

Voluntary Report – Voluntary - Public Distribution

Date: June 15, 2023

Report Number: JA2023-0050

Report Name: METI to Develop a Separate SAF Target

Country: Japan

Post: Tokyo

Report Category: Biofuels

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Report Highlights:

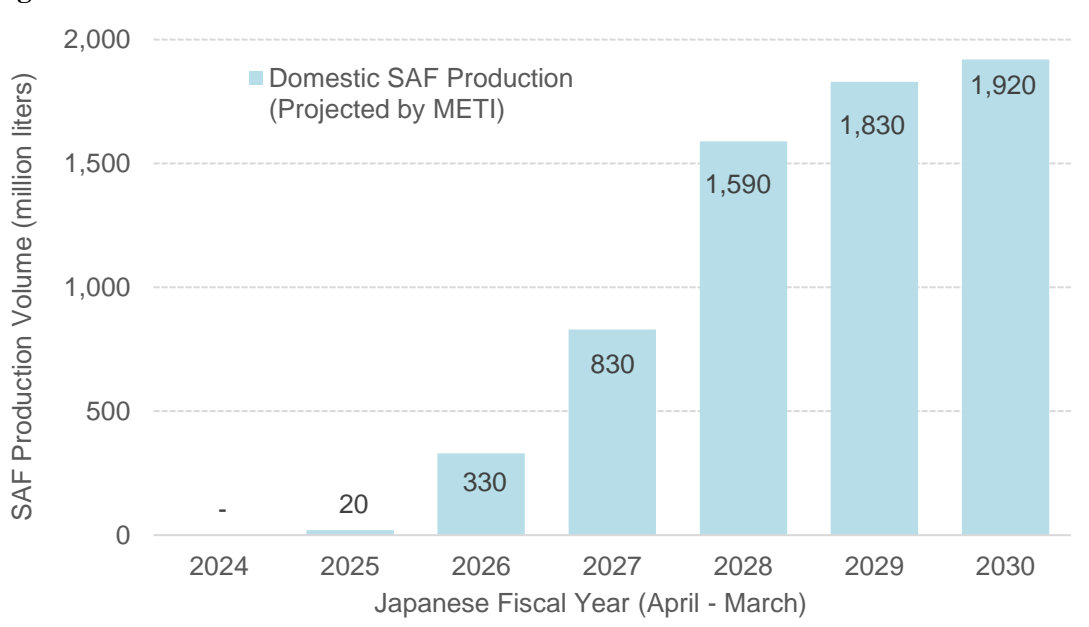
On May 26, 2023, Japan's Ministry of Economy, Trade and Industry (METI) announced plans for SAF introduction and a SAF-focused biofuel target.

General Information

Adoption of Sustainable Aviation Fuel (SAF) is a key component of the Government of Japan's (GOJ) plan to reduce greenhouse gas (GHG) emissions from aviation. Since April 22, 2022, the Ministry of Economy, Trade and Industry (METI) and the Ministry of Land, Infrastructure, Transport and Tourism (MLIT) have jointly hosted meetings of the Public-Private Council to Promote the Introduction of SAF ([JA2022-0041](#)).

On May 26, 2023, METI and MLIT held the [third meeting](#) of the Council. During the meeting, METI's Agency for Natural Resources and Energy (ANRE) presented a [draft interim report](#) on SAF introduction in Japan. The report called for Japanese SAF suppliers to establish sufficient SAF manufacturing capacity and secure raw materials to produce SAF stably and at competitive prices. To stimulate domestic SAF production, METI announced plans to set a new target volume for SAF under the Sophisticated Act by 2030. METI based this target volume on the Basic Policy for Promoting Decarbonization of Aviation introduced by MLIT in December 2022 ([JA2022-0085](#)). The new target would be separate from the recently published ethanol target of 500 million liters of crude oil equivalent for the transportation sector ([JA2023-0014](#)). MLIT estimates that if SAF replaces 10 percent of jet fuel by 2030, SAF demand will reach 1.7 billion liters a year. Based on press releases by companies aiming to produce SAF domestically, METI projected that Japan would produce about 1.9 billion liters of SAF by 2030 (Figure 1).

Figure 1. METI's Forecast of SAF Production



Note: Domestic production is projected by METI based on press releases by private companies.

Source: [METI](#)

Furthermore, to stimulate domestic SAF production, METI plans to (i) develop a capital investment subsidy program, (ii) exempt imported SAF from the fossil fuel import tariff, and (iii) support research, development, operation, and certification¹ acquisition.

During the meeting, MLIT and private sector participants also highlighted a 2022 pilot project, where a Japanese company (Sojitz) purchased and imported 5,000 liters of neat SAF from [Neste](#), blended it with jet fuel, and used the resulting blend for test flights.

Please see [Japan Biofuels Annual](#) for details about the Sophisticated Act. Although during [expert committee meetings](#) on Notification 3.0 some experts recommended a separate SAF target from the on-road ethanol target, Notification 3.0 (in effect until 2028) to the Sophisticated Act ([JA2023-0012](#) and [JA2023-0014](#)) allows certain types of SAF to count toward the annual target volume for transport biofuels.

Attachments:

No Attachments.

¹ METI plans to support environmental (e.g., [International Civil Aviation Organization's Carbon Offsetting and Reduction Scheme for International Aviation \(CORSIA\)](#)) and quality (i.e., [ASTM D7566](#) compliant) certification of domestically produced SAF.