

BRUSSELS ENCOURAGES THE USE OF SUSTAINABLE AVIATION FUEL TO CUT 55% OF EMISSIONS BY 2030



The European Commission will encourage the use of sustainable aviation fuel (SAF) through tax exemption, as proposed last week within the new plan known as “Fit for 55”, with which EC wants to achieve the goal of 55% reduction in carbon emissions by 2030 (going back to 1990 levels).

The plan expects to make sustainable and alternative aviation fuels benefit airlines with a tax exemption. Airlines would be forced to load aviation fuel and SAF when departing EU airports. **In addition, it also makes aviation fuel suppliers to include more SAF, increasing to 5% in 2030 and to 63% by 2050.**

The proposal aims to promote advanced biofuels and synthetic fuels produced from green electricity and in compliance with the sustainability requirements of the revised Renewable Energy Directive (RED).

“These fuels are promising in terms of emission savings, innovation potential and scalability to meet future needs,” said the Community executive body.

CO₂ emissions must be priced “to encourage consumers, manufacturers and innovators to choose clean technologies and products,” said European Commission President Ursula von der Leyen while introducing the main goals of the new roadmap to make the European Union spearhead the international climate fight, and justify that the aviation and maritime industries will also be included in the European emissions trading system (EU ETS).

In the tax section, the Commission introduces minimum tax rates applicable to sustainable aviation fuel used in intra-community flights, which “will allow a better account of the environmental cost of fossil fuels and stimulate the use of more sustainable aviation fuels.”

The proposed tax rates for aviation fuel will gradually increase over a period of 10 years to reach a minimum rate of 10.75 euros per GJ across the EU.

In addition to reducing pollution and noise from stationary aircraft, the plan introduces a ruling to supply electricity to all stationary aircraft at airports in the core network and the global network of the TEN-T instead of aviation fuel. The ruling will apply to all boarding gates starting in 2025 and to all field posts in 2030.

Another measure within the proposal is the removal of the tax exemption on fuel used for intra-community flights. However, taking into account that in intra-community flights there is a high market share of cargo-only flights that cannot be taxed due to international agreements, the RED proposes to keep the tax exemption strictly for cargo-only flights. This way, “a level playing field will be maintained between freight carriers from the EU and third countries,” said von der Leyen.

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