Trends like globalization, urbanization and the digital transformation of the retail market have led to a significant increase in freight transported across the planet. And it keeps growing. For example, the parcel volume shipped within Europe is predicted to increase by another 69% through 2021.* This massive expansion demands new approaches and concepts in freight transportation.

For that reason, Coop and Migros, major Swiss retailers; SBB Cargo and Swiss Post, large logistics organizations; Swisscom, Switzerland’s largest telco company; and SAP, one of the world’s largest software vendors, joined forces to find a solution to these challenges. They are shareholders in Cargo Sous Terrain (CST) AG and contribute their expertise to make the company a success. CST aims to provide a novel, largely automated logistics system for northern Switzerland.

The idea behind CST is to put freight underground by establishing a tunnel system that connects all major logistics hubs within the region. By doing this, freight traffic can be reduced by up to 40% for critical parts of the infrastructure — for example, the busiest freeways.

Besides the tunnel system, CST differentiates itself from existing logistics services through its ambition to provide a one-stop shop for the end-to-end transportation of goods including local pickup and delivery. This allows CST to guarantee very specific windows for the planned arrival time of goods. In addition, CST changes the existing transportation paradigm of transporting goods in large truck loads weighing multiple tons to a continuous, highly flexible transport flow of smaller units of up to two pallets.

Meanwhile, CST has acquired more than CHF 100 million in funding for the next project phase. It will deliver a productive system for urban logistics and last-mile delivery, a detailed plan for the overall system, and the required permits to start the tunnel construction no later than 2025. The first part of the tunnel system will be completed by 2030.