

# State of the Airlines and Sustainable Aviation Fuel beyond Covid-19:

Sustainable Aviation Fuels Initiative – UAE

**Robert Boyd**

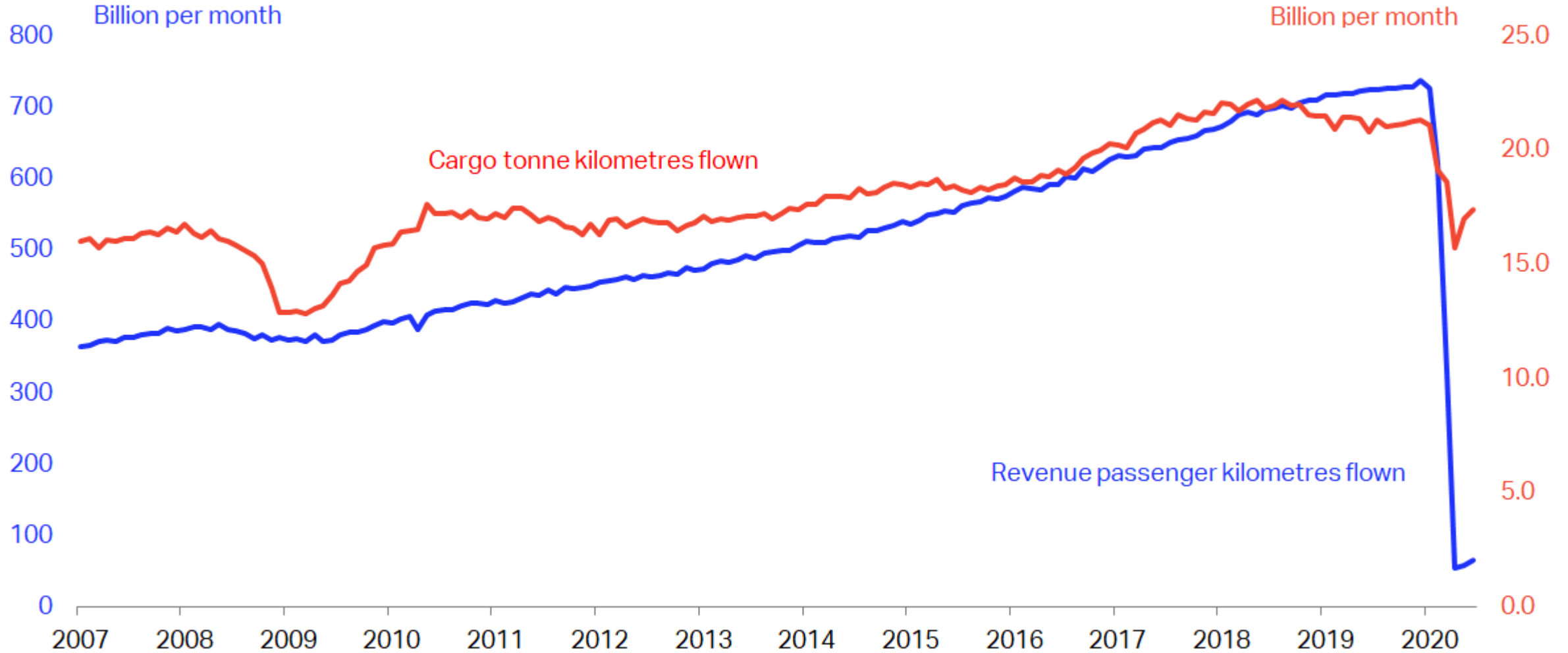
Assistant Director, Aviation Environment

