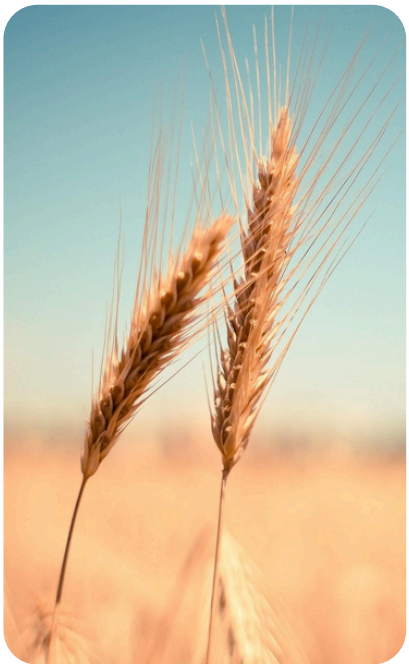
NEWS REVIEW

May 2026

Biofuels

Each month we review the latest news and select key announcements and commentary from across the biofuels sector.

Announcements & Commentary



Research & Development

Providing clients with a strategic view of feedstock, technology, policy and marketing opportunity across the bioeconomy.

FOREWORD

Sustainable aviation and maritime fuels remain a key feature of news across the biofuels industry this month.

In Europe, Swedish policymakers have proposed a national action plan to increase the production and the use of both SAF and sustainable maritime fuels. The report responds to growing concerns that current EU SAF output will fall short of future demand and proposes several measures including green credit guarantees, stronger international engagement, and increased funding for research and development in advanced biofuels derived from solid biomass.

Egypt has signalled its intent to become a regional hub for SAF production with the civil aviation sector studying plans to establish a new SAF production facility as part of wider efforts to localise low-emission aviation industries and support technology transfer. In early May Green Sky Capital announced financing for it Egyptian SAF facility located in the Suez Canal Economic Zone. The plant is expected to produce as much as 200,000 tons of biofuels a year, including sustainable aviation fuel, hydro-treated vegetable oil, bio propane and bio naphtha.

Swiss Air and the Lufthansa group are looking to scale SAF production through their new collaboration with Metafuels. Metafuels has developed a renewable methanol to SAF process consuming either bio or e-methanol. The methanol to jet process is seen by many stakeholders as an important route to securing the large scale commercial production required under the ReFuelEU Aviation mandate, which legally requires rising SAF blending levels up to 70% in 2050.

Investment in low carbon green fuels in the maritime sector continue to grow with the news of Larson & Toubro Greentech signing a long term offtake deal with Japanese trading firm Itochu. Itochu will be supplied with 300,000 tonnes of green ammonia per year – the full production capacity of its Indian facility. With the maritime sector accounting for 2-3% of global carbon dioxide emissions, the agreement reflects growing interest and commitment to cleaner shipping fuels.

LEXICON

We have had a great response to the launch of our bioeconomy lexicon – we're delighted to see that it is a useful resource for so many.

Our lexicon was developed to help address the challenge of inconsistent or unclear terminology - it includes over 200 widely used terms, clearly defining each of them and providing advice regarding their use.

Please do take a look on our website – we welcome new suggestions or comments so please drop us a line at enquiries@alderbioinsights.co.uk

Bioethanol

Brazil's Expanding Corn Ethanol Sector and Global Corn Markets

Brazil's rapid expansion in corn-based ethanol production carries meaningful implications for U.S. corn markets. While Brazil has long been viewed primarily as a sugarcane ethanol producer, its growing reliance on safrinha corn is reshaping domestic grain flows and potentially altering its role in global trade. If more Brazilian corn is absorbed internally by ethanol plants and the feed sector, export availability could tighten, easing direct competition with U.S. corn in some years while also introducing new volatility into global supply dynamics.

Brazil is the world's second-largest ethanol producer (RFA, 2025). Unlike the U.S., where corn dominates, Brazil's production has historically relied on sugarcane (Figure 1). However, in 2024, roughly 20% of total ethanol output came from corn (EPE, 2025).

Click here for more information.

Biodiesel

Shell's scrapped Rotterdam biofuels and blue hydrogen assets up for sale

Global oil giant Shell has put assets at its partially built biofuels and hydrogen assets in Rotterdam up for sale after the company confirmed it would not resume construction of the facility in 2025, Gas World reported.

Construction of the biofuels facility at the Shell Energy and Chemicals Park began in 2021, where initial plans involved the production of around 16,000 barrels/day (bpd) of sustainable aviation fuel (SAF) and renewable diesel, and 65,000Nm_3/hour of blue hydrogen, the 27 April report said.

Click here for more information.

