energy infrastructure along freight corridors, including support for sparsely populated areas.
- Promote advanced biofuels from residual streams through long-term, technology-neutral requirements and clear sustainability criteria.
- Accelerate digitalisation and interoperability: open data on infrastructure, common standards and support for automated transport.
- Shorten and harmonise permit processes for grid and energy investments that enable electrification of heavy transport.

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