July 2026

Canada Sustainable Aviation Fuel Economic Impact Study

Prepared by: **ICF** | Prepared for: **Airbus**

→ Executive Letter

Guillaume Chevasson
CEO - Airbus Canada

For over 40 years, Canada has been a vital home for Airbus, growing into our largest industrial footprint outside of Europe with more than 5,300 employees. From this position as a deeply rooted aerospace partner, we fully support the aviation aspirational ambition set by IATA, ATAG and ICAO to reach "net-zero carbon emissions" by 2050, with Sustainable Aviation Fuel (SAF) as the absolute cornerstone.

While SAF is a critical lever to decarbonise our sector, its widespread adoption remains hindered by a prohibitive cost premium and price instability. Beyond readying our own aircraft for 100% SAF compatibility, Airbus is committed to acting as a catalyst to overcome these barriers by stimulating supply, fostering demand, and advocating for regulatory frameworks.

Canada has always been a nation of pioneers, possessing unmatched natural resources, world-class refining expertise and aerospace leadership. Canada has everything it takes to power the future of flight and become a regional leader in Sustainable Aviation Fuel. Yet, securing energy sovereignty requires decisive action. As this study with ICF demonstrates, fostering a domestic SAF industry is not just an environmental imperative, it could become a powerful economic engine for Canada's future.

I trust this report will inspire the collaborative action needed to build a sustainable and prosperous future for Canadian aviation.

Dan Galpin
Global Aviation Lead - ICF

The aviation industry is in a defining period of transformation. As demand for air travel continues to grow, so too does the need to reduce the sector's environmental impact. SAF has emerged as an important tool to achieve this transition, offering a practical and scalable pathway to decarbonise aviation while maintaining the connectivity that societies and economies depend upon.

At ICF, we have the privilege of supporting governments, airlines, and industry stakeholders around the world in navigating this transition. Through this work, one message has become increasingly clear: the countries that move early to establish SAF industries will be best positioned to capture the economic, strategic, and environmental opportunities that follow.

Canada is in a strong position. Its abundant natural resources and industrial expertise provide the foundations for a thriving domestic SAF industry. The analysis presented in this report demonstrates the scale of the opportunity, not only in supporting aviation's climate ambitions, but also in driving investment, creating jobs, strengthening energy security, and generating economic growth across communities.

It’s been a pleasure to work alongside Airbus to deliver this study. We hope this report contributes to the conversation about how Canada can seize this opportunity.

→ Executive Summary

Aviation is critical to modern society, connecting communities and businesses across Canada and globally. While almost all aviation today relies on fossil-based jet fuel, sustainable aviation fuel (SAF) offers a pathway to reduce life-cycle emissions while also strengthening fuel security. SAF is made from non-fossil sources, such as waste oils, residues, and biomass, and is an increasingly viable low-carbon alternative to conventional jet fuel. With access to key feedstocks, strong refining expertise, and an evolving industry and policy landscape, Canada is well positioned to develop a robust SAF industry.

Despite this potential, SAF remains significantly more expensive than conventional jet fuel, limiting its expansion in Canada without additional support. To better understand what it would take to scale SAF production, Airbus commissioned ICF to conduct detailed modelling to assess the level of support required to reach 40% of Canada’s jet fuel supply by 2040, representing an increase of around 4 billion litres of SAF.

The analysis estimates that a cost gap of approximately CAD 1.15 per litre would need to be addressed to achieve cost competitiveness, to support the scale up of SAF production. Closing this gap would not only accelerate decarbonisation but also unlock substantial economic benefits.

Cumulatively, between 2026 and 2040, Canadian SAF expansion could support:

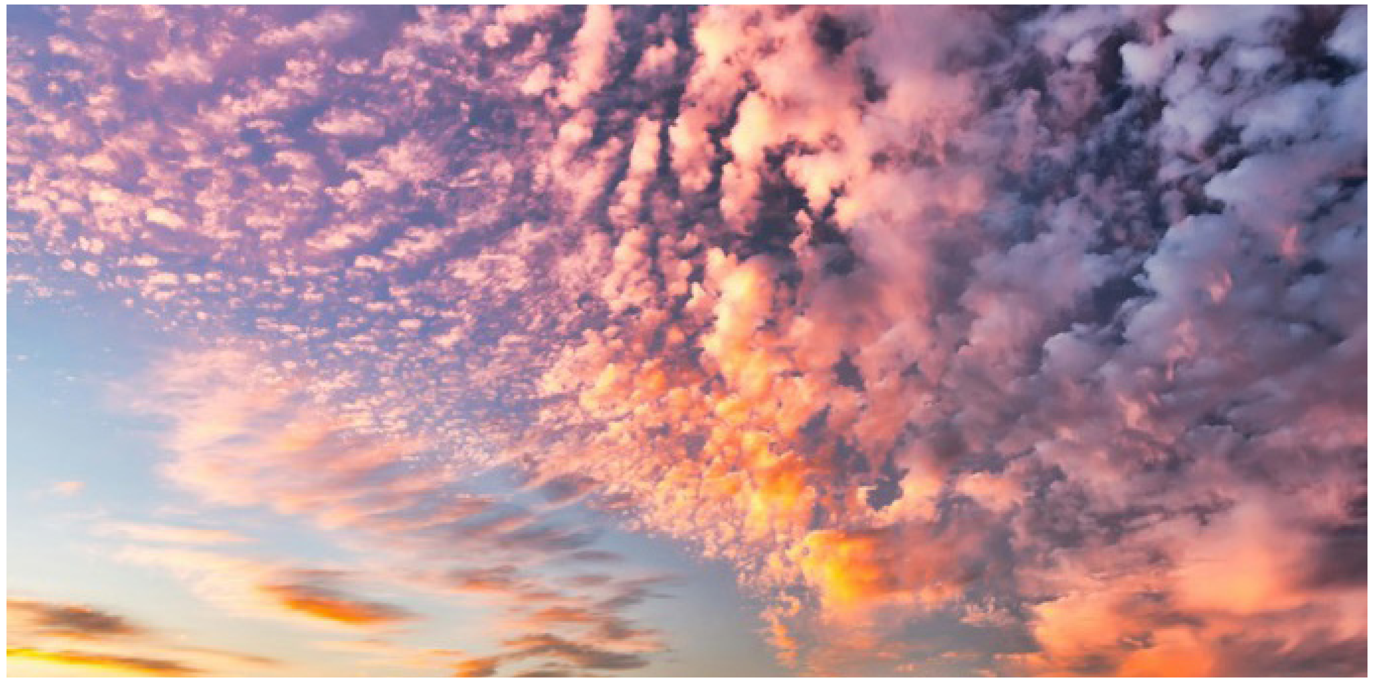
~CAD GDP
32B
Almost CAD 32 billion in Gross Domestic Product (GDP)

~CAD DPI
13B
~CAD 13 billion in disposable personal income (DPI) driven by higher employment and wages

~Net job-years
140,000
Net job-years across a broad range of sectors, including agriculture, construction, transportation, manufacturing, and business services

~CAD Tax
13.9B
~13.9 billion in federal and provincial tax revenues

CAD ROI
1.9 to1
A net return on investment of 1.9 to 1, meaning every CAD 1 of support could generate CAD 1.9 in economic activity, in addition to environmental and energy security benefits



→ Introduction

Pressure on the aviation sector to decarbonise is growing rapidly. Airlines, governments, and international bodies have set ambitious emissions-reduction targets, including the industry's long-term aspirational goal of reaching net-zero carbon emissions by 2050, as adopted by the International Civil Aviation Organisation (ICAO) in 2022.

