



Policy & Regulatory Developments Fuelling SAF Growth in the Asia-Pacific

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Accelerating the green transition

We create solutions for mitigating climate change and accelerating a shift to a circular economy.





Aviation has committed to achieving net-zero carbon emissions by 2050

- Aviation accounts for 2-3 % of global carbon emissions – growing to >20% by 2050 if action is not taken
- In addition, the climate impact of aviation's non-CO₂ emissions is estimated to be at least double that of CO₂ emissions alone
- Sustainable Aviation Fuel (SAF) is a key lever to reducing aviation emissions and achieving the net-zero emission goal
- SAF needs to deliver around 65% of the emission reduction needed to get to net-zero carbon emissions by 2050
- Neste is the world's leading producer of sustainable aviation fuel with a growing global production and supply footprint

SAF helps the aviation sector meet its emission targets

Neste MY Sustainable Aviation Fuel™

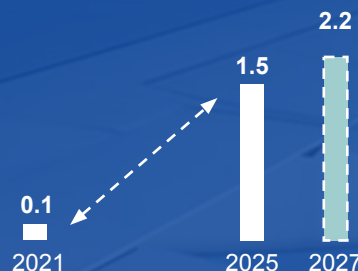
helps the aviation industry to achieve its goal of net-zero emissions by 2050.

Impact

The use of the fuel in neat form (i.e. un-blended) reduces greenhouse gas emissions by up to **80%***.

*) compared to using fossil fuel, when all emissions over the fuel's life cycle are taken into account (calculation method: CORSIA)

