

Dear PINS

I read Gatwick's aspirations about using SAF to reduce co2 emissions of the extra flights that the northern runway will bring. What IS NOT mentioned is the cost of SAF.(Sustainable aircraft fuel) SAF is currently up to 7 times more expensive than regular aircraft fuel. The latest projections BY INDUSTRY (not me) is that SAF will be 4 times as expensive by 2050 as production volumes increase. FOUR times as expensive will have a large effect on ticket prices. BA, Boeing, Virgin and Wizz Air are all saying the this : higher fuel cost = higher ticket prices. We see Ryan Air in July 2024 saying their profits have been hit (down 46%) due to passenger resistance to higher fares. In other words higher fares means lower number of passengers.

So I ask with all this very recent analysis now available, has the projected passenger demand (and associated economic benefits) been assessed with the cost of SAF affecting ticket prices?

Here below are some of the recent statements by various airlines and plane manufactures that are the basis of my question.

"Passengers on Virgin Atlantic flights will soon be charged an environmental levy on every ticket to contribute towards its costs of using sustainable aviation fuel (Saf).

The airline's chief executive Shai Weiss said the green surcharge is set to be in force by the end of 2025 and will help make travellers aware of why prices are rising.

It comes after Lufthansa confirmed plans for a surcharge of between €31 (£29) and €72 (£61) on tickets from next year as it tries to cover the costs of EU Saf mandates

British Airways owner IAG has also warned that the higher costs of Saf will result in its prices increasing, but no decision has yet been announced on any specific levy.

The cost of sustainable aviation fuels (SAF) will remain up to four times higher than jet fuel until 2050, according to new analysis from Bain and Co, feeding concerns over the affordability of a key component of airlines' current net zero strategy.

The sector would also need to invest up to \$2.1trn (£1.69trn) to produce enough to hit 2050's net zero targets. This, combined with the high maintenance costs of new aircraft, would mean airlines' costs would rise 18 per cent, prompting a hike in ticket fares.

Airlines have touted SAF – made using food waste and cooking oil – as an essential component of the push to decarbonise.

However, there have been growing fears in the sector over the cost and supply of climate-friendly biofuels.

In May, Boeing boss David Calhoun told the Financial Times he didn't think SAF would "ever achieve the price of Jet A".

At Lufthansa's annual general meeting in the same month, CEO Carsten Spohr warned that the supply of the "expensive fuel" was far too small, with production "getting into gear slowly."