Sustainable Aviation Fuel (SAF) is an important emerging opportunity for aviation, offering life-cycle emissions reductions up to 80% depending on the production method. Today, SAF is blended directly with conventional jet fuel, as it is compatible with existing aircraft, fuel infrastructure and logistics systems. This blend is approved up to 50%. This means SAF can be adopted immediately, without waiting for new aircraft technologies or substantial infrastructure changes.

SAF not only supports decarbonisation of aviation, but presents a strategic industrial opportunity. For countries that move early, SAF offers a way to build new domestic industries, strengthen energy security, attract investment and create skilled jobs across agriculture, forestry, waste management, energy, and transport. As global demand for alternative aviation fuels grows, countries with the right resources, policy support and supply chains can position themselves at the forefront of a fast-growing international market.

For Canada, this opportunity is particularly strong. SAF can be produced from waste oils and fats, ethanol, and woody biomass, which are abundant in Canada. These natural resources, alongside established industrial capabilities and a large aviation sector, create the foundations to develop a competitive domestic SAF industry. This can help capture more value from domestic resources, support regional economic development and reduce reliance on imported fuels.

A strong SAF sector can also make Canada's aviation fuel supply more resilient while opening new export opportunities in global alternative aviation fuel markets. By investing early, Canada can secure long-term economic and strategic advantages, support the future competitiveness of its aviation sector and contribute to broader climate goals as part of its wider decarbonisation goals.

→ Key takeaways

- **Global momentum** behind SAF is accelerating, creating growing international demand
- **A domestic SAF industry would strengthen national energy security**, reduce exposure to international energy market volatility and reinforce domestic cross-Canadian supply chains
- **Canada has abundant natural resources**, strong industrial capabilities and market access creating the foundations for a competitive SAF industry
- **SAF is in the early stages of development**, requiring additional policy support to overcome the cost gap to conventional jet fuel
- **SAF could bring substantial economic benefits**, creating an average of ~9,300 net jobs annually across the country and ~CAD 2.1 billion GDP per year in nationwide economic growth
- Based on modelling, an additional **CAD 1.15 per litre of support is required** to enable SAF to scale to 40% of Canada's jet fuel supply by 2040
- **Benefits are distributed across all provinces, particularly in Saskatchewan, Alberta, and Quebec**, reflecting their resources, industrial capabilities, and existing infrastructure. These provinces would capture the greatest shares of employment growth and GDP gains, and increases in DPI
- **Additional support would unlock ~4 billion litres of annual domestic production**, while delivering nationwide benefits and positioning Canada as an early mover internationally

→ What is SAF?

SAF is a synthetic aviation fuel that can reduce CO_2 emissions by up to 80% throughout its lifecycle compared to conventional jet fuel, depending on the feedstock and production method used. SAF can be produced in several different ways, known as pathways. The three main pathways considered for Canada are:

- **Fats and oils-based fuels (HEFA):** Refines vegetable oils, waste oils, or fats into jet fuel. This is currently the most mature and widely deployed type of SAF.
- **Alcohol-based fuels (AtJ):** Converts alcohols (primarily ethanol) into aviation fuel.
- **Forestry and biomass-based fuels (FT):** A less mature but strategically important SAF pathway that converts synthesis gas[1] derived from feedstocks such as woody biomass into fuel.

These pathways all depend on different feedstocks, which are the materials used to create SAF. It is important to note that SAF may face feedstock constraints as the industry scales up. Waste-based oils notably are limited as these are waste products, and future availability is expected to have limited flexibility once the industry has scaled to use existing sources. Therefore, diversifying across pathways and using abundant, more scalable resources can mitigate against future supply constraints. In Canada this is likely to mean scaling up through the FT pathway, taking advantage of the country's abundant woody biomass.

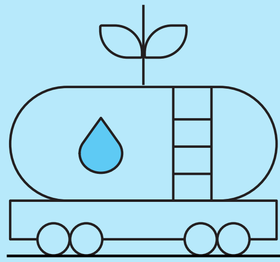
SAF is produced through an extensive value chain, which starts from growing, collecting or sourcing feedstocks, and ends with the delivery of SAF to airports for blending with conventional jet fuel and ultimately use in aircraft.

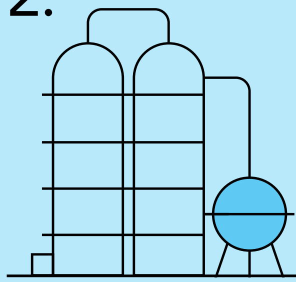
SAF must be produced in accordance with internationally recognised sustainability standards that verify it has been sourced and produced responsibly. One such framework is the sustainability criteria established under ICAO's Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA), which sets requirements for lifecycle emissions reductions and broader environmental, economic and social safeguards. These criteria ensure that SAF delivers real emissions reductions without causing unintended environmental or social harm. To be eligible, SAF must be produced from approved feedstocks, meet defined lifecycle greenhouse gas reduction thresholds compared with conventional jet fuel, and be verified through an ICAO-approved sustainability certification scheme. These schemes check factors such as land-use impacts, biodiversity protection, and traceability across the supply chain, ensuring the fuel is genuinely sustainable and its emissions savings can be counted toward international aviation climate goals.

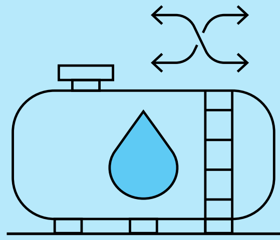
FOR FURTHER INFORMATION ON SAF PLEASE SEE:
↗ WHAT IS SUSTAINABLE AVIATION FUEL?

