# EU Mandates Sustainable Aviation Fuel, Airlines Impose Charges on Tickets



Since 2022, France has mandated a 1% blend of Sustainable Aviation Fuel (SAF) in aviation fuel. This regulation led Air France-KLM to impose an additional charge of up to 12 euros per ticket from January 2022 to cover SAF-related costs. France remains the only EU country with such a mandate, but the European Union will implement SAF requirements across all member states starting next year.

SAF significantly reduces carbon emissions by up to 80% compared to conventional aviation fuel but is 3 to 5 times more expensive. For example, Asiana Airlines, which operates flights between Incheon and Paris, incurred additional costs of approximately 700 million KRW last year due to SAF usage.

The EU's "ReFuelEU" proposal dictates that from 2025, all airports within member states must use a 2% SAF blend, increasing to 6% by 2030, 20% by 2035, and 70% by 2050. Airlines will be fined for non-compliance. Consequently, Korean Air anticipates costs between 11.4 billion and 22.9 billion KRW due to the new SAF mandate starting next year. To manage these costs, Lufthansa plans to charge an additional 1 to 72 euros for all flights departing from the EU, UK, Norway, and Switzerland beginning January 1.

The aviation industry is also investing in SAF-compatible aircraft, with manufacturers like Airbus and Boeing developing models that operate on 100% SAF, though these developments require significant financial investments.

The European Union Emissions Trading System (EU ETS), covering CO2 emissions from flights within the European Economic Area (EEA), operates on a cap-and-trade principle, incentivizing emissions reductions and investment in cleaner technologies. Airlines can buy or sell emissions allowances, facing financial pressure to innovate and adopt sustainable aviation technologies.

Starting from next year, Lufthansa and other airlines will manage increased SAF-related costs, impacting ticket prices and potentially leading to higher travel costs for passengers.