



CATHAY WELCOMES FINDINGS AND RECOMMENDATIONS IN PEKING UNIVERSITY'S STUDY TO ACCELERATE CHINA'S SAF ECOSYSTEM DEVELOPMENT

News / Airlines



Cathay welcomes the release of Igniting the SAF Market: Policy Pathways for Scaling Sustainable Aviation Fuel in China, a research study published by Peking University's National School of Development in late 2025. The in-depth analysis and recommendations outlined in the study offer actionable insights on scaling SAF adoption in the Chinese Mainland through market measures on both supply and demand fronts.

The study examines the challenges and untapped potential in scaling SAF in the Chinese Mainland, benchmarking global best practices while drawing parallels with China's thriving solar photovoltaic industry. The report highlights China's unique feedstock and manufacturing advantages, and projects long-term cost implications across different technical production pathways. Notably, the Power-to-Liquid pathway — best known for producing electro-sustainable aviation fuel (eSAF) — shows the greatest potential for long-term cost reduction. The study notes that, with appropriate policy support, SAF produced locally via PtL may achieve price parity with conventional jet fuel (including China's projected carbon price in 2030) ? when the cumulative eSAF output reaches 1.6 million tonnes.

In addition, the study recommends a multi-pronged approach to growing the national SAF industry

and capturing long-term cost benefits, from policy integration and stimulating market demand to expanding international market access and establishing procurement mechanisms that ensure stable supply and demand.

Cathay General Manager Sustainability Grace Cheung commented: “As a vital player in global aviation and the SAF ecosystem, the Chinese Mainland’s development of its domestic SAF industry not only capitalises on global momentum and supports national carbon targets, but also helps promote the availability and affordability of SAF needed by the global aviation industry. This study by Peking University is encouraging, as it demonstrates the long-term potential for cost parity between SAF and conventional jet fuel, provided there is sufficient support for the development of new technologies and large-scale SAF production, along with policies that support SAF deployment from both demand and supply sides. Such progress will be essential for global airlines to realise further SAF usage in a commercially viable way.”

Cathay has long supported SAF development in the Chinese Mainland. The airline was among the early ones to uplift Chinese-made SAF products at Hong Kong International Airport, Amsterdam Schiphol, and London Heathrow. SAF continues to play a critical role in aviation’s path to decarbonisation. Compared to conventional jet fuel, SAF can reduce around 80% of carbon emissions on a lifecycle basis, based on the SAF procured by the Cathay Group in 2024.

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