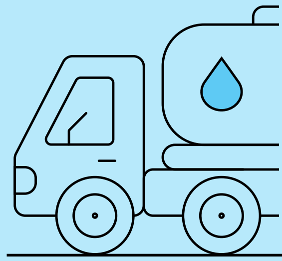
1. Syngas, or synthesis gas, is a mixture of gases, mainly hydrogen and carbon monoxide, that can be converted into fuels, chemicals, or energy

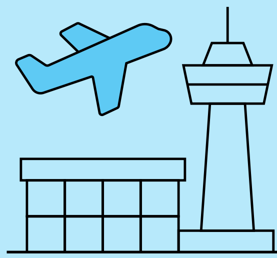
Illustrative simplified SAF supply chain

1.

Feedstock production & collection

2.

Refinery

3.

SAF producer & blend point

4.

SAF supplier

5.

Airline

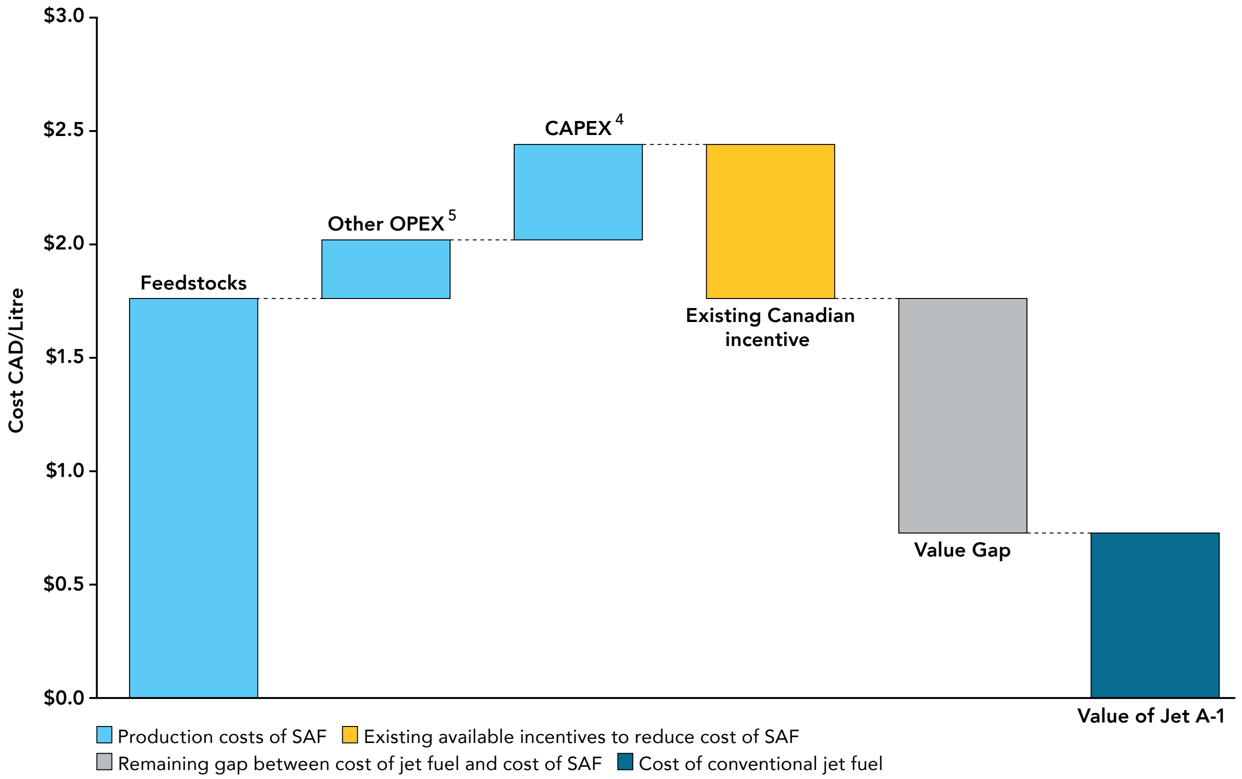
→ Support is needed to scale SAF

The primary challenge to scaling SAF is cost. The industry's small scale, emerging technologies, and early-stage markets mean SAF costs can range from two to ten times the wholesale price of conventional jet fuel (Jet A-1). The cost of feedstock (the material used to produce SAF) represents the largest component of this, particularly for inputs such as canola oil and used cooking oil. For SAF to expand beyond early adoption, it must achieve price competitiveness in a sector that is highly sensitive to fuel costs. As a result, SAF is unlikely to scale materially without supporting policies to reduce the price gap.

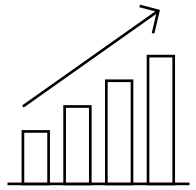
Canada's existing incentive policies help narrow this gap by rewarding fuels that produce lower greenhouse gas emissions, such as SAF, through the Clean Fuel Regulations and British Columbia's Low Carbon Fuel Standard. However, these existing schemes are not enough to fill the value gap to conventional fuel (Jet A-1). As shown in the illustration, SAF production costs[2], on the left side, remain materially higher than the value currently available from existing credit schemes, shown on the right[3].

The result is a persistent value gap between SAF production costs and available revenues. Additional policy support is needed to fill this gap.

Indicative Balance of SAF Production Costs and the Value Gap to Conventional Jet Fuel



2. The cost varies across SAF production pathways and over time. Costs depend on factors including feedstock prices, technology maturity, facility size, and policy design. As these inputs change, the implied price gap may increase or decrease.
3. Note that only the Clean Fuel Regulation is included here – while British Columbia's Low Carbon Fuel Standard will provide benefits to some production, the scale of support is localised and therefore not sufficient to support national SAF deployment.
4. CAPEX (Capital Expenditure): Money spent to buy, upgrade, or extend the life of long-term assets like production facilities, equipment, or machinery.
5. OPEX (Operating Expenditure): Money spent on the day-to-day production, such as salaries, rent, utilities, and maintenance.



Incentives: Building SAF production facilities requires significant upfront investment. An incentive helps make these projects more financially viable by providing a more predictable revenue stream for the SAF produced. This reduces costs for producers and encourages investment in increasing SAF production.

Given this gap, ICF developed a supply model to estimate how SAF production responds to profitability and to quantify the additional value required for SAF to supply 40% of Canada's jet fuel demand by 2040. The model is designed to translate costs into an expected supply response over time. By comparing projected production costs across leading SAF pathways against available incentives, the analysis identifies the remaining economic gap that must be addressed to accelerate investment and deployment.

The findings show that an additional incentive of approximately CAD 1.15 per litre would be needed to bridge the gap. This could be delivered through a range of policy mechanisms[6]. This study has modelled a SAF production tax credit—a government incentive that rewards producers for making SAF.

