

## Teleconference Briefing with IATA Director General Willie Walsh

### Introductory comments and Q&A on sustainability

September 17, 2025

#### **Chris Goater (Moderator, IATA Corporate Communications)**

Good afternoon, good morning, good evening, wherever you are in the world. Thank you for dialing into this press briefing with IATA Director General Willie Walsh on the eve of the 42nd ICAO Assembly, which will set ICAO's priorities and work program for the next three years.

I hope all of you have received the press release that we distributed this morning. It's available on the pressroom at [www.iata.org](http://www.iata.org) if you haven't seen it. The release set out why the Assembly is so important and outlined the key issues that we'll be bringing to the table. For the next hour, Willie will be discussing this in more detail. He's joined in the room by our Senior Vice President for Sustainability and IATA's Chief Economist, Marie Owens Thomsen, and online by our Senior Vice President for Operations, Safety and Security, Nick Careen, who is in Montreal, where IATA has its headquarters.

In addition to the press release, we have a page on the website at [www.iata.org/icao2025](http://www.iata.org/icao2025) and I recommend you check out that page because it's got links to blogs where several of our experts have put in more information and are going to greater depth.

#### **Willie Walsh (IATA Director General)**

Good morning or good afternoon. Thank you for joining this conference. As Chris said, we're preparing to attend the ICAO assembly in Montreal, which starts on Tuesday of next week. The assembly is held formally every three years, although this is now the 42nd ICAO assembly since ICAO came into existence in 1944. There are a number of important issues being discussed at the assembly. In effect, this maps out the work plan for ICAO over the next three years. The work that ICAO does is critical to international aviation. Given that we are, as I said, an international business, it's appropriate that we have standards, procedures and practices that cover the global aviation field, and that's the primary purpose of ICAO. There are 19 ICAO annexes. These are all critical documents which cover the ICAO standards and recommended practices - practices that all countries who are party to ICAO should apply. And the Assembly will discuss matters that are relevant to some, if not all of those annexes.

We're particularly keen to update the Assembly in relation to some of the critical issues that have been focused on including the efforts of the industry to accelerate our work in the area of environmental impact. This is principally through the adoption of CORSIA and the application of CORSIA, which was an international agreement reached through ICAO in 2016. I think it's a fantastic achievement, but we need to see that agreement turned into practice.

We have some concerns. As of today, only one country, Guyana, has made available to the industry what we call CORSIA eligible units, and these are critical to enable the industry to fulfill its obligations under CORSIA. So this will be one of the items that we will be bringing to the attention of the states that are attending (ICAO has 193 Member States). Many of the papers have been submitted by the ICAO Council, which represents I think 35 or 36 of the states in ICAO, and then papers have been submitted by a number of the individual states and by some bodies like IATA. We have official observer status, which enables us to submit documents to ICAO for consideration at the Assembly. So it's a very important meeting.

We look forward to a constructive dialogue with Member States and with the ICAO Council and Assembly over the coming two weeks. We're looking forward to a positive outcome with many of the issues that are relevant to the industry being addressed, being clarified and being adopted for implementation by all of the ICAO Member States. So maybe Chris, on that I'll pause and hand it over to you for questions.

## **Q&A**

### **Chris Goater**

SAF is obviously a crucial thing for our net zero ambitions. Would you say the SAF market is functioning adequately at the moment? Have governments helped or hindered the development of the market, and what can they do to help that market function better?

### **Willie Walsh**

Yes, SAF is absolutely critical to the industry achieving its net zero CO<sub>2</sub> emissions by 2050. And if you look at any of the pathways that have been published, not just by IATA but by other bodies, SAF will contribute up to 2/3 of the abatement to net zero. We're disappointed at the progress that has been made in relation to the production of SAF. It's not where we need it to be and we need to see a greater commitment being made by countries that have signed up to the long-term aspirational goal and more recently to the 2030 aspirational target of 5% of SAF by 2030.

At this stage, I don't believe that target can be achieved given where we are in terms of SAF production. So, we need to see more focus on incentivizing the production of SAF. The problem as we see it is one of supply and not one of demand. The demand exists and I think the evidence for that is the number of airlines who have entered into agreements for the future purchase of SAF. But we need to see greater production.

We're concerned at this stage that we're not making sufficient progress in that area. We're also concerned about the unintended consequences of some of the mandates that have been

introduced. Particularly under Refuel EU and in the UK, where fuel suppliers are mandated to reduce 2% of SAF in the blend of fuel that they're providing to the industry. This has led to a significant increase in fuel costs for airline operations in the EU and in the UK, but is not translated into a significant increase in the production of SAF. We're worried that money that could go towards the purchase of SAF is actually being diverted into profits for the fuel supply companies, and that's clearly unacceptable. It's wrong that on a critical issue like this, we have some of the key players seeking to benefit profitably off the requirement for the industry to improve its environmental performance. So, we don't believe these mandates have been effective. They're not translating into increased production.

### **Marie Owens Thomsen (SVP Sustainability and IATA Chief Economist)**

There's no shortfall of demand. But we can also say that there's a shortfall of expected returns in renewable energy. So if you're in the oil companies, you might earn 20% returns. If you're in renewable energy, you might earn 5%. So we need to operate with a 15 percentage point shortfall of expected returns, which we need the policymakers to help us bridge. And they can do this because under the US Inflation Reduction Act, there were certainly certain staff projects that earned 20% or even more profit margins in the US. So, it's entirely possible and the support needs to be diverted from the fossil fuel producers towards renewable energy so we can have more renewable energy for everybody, more low emitting carbon fuels for everybody, including SAF for air transport.