Neste's SAF production capability growth, million tons

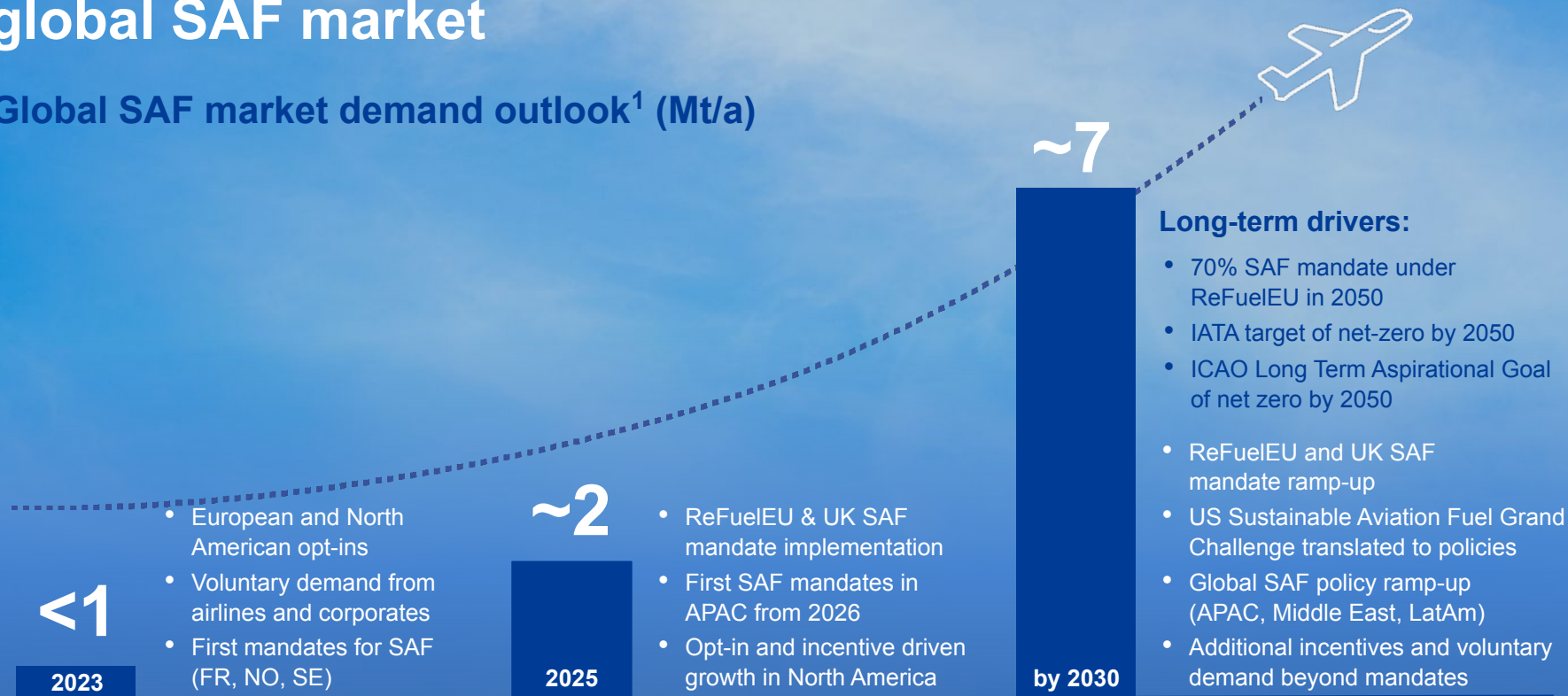


Customers

Airlines like Lufthansa, Air France-KLM, United Airlines, Singapore Airlines and Finnair, **airports** like San Francisco International and Amsterdam Airport, and **other partners** like Signature Aviation, Avfuel and ITOCHU.

Regulations are driving the accelerating growth of the global SAF market

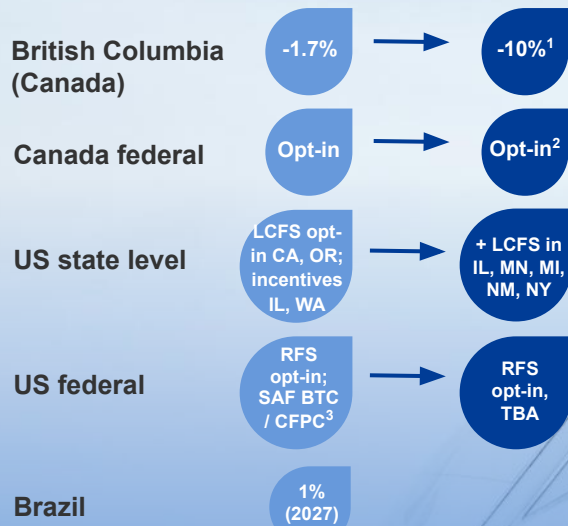
Global SAF market demand outlook¹ (Mt/a)



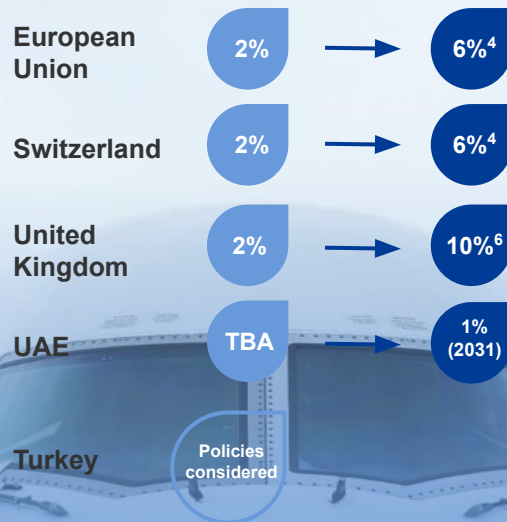
¹) Including opt-in into road mandates and voluntary demand. Source: Neste estimates.

Continuing growth of the SAF market will require policy support to create demand certainty for investments

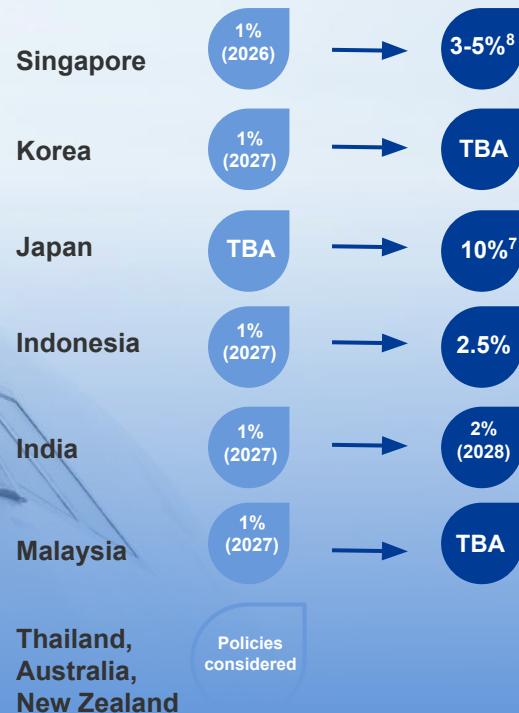
Americas



EMEA



Asia Pacific



1) Carbon intensity reduction target for jet fuel starting in 2024, with -10% CI target in 2030; 2) Canada federal Clean Fuel Standard 3) BTC (Blenders Tax Credit) expected to change to a CFPC (Clean Fuel Production Credit) in 2025; 4) ReFuelEU Aviation with 2030 level of 6% including 1.2% RFNBO sub-mandate; 5) Switzerland plans to introduce a SAF mandate mirroring ReFuelEU 6) UK Net Zero Strategy; 7) METI proposal on May 26, 2023; 8) Sustainable Air Hub Blueprint, February 19, 2024.

