

WTTC Calls for Urgent Action on Sustainable Aviation Fuel

WTTC President & CEO Julia Simpson calls for immediate government action

Abu Dhabi, UAE: The World Travel & Tourism Council (WTTC) has today called on governments around the world to "get serious" on incentivizing Sustainable Aviation Fuel (SAF) production and set ambitious targets to produce adequate quantities.

Without meaningful quantities of SAF, the global tourism body says the aviation sector cannot decarbonise on a scale that will allow it to reach Net Zero by 2050, as committed to by the industry and supported by ICAO Member States.

The aviation industry expects to reach net zero carbon emissions by

- Delivering the maximum reduction in emissions at source, through the use of SAF and innovative new propulsion technologies like hydrogen and electric
- Deploying modern fuel-efficient aircraft fleets
- Operational efficiency improvements (in air navigation, for example), and
- Out-of-sector solutions like offsetting or carbon capture.

SAF is expected to deliver the majority of greenhouse gas abatements needed to achieve net zero carbon emissions by 2050. Unfortunately, SAF production rates are insufficient to meet demand and prices remain high, despite the recent exponential increase in production.

The time for action is now. Without SAF, governments will struggle to meet their climate goals as set by the Paris Climate Agreement and their commitments to economic growth, which is heavily reliant on aviation for tourism, trade, and connectivity.

To address this urgent issue, WTTC calls on governments to

- Provide strong incentives to encourage investment in SAF production, including tax credits, grants or other financial incentives
- Work with the sector to set ambitious SAF production targets
- Coordinate their actions through the International Civil Aviation Organisation (ICAO), the specialised UN agency for aviation, to ensure global uniformity in SAF regulations, sustainability standards, procedures, and organisation.

An example of a successful incentive programme is in the United States. The recent Inflation Reduction Act which, through the Tax Blender Credit, created tax incentives for SAF production that are already bearing fruit. Julia Simpson, WTTC President & CEO, said "It is time for governments to take bold action and prioritise the production of sustainable aviation fuel. We are calling on all governments to act now.

"The demand for SAF has never been higher, airlines all over the world want to use SAF and have used every molecule ever made. However, current SAF production only meets 0.1% to 0.15% of requirement, despite a 200% increase in production in 2022 vs 2021. This leaves a massive gap that can only be filled through rapid and sustained investment.

"At today's prices, SAF is on average three to five times more expensive than traditional fossil fuels. Governments must address this cost disparity by providing financial support and incentives to make SAF more accessible and affordable. Without those targets and without those incentives, the sector cannot decarbonise.

"The G7 leaders have an opportunity this week to deliver critical leadership on this issue by following-up on the commitment of their Climate, Energy and Environment ministers to accelerate efforts to decarbonize the aviation industry, including through the promotion of SAF. Turning the words of a communique into concrete policies to scale up SAF production would give aviation's decarbonization a critical boost."

The International Air Transport Association (IATA) recently launched a new policy aimed at accelerating SAF production, <u>SAF Deployment</u>. The policy calls for governments to take a leading role in facilitating the scale-up of SAF production. It also underscores the need for policies which are harmonized across countries and industries to provide a level playing field for the global civil aviation industry, while being technology and feedstock agnostic.

The IATA paper draws attention to the need for policies to address both near-term and longer-term SAF deployment and provide the necessary certainty for producers and investors to allocate existing biofuel refinery capacity to SAF as well as to develop new infrastructure.

WTTC in partnership with ICF is today launching a white paper, demystifying the impact and benefits of SAF for tourism destinations around the world. The white paper, 'Sustainable Aviation Fuels: The Implications & Opportunities for Tourism Destinations', sets out three critical actions destinations are advised to undertake to address the challenge and embrace the opportunities of SAF.

To read the report please visit <u>wttc.org</u>.

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