

IATA Opening remarks at ICAO CAAF/3

Dear Mr. President, Distinguished State Representatives, Members of the ICAO Council, Secretariat, and industry colleagues,

It is my pleasure to join you here in representation of over 300 airlines globally.

In June this year, following on ICAO's Assembly resolution A41-21 on a collective Long Term Aspirational Goal for international aviation CO2 emissions, IATA published five roadmaps that describe potential trajectories, covering 130 milestones, which must be achieved to meet our goal of bringing air transportation to Net Zero carbon emissions by 2050. In all our scenarios and over that full time horizon, SAF plays the largest role in aviation's decarbonization, coupled with other indispensable measures. According to our roadmaps, 80% of aviation's fuel carbon intensity reduction by 2050 needs to be realized through SAF. However, virtually no SAF is available to our industry today. Merely 0.1% of airlines' fuel demand was met by SAF in 2022 and we estimate that this will rise to 0.2% in 2023. Many of our members have themselves committed to significant SAF uptake, and this demand vastly exceeds the current and likely future production, unless governments can unleash this market's potential.

Achieving aviation's decarbonization goal necessitates an unprecedented ramp-up of SAF, LCAF, and other cleaner aviation fuels – unprecedented both in terms of the speed at which such production needs to develop, and in terms of the quantities that will need to be produced between now and 2050, and beyond.

The message is crystal clear: **we will need SAF everywhere in the world, and to that end, the right policies must be put in place today.**

Discussions around policies to ramp-up SAF production are very mature in the developed world, where the first initiatives started over 15 years ago. Unsurprisingly, most production capacity expected to be in place by 2030 will be located precisely in developed States.

There are many opportunities for the global south to capitalize on aviation's energy ambitions, as no single country or region will be able on their own to provide the more than 500 million tonnes of SAF that will be needed in 2050. In this spirit IATA warmly welcomes the Finvest hub initiative and strongly supports ICAO performing a matchmaking role in this respect.

Our member airlines would welcome a Declaration that focuses on the necessity of Member States to put policies in place today that will enable the maximization of SAF production globally, in a maximum of geographic locations, taking the fullest advantage of local feedstock availability.

IATA strongly advises against existing and future potential distortive policies which give fossil energy producers an unfair advantage over renewable energy producers. IATA also strongly advises against imposing policies that can cartelize the market, limit competition, lead to higher prices of both SAF and jet fuel, and thwart innovation in new SAF pathways.

The world needs **urgent positive, not punitive, action from governments, committing to adopt policies that will generate maximum SAF production, everywhere. As we have stated numerous times ahead of this conference, airlines stand ready with open arms to catch the resulting SAF production, because we stand united in our industry, in our value chain, and with ICAO Member States in our common goal of delivering sustainable aviation by 2050.**

One essential positive enabler is to adopt a global and robust SAF accounting mechanism based on trusted chain of custody models. Such a system is necessary for tracking the progress to Net Zero, for airlines and their customers to be able to claim the emissions reductions associated with their SAF purchases against their decarbonization obligations, and for ensuring that no double counting occurs. Such a system is also necessary,

though not sufficient on its own, to combat the risk that excessive market concentration of production persists also in the future. It is not sufficient on its own in this respect, because it is also equally necessary to skew the fundamental investment proposition in favor of renewable fuels.

We wish to stress, too, that IATA supports the sustainability criteria for SAF specified under CORSIA and support their adoption as the global criteria for SAF certification. IATA's airline members stand ready to meet their obligations under CORSIA, and this important decarbonization tool would be greatly enhanced by harmonizing sustainability criteria for SAF.

We wish all participants a great Conference. We are here and available to discuss our views in detail all this week.