



# Rail Forum

## Connection to Asia from Sweden

Kouvola, September 26, 2019



# North Sweden European Office - Direct link to the EU

- ❑ North Sweden is the EU Office for the two northernmost counties in Sweden. Our mission is to promote the region in the EU.
- ❑ Our owners are regional authorities, industry and SME representatives and universities in the region.
- ❑ Our task is to strategically address and influence EU policy in areas of importance for economic and sustainable growth in the region.
- ❑ In the transport area, our goal is to obtain EU support to develop a transport system that is linked within the region, along cross-borders, within the EU and towards the rest of the world, including connection to Asia.



# North Sweden Transport Policy

- ❑ Northern Sweden is located in the middle of the new global crossroads East-Westbound and North-Southbound with major infrastructure challenges and opportunities. The region has a long tradition of mining and forestry activities:
  - 90% of the iron ore production in the EU and new deposits are being exploited. Ore worth of 2,5 billion EUR is turned into 55 billion EUR of processed raw materials in Sweden before further processing in Europe.
  - Sweden, together with Finland and northern parts of Russia, provides substantial amounts of other critical minerals for the European industry, e.g. copper, gold and lithium as well as forestry raw materials as the main source of wood for pulp, paper, timber and biomass.



➔ The accessibility to the EU core markets for raw materials require functional rail and maritime connections.

# North Sweden Transport Policy

- ❑ The infrastructure in northern Sweden, i.e. via the Iron Ore Line, the North Bothnia Line, the Haparanda Line, the Bothnia Line and the Core Port of Luleå, connects the northern part of the Northern Axis with TEN-T Core Network Corridors the Scandinavian-Mediterranean (ScanMed) and the North Sea-Baltic (NSB).
- ❑ These TEN-T Corridors create an important fundamental structure for the European transport system to transport of crucial raw materials and other refined products to the European market.
- ❑ Northern Sweden is connected by the Iron Ore line and Ofoten Railway line to the Core Port of Narvik. The connection between the ice-free Port of Narvik at the Atlantic coast and northern Norway and Sweden form a vital route of international trade in the production of iron ore, minerals and other industrial production, fisheries etc.
- ❑ Via Haparanda-Tornio the transport system is connected to the Finnish mainline.

# North Sweden Transport Policy

## ➤ Needs on the transport system – priority objects:

- ❑ Iron Ore Line: According to LKAB, the capacity on the Iron Ore Line incl the now ongoing and planned works will be fully utilized by 2020. An increase in capacity post 2020 requires the construction of a double-track. E.g. Next generation LKAB – progress is proceeding according to plan. The goal is to ensure a billion tonnes of mineral resources in the next five years. The total production Q1, 2019 was 6,5 million ton and deliveries was 6,1 million tons.
- ❑ North Bothnia Line is a new planned railway Umeå-Luleå (270 km) that will close the gap in the missing link in the transport system in northern Sweden. It will comprise a double track to the current main line built 100 years ago, bringing about redundancy in the system: Every day steel corresponding to one Eiffel Tower from Northern Sweden is shipped to Europe. With the NBB we will be able to transport more.
- ❑ Haparanda Line requirements for improvements on the cross-border infrastructure, electrification on the FI side etc

# The North Bothnia Line



# North Sweden Transport Policy

## ✓ Needs on the transport system – priority objects:

- ❑ Port of Luleå: Dredging operations etc.
- ❑ Kvarken Connection: A new Ferry between Umeå-Vaasa
- ❑ The Barents Corridor: Several reports stress the need for sustainable transport solution for the raw materials industry current and new ones in northern Sweden also through the western Barents region i.e. a new railway between Pajala-Svappavaara (also connection with Kolari). This will also facilitate a shift from road to railway – e.g. one train can replace 25 timber trucks. The company Kaunis Iron aims at annual production equivalent to 2 million tons of iron ore. Known quantities of mineralized material in the deposits amount to roughly 130 million tons with an average iron content of 34%, and there is considerable growth potential.

# Northern Axis

- ❑ Strengthened competitiveness requires increased accessibility
- A functioning infrastructure via the Northern Axis on the Iron Ore Line and Haparanda Line and further towards the Trans-Siberian railway is crucial for European growth and the conditions in a larger Arctic context.



Basindustrierna i norr:  
Stärkt konkurrensförmåga kräver ökad  
tillgänglighet

W SVEASKOG LKAB BOLIDEN SSAB



# The Barents Corridor

## ☐ The Barents Corridor (Long-term):

- A new railway between Pajala and Svappavaara (Could be connected to Kolari in Finland)



# North Sweden Transport Policy

Hence:

- ❑ A well functioning transport system is a prerequisite for competitiveness on national and international level:
  - The export-intensive industry of Northern Sweden requires good connections to the European market.
  - A necessity to attract and maintain labor force. Northern Sweden has relatively large cities along the coast that via good transport systems could be linked by rail to increase commuting possibilities.
- ❑ In order to accelerate funding and implementation of the priority infrastructure investments, is important that the ScanMed Corridor is extended to northern Sweden.
- ❑ To achieve the goal, the main EU-policy areas addressed are
  - CEF 2.0 – Extension of the Corridor Network post 2020.
  - TEN-T revision – Development of the Network beyond 2030



# EU Transport policy

## □ TEN-T

- An important objective of EU transport policy is to enable the internal market through a functional, sustainable, multimodal transport system..
- The Trans-European Transport Network (TEN-T) policy addresses the implementation and development of a Europe-wide network involving all transport modes and railroad terminals (railway lines, roads, inland waterways, maritime shipping routes, ports, airports and railroad terminals). The ultimate objective is to close gaps, remove bottlenecks and technical barriers, as well as to strengthen social, economic and territorial cohesion in the EU.

## □ CEF

- The Connecting European Facility (CEF) is the funding mechanism to develop and modernize the TEN-T network. CEF will establish the strategic Core Network by 2030 and the Comprehensive Network by 2050. CEF will also contribute in the ongoing transformation of the transport system towards digital and clean & autonomous mobility.

## Revision of CEF

# EC proposal to extend the Corridor Network

- ❑ On June 6, 2018 the European Commission presented the proposal for a new regulation for the Connecting Europe Facility (CEF) post 2020
- ❑ For CEF Transport, the European Commission proposes:
  - An extension of the Corridor network by 15%
  - For Sweden, currently covered by 40% of the corridor network:
    - The extension of ScanMed to Narvik-Oulu-Luleå-Umeå-Stockholm. The extension is in line with the proposal submitted by the Swedish Government and supported by the Governments of Finland and Norway
    - extension of the North Sea-Baltic Corridor to Luleå-Helsinki-Tallinn-Riga.
  - The two Core Network Corridors will be aligned at the SE/FI border of Haparanda/Tornio.

