

IEA-Advanced Motor Fuels ANNUAL REPORT 2025

SWEDEN



Sweden

Drivers and Policies

The overall goal of Sweden's environmental policy is to be able to pass on to the next generation a society in which major environmental problems have been solved, without increasing environmental and health problems beyond the country's borders. Sweden aims to become one of the world's first fossil-free welfare countries. To achieve this goal, the transport industry must be freed of its dependence on fossil fuel by taking measures such as reducing the total energy demand of the transport sector and ensuring that the remaining energy is both renewable and sustainable.

In 2017, Sweden approved a new climate policy framework with a long-term climate goal of no net greenhouse gas (GHG) emissions by 2045, at the latest. What this means is that emissions from activities on Swedish territory will be cut by at least 85% compared with those generated in 1990. To achieve net-zero emissions, Sweden must include flexible measures in its climate strategy. For the transport sector, Sweden has also adopted an emissions reduction goal of at least 70% by 2030 compared with 2010 (not including domestic air travel).

In mid-2018, the Swedish government introduced what was known as a *bonus-malus system*, under which environmentally adapted vehicles with relatively low carbon dioxide (CO₂) emissions were awarded a bonus of up to SEK 70,000 (USD 6,699) at the time of purchase. Under the system, vehicles with relatively high CO₂ emissions (above 90 g/km as of April 1, 2021) were subject to a higher tax (malus) during the first three years. The system included cars, light buses, and light trucks. In November 2022, the newly appointed government canceled the bonus feature. However, beginning February 13, 2024, the bonus — up to SEK 50,000 (USD 4,769) — was reintroduced for light-duty vehicles (LDVs). A GHG reduction premium was also introduced for zero-emission heavy goods vehicles (HGVs), and a purchase premium was initiated for biogas-fueled HGVs. For non-road mobile machinery (NRMM) powered by renewable fuels, the purchase premium may amount to a maximum of 40% of the additional cost compared with a conventionally fueled NRMM.

Another important measure introduced in mid-2018 was the reduction obligation — an obligation for fuel suppliers to reduce GHG emissions from sold volumes of petrol and diesel fuels by incorporating biofuels. In July 2025, the reduction obligation was increased to 10% for both petrol and diesel from 6% in 2024. The biofuels included in the reduction obligation system are subject to the same energy and CO₂ taxation as fossil fuels. In October 2024, Sweden initiated a public governmental investigation focused on measures to ensure that the country reaches its commitment in accordance with the EU's Effort Sharing Regulation (ESR). The results of the investigation are expected to be presented in June 2026. The Swedish ESR target corresponds to a 50% decrease in GHG emissions compared with 2005.

Advanced Motor Fuels Statistics

Since 1990, the number of passenger cars in Sweden has increased from approximately 3.5 million to 5.0 million. At the same time, GHG emissions from passenger cars remained stable, at around 13 million tons from 1990 to 2007. However, since 2007, emissions have decreased significantly, measuring about 9.5 million tons in 2025. The main reasons for the reduction are the increased energy efficiency of new vehicles, electrification, and renewable motor fuels.

The fleet of alternative-fueled passenger cars totaled around 1,000,000 at the end of 2025 (see Figure 1). In addition, automakers have produced an increasing share of conventional diesel vehicles fueled with hydrotreated vegetable oil (HVO)100. However, no statistics are currently available on the size of this share.

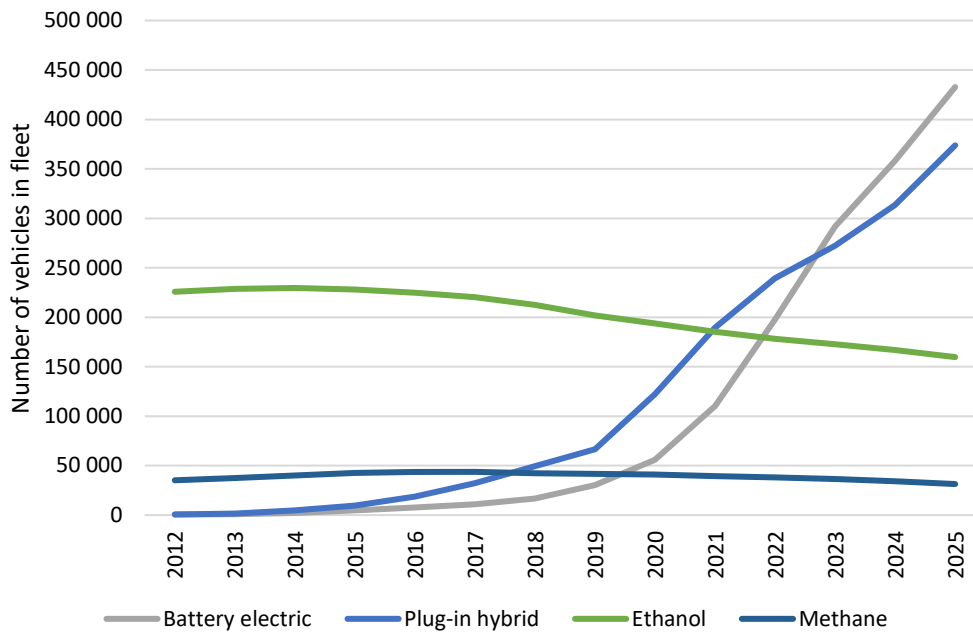


Figure 1. Number of Advanced Motor Fuel Passenger Cars in the Swedish Fleet, 2012–2025

Alternative-fueled vehicles correspond to 19.8% of the total fleet of passenger cars (excluding diesel cars that can be fueled with HVO100). Light commercial and heavy-duty vehicles make up 8.2% and 6.3% of the total fleet, respectively. However, vehicles registered as other than petrol- or diesel-fueled represent 32.2% of the bus fleet. Diesel-registered buses make extensive use of HVO100.

The use of renewable biofuels and electricity for transport in Sweden amounted to 14.7 terawatt hours (TWh), or 20% of the transportation fuels sold during 2025 (see Figure 2). Approximately 66% of the renewable fuel used in Sweden during 2025 was HVO and fatty acid methyl ester (FAME).

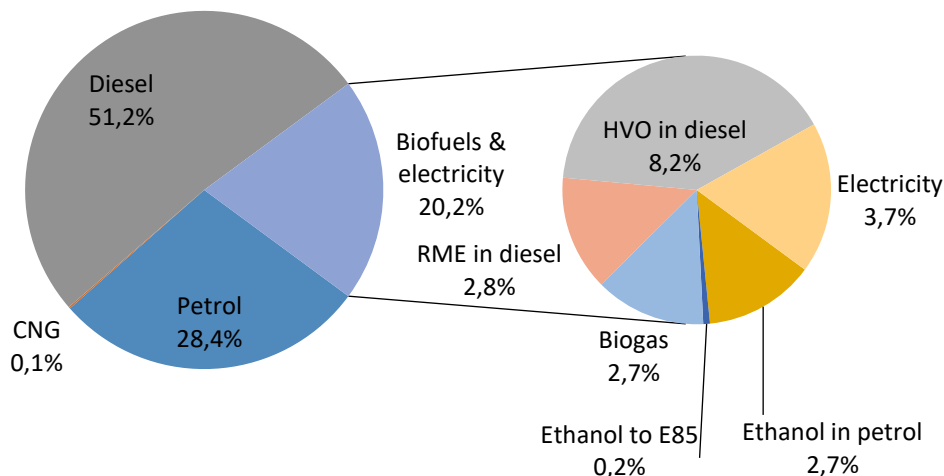


Figure 2. Fuel Consumption (in TWh) within the Swedish Road Transport Sector, Preliminary Statistics, 2025

When HVO was introduced in the Swedish market, it was produced from crude tall oil from Sweden, Finland, and the United States. As the demand for HVO grew, the number of feedstocks and countries of origin increased. In 2024, the raw materials were, to a large extent, animal fats (53%), with the remaining shares consisting of used waste oils, oil crops, industrial waste, and others. The majority of feedstocks for HVO are imported, as shown in Figure 3. The average GHG emissions from HVO use in Sweden during 2024 corresponded to around 14.2 g carbon dioxide equivalent (CO₂e) per megajoule

(MJ). FAME is primarily produced from rapeseed oil. A preferred feedstock, rapeseed oil's cold climate properties (i.e., cloud point) are more suitable than many other vegetable oils for the Nordic climate.

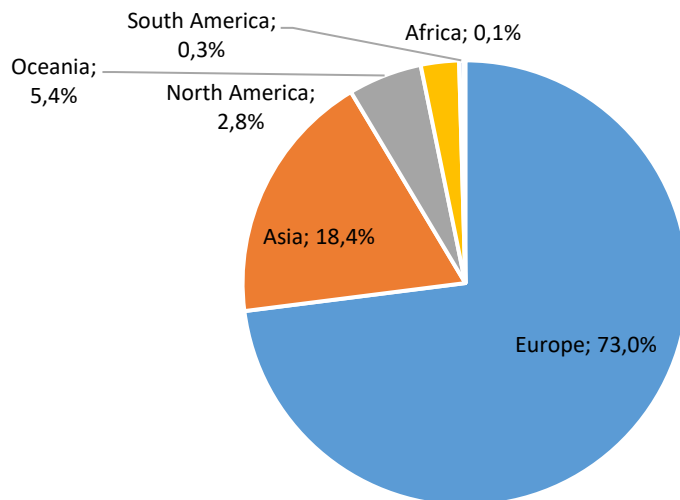


Figure 3. Country of Feedstock Origin for HVO Consumed in Sweden, 2024

Research and Demonstration Focus

The Swedish Energy Agency has several energy-related research, development, and demonstration programs:

- [Biogas Solutions Research Center](#)
- TechForH2 ([TechForH2 bäddar för framtidens vätgasteknologi | Chalmers](#))
- [CESTAP – Competence centre in sustainable turbine fuels for aviation and power](#)
- Competence centre, Kompetenscentrum katalys (KCK)
- Hydrogen-related: [Ongoing Assignments and Investments](#), SkyFuelH2 ([SkyfuelH2 - ett projekt för hållbart flygbränsle](#))

Outlook

The climate goal established in Sweden is ambitious, with a reduction in GHG emissions of 70% in 2030 compared with 2010, and no net CO₂ emissions by 2045. Considering the rate of turnover of the vehicle fleet, advanced motor fuels will have to play an important role in reaching these targets.

Additional Information Sources

- [Swedish Energy Agency](#)
- [The Swedish Knowledge Centre for Renewable Transportation Fuels](#)

Major Changes

In 2017, the Swedish Parliament adopted a new climate law with the following targets:

- No later than 2045, Sweden shall have no net emissions of GHGs to the atmosphere.
- Emissions from domestic transport (excluding aviation) shall be reduced by at least 70% by 2030, compared with 2010.

Benefits of Participation in the AMF TCP

Sustainable and clean energy for transport is necessary to achieve national and international targets. The AMF TCP gives us an arena where we can cooperate with countries worldwide to develop unbiased reports on the effects of various advanced motor fuels, with a focus on sectors where a zero emission transmission is considered more challenging.