September 2025

International component of ReFuelEU Aviation (production)

Context

The SAF incorporation allowances and the e-SAF sub-quota are the best way to achieve the decarbonisation of air transport, and preserving the integrity of the obligations of the ReFuelEU Aviation Regulation is an absolute imperative in this respect.

Such obligations lead to an additional cost in the supply of fuel at European airports, with two main impacts:

- On long-haul flights, a gain in competitiveness for airlines operating from non-European hubs (Istanbul, Abu Dhabi, etc.) that do not have the same obligations to incorporate sustainable fuels, to the detriment of European airlines (e.g. a Paris-Beijing flight historically operated directly by a player such as Air France would become more competitive with a Turkish Airlines passing through a stopover in Istanbul, the Istanbul-Beijing flight is not subject to the European SAF obligation). This is the challenge of creating a form of "CBAM for aviation", an idea that France Hydrogène fully supports. However, this is not the purpose of this note.

- In general, European consumers (via legislative texts) recognise and accept that the decarbonisation of air transport will not be achieved at an iso-cost with what we know today for the supply of fossil kerosene. This is an acceptable additional cost from a socio-economic point of view. It is this second point that we will develop here.

In this context, there is **a schematic risk: that European consumers will be the only ones to bear the additional cost of decarbonisation through sectoral bond systems, but that the socio-economic value of these low-carbon products will be realised outside the continent**.

It is not a question of opposing future imports of low-carbon industrial molecules or products, but **of establishing conditions so that this is done in an industrially equitable framework, and beneficial for the climate, by bringing commercial partners in the wake of our sectoral climate regulations, in this case that on aviation**.

Recommendation

Synthetic fuels – and even other sustainable fuels – are new goods that are almost non-existent, whose production must increase and whose trade will emerge as a result of the regulated market. In this sense, **it seems essential to us to condition access to the European market for production of eSAF from a third country A by the fact that country A applies the same eSAF quotas on its internal market**.

It is a legitimate regulatory tool, which does not conflict with the principles of free competition and trade. Countries positioning themselves on the production of e-SAF such as Morocco should remain committed, and apply the sub-quota on their market: the volumes of e-SAF concerned by this domestic market would be low compared to the size of the projects, whose production would thus remain mainly intended for export to the European market. Conversely, it will block the possibility of exporting eSAF production projects located in the United States to the EU: firstly because there is little chance that the USA will deploy a twin of ReFuelEU in its area; secondly, because, if they did, domestic needs would be so great that production projects located in the USA would focus on the US market.