

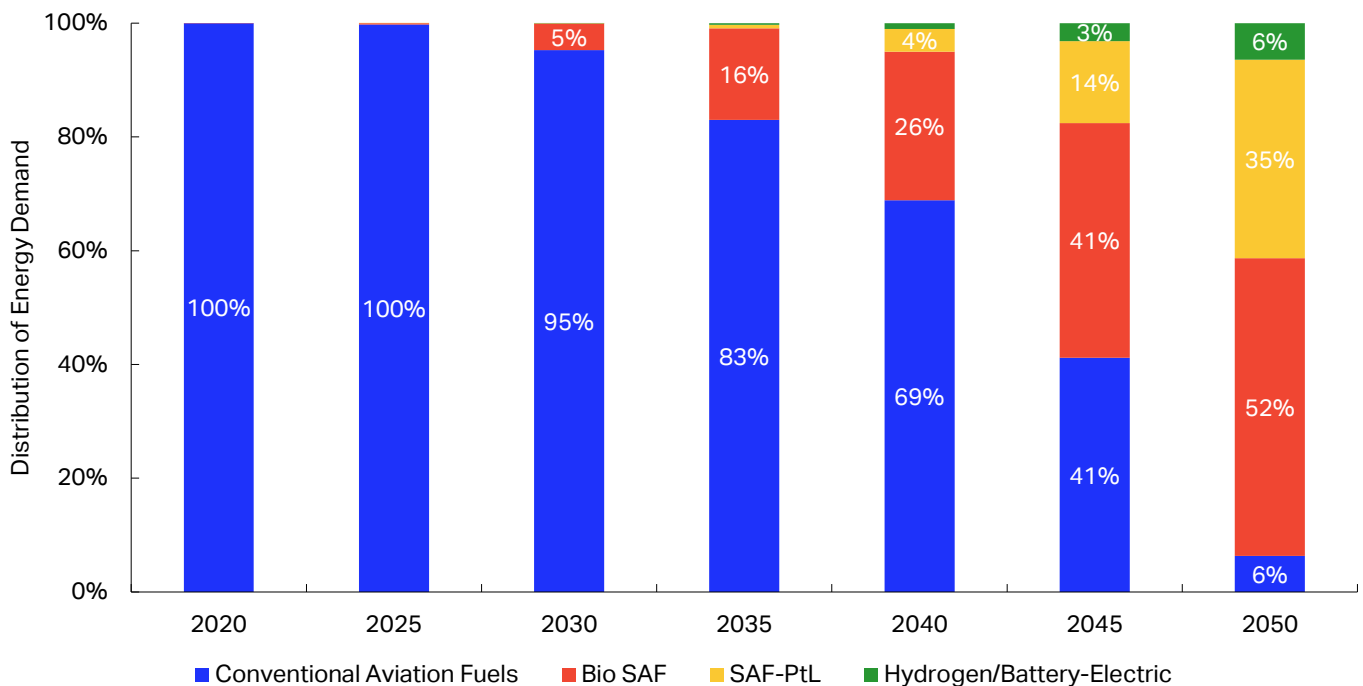


Chart of the Week

4 October 2024

Policies are critical for aviation's energy transition

Share of in-flight energy demand by energy sources under the IATA Roadmap



Source: IATA Sustainability and Economics

- The main challenge for the air transport industry's transition to net-zero CO₂ emissions—and the global energy transition—is the necessity to replace, progressively, petroleum-based fuels with alternative cleaner energies, including SAF, hydrogen, and renewable electricity. IATA estimates that conventional aviation fuel will drop from 100% of in-flight energy in 2020 to about 6% by 2050. SAF made from sustainable biomass will dominate, rising from 5% in 2030 to 52% by 2050. SAF-PtL will cover 35% of energy demand by 2050, while hydrogen and batteries will contribute 6%.
- In this context, policies play a crucial role. IATA's updated [policy roadmap](#) provides policymakers with specific measures to accelerate aviation's energy transition strategically. It contains a combination of technology-push and demand-pull actions to consider over three different periods: immediate (until the end of 2025), mid-term (2026-2030), and long-term (2031-2050).
- While there is no one-size-fits-all solution to support the energy transition, policymakers everywhere can incorporate key identified best practices. This includes ensuring clarity of purpose, predictability, and stability in policies, and periodic reviews to ensure that policies are effective and address unintended consequences. Technology-neutral and feedstock-agnostic approaches should be adopted to promote diverse production pathways and foster competition.
- Air transport's decarbonization is but one part of the global energy transition. However, solving air transport's energy transition will help all other industries, as all need renewable fuels. Success requires strong and immediate policy action to show the way forward and build trust in the stability of nascent markets.

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