



SAS: Lack of sustainable fuel could push aviation into new energy crisis

Europe risks a fuel shock as sustainable jet fuel supply falls far behind the 2030 mandate, a new SAS Aviation Insights report shows. Without rapid build-out, the shortfall could push up fares, force route cuts and deepen Europe's energy vulnerability at a moment when global fuel markets are already under pressure.

SAS warns that Europe is heading toward a structural shortage of e-SAF (electro-sustainable aviation fuel) just as the EU's ReFuelEU Aviation regulation enters into force. The new report, "The Need for e-SAF in Scandinavia," shows that demand for e-SAF will rise sharply from 2030, while no European production facility has yet reached Final Investment Decision (FID).

"What we are seeing now is a reminder of how exposed Europe remains to global fuel shocks. If we fail to build domestic e-SAF production, we risk creating a second vulnerability, this time inside a regulated system where demand is mandated but supply is not. This is a structural issue that will affect ticket prices, route networks and Europe's competitiveness unless we act now," says Mads Brandstrup Nielsen, Senior Vice President Communication, Public Affairs & Sustainability at SAS.

A narrowing window for action

According to the report, Scandinavian aviation alone will require 36.000 tons of e-SAF in 2030, rising to more than 160.000 tons by 2035 and 330.000 tons by 2040. This corresponds to the output of one dedicated production plant by 2032, increasing to 2–3 plants by 2035 and around 5 plants by 2040. Today, none exist in Europe.

In a structurally short market, e-SAF prices are expected to move toward the cost of non-compliance under EU regulation, a level several times higher than today's fossil-based jet fuel. This could significantly increase operating costs for airlines and put pressure on European connectivity.

The report outlines two possible paths: either Europe scales back ambition under RefuelEU, delaying aviation's net-zero transition, or accelerates production through targeted policy support, investment incentives and infrastructure development.

“Europe now has a very short window to decide whether it wants to lead or follow in the next phase of clean aviation. Building e-SAF production is not only about meeting a mandate, it is about securing long-term energy stability, protecting connectivity and keeping European industry competitive in a world that is moving fast. Without accelerated investment, we risk higher costs for passengers, weaker networks for businesses and a new strategic dependency that will be far harder to unwind later,” Brandstrup says.

The report concludes that without urgent action, Europe risks locking itself into a long-term imbalance in sustainable aviation fuel production, leaving the sector exposed to both regulatory and market shocks.