European HVO Class IV-II spread at an all-time high

The northwest European HVO Class IV–II spread reached a record high of around $450/t on Tuesday, 21 April, up from $250/t a month prior, driven by scarce Class IV offers and growing expectations of compliance-driven demand. Hydrotreated vegetable oil (HVO) Class II is produced from used cooking oil (UCO), while Class IV is made from palm oil mill effluent (Pome).

Under the EU Renewable Energy Directive (RED), the contribution of Class II — along with other biofuels made from Annex IX B feedstocks — is capped in meeting the transport renewable energy target, whereas Class IV is incentivised alongside biofuels made from Annex IX A feedstocks.

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Europe Biodiesel Market Overview

The global Europe biodiesel market is experiencing growth due to several factors such as the rise in energy security concerns, environmental regulation, and developments in renewable fuel standards.

However, engine and fuel economy, as well as early infrastructure expenses, limit market expansion to some extent. Furthermore, an upward trend in subsidies and incentives provides lucrative opportunities for expanding the European biodiesel industry.

Click here for more information.

Biofuels

Bayer and bp Form Strategic Alliance to Jointly Scale Camelina as Intermediate Crop for Biofuels

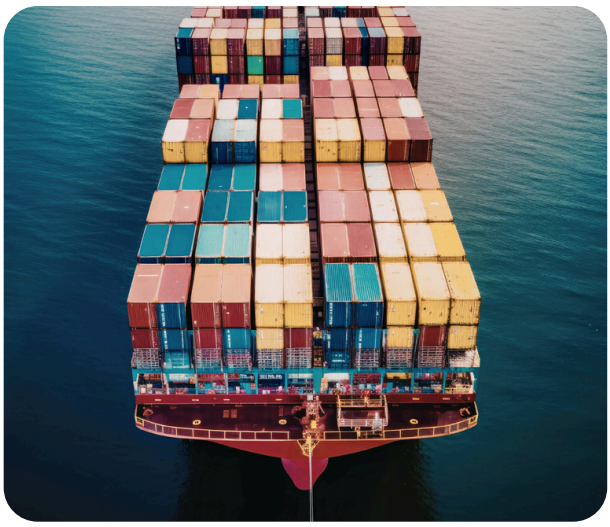
Bayer, a life science company, and bp, a global integrated energy company, today announced that they have entered into a long-term strategic alliance to jointly scale the crop camelina, under the brand name newgold.

The alliance will commercialize camelina starting in North America. bp brings expertise in fuels and refining, while Bayer will utilize its industry leading expertise in seed technology, as well as its extensive farmer customer base. The alliance aims to further develop a reliable intermediate oilseeds market to help meet the growing demand for biodiesel, renewable diesel (RD) and sustainable aviation fuel (SAF) markets which is estimated to increase from 14 billion to 40 billion gallons by 2040.

Click here for more information.

Maritime Fuels

Eni and MSC Cruises: Enilive's HVO diesel biofuel successfully tested for maritime transport



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Eni and MSC Cruises have announced the completion of a test of the use of Enilive's HVO (Hydrogenated Vegetable Oil) diesel. This test confirmed the technical feasibility of using the biofuel in its pure form in the maritime sector to power cruise ship engines.

The initiative highlights the value of HVO as a strategic energy carrier to support the decarbonisation of maritime transport and the reduction of life-cycle greenhouse gas (GHG) emissions, enabling shipowners to significantly cut emission-related costs and to meet the targets set by FuelEU Maritime regulation.

The trial was jointly carried out by Eni and MSC Cruises: during the tests, one of the engines of the cruise ship MSC Opera was powered for approximately 2,000 hours with pure HVO, without any engine modifications, while performance and emissions data were recorded.

Click here for more information.

Itochu to offtake 300,000 tonnes of Indian green ammonia for maritime fuel in Asia

Larson & Toubro Greentech (LTEGL) will supply Japanese trading firm Itochu with 300,000 tonnes of green ammonia per year, the full production capacity of its Indian facility due online in 2028.

The long-term offtake deal, building on a 2025 joint development agreement, will allow Itochu to supply green ammonia to ships in the Asia-Pacific region.

It could see Itochu use its 5,000m_3 ammonia bunkering vessel due to be built in Singapore by Sasaki Shipbuilding Company to fuel ships in the region.

Click here for more information.

Negotiations signal progress but uncertainty remains on the Net-Zero Framework

The International Maritime Organization's (IMO) Marine Environment Protection Committee (MEPC 84) met in London last week, marking the first time the committee has convened since Member States delayed a vote on the adoption of the Net-Zero Framework (NZF) last October.

MEPC 84 thus marked an important moment to assess the willingness to continue working on the NZF, which as recently as one year ago was agreed to in principle by an overwhelming majority of Member States.

Although the meeting concluded without a formal agreement on the framework or its implementation guidelines, the discussions revealed continued commitment to delivering on the IMO's 2023 Greenhouse Gas Strategy and featured constructive engagement on mid-term policy measures.

Click here for more information.

Aviation Biofuels

LanzaTech Selects North Sea Port, Ghent as Site for Europe's First Commercial Alcohol-to-Jet SAF Facility

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North Sea Port is delighted to announce that LanzaTech Global, Inc. (NASDAQ: LNZA) ("LanzaTech"), a member of the FLITE (Fuel via Low carbon Integrated Technology from Ethanol) consortium, has selected North Sea Port, Ghent, Belgium as the permanent site for what will be Europe's first commercial-scale Alcohol-to-Jet (ATJ) Sustainable Aviation Fuel (SAF) facility using the LanzaJet™ ATJ Process. LanzaTech has simultaneously confirmed the imminent submission of the Environmental Impact Assessment (EIA) scoping notification with Belgian authorities, marking a major de-risking milestone on the project's path toward Financial Investment Decision (FID). The FLITE consortium is supported by EU Horizon 2020 funding.

The FLITE project will deliver significant economic benefits to the Ghent region, creating around 50 permanent high-quality jobs once operational, alongside an average of 300 FTE positions throughout the 3-year construction period. Local businesses will be given opportunities to tender and provide construction staff, ensuring the project's investment is felt across the wider regional economy.

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SWISS teams up with Metafuels to further promote SAF

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In a further confirmation of its commitment to using sustainable aviation fuels, SWISS has concluded a new collaboration with the Swiss-based Metafuels SAF technology company. The partners aim to jointly promote the development and scaling-up of viable SAF solutions. The collaboration should help SWISS secure long-term access to synthetic fuels and make further progress towards lower-emissions aviation, while also investing in Switzerland as an innovation hub.

Swiss International Air Lines (SWISS) has been actively involved in the development of sustainable aviation fuels (SAF) for some years now. The airline and the Lufthansa Group are now taking a further step on this path by teaming up with Metafuels, a Swiss-based company that is developing SAF technologies. The new partnership is intended to drive and promote the further development and the bringing to market of viable SAF solutions. SWISS and the Lufthansa Group are also considering committing long-term to SAF procurement contracts, not least in view of the new synthetic fuel additive quotas that are scheduled to be adopted in Switzerland and throughout the European Union from 2030 onwards.

Metafuels has developed a procedure that efficiently converts green methanol into sustainable aviation fuel. The new technology offers flexibility in the raw materials used – biomethanol or e-methanol – and is basically well scalable, too. The SAF produced can also be used in existing infrastructures and aircraft fleets.

Click here for more information.

Sweden proposes national action plan for sustainable aviation and maritime fuels

On 8 May 2026, the Swedish Government received the final report of its inquiry into promoting the availability of sustainable, fossil-free and low-carbon fuels for aviation and maritime transport in Sweden (the "Report"). [1] The Report sets out a comprehensive action plan to increase domestic production and supply of sustainable aviation fuels ("SAF") and sustainable maritime fuels ("SMF"), against the backdrop of rapidly increasing EU demand driven by the ReFuelEU Aviation[2] and FuelEU Maritime[3] regulations and the EU Emissions Trading System ("EU ETS").

The Report concludes that existing EU production capacity is insufficient to meet the mandated blending targets from the 2030s onwards, creating a dependency on significant imports under current policy settings. This exposes the market to the same type of price volatility and geopolitical risks currently affecting conventional fuel supplies globally as a result of the Middle East conflict. For maritime transport, increased use of LNG, onshore power supply and energy efficiency measures may suffice to meet FuelEU Maritime greenhouse gas intensity targets until around 2035, aided by the regulation's pooling mechanism. However, the 1% sub-target for renewable fuels of non-biological original ("RFNBO") that applies from 2030 is unlikely to be met through EU production alone, and the Commission may decide not to apply it if capacity is insufficient, creating material regulatory uncertainty for e-fuel investors.

Click here for more information.

Green Sky Capital signs landmark financing for a Sustainable Aviation Fuel facility in Egypt

Green Sky Capital has signed the financing for a landmark Sustainable Aviation Fuel ("SAF") production facility in Ain Sokhna, located within the Suez Canal Economic Zone ("SCZone"), Egypt, marking a defining step in the development of a large-scale SAF industry in the region.

The project represents a strategic milestone for regional energy transition and positions Green Sky Capital at the forefront of the fast-growing global SAF market. As one of the region's first industrial-scale SAF platforms, the facility is expected to play a key role in supporting the aviation sector's decarbonisation, in line with the International Air Transport Association target to achieve net zero carbon emissions by 2050.

The project is being developed with the support of leading regional sponsors, including Al Mana Holