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PRESS RELEASE

Biggest-ever rail transport agreement

SSAB and Green Cargo have concluded a 10-year agreement for the transport of steel slabs and rolled products between the SSAB plants in Borlänge, Luleå and Oxelösund. The value of the agreement is more than SEK 2.5 billion and the freight to be handled by the train system is more than 4 million tonnes annually.

SSAB specified that the transport system shall use new, more powerful and more energy-efficient electric locomotives to ensure maximum capacity and reduced environmental impact. Green Cargo is therefore investing in 16 state-of-the-art electric locomotives representing an investment of around SEK 500 million.

"We want to have the best possible environmental performance of the SSAB transport system. The Green Cargo investment in new electric locomotives reduces the energy consumption for our steel transport by more than 15 percent. Green Cargo is also replacing the engines of the diesel locomotives used for shunting at the SSAB plants to enable the carbon dioxide emissions to be lowered by around 20 percent and the particulates emissions by around 60 percent," says Fredrik Sand, Purchasing Manager at SSAB Tunnplåt.

According to the agreement, Green Cargo will also undertake shunting at the SSAB plants in Oxelösund and Borlänge, and will also be running the steel trains between Luleå and Borlänge and between Oxelösund and Borlänge. This deal will lead to Green Cargo employing around 120 persons for the SSAB transport work. SSAB estimates that the volume of the transport assignment will increase during the agreement period.

"We are very pleased that SSAB has entrusted us with this assignment. It feels positive to do business and invest into the future at times of financial crises, job losses and downturn in the business climate," says Sören Belin, Managing Director of Green Cargo.

SSAB is the biggest Swedish corporate user of rail transport. The SSAB transport in the agreement comprises three trains daily on the Luleå – Borlänge – Luleå run and two trains daily on the Borlänge – Oxelösund – Borlänge stretch. If trucks were used instead for the transport work, more than 300 trucks a day would be needed for the task.

"We have been cooperating with SSAB for many years, and we have developed the transport work by mutual dynamism and inventiveness. To an increasing extent, trading companies are endeavouring to find means of transport that are beneficial to the climate, and the capacity and environmental requirements made on us by SSAB in this procurement demonstrate that the environmental issue is of great importance also to staple industries."

The new agreement spans the period extending from 1 January 2010 to 31 December 2019. The transport of finished products that is already handled by Green Cargo inside Sweden and to the Continent will not be affected by this new agreement.

SSAB, a global niche producer of high strength steel with a leading market position and productivity, develops solutions in order to increase the competitiveness of its customers.

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