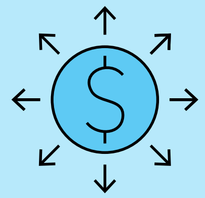
Beyond enabling life-cycle emissions reductions, scaling SAF represents a meaningful economic opportunity for Canada. The study evaluates impacts across the entire SAF value chain while accounting for shifts in conventional jet fuel production. The results show that well-designed SAF policies can do more than contribute to decarbonising aviation: they can stimulate investment, support jobs, strengthen domestic supply chains, and generate substantial economic and fiscal benefits across the Canadian economy.

The study followed a two stage approach:

1. **Technoeconomic modelling:** a bottom up technoeconomic model was used to estimate SAF production costs, revenues, and the resulting additional incentive required to reach a 40% blend by 2040;

Note: This techno-economic modeling relies on a comprehensive 2025 data baseline. All monetary values are expressed in Fixed (2025) CAD to filter out inflation. The analysis evaluates a modeled policy scenario over the period 2026–2040, comparing outcomes against a baseline forecast of the Canadian economy without the proposed SAF support measures. The economic and environmental benefits will scale progressively relative to the actual deployment of infrastructure and incentives, and are not currently active.

2. **Macroeconomic modelling:** results were converted into into capital and operating expenditures and then used in a macroeconomic model to estimate wider economic impacts across Canada.



6. The analysis does not endorse a specific type of policy and relies on modeled assumptions (including proxy relationships with renewable diesel, forecast prices, and feedstock availability, and an assumption of domestic SAF use).

→ The Economic Impacts

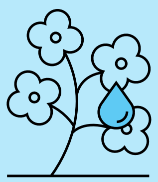
Scaling SAF could support job creation across Canada

Over the 2026–2040 period, SAF deployment is projected to support an annual average of more than 9,300 net jobs annually, equivalent to approximately 140,000 cumulative job-years[7].

These jobs extend far beyond the energy sector and SAF production facilities themselves. As SAF relies on an extensive production chain, the industry drives employment throughout a range of economic sectors, including in agriculture, construction, transportation, manufacturing, and business services. This includes direct jobs at SAF production facilities, indirect jobs created through suppliers and supporting industries, and induced jobs generated as workers spend their incomes throughout the broader economy.

The scale of this varies by production pathway. HEFA SAF production accounts for most cumulative job creation, contributing more than 63% of total employment gains over the 2026-2040 period. Woody biomass FT pathways provide the second-largest contribution, representing nearly 30% of cumulative employment gains, while alcohol-based AtJ pathways account for a comparatively small share (2%). Together, the results demonstrate that SAF can act as a catalyst for job creation across Canada.

To ensure a balanced analysis, the modelling includes the opportunity cost of government spending. This represents the jobs that could have been supported if public funding was allocated to other uses. Because these opportunity costs are accounted for when the budget is committed, they are larger in the early years while SAF infrastructure is still under construction. However, as facilities begin producing SAF, the additional jobs supported significantly outweigh those not supported elsewhere.



Canola in Canada

Canola oil is a feedstock for SAF through the HEFA pathway, representing a strong opportunity for Canada's SAF industry. Canada farms canola primarily across Alberta, Saskatchewan and Manitoba. SAF produced from canola is eligible under the ICAO CORSIA scheme, as it meets the sustainability requirements.

In this analysis, canola and other crop-based feedstocks are assumed to be domestically sourced and not competing with food sources. To directly address global "food vs. fuel" concerns, this model applies safeguards, relying entirely on natural agricultural expansion based on historical growth rates and strictly complies with internationally recognised ICAO CORSIA sustainability frameworks. This study caps future supply of canola oil at 2.2 million tonnes. This is to keep future supply within the reasonable limits of future canola oil available in Canada. Production in Canada has increased by a compounded annual growth rate of 1.4% from the mid 1980s to 2025. Over half of the gains in canola production can be attributed to improved efficiency of cultivated land, the remainder is due to increased seeded acreage.[8] If production continues to grow at historic levels, this will yield an additional 5 million tonnes of canola seed by 2040. Assuming 2.3 tonnes of seed are required to produce a tonne of canola oil, this would yield an additional 2.2 million tonnes of canola oil in future years. The underlying assumption is that the feedstock demand in this study fits within the natural expansion of supply and is not reliant on shifts in exports or pulling from existing uses.

7. One job-year is one person working full-time for one full year (e.g., 40 hours a week for 52 weeks)
8. Canola Council of Canada. "Markets & Statistics: Production." Accessed 3/20/2026. https://www.canolacouncil.org/markets-stats/production/

Employment opportunities sit across the wider economy, beyond just the energy sector

SAF follows an extensive supply chain. Job creation occurs at every stage, from feedstock cultivation, collection, and processing—such as canola farming, lumber mills, and municipal waste processing—to SAF suppliers. These are accompanied by roles in facility construction, transportation, and logistics along the chain.

The largest employment gains are expected in Canada's natural resource sectors, which will provide the resource base to produce SAF. Over the 2026–2040 period, agriculture, forestry, fishing, and hunting account for approximately 40% of all positive cumulative job-years, driven by feedstock production in the agriculture and forestry sectors. Service sectors provide the second-largest contribution, with additional benefits seen across construction, manufacturing, transportation and warehousing, and other industries.

The economic impacts of SAF extend well beyond fuel production itself. Growth in SAF supports activity across supply chains, strengthens demand for Canadian feedstocks and resources, and creates opportunities for workers and businesses across Canadian communities.

While the modelling accounts for a shift in projected public administration spending, this does not indicate an impact on existing public-sector roles. Instead, it reflects the redirection of future government spending from other areas of the economy. It represents the opportunity cost of reallocating budgets to support SAF deployment, ensuring the net job gains presented are robust and fully transparent.