5 August 2020



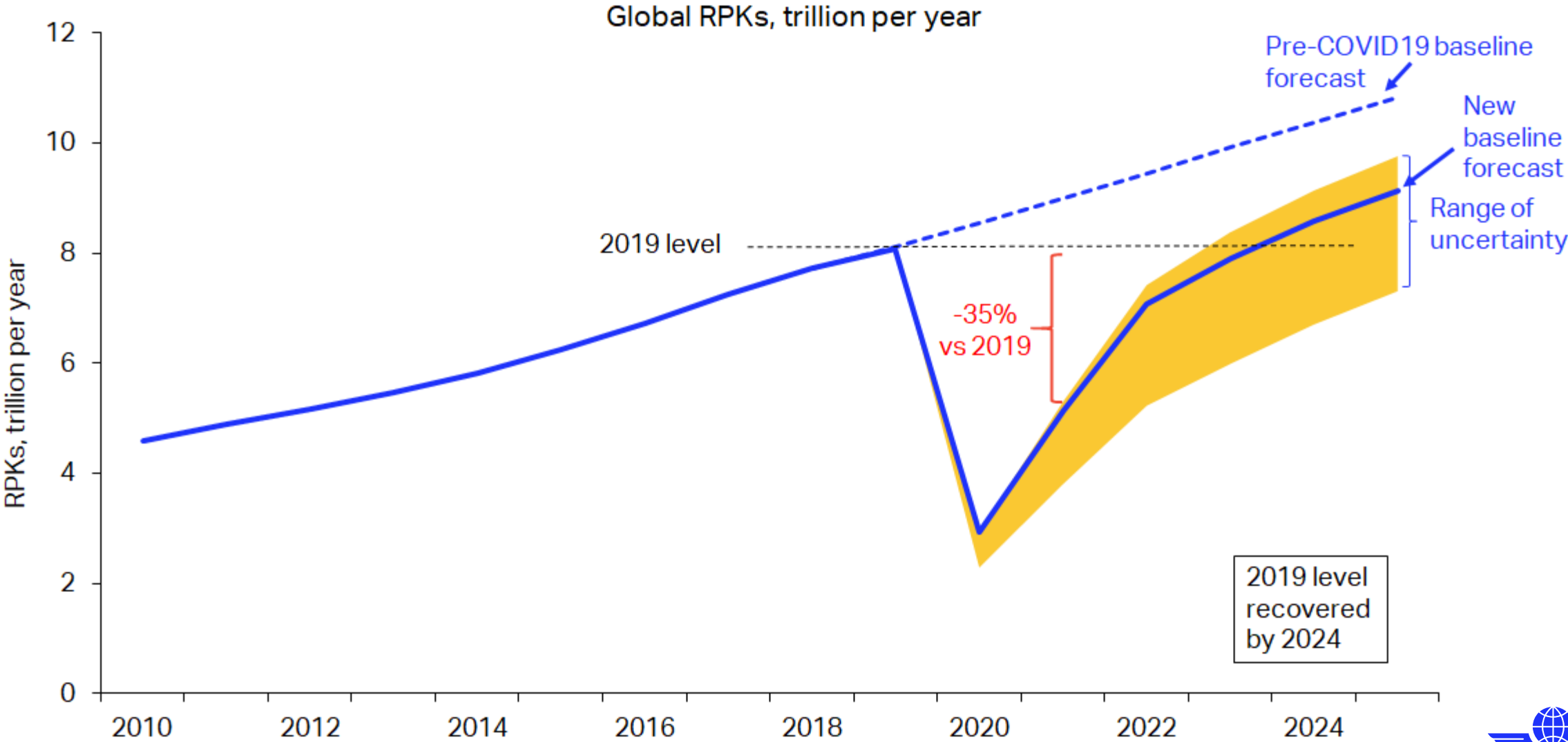
# Significant Covid impact on both pax (especially) & cargo