### **Chris Goater**

Do you think aviation SAF should be first in line for available feedstocks?

### **Willie Walsh**

We certainly believe that there's a strong case to be made for aviation to have a fair share of the available feedstocks, principally because the aviation industry.

The airline industry is, difficult to decarbonize because of the technology that's in operation today and the likely dependence on a liquid fuel source for some considerable time to come. It's important to remember that even the most modern aircraft that are being produced today, which are significantly more efficient than the aircraft that they will replace, will require a liquid fuel source for some time to come. And these aircraft, which are very expensive, are likely to be in operation for 20 to 25 years and there's no new aircraft design on the table at the moment, certainly none that would enable long haul travel to operate in a different way.

When you look at CO<sub>2</sub> from international aviation, it's important to remember that the most significant contribution – about 80% - is from flights of greater than 1500 kilometers. So while we've seen some advances in electric and maybe hybrid electric, they're likely to only play an impact on the very short to potentially short to medium haul in the time frame that we're talking about. So, there isn't really an alternative for aviation at this stage.

And I think when we talk about the available feedstocks, there are multiple feedstocks available and certainly in the short to medium term, there's plenty of feedstock available to fulfil the requirements for the airline industry. We are somewhat concerned about the focus that Europe in particular has on E-SAF because this clearly requires green hydrogen to enable us to reduce a fuel that is truly sustainable. Supply of green hydrogen is very limited at the moment. It's also extremely expensive. And we think there's plenty of feedstock available for the industry to operate without dependence on E fuels, certainly in the short to medium term. I think in the longer term, E fuel is going to be a critical component.

### **Marie Owens Thomsen**

It so happens that we have a report in the oven for everybody to come out any day now where we have assessed feedstock capabilities and capacities across the globe, specify them per region and indeed come to the conclusion that Willie just highlighted that feedstock is not the hindrance here for us reaching the 500 million tons of SAF that we need in 2050. The main bottleneck is actually how quickly we can mature and bring the technologies to a commercial viability. The bottlenecks are really on the technological side. They need a lot of support and incentives to be able to mature quickly. If we can't do that, then there's not going to be any production capacity out there to take advantage of the available feedstock.

### **Chris Goater**

With some governments in the ascendancy which may not believe in climate change, do you envisage any scenario where the industry changes its net zero target, or the glide path towards net zero?

### **Willie Walsh**

Well, I think it is important to remember that getting agreement at an industry level for net zero in 2050 was very, very difficult. You know, it's clear that there are some airlines who struggle to see how we can afford the transition to net zero. There are others who believe that the technology will not be sufficient to enable us to get to net zero in 2050, even if the money was available. So, you know, we've always made clear that this is going to be extremely challenging and expensive.

Whichever way you look at it the transition to net zero is not going to be easy. I think the changing geopolitical environment may have some short term impact on how people view these issues, but the feedback we get consistently from the vast majority of players in the industry is that they recognize that our industry must play its part in addressing the environmental impact that we have. And it's important to point out this, this is not new. Our commitment to environmental issues goes back many, many years. In fact, I think it was in maybe 2009 that the industry agreed to a 50% reduction in net emissions by 2050. So you know we've been looking at the impact that we have on the environment

and the actions that we need to take for many, many years. And while the emphasis may change over time, I think the long-term direction of travel is still very much aligned with doing whatever we can to ensure that the industry has a viable, profitable future, a viable financial future and a viable environmental future. So you know, we will continue to focus on these issues exactly as we have for many, many years in the past. I think the difference now is that we're now seeing SAF being produced. I think the questions that people had 10-15 years ago as to whether sustainable fuel was technically possible have been addressed. We now need to turn what we know is technically possible into something that's commercially possible and commercially viable for the industry.

### **Chris Goater**

CORSIA is another paper that we're submitting to the Assembly. Why has the adoption of Corsia taken so long? And in terms of the Emissions Units, perhaps Marie you could explain a bit what those are and what our concerns are.

### **Marie Owens Thomsen**

Offsets are a key lever in our roadmap for how we can get to net zero. There will be residual emissions in 2050, and they need to be offset. We have this offsetting program thanks to ICAO. It was adopted as early as 2016, and the countries under ICAO decided to put this obligation on airlines to pay for these offsets. The offsets are related to certified projects in the developing countries mostly, and airlines then directly help finance those projects, which deliver certifiable CO2 emissions reductions and also delivers socioeconomic benefits and jobs and so on. So, it's a really beneficial program for everybody involved and connects obviously with a global carbon market.

It's not just airlines who want to buy these Corsia eligible emissions units, anybody involved in the in the carbon market want to buy them because they are considered the gold standard for such financial instruments. So together we're building the global climate finance infrastructure by promoting this and engaging in this program. But the problem is that there are administrative requirements under the Paris agreement that that countries are obliged to do. They need to take these credits off the Paris agreements register and make them available for airlines under ICAO's CORSIA, and that is of course a bit of a heavy administrative routine. Plus, the fact that the states actually have optionality. They can choose to sell these credits to airlines, or to other countries, or keep them for themselves. So, they have optionality, but airlines have an obligation to buy them. So, this is all very problematic and we're trying to make it easier for the states to release these credits in our favor by hook and by crook.