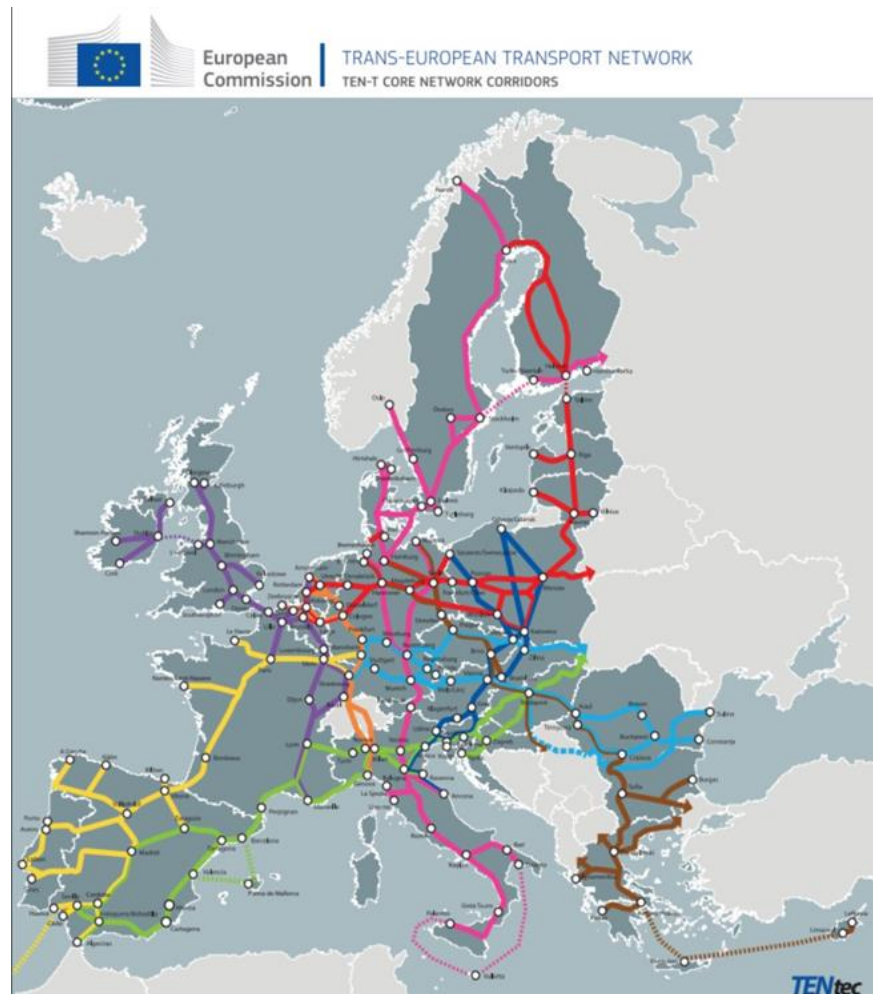
# CEF Transport budget post 2020



# Revision of CEF and the TEN-T

- CEF co-funding form: grants
- CEF co-funding rates:
  - Up to 50% co-funding for studies
  - Up to 30% co-funding for physical interventions
  - Up to 50% in co-funding for projects along cross-borders that fulfill specific criteria.
- ❑ Negotiations currently ongoing in Brussels.
  - The Council is expected to reach an agreement on the Multi-Annual Financial Framework (MFF) Fall 2019. Trialogs to start thereafter. New regulation 2021-2027.
- ❑ TEN-T revision:
  - The European Commission DG MOVE has started the revision process of TEN-T. An open consultation on the evaluation of the implementation of the TEN-T during Q3, 2019.
  - During 2020 DG MOVE expected to carry out further in-depth studies.
  - The regulation proposal for the Ten-T to be presented during 2021-2022.

# Extension of the Core Network Corridors - EC proposal



# Benefits of the proposed extension of the Core Network Corridors to northern Scandinavia

- ❑ The proposed extensions of ScanMed and NSB:
  - are logical as the large number of the current cargo flows in the Corridors are generated in northern Scandinavia.
  - will accelerate the implementation of priority infrastructure investments.
  - are vital to accommodate the need of the export-intensive industries of a well-functioning transport network with high capacity to transport iron ore, forestry and steel products in north-south and east-west directions.
  - form a strategic EU gateway to the Arctic and consolidate the engagement of the EU and its' role as a key player in the development of the Arctic region.
  - will ensure and align the involvement of the two Member States and regions in cross-border transport development and TEN-T policy objectives. This would enable an inclusive planning structure and better mirror the needs that exist today in the entire Core Network.

