Implementeringsrådet

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The Implementation Council
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Landsbygds- och
infrastrukturdepartementet,
Enheten för skog, miljö och
forskning

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Calculation examples for affected business sectors – input to Sweden's position ahead of EU negotiations on the revision of the Deforestation Regulation

The Implementation Council's contribution to the Swedish position refers to calculation examples for affected business sectors in terms of administrative costs and impact on Swedish competitiveness.
The assumptions made are presented in full in section 8.

The Council's calculation basis in summary is:

	Manufacture of furniture (SNI31)	Manufacture of paper and paper products (SNI17)	Maritime transport (SNI50)	Forestry (SNI02)
Impact (hours on an annual basis)	120	180	120	20
Administrative costs (MSEK)	45,2	13,7	14,4	107,0
Competitiveness impact (MSEK)	-57,2	-32,7	-18,3	-151,0

1.The Implementation Council's task

The Implementation Council is tasked with assisting the Government in its efforts to strengthen the competitiveness of Swedish companies by avoiding implementation above the minimum level and counteracting unjustified regulatory burdens, as well as reducing administrative costs and other

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compliance costs in connection with the implementation of EU regulations in Swedish law. The Implementation Council's work must be based on a business perspective.

The Implementation Council is to submit documentation and recommendations to the Government, partly as a contribution to Swedish positions in negotiations and partly on how EU legal acts can be implemented in Swedish law in a way that is not more far-reaching from a business perspective than what the legal acts require.

Negotiations on the proposals are proceeding very quickly and the Council has in this case limited its input to only calculations of a few examples from the trade associations Confederation of Swedish Enterprise and the Swedish Shipping Association and an example from the Swedish Forest Industries Federation. The examples are described in more detail in Section 7 and the calculations are reported in Section 8.

The Council has therefore not carried out any further investigation or analysis among other organisations and undertakings.

2.Relevant proposal for an EU act

Proposal for a Regulation of the European Parliament and of the Council amending Regulation (EU) 2023/1115 as regards certain obligations of operators and traders.

3. Aim and purpose of the proposal

The European Commission has proposed amendments to the EU Deforestation Regulation (EUDR). The aim is to streamline implementation without changing the fundamental purpose of the Regulation, which is the prevention of deforestation through due diligence of operators in the EU market.

4. Where is the proposal in the process?

On 21 October 2025, the Commission published a proposal to revise the EUDR that:

- **30 December 2025** remains as the date when the rules will start to apply for large and medium-sized operators and traders.

- A **transition period from January to June 2026** is introduced, with competent authorities prioritising support over sanctions.
- **Small and micro businesses** will have an additional six months, with a new deadline **of 30 December 2026**.
- New roles and responsibilities are introduced, with small and micro primary and downstream actors, in order to simplify compliance and reduce the administrative burden on smaller players.

The Commission's proposal is under negotiation.

5. Responsible ministry

Ministry of Rural Affairs and Infrastructure, Unit for Forestry, Environment and Research (LI LB SMF).

6. Problem description from a Swedish business perspective

The amendment presented on 21 October proposes to postpone the introduction date for small and micro-enterprises and to reduce the reporting requirements for these enterprises by removing the requirement to report and ensure due diligence.

In addition, it is proposed that all downstream operators, regardless of company size, should ensure full traceability by collecting and transmitting reference numbers and identification codes for declarations. This requirement is perceived as particularly burdensome as it entails a significant administrative burden without necessarily contributing proportionate added value.

7. Analysis of the business community/trade associations

Industries and companies concerned

Companies that import, export or sell products containing or consisting of cattle, cocoa, coffee, oil palm, rubber, soy or wood are subject to the regulation.

Consequences for Swedish companies

The following examples of consequences have been presented by some industry associations.

Confederation of Swedish Enterprise

The Confederation of Swedish Enterprise proposes that Article 5(3) of the current amendment to the EUDR be adjusted so that the obligation for operators and downstream traders to collect and maintain reference numbers for due diligence certificates linked to their products is abolished, and that Article 5(5), which entails additional information requirements, is deleted.

This would remove the obligation for operators and downstream traders to collect and maintain reference numbers for due diligence certificates related to their products.

Requiring downstream operators to handle reference numbers for each product creates a significant administrative burden for many European companies, without adding equivalent value. In practice, products are often manufactured through complex and step-by-step processes in which materials are mixed and components are combined. Assigning each individual component and intermediate product a reference number that follows through the entire chain leads to an unmanageable amount of data.

The Confederation of Swedish Enterprise has presented a number of concrete examples with regard to the consequences of the transfer of reference numbers throughout the supply chain. The Implementation Council has made calculations for some of these examples, which are presented in the next section.

1. Small company making solid wood furniture

A company with 10 employees manufactures tables from solid wood. They buy high-end materials in batches from some reliable European partners. To ensure that production is efficient and to reduce waste, they produce the tables in parts.

The finished table will contain materials from several different batches of wood, but there is no system for keeping track of which part of the table comes from which set of wood. Introducing such a system is a huge undertaking, which not only entails IT costs, but it is also likely that changes would also need to be made to the production process itself.

Even with a perfect system in place, each table would still be linked to multiple reference numbers, and as it stands today, the company would have to report all possible wooden batches connected to the finished product.

Estimated Reference Numbers Linked to End Product: 10-100

2. Medium-sized company making furniture from chipboard

A company with 200 employees manufactures cabinets from chipboard. They buy all their chipboard from a major European producer. Producers buy large quantities of processed wood from a number of different suppliers and buy wood from foresters across Europe. To manufacture the cabinets, fibreboard in different dimensions (3, 8, 11, 16 and 22 mm) is required.