Cargo volumes down 18%yoy in June, passenger volumes down 87%



# Global RPKs do not recover 2019 levels until 2024

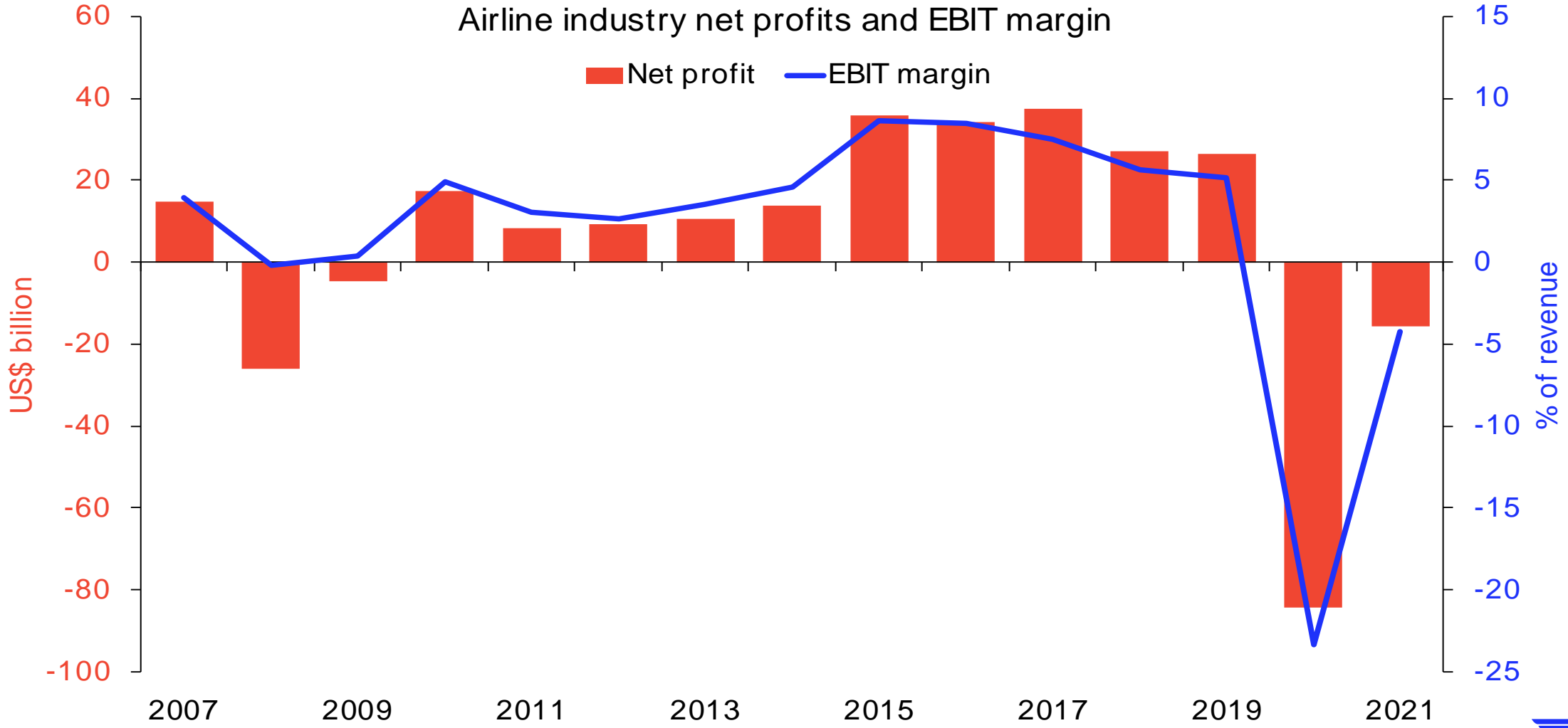
The balance of risks and uncertainty remains tilted to the downside



Source: IATA/Tourism Economics, *Air Passenger Forecasts*, July 2020 update

# Unprecedented 2020 loss narrows but is not eliminated

Record \$84bn net loss this year, with a further loss of \$15bn in 2021



Source: IATA Economics, *Airline Industry Economic Performance* report, June 2020



# 5 principles for re-starting aviation



**Declaration:  
From the  
most recent  
IATA Board  
meeting**

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Aviation will always put safety and security first