Figure A: Job creation by pathway for 2030 and 2040

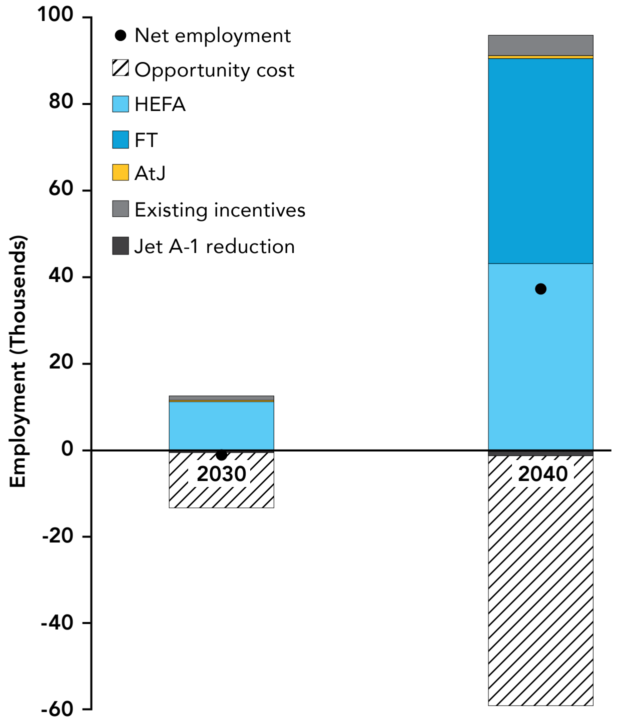
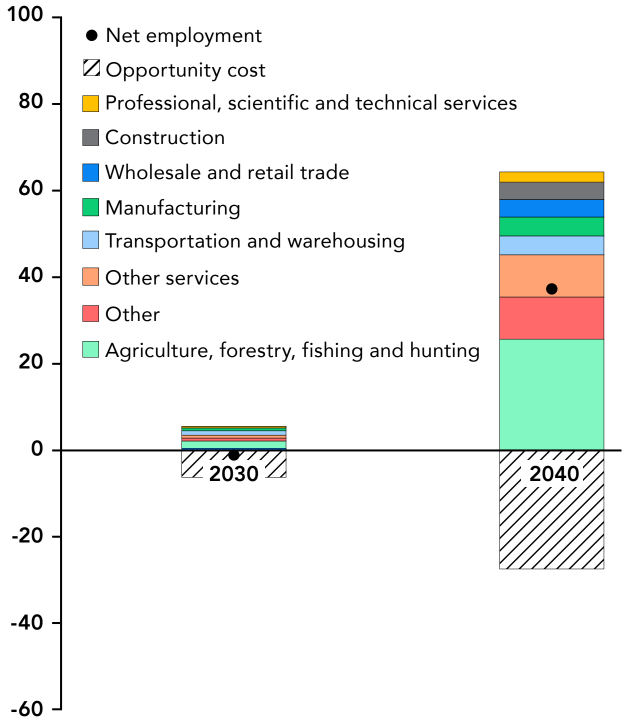


Figure B: Job creation by industry for 2030 and 2040



Both charts illustrate the same total net employment (indicated by the black dot) but categorise the data differently. The left chart displays the total gross jobs created by each SAF production pathway alongside total offset costs. The right chart displays the localised job growth within specific industries, where some opportunity costs have already been netted out within those specific sectors.

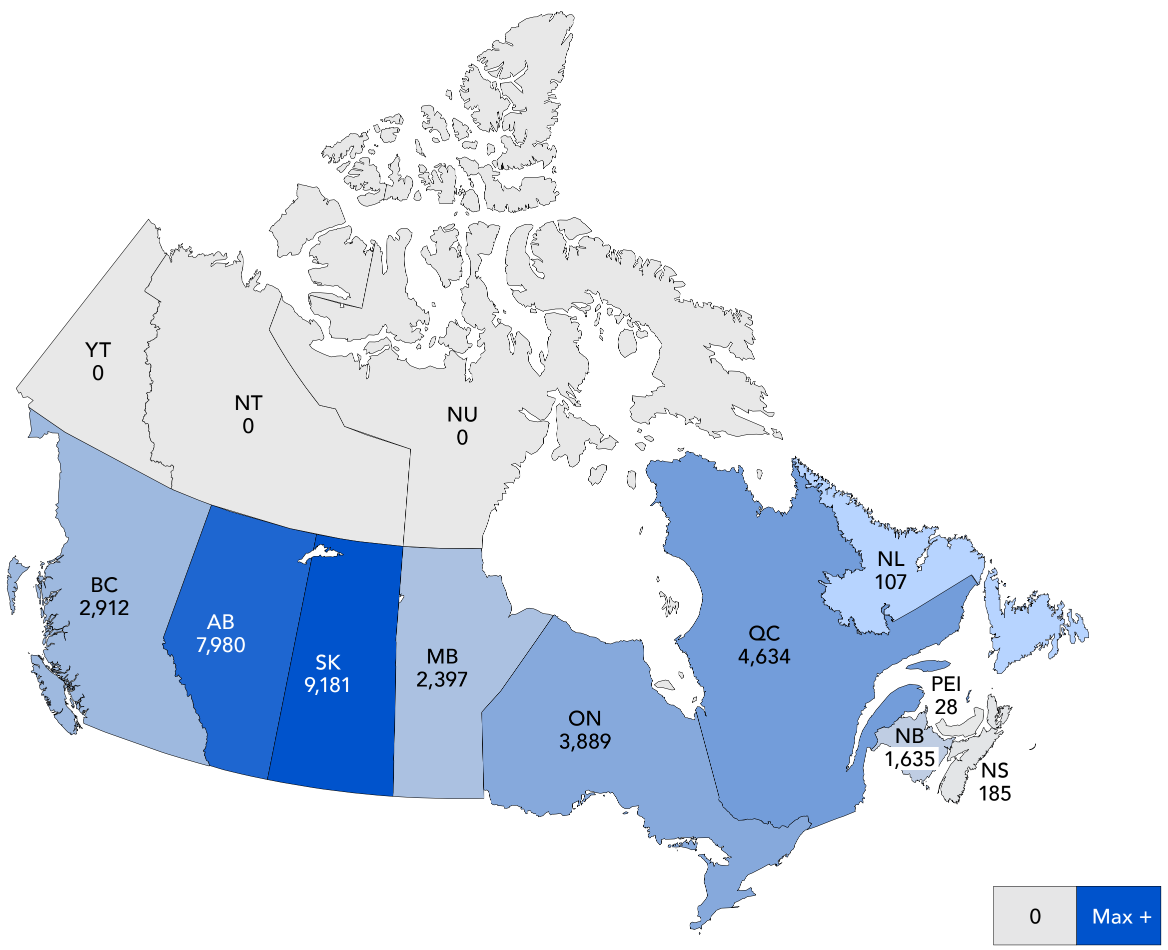
Some provinces are expected to see more substantial gains

While the economic benefits are distributed across Canada, they are concentrated in provinces with strong feedstock resources, existing industrial capacity, and favourable conditions for SAF production. Because HEFA pathways are expected to account for the majority of SAF production, the geographic distribution of benefits is closely linked to regions with significant canola crop production and canola processing facilities.

Saskatchewan, Alberta, and Quebec emerge as the largest beneficiaries, capturing the greatest shares of employment growth and GDP gains, and increases in DPI. These provinces are particularly well positioned due to their feedstock availability, refining capacity, and supporting infrastructure, allowing them to play a central role in the development of a domestic SAF industry. For example, jobs in agriculture are expected across Saskatchewan, providing feedstocks for HEFA production, and jobs in forestry across Quebec for woody biomass-based FT production.

Meaningful benefits also flow to Ontario, British Columbia, and Manitoba, where feedstock production, processing activities, and SAF-related investments contribute to economic growth and job creation. While impacts in the remaining provinces and territories are comparatively smaller, they remain positive overall, reflecting the broad reach of SAF supply chains and the nationwide effects of increased investment and production.

Annual Average Gross Jobs[9] by Province, without the Cost of the Support (Average Over the Duration of the Support, 2026 – 2040)



9. This map shows the gross job creation, which does not include the opportunity cost of the support. The net jobs created, with the cost included, would be lower than the numbers detailed here.

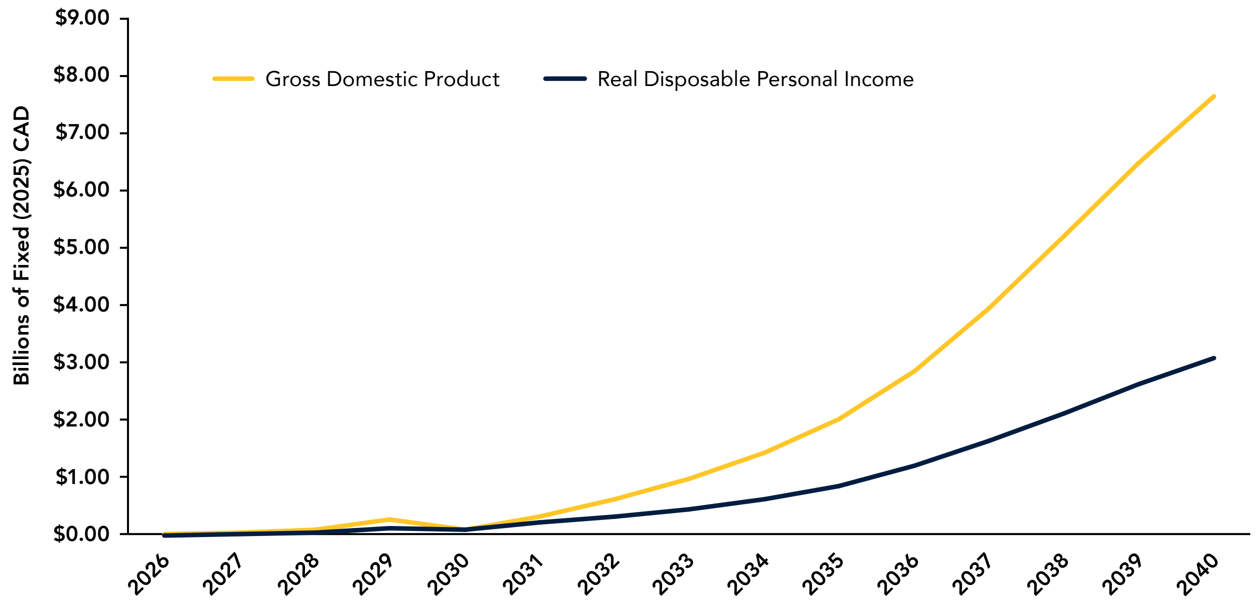
Projections show a CAD 32 billion GDP impact related to SAF

The analysis suggests more than CAD 2.1 billion in GDP could be created annually over the 2026-2040 period. This means a total GDP growth of almost CAD 32 billion in the timeframe. This comes from increased activity across the SAF supply chain, including feedstock production, construction, manufacturing, transportation, and supporting industries.

The expansion of SAF production also delivers meaningful benefits to Canadian households. When including the cost of the additional support, disposable personal income is projected to increase by nearly CAD 890 million per year, totalling more than CAD 13 billion over the period. **These income gains are driven by higher employment, increased wages, and broader economic activity.**

Among the production pathways assessed, HEFA-related activities make up the largest share of GDP growth, reflecting the fact that this pathway is likely to contribute the majority of SAF production, as it is the most commercially feasible pathway today.

National Economic Results



Social Cost of Carbon

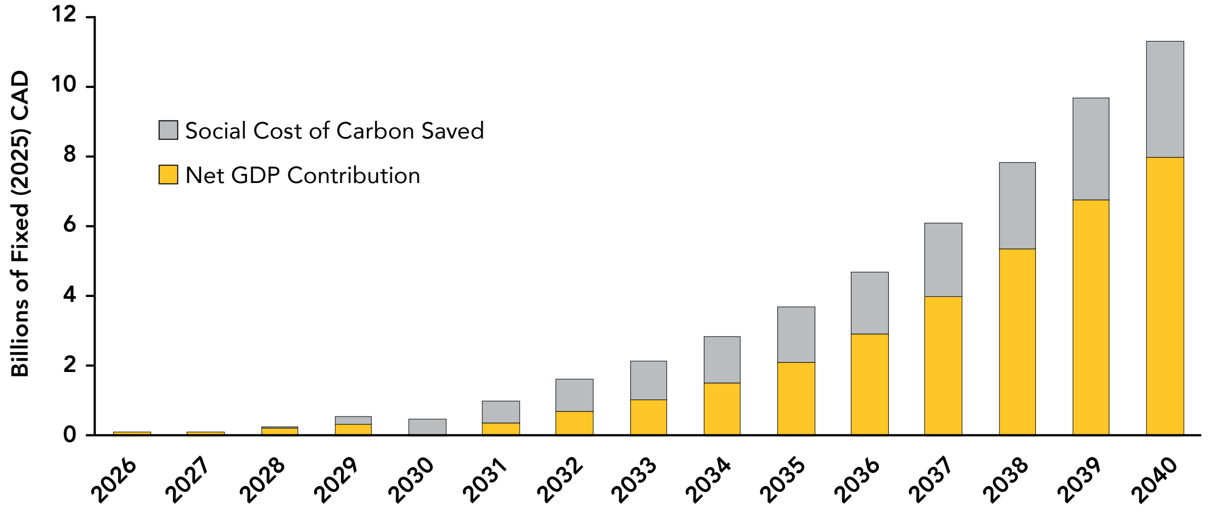
The Social Cost of Carbon (SCC) has been adopted by Environment and Climate Change Canada (ECCC) to measure the additional economic impacts of an incremental increase in carbon emissions. Impacts include, but are not limited to, changes in economic productivity, increased property damage from extreme weather events like floods, hurricanes, and forest fires, reduced ecosystem services and impacts on human health.

The following graph combines the net GDP contribution estimated from the incentive, with the additional benefit of avoided emissions multiplied by the SCC. The economic impacts of the incentivised SAF industry detailed in this study exclude the SCC when reporting GDP, DPI, employment and net tax revenues. The economic impacts therefore can be considered conservative because they do not incorporate the wider impact of climate change on the Canadian economy.

The SCC is presented by the ECCC in real 2021 CAD. For this analysis the SCC has been inflated to 2025 dollars according to the CPI reported by the Bank of Canada[10].

