

Sustainable Transport Investment Plan: FuelsEurope policy recommendations

Brussels, 16 July 2025: FuelsEurope awaits the publication from the European Commission of the Sustainable Transport Investment Plan (STIP) as a strategic framework to support the production and distribution of renewable and low-carbon fuels.

European Fuel Manufacturers provide the EU with sustainable, affordable and reliable liquid fuels and products. With the right policy framework, renewable and low-carbon fuels can play a vital role in achieving climate neutrality by 2050, ensuring energy security and fostering an innovative, globally competitive industry rooted in the EU.

In this regard, FuelsEurope recommends the STIP to:

- **Uphold the recognition of the refining industry as a strategic sector** and support our transition towards the production of low-carbon and renewable fuels and products through a dedicated action plan, addressing also the related industrial value chain. The STIP must promote the global competitiveness of the sector both within the EU and in relation to third countries, with support measures aligned with and reinforcing well-designed primary policies.
- **Recognise the strategic role of renewable and low-carbon fuels in strengthening Europe's energy security** by decreasing reliance on fossil fuels imports.
- **Facilitate the conditions to attract investments for renewable and low-carbon liquid fuels and the transition of the refining industry in the EU.** The development and construction of large-scale industrial projects usually takes five to seven years. There is therefore an urgent need to overcome the hurdles impeding final investment decisions, in order to accelerate the project pipeline for liquid fuels, ensure adequate supply, and meet the EU's decarbonisation targets. To deliver and grow this pipeline, **ongoing projects must be advanced through comprehensive de-risking and support strategies to facilitate quick financial investment decisions** (e.g. time limited public support, contracts for difference and tax credits). Conditions should ensure adequate returns considering the risks of the project, while also safeguarding the interests of first-movers (e.g. grandfathering).
- **Champion technology neutral, science-based financing, de-risking and support measures** where renewable and low-carbon fuels are supported on an equal footing.

- **Ensure that biofuels** — a proven and further scalable technology, subject to an enabling regulatory framework — **are a core pillar of the STIP**, while also taking into account longer-term decarbonisation technologies such as synthetic fuels. **Additional long-term signals via supply and demand policies beyond those existing are required to ensure ongoing investment.**
- **Support the uptake of renewable and low-carbon fuels across all transport modes.** Refineries and bio-refineries are multi fuel producers due to different distillation curves, hence a holistic, predictable, cross-sectoral approach to transport decarbonisation is required to ensure demand for all products. Huge investments will be needed to cover European needs of aviation and marine fuels. The more predictable and larger the market size, the bigger the investors' interest will be. Residual demand for road transport fuel remains the key driver for the uptake of sustainable fuels for aviation and waterborne. Market demand for co-products – such as renewable diesel for road transport – should be preserved, to help underpin the economics of lower carbon aviation and marine fuel production.
- **Leverage increasing sustainable feedstock sourcing for biofuel production, within and outside the EU:** TNO/Utrecht University (2023) and Imperial College (2021), two independent studies mandated by Concawe, report similar results at EU level, confirming biomass availability to decarbonize at least half of remaining liquid fuels demand in 2050 (all transport sectors). Drop-In Fuels Study (2024) by DG RTD includes the new feedstocks in the Annex IX (e.g. intermediate crops), reaching biomass availability figures generally close to the other studies. In this regard, it is key to advance the definition and certification of feedstocks, such as intermediate crops and crops grown on severely degraded lands, while the EU tools and processes to mitigate/decrease the risk of fraud should also be reinforced.
- **Promote measures to lower production costs for decarbonized and renewable fuels** by facilitating affordable access to clean electricity, sustainable biomass, and other essential renewable and low carbon feedstocks. In the case of SAF, affordability remains a critical issue, hence the forthcoming STIP needs to enable feedstock mobilisation for SAF, recognise co-processed RFNBO hydrogen contributions in Jet and bio-SAF (across RED and ReFuelEU Aviation), and provide targeted support for HEFA-SAF projects, and highly capital-intensive first of a kind, e-SAF projects. In this respect, for e-SAF production, the use of low carbon hydrogen compliant with the Delegated Act on Low-Carbon Fuels should be allowed, as well as industrially captured CO₂ beyond 2041.
- **Ensure predictability in the regulatory framework, as this is a key factor for investor confidence.** While de-risking measures can play a complementary role, they remain

insufficient in the absence of robust market demand. To effectively mobilise available production capacity, policy mechanisms should also aim to support strong demand and **adequate long-term investment signals.**

- **Acknowledge that for truly global sectors, a global approach represents a better solution** compared to regulating at regional or national level (i.e. RED transposition). In this regard, the focus should be on the harmonization with global initiatives. With regard to aviation, ICAO's commitment to reach net zero by 2050 should improve the global regulatory framework. However, the effectiveness of the approach to international flights will be clearer closer to 2028, based on future developments.

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FuelsEurope, the voice of the European fuel manufacturing industry. FuelsEurope represents, within the EU institutions, the interest of 41 companies manufacturing and distributing conventional and renewable fuels and products for mobility, energy & feedstocks for industrial value chains in the EU.

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