

## Greener Holidays Ahead as Government Invests £63 Million in Sustainable Jet Fuels

July 22, 2025

— Categories: Economics



The UK government has committed £63 million to accelerate the production of sustainable aviation fuel (SAF), a move designed to make summer holidays greener while keeping air travel affordable for consumers. The funding aims to reduce emissions from aviation and support British fuel producers as part of the broader strategy to meet net-zero targets.

This investment will be distributed through the Advanced Fuels Fund and will assist UK-based SAF developers in scaling up production. It aligns

with the Sustainable Aviation Fuel Mandate introduced in January 2025, which sets minimum requirements for SAF usage, starting at 2 per cent this year and increasing to 10 per cent by 2030 and 22 per cent by 2040.

To provide long-term certainty for investors and prevent sharp rises in ticket prices, the government has launched a consultation on a revenue certainty mechanism (RCM). This scheme would guarantee a minimum price for SAF producers, similar to models used successfully in the renewable energy sector. Ministers hope this will reduce risk for developers and encourage new entrants to the UK fuel market.

SAF is widely considered a cleaner alternative to traditional jet fuel, with lifecycle greenhouse gas emissions estimated to be up to 70 per cent lower. Government officials have stressed that the aim is not to curb travel, but to make it more sustainable by transforming how flights are fuelled, without restricting consumer choice.

The policy has been welcomed by aviation leaders, with Airlines UK and Airports UK citing opportunities for new green jobs, major private investment, and domestic economic growth. Industry figures believe this could solidify the UK's position as a leader in clean aviation technology.

Real-world progress is already visible. A recent Virgin Atlantic Boeing 787 flight successfully operated between Heathrow and JFK using 100 per cent SAF, a milestone in demonstrating the fuel's viability at scale.

The initiative complements other government efforts under the Jet Zero Strategy, including the work of the expanded Jet Zero Taskforce. This body, which brings together government, industry, and technical experts,

is tasked with advancing SAF, zero-emission aircraft technologies, and more efficient airspace management.

From a centre-right viewpoint, this is a pragmatic policy that enables continued holiday travel and economic development while reducing environmental impact. By backing domestic SAF capacity and incentivising innovation, the UK is leading with solutions rather than restrictions, delivering greener travel without grounding the public.