

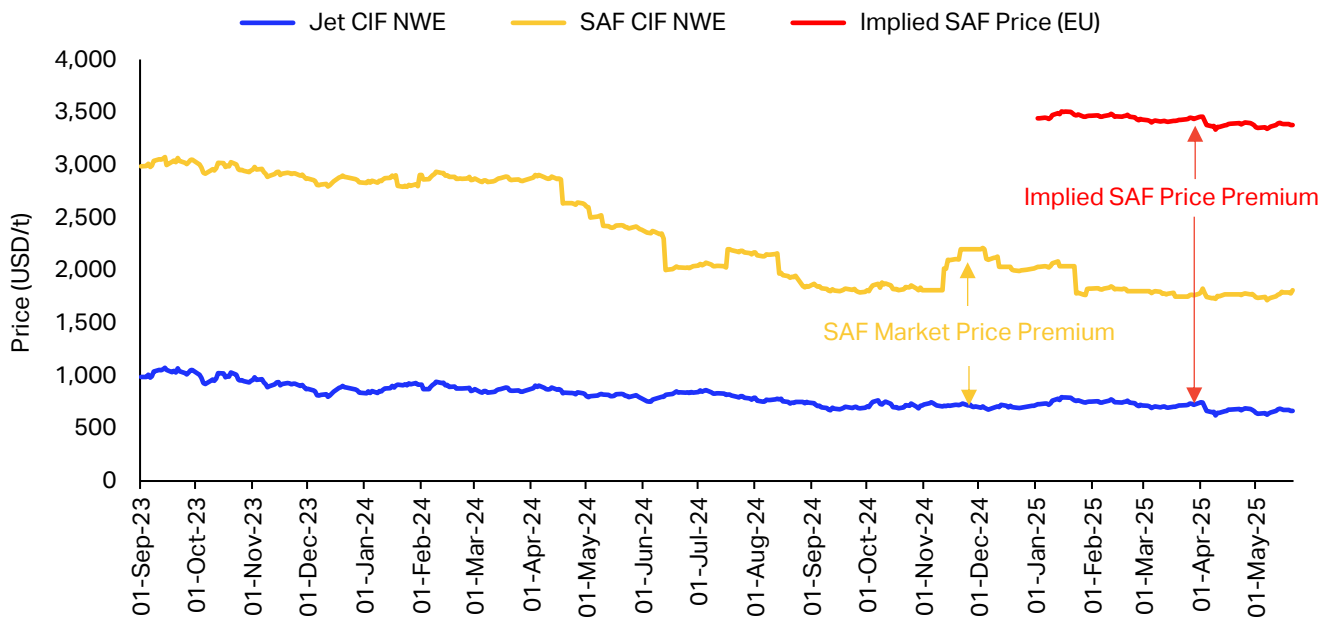


Chart of the Week

30 May 2025

Excessive SAF Fees in the EU – a lost opportunity to abate 2.7 million tonnes of CO₂

Implied cost of SAF due to compliance fees under ReFuelEU Aviation



The implied SAF price as shown is derived from the average SAF compliance fee aggregated across several EU airports. The data is obtained from a sample of airlines operating at these EU airports. The sample may not be representative. Further, compliance fees vary significantly across different airports. In addition, airlines may have different fuel supply models, and not every airline will have the same fuel cost structure or exposure to the SAF compliance fees.

Source: S&P Global Commodity Insights, IATA Sustainability and Economics

- Sustainable Aviation Fuel (SAF) is the key lever for airline net zero. However, the SAF market is still at a nascent stage, able to supply some 0.7% of total airline fuel consumption in 2025.
- The ReFuelEU Aviation (RFEUA) legislation came into effect in January 2025. It requires suppliers to ensure that an average 2% of SAF is contained in the jet fuel uplifted at EU airports. Most fuel suppliers have preferred to pass on their cost of compliance with the legislation to airlines by charging a “compliance fee” that is added to each tonne of fossil jet fuel purchased. This pricing behavior works against the development of a global, liquid, and transparent SAF market as suppliers avoid contracting for the supply of mandated SAF with airlines.
- The fees imposed on airlines translate to being over twice the prevailing market price premium of SAF. Based on an IATA survey, the fees average at around USD 54 per tonne of jet fuel, whereas airlines could have expected fees to be closer to USD 22 per tonne based on the current market price of SAF, as assessed by price reporting agencies.
- Given the 42 million tonnes of fuel sold annually in Europe, airlines are due to face an additional USD 1.3 billion during 2025 in excess surcharges from the higher compliance fees. This amount could purchase an additional 1.2 million tonnes of SAF (average SAF market premium of USD 1,100 per tonne since RFEUA was implemented). That equates to a missed opportunity of 2.7 million tonnes of CO₂ reduction annually. Similar issues with the UK SAF mandate mean foregoing a further 0.8 million tonnes of CO₂ reduction. Paying more to abate less is unacceptable.

Terms and Conditions for the use of this IATA Economics Report and its contents can be found [here](#):
By using this IATA Economics Report and its contents in any manner, you agree that the IATA Economics Report Terms and Conditions apply to you and agree to abide by them. If you do not accept these Terms and Conditions, do not use this report.

IATA Sustainability & Economics
economics@iata.org