10. https://www.bankofcanada.ca/rates/price-indexes/cpi/

GDP Contribution Value, Including Net Economic Impact and SCC



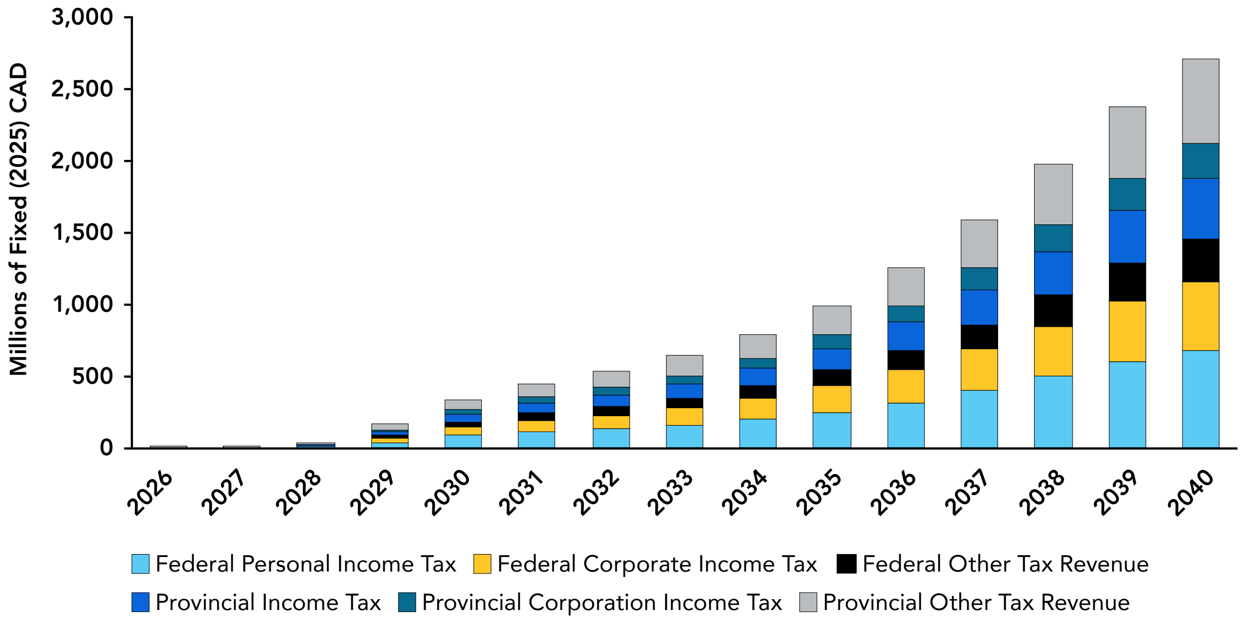
Tax Revenues would also be substantial

Increased economic activity across the SAF value chain is estimated to generate on average approximately CAD 500 million in federal tax revenues and CAD 425 million in provincial tax revenues annually. Over time, these revenues help offset the cost of policy support while strengthening public finances.

These fiscal gains are driven by a broad range of economic activities, including higher household incomes and increased business investment and profitability. Governments benefit through multiple revenue streams, including personal income taxes, corporate income taxes, property taxes, and sales taxes.

By stimulating domestic production, employment, and economic growth, SAF deployment creates a positive feedback cycle in which a portion of policy support cost is returned to governments through higher tax revenues across the economy.

Tax Revenues



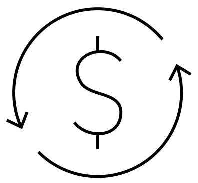
The incentive could bring a 1.9 to 1 economy-wide return on investment

While the modelled incentive would be a significant public investment—averaging just over CAD 2 billion annually—it helps to establish a new source of long-term economic growth for Canada.

The analysis suggests that the economic returns from SAF substantially outweigh the cost of implementing the incentive. Based on the average GDP creation and tax revenues, the estimated net return on investment is approximately 1.9 to 1. This means that every dollar of public support generates more than three dollars in economic activity, reflecting both direct investment in SAF production and the broader benefits that ripple through supply chains, labour markets, and household spending.

Beyond these measurable economic impacts, a competitive domestic SAF industry could strengthen Canada's long-term economic resilience and national sovereignty. Expanding domestic SAF production would reduce exposure to global energy market volatility and enhance fuel security by reducing reliance on global fuel supply chains. This also positions Canadian producers to compete in rapidly growing international SAF markets.

As global demand accelerates and other jurisdictions scale production through supportive policies, early investment offers Canada an opportunity to capture a share of this emerging industry while delivering economic, fiscal, and environmental benefits at home.



Return on investment

The 1.9 to 1 return on investment represents the net gain, meaning it includes the cost of taking funding from elsewhere to implement the support. Without considering this, the gross gain is 3.2 to 1.

→ Alternative Scenarios

SAF price is also sensitive to market conditions. Key drivers of variability include:

→ Capital and operating costs
→ Carbon credit prices and policy signals
→ Investor confidence and market certainty

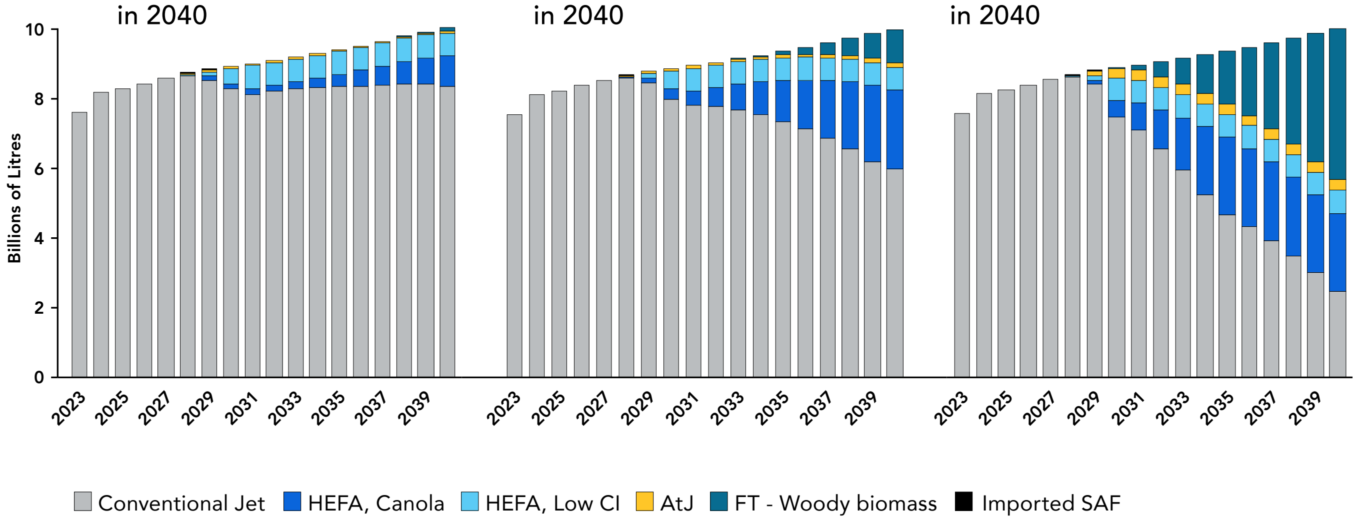
With sufficient policy support, SAF can reach ~40% of jet fuel use by 2040. However, adjusting key assumptions around this calculation shifts the possible level and mix of SAF production pathways to achieve this. Two alternative scenarios were also modelled: headwinds and tailwinds.