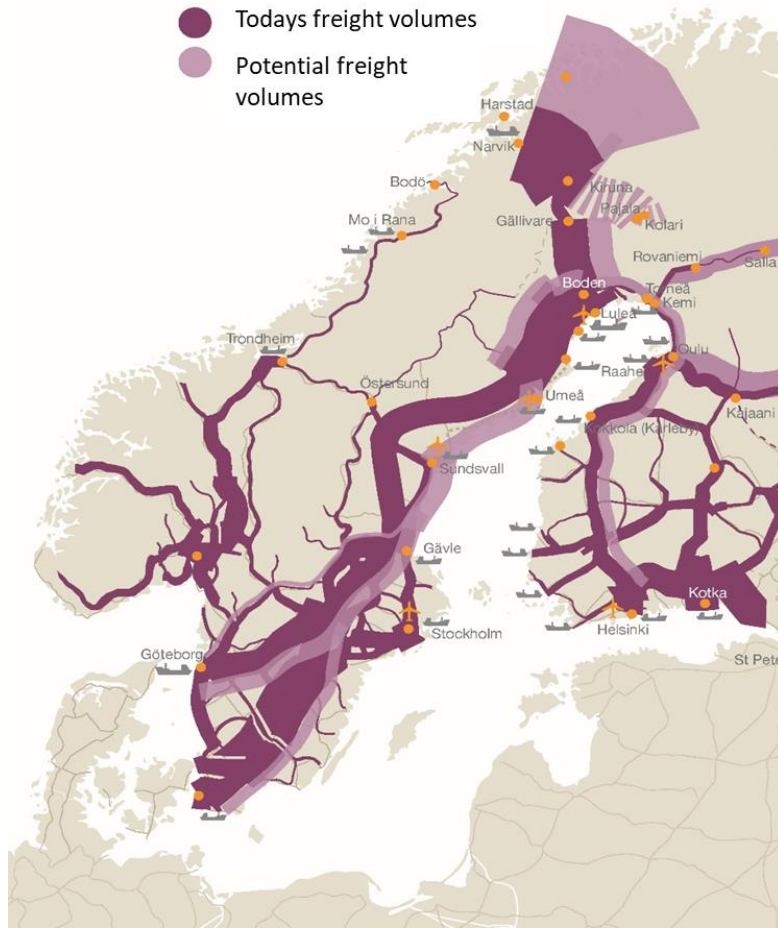


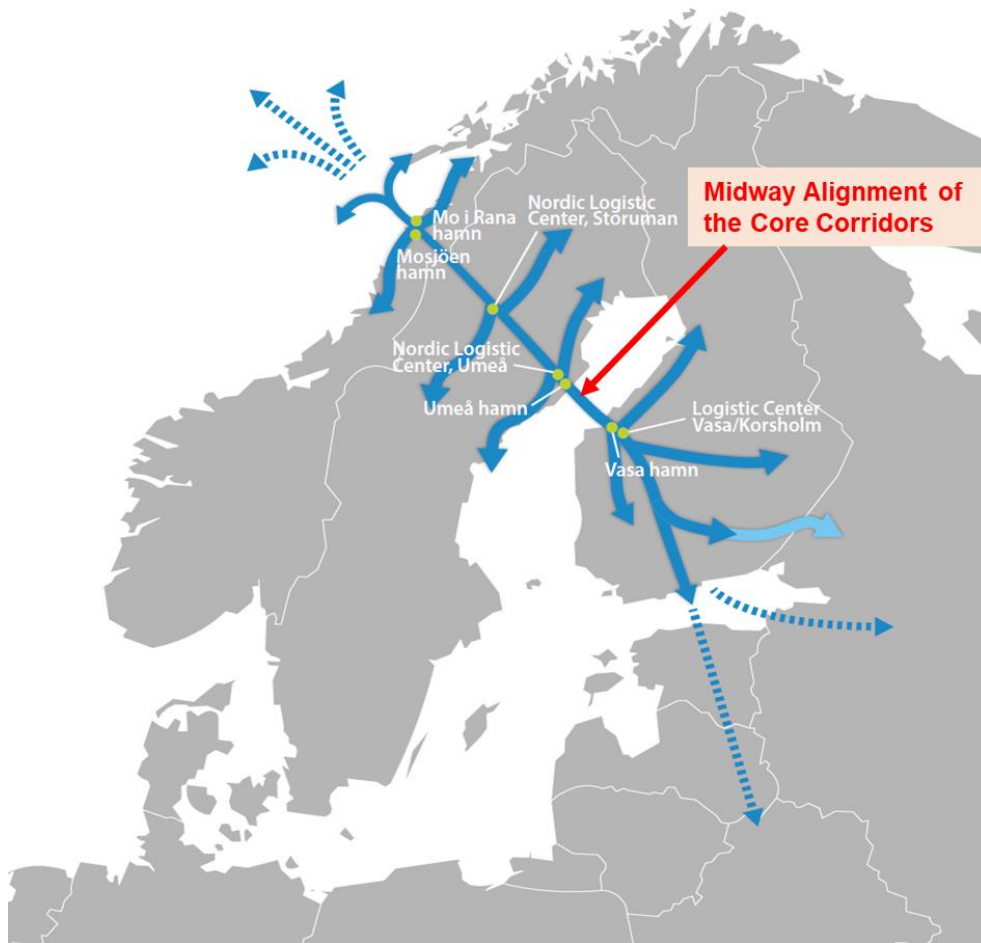
# EU-China Connectivity Platform

- EU-China Connectivity Platform:
  - April 8, 2019 EU-China Connectivity Platform back to back with the EU-China Summit April 9
  - Discussions on strategies for improved connections between the TEN-T and the BRI.
  - Both sides agreed to launch a study based on China's BRI and the EU's TEN-T the latter with its extension to the Balkans and Eastern European partner countries, to identify sustainable railway solutions through transport corridors between Europe and China. The study will be jointly funded.
  - The starting point is to review the existing rail infrastructure based on technical condition, gauges and electrification. Thereafter, the entire corridor network, including the road network, inland waterways and ports, will be evaluated based on freight volumes and the assessment of the infrastructure based on operational, technical, political and socio-economic factors.
  - The study targets infrastructure territories between EU and China.

# The Bothnian Corridor – A SE/FI/NO cooperation

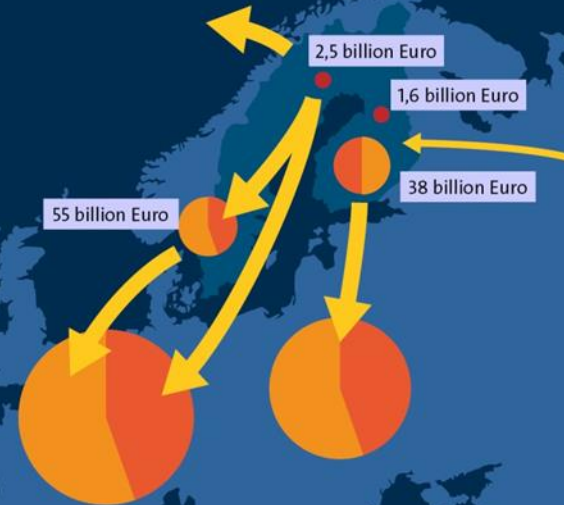






# Processing industry

- Mining
- Manufacture of metals and metal goods
- Manufacture of machinery and equipment
- ➔ Processing output value, euro



Co-financed by the European Union  
Connecting Europe Facility



NORRBOTNIABANAN



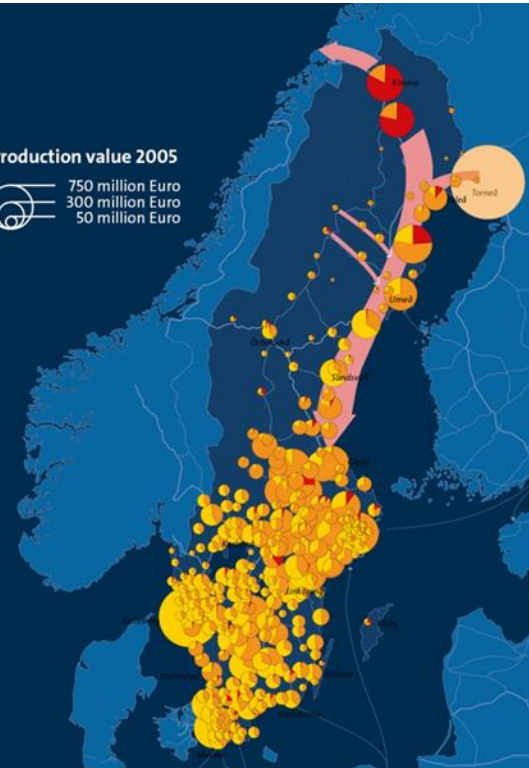
# Processing industry

- Mining
- Manufacture of metals and metal goods
- Manufacture of machinery and equipment

Production value 2005



750 million Euro  
300 million Euro  
50 million Euro



Co-financed by the European Union  
Connecting Europe Facility



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