

EU targets sustainable fuel leadership

- A Monitor Desk Report

Date: 09 November, 2025



Dhaka: The European Commission has announced the Sustainable Transport Investment Plan (STIP), a strategic initiative to accelerate Europe's transition to sustainable aviation and maritime fuels.

As part of the EU's Clean Industrial Deal, the plan provides a framework to unlock private investment and support the production of renewable and low-carbon fuels for air and sea transport.

Transport is one of the EU's most emissions-intensive sectors, and aviation and shipping are among the hardest to decarbonise. The STIP aims to meet the fuel targets set under the ReFuelEU Aviation and FuelEU Maritime regulations, which require around 20 million tonnes of renewable alternative fuels by 2035.

Achieving this will demand an estimated €100 billion in investments.

The plan is structured around three pillars: identifying investment gaps,

creating financing actions to de-risk investments, and fostering global partnerships.

The Commission will mobilise at least €2.9 billion by 2027, with €2 billion allocated through InvestEU, €300 million via the European Hydrogen Bank, and €133 million for research projects under Horizon Europe.

The STIP also focuses on scaling up synthetic aviation fuels (e-SAF) and hydrogen-based fuels, addressing the challenges of high costs and competition from conventional fuels.

While the plan prioritises biofuels in the short term, the Commission is investing heavily in e-fuels for the long term. Despite some concerns over the sustainability of biofuels, the STIP signals the EU's commitment to making Europe a leader in sustainable transport.

-B