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Aviation will respond flexibly as the crisis and science evolves

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Aviation will be a key driver of the economic recovery

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**Aviation will meet its environment targets**

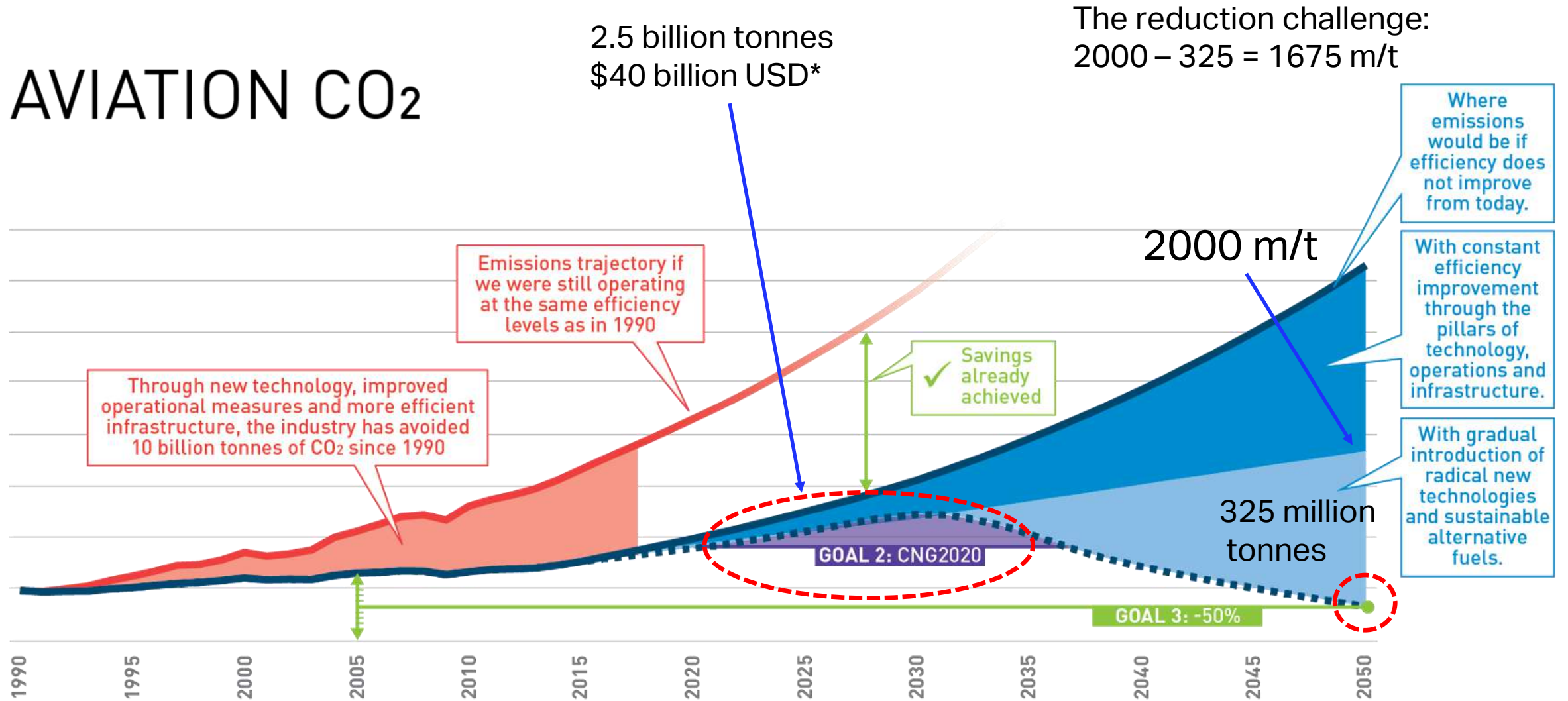
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Aviation will operate to global standards which are harmonized and mutually recognized by governments

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# Industry CO<sub>2</sub> goals: the role of SAF?

## AVIATION CO<sub>2</sub>



# Will CORSIA help SAF deployment?

2.5b  
tonnes of CO<sub>2</sub>  
will be mitigated  
by 2035



2019  
Binding  
standards apply  
since  
1 January 2019

Carbon Offsetting and  
Reduction Scheme for  
International Aviation

The aim of CORSIA is to cap the  
net CO<sub>2</sub> from aviation to 2019  
levels

Scheme is intended to operate  
from 2021-2035

85 States have volunteered for  
the pilot phase



\$40b  
will be generated  
in climate  
finance by 2035



or



# Sustainable Aviation Fuel in 2020: Fact Check...



**250,000  
flights**

First test flight in 2008. Daily commercial flights since 2016. 45 different airlines with SAF experience.



**50+ million  
litres per annum**

Continuous production since 2016. Production capacity being expanded globally.

**< 1%**



**SAF system  
penetration**

2% by 2025 possible with policy support that incentivizes fuel for aviation over ground transport.



**7 approved  
technical  
pathways**

Certified between 2009 and 2020. More technical certifications in progress.



**50%-100%  
CO<sub>2</sub> reduction**

Emission reductions must be verified by an appropriate sustainability verification scheme.

70%-80% emission reduction factor (relative to conventional is targeted)



**\$6.5 billion in  
forward purchase  
agreements**

From using dormant refineries to negative cost feedstocks to adapting and expanding existing renewable diesel production or targeting geographies with positive policy.





## SAF beyond COVID:

- Will public momentum for sustainability change?
- Coalitions (SAFI etc) / Voluntary initiatives: CST / Waypoint 2050
- Government Policy, including ICAO
- Airline initiatives / strategy
- Supplier initiatives / strategy

# Recent headlines

## Leaders

Aug 1st 2020 edition >

Stop carrying flag-carriers

## Airlines have a chance to emerge from the crisis leaner and greener

But that will require governments to reduce the power of incumbents

TO SEE THE damage from covid-19 to aviation, look up. Where once a criss-cross of vapour trails told of holidaymakers heading for the sun or executives keeping businesses on track, the wide yonder is now a brilliant blue. This year nearly 5bn passengers might have been expected to take to the skies, but the actual number is likely to be only half as big. A fragile recovery is susceptible to new waves of infection. Britain's imposition this week of a quarantine on passengers returning from Spain is the latest setback. Traffic may not return to 2019 levels until 2024.



As the aviation industry grapples with recent events, there is an opportunity for

## [Airport industry reaffirms commitment to climate](#)

International Airport Review, 30 July 2020

As the aviation sector looks towards initial greenshoots of recovery, a decline in passenger traffic and revenues – airports worldwide are still struggling to sustainable air travel. The airport industry has recognised that timely action on global and regional crises due to climate change – which in turn will be a test of resilience. Underpinning the sustainability ambitions of the airport sector

EDITORS' PICK | 338 views | Aug 3, 2020, 09:00am EDT

# Airlines Need To Get Fully On Board If Renewable Jet Fuels Are To Take Off

Press release | 4 May 2020 | Brussels

## State aid: Commission approves French plans to provide €7 billion in urgent liquidity support to Air France

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The European Commission has approved, under EU State aid rules, a €7 billion French aid measure consisting of a State guarantee on loans and a shareholder loan to Air France to provide urgent liquidity to the company in the context of the coronavirus outbreak. The measures were approved under the State aid [Temporary Framework](#) adopted by

Energy & Science

# U.K. Announces 'Jet Zero' Plan to Drive Down Aviation Emissions

By [Alex Morales](#)

June 12, 2020, 7:21 PM GMT+2

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The U.K. aims to drive down greenhouse gas emissions from aviation to make carbon-free transatlantic flights possible within a generation, Transport Secretary Grant Shapps said on Friday.

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# The Aviation Energy Transition

