

Hong Kong Sustainable Aviation Fuel Coalition Ambition Statement

Decarbonising Aviation and Sustainable Aviation Fuel

One of the most pressing challenges faced in our time is climate change. Addressing this challenge requires collective action from all stakeholders including industry, government and community. The aviation sector is recognised as a hard-to-abate sector and accounts for between 2-3% of global CO₂ emissions annually. Considering sectoral emissions are predicted to rise by 20% by 2030 from current levels if no large-scale action is taken, the aviation industry and its value chain must accelerate its decarbonisation journey to keep the industry sustainable.

Aside from other measures to minimise sectoral emissions including flight path optimisation, deploying new and more energy-efficient aircraft and enhancing ground operations, Sustainable Aviation Fuel (“SAF”) offers the most significant contribution to decarbonise air travel that is viable for scaling up on a commercial scale in both the near term and upwards of 2050. Other low-carbon emerging aircraft technologies such as hydrogen fuel cells and hybrid-electric planes carry significant potential but are not far along enough in terms of development and feasibility. SAF is made from sustainable and non-fossil fuel-based materials like biomass or agricultural residues, or synthesised by renewable energy and can be deployed using current aircraft and fuel infrastructure without significant adjustments.

On the global stage, a growing number of jurisdictions, airports and airlines are moving towards incentivising SAF development or pledging SAF uptake to represent up to 10% of the fuel mix by 2030. Considering Hong Kong’s 2050 carbon neutrality goal and China’s national dual carbon commitments of peaking carbon by 2030 and carbon neutrality by 2060 – Hong Kong needs to decarbonise significantly and the aviation sector must play its part. On the other hand, as passengers are looking towards more sustainable travel options, decarbonisation is a key for Hong Kong to maintain its position as an internationally competitive aviation hub.

The implementation of supportive policies and regulations surrounding SAF in Hong Kong is another important factor that will shape the take-up of SAF. In the Chief Executive’s 2023 Policy Address, SAF is mentioned by the HKSAR Government as a new energy source for the green economy. The positive acknowledgement recognises the need to further develop SAF usage and uptake. The establishment of a SAF-related multistakeholder platform will further support this and demonstrate Hong Kong’s position as an SAF hub to facilitate regional and global aviation decarbonisation.

The Hong Kong Sustainable Aviation Fuel Coalition

Launched by BEC, the Hong Kong Sustainable Aviation Fuel Coalition (“HKSAFC”) will engage stakeholders in developing Hong Kong’s position as a regional and global hub for SAF. This initiative is a clear signal of commitment from Hong Kong’s aviation sector in addressing climate change and accelerating the transition to a low-carbon future.

Our Ambition

This initiative strives to accelerate the deployment of credible SAF in Hong Kong, contributing to Hong Kong’s low-carbon economy transition and national goal on carbon neutrality. Through mainstreaming SAF in the hard-to-abate aviation sector, the initiative helps strengthen the city’s position as a leading sustainable aviation hub and sustainable finance centre.

Our Mission

This initiative will deliver leading research on SAF feasibility and strategies for Hong Kong, scale up the SAF supply chain and adoption in Hong Kong with competitive costs and promote the introduction of SAF industry-related support policies to the HKSAR Government. Founding Coalition Partners represent both the SAF supply and demand side including airport agencies and regulators, fuel producers and suppliers, airlines and air service end-users.

Coalition Partners are committed to driving the development of SAF in Hong Kong and addressing key challenges currently faced by the industry impeding progress. Such challenges include improving the stability of SAF to enable increased usage; concrete industry-relevant policy and regulations to support development; and the current premium price of SAF compared with fossil fuel-based jet fuel. The last challenge is dependent on the supply-and-demand imbalance of costs reducing with increased production, but fuel suppliers missing a clear message indicating demand to scale up production.

The Coalition Partners commit to the following decarbonisation opportunities:

- Supporting the Government to introduce industry-related policies of SAF;
- Working with SAF supply chain stakeholders to accelerate its development in Hong Kong;
- Improving accessibility and affordability of SAF supply to ensure long-term development and deployment;
- Strengthening SAF demand through corporate engagement on decarbonisation targets;
- Encouraging airline uptake of SAF across flight portfolios to reduce carbon emissions;
- Supporting cutting-edge research and development on SAF production, technology and certification with regional cooperation;
- Mainstreaming sustainable finance initiatives to support SAF development;
- Establishing a platform for stakeholders to share expertise and best practices to enable mainstream usage of SAF.

List of Coalition Partners

(in alphabetical order)

AFSC Operations Limited

Airbus

Airport Authority Hong Kong

Atlas Air

Bangchak Hong Kong Limited

Board of Airlines Representatives Hong Kong

Cathay Pacific Airways Limited

China Aviation Oil (Hong Kong) Company Limited

ECO Aviation Fuel Services Limited

EcoCeres Limited

PetroChina International (Hong Kong) Corporation Limited

PricewaterhouseCoopers Limited

Rolls-Royce

Shell Aviation

Sinopec (Hong Kong) Aviation Co., Ltd

Standard Chartered Bank (HK) Ltd