

Voluntary Report – Voluntary - Public Distribution

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Report Name: Japanese Government and Industry Partner to Develop SAF Capacity

Country: Japan

Post: Tokyo

Report Category: Biofuels

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Report Highlights:

On April 22, 2022, Japan launched a public-private partnership to facilitate the introduction of an international competitive supply chain for sustainable aviation fuel (SAF).

General Information

Adoption of Sustainable Aviation Fuel (SAF) is a key component of the Government of Japan's (GOJ) plan to reduce greenhouse gas emissions in aviation. For international flights, in line with the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) of the International Civil Aviation Organization (ICAO), the Ministry of Land, Infrastructure, Transport and Tourism (MLIT) estimates that by 2030 Japanese airports will use 2.5-5.6 billion liters of SAF out of a total of 10.9-12.3 billion liters of jet fuel. For domestic flights, the Ministry of Economy, Trade and Industry (METI) aims to introduce new SAF measures in the upcoming revision of the Sophisticated Act to be finalized by March 2023 (see [Japan Biofuels Annual](#) for additional details about the regulatory framework and market for advanced biofuels in Japan).

As of 2022, the global production capacity for SAF is limited and further constrained by high production costs. To develop reliable SAF supply chains, the Japanese government and private sector have joined forces to address technical, economic and legal issues.

On April 22, 2022, MLIT and METI held a [kick-off meeting](#) (in Japanese only) of the newly created Public-Private Council to Promote the Introduction of SAF. Council members include government agencies (METI, MLIT, Ministry of Agriculture, Forestry and Fisheries (MAFF), Ministry of Environment, New Energy and Industrial Technology Development (NEDO)), oil refineries and retailers (ENEOS, Idemitsu, Cosmo), airlines (Japan Airline, All Nippon Airways), airports (Narita, Kansai, and Chubu airports), oil storage (San-Ai Oil), plant design (JGC Holdings), trading house (Itochu), and related industry associations (Petroleum Association of Japan, Scheduled Airlines Association, National Airports Fueling Business Association). Most of the private sector members are already engaged in pilot SAF production projects.

Although Council meetings will not be open to the public, GOJ will share some information through its websites (e.g., [MLIT](#)).

GOJ's Concurrent SAF Efforts

As part of METI's 2 trillion yen (about \$16 billion¹) [Green Innovation Fund](#), on April 19, 2022, [NEDO](#) awarded 114.5 billion yen (about \$916 million) grants to pilot projects developing e-fuel, SAF and other green fuels. Out of this total, the Idemitsu Kosan Company received 29.2 billion yen² (about \$234 million) for a 5-year project to develop and commercialize its SAF supply chain using the Alcohol-to-Jet technology. According to an [Idemitsu press release](#) (available in Japanese only), the initial commercial project will procure 180 million liters of bioethanol to produce 100 million liters of SAF. This pilot production is slated to start by 2026 in Chiba Prefecture. By 2030, Idemitsu aims to launch a second SAF plant and expects the total production capacity of both facilities to reach 500 million liters of SAF a year.

Attachments:

No Attachments.

¹ The exchange rate used in this report is \$1=125 yen.

² The total project size is about 45.7 billion yen (about \$380 million).