A reasonable estimate would be that each fibreboard would contain material from about 10 different suppliers, and that each supplier would have mixed about 10 batches of material that comes from at least two different areas of land. This would mean that each fiberboard would be connected to approximately (2x10x10) 200 reference numbers. Since the company has to use 5 different dimensions of fiberboard to produce the cabinet, the final product will be attached to somewhere in the order of 1000 reference numbers.

Estimated reference number associated with the final product: 500-2000

3. Small company producing Christmas cards

The company buys high-quality paper in bulk from a trusted European supplier. They use the paper to print small editions of Christmas cards and other digitally printed products.

The paper they buy is produced from pulp from many different plots, producers and countries, and there is no system for tracking which Christmas card is linked to which batch of paper. Being in the final stages of the highly complex process illustrated below means that each Christmas card will be linked to tens of thousands of reference numbers.

Example: A printed card can be linked to wood from up to 20,000 forest properties.

At the beginning of the value chain, traceability is still quite simple. But as wood and fibre are mixed in the supply chain, it becomes impossible to maintain strict traceability. Reporting in excess, linking the end product to all possible forest properties that the raw material may come from, is the only solution. However, tracing a mixed product back to all potential forest properties that the material may come from will generate an unmanageable amount of reference numbers.

Estimated reference numbers associated with the final product: >20,000

Swedish Shipping

The Swedish Shipping Association highlights in particular the practical consequences for customs management and logistics. The regulation requires that all products concerned, such as cocoa, coffee, soy, wood, cattle, rubber and palm oil, must not have caused deforestation after 31 December 2020, and that they are legally produced and subject to due diligence. This must be registered in the EU's TRACES system before the goods can be cleared through customs.

This entails a risk of delays in customs clearance, especially if the documentation is incorrect or missing. In addition, the regulation is dependent on correct commodity coding according to the Customs Tariff, which increases the risk of misclassification and further delays. The technical capacity of the TRACES system has been questioned, raising concerns about bottlenecks when the rules come into force. In addition, different transition dates for large and small companies create uncertainty in supply chains and customs controls.

Forest Industries

The Swedish Forest Industries Federation and others believe that the last part of Article 5.7 on liability in the event of substantiated comments is removed as it entails an administrative burden that in practice entails a duty to ensure due diligence for operators and traders.[1]

[1] Joint Statement on the Commission proposal for EUDR revision, 27 oktober 2025. Tillgänglig på: Industry Calls for Regulatory Clarity and Reduced Burden in EU Deforestation Regulation - Swedish Forest Industries Federation

8. The Implementation Council's calculations input for Sweden's position in ongoing EU negotiations

We can calculate the cost of the mentioned examples at industry level and not just in terms of administrative costs as is the practice today. The Implementation Council has, through an assignment to Jönköping International Business School, obtained a business database (based on the Swedish national accounts) as well as development work on an exogenous growth model. Based on this material, we can also calculate the effect on value added at SNI2 level, which in turn is strongly associated with the businesses ability to compete, and therefore we will see calculated value as an approximation of Swedish businesses competitiveness in the mentioned industry. The calculation examples below will also indicate the assumptions we have made regarding the current impact.

Manufacture of furniture (SNI31)

We assume from the above two examples regarding reference numbers and furniture production that there will be a fixed impact on all businesses within SNI31 - "Manufacture of furniture" of 10 hours per month and thereof 120 hours on an annual basis. According to our database, this affects 1164 businesses.[2] We can then calculate that the administrative costs are SEK 45.2 million (according to the standard cost methodology).

From our database, we also know that this industry has 12,027 employees. Through our exogenous growth model and with a focus on the labour force variable (L), we can calculate that the impact will result in a negative effect of SEK 57.2 million on Swedish competitiveness for SNI31.

Manufacture of paper and paper products (SNI17)

Based on examples of reference numbers and Christmas cards, we assume a fixed impact on all businesses within SNI17 – "Paper and paper products manufacturing" of 15 hours per month and thereof 180 hours on an annual basis. 218 businesses are affected, and we estimate the administrative costs to be SEK 13.7 million. The current industry has 28,621 employees and

[2] This applies to businesses with a turnover of at least one price base amount. The database is based on Statistics Sweden's FRIDA database (the business register and the individual database). At present, the latest data entered in this database is for 2022.

based on our exogenous growth model we estimate a negative effect of SEK 32.7 million on Swedish competitiveness for SNI17.

Maritime transport (SNI50)

Based on examples of sea transport and customs problems, we assume a fixed impact on all businesses within SNI50 – "Sea Transport" of 10 hours per month and of which 120 hours on an annual basis. 345 businesses are affected, and we estimate the administrative costs to be SEK 14.4 million. The current industry has 8,216 employees and based on our exogenous growth model we estimate a negative effect of SEK 18.3 million on Swedish competitiveness for SNI50.

Forestry (SNI02)

A final calculation example concerns SNI02 – "Forestry" and links to comments from the Swedish Forest Industries Federation. In this case, we assume a fixed impact of 20 hours on an annual basis on all businesses within SNI02. 17,314 businesses are affected, and we estimate the administrative costs to be SEK 107.0 million. The current industry has 14,478 employees and based on our exogenous growth model we estimate a negative effect of SEK 151.0 million on Swedish competitiveness within SNI02.

The four cost estimates mentioned can be summarised in the following table:

	Manufacture of furniture (SNI31)	Manufacture of paper and paper products (SNI17)	Maritime transport (SNI50)	Forestry (SNI02)
Impact (hours on an annual basis)	120	180	120	20
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Finally, the Implementation Council would like to draw attention to the fact that these four examples are only four examples of the consequences for the presented deforestation regulation and that the total consequences for all affected businesses have not been calculated, but that these examples point to a significant impact on Swedish competitiveness.

Implementeringsrådet

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