Frontrunners in APAC are shaping policies for SAF, with ambitions aligned to those in Europe and North America

SAF regulatory and market developments in APAC

SINGAPORE

[Blueprint for Sustainable Aviation Hub](#) implement 1% SAF use target in 2026, rising to 3-5% in 2030.

JAPAN

Government announced mandate for 10% SAF use in 2030, with a minimum 50% lifecycle GHG reduction.

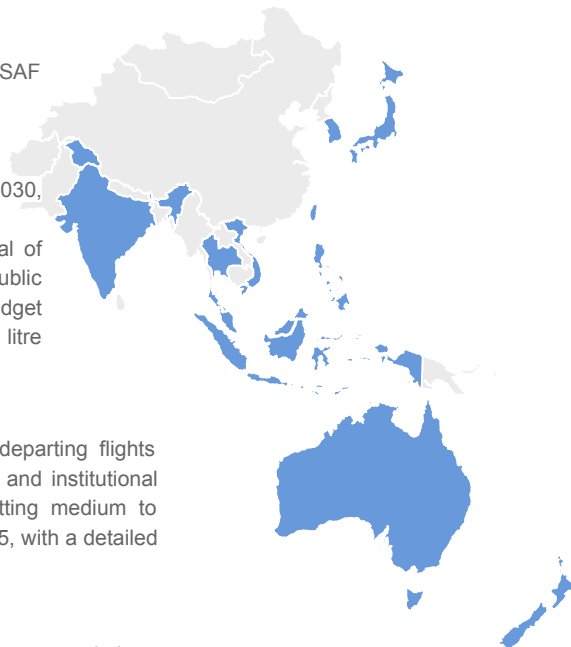
[GX Sector-specific Investment Strategy](#) targets a total of JPY 1 trillion (EUR 6.3 bil/ USD 6.8 bil) investment by public and private sectors in domestic SAF manufacturing. Budget proposal for direct corporate tax deduction of JPY 30 per litre for SAF, similar to the Inflation Reduction Act.

KOREA

[SAF Expansion Strategy](#) introduces 1% mandate for departing flights from 2027 and will provide financial incentives and legal and institutional support to develop local SAF industry. Government setting medium to long-term targets and evaluating the mandate through 2035, with a detailed roadmap scheduled to be released in September 2025.

AUSTRALIA

[Aviation White Paper](#) released in August 2024 includes recommendations for consultations on demand side mandates. Access to AUD 1.7 billion Future Made in Australia funding and consideration of production incentives and demand-side measures.



INDIA

Government has announced [1% SAF blending indicative target](#) by 2027 and 2% by 2028 for all international flights.

MALAYSIA

[National Energy Transition Roadmap](#) targets a SAF mandate of 1% in 2027, rising to 47% by 2050; [Malaysia Aviation Decarbonization Blueprint](#) launched in September 2024.

INDONESIA

Indonesia's [SAF Industry Development Roadmap](#) will see international flights departing Indonesia requiring to use [1% SAF](#) in their fuel mix in [2027](#), rising to 20% by 2045, and 50% by 2060.

THAILAND

Civil Aviation Authority (CAAT) set up a Committee for SAF Planning and Policy; Department of Energy Business drafting a new National Energy Plan with a [1% target](#) for SAF starting in 2026.

VIETNAM

Vietnam aims to use 10% SAF in some short-haul flights by 2035 and transition to 100% green energy and SAF by 2050

NEW ZEALAND

Government announced intention to implement a [dedicated SAF mandate](#)

Long-term SAF production scale up will also require project financing and demand certainty

- ~ 43 SAF production facilities (all technologies) planned in Asia Pacific; only five operational facilities in the region in 2024*, seven more expected in 2025-2026
- By 2050: ca. USD 3,200 billion investment needs to meet global SAF demand**
- Demand certainty is required for large scale investment in SAF production facilities
- Project financing is important for the capital investment for such large scale projects, but investors want to see a return
- Policy support - mandates and/or incentives - supply and demand-side - help create demand certainty, and can drive investment

*Argus SAF Capacity Map 2024

**IATA and ICAO fact sheets

Thank you

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