Pathway split across modelled production scenarios

→ **Headwinds**
SAF deployment is ~17% in 2040

→ **Baseline**
SAF deployment is 40% in 2040

→ **Tailwinds**
SAF deployment is ~75% in 2040



Headwinds

→ 10% higher production costs than baseline

Results:
✓ Higher costs reduce SAF production
✓ HEFA SAF dominates, shift-ing away from FT and AtJ

Baseline

→ Modelled throughout this report

Results:
✓ HEFA dominates, though shifts between waste-based and oil-based in the 2030s, recognising feedstock constraints
✓ FT and AtJ scale-up through the late 2030s

Tailwinds

→ 10% lower production costs
→ Adjusted deployment-rate: accelerated supply response to market signals
→ Carbon capture and storage included for FT

Results:
✓ SAF blends above current approval limits[11], potential for export is significant
✓ FT is the dominant pathway by the 2030s
✓ HEFA is equal to baseline scenario, based on feedstock constraints

11. Currently, SAF can only make up 50% of fuel used on any flight. ASTM would need to provide approval for higher rates.

→ What options are there to fill the financing gap?

SAF support could be delivered through a combination of policy support options. Having a mixed portfolio of policies can distribute costs across fuel suppliers, aviation stakeholders, and the broader energy system. Several other countries are developing SAF policy frameworks that can provide useful reference points. This study does not make any particular recommendations with regards to policy design and funding mechanisms.

Key mechanisms could include, but are not limited to, the following:

1. De-risking early investment

Contracts for Difference approach
Guaranteed SAF prices for SAF producers to provide certainty.

Government competitiveness support
Introducing new incentives, such as modelled in this report, or adjusting existing incentive schemes.

2. Creating market certainty

Offtake agreements
A SAF offtake agreement is a contract where a buyer, such as a government, agrees to purchase a certain amount of SAF from a producer in the future. This provides certainty for investors.

Feedstock support
Governments can support SAF feedstocks by providing incentives or long-term strategies for farmers and waste producers to supply eligible feedstock. This can improve supply availability and reduce input price volatility for SAF producers.

Policy stability
Introducing clear government policy direction can create market certainty, helping create steady demand for renewable fuel.

→ Conclusion

Developing a SAF industry presents a strategic opportunity for Canada, combining energy security, economic growth and measurable economic benefits. With the right policy framework in place, this analysis shows that Canada could scale SAF to meet approximately 40% of domestic jet fuel demand by 2040, supporting around 4 billion litres of annual production and establishing the country as a leader in the low-carbon jet fuel market.

The economic case is compelling. Scaling SAF could support an average of more than 9,300 net jobs annually—equivalent to approximately 140,000 cumulative job-years through 2040—while generating over CAD 2.1 billion in GDP each year. These benefits extend across the economy, from agriculture and forestry to construction, manufacturing, transportation, and professional services. The result is broad-based, regionally distributed growth, with provinces such as Saskatchewan, Alberta, and Quebec particularly well positioned due to their strong feedstock resources, industrial capabilities, and existing infrastructure.

The opportunity would also generate meaningful fiscal returns. Increased economic activity is estimated to contribute approximately CAD 500 million in annual federal tax revenues and CAD 425 million in annual provincial tax revenues on average, helping offset the cost of policy support over time. Overall, the return on investment means that for every dollar spent on this support, more than three dollars in economy-wide economic value is generated through increased production, employment, income, and business activity.

Beyond the quantified economic impacts, a domestic SAF industry would strengthen Canada's long-term economic resilience. Expanding domestic production reduces exposure to global fuel market volatility, enhances energy security, strengthens supply chains, and positions Canadian producers to compete in international SAF markets.

The global direction is increasingly clear. Around the world, governments are moving from ambition to implementation, introducing policies to attract SAF production and secure future supply. The question is no longer whether SAF will scale, but where the associated investment, jobs, and economic value will be captured. Countries that move early and provide clear, durable policy support are likely to emerge as industry leaders.

Canada is well positioned for success, with abundant feedstock supply, a strong agricultural sector, industrial expertise, and access to growing markets. Realising this opportunity, however, will require decisive action to bridge the remaining cost gap and create the investment certainty needed to unlock a large-scale SAF industry.

By acting now, Canada can build a globally competitive industry that supports jobs, economic growth, fiscal benefits, and long-term prosperity, while advancing its aviation decarbonisation goals.

Responsible for the content
ICF
1902 Reston Metro Plaza
Reston, VA 20190
USA

Contributors
ICF: Alastair Blanshard, Kelly Gibson, Andrew Kindle, Zach Schofield and Audrey Wilkes
Airbus: Jeffrey Buhrel, Cécile Calvet Fabre

Design
Jonathan Roorda, VideoMatic

Contact
For questions about this report, contact ICF's Sustainable Aviation team: sustainable.aviation@icf.com
or Airbus' media team: Amélie Forcier amelie.forcier@airbus.com or Annabelle Duchesne annabelle.duchesne@airbus.com

To find out more, visit www.airbus.com/en/innovation/energy-transition/our-commitment-to-saf

About ICF
ICF (NASDAQ:ICFI) is a global consulting and digital services company with over 9,000 full- and part-time employees, but we are not your typical consultants. At ICF, business analysts and policy specialists work together with digital strategists, data scientists and creatives. We combine unmatched industry expertise with cutting-edge engagement capabilities to help organisations solve their most complex challenges. Since 1969, public and private sector clients have worked with ICF to navigate change and shape the future. Learn more at icf.com.

About Airbus
Airbus pioneers sustainable aerospace for a safe and united world. The Company constantly innovates to provide efficient and technologically-advanced solutions in aerospace, defence, and connected services. In commercial aircraft, Airbus offers modern and fuel-efficient airliners and associated services. Airbus is also a European leader in defence and security and one of the world's leading space businesses. In helicopters, Airbus provides the most efficient civil and military rotorcraft solutions and services worldwide.

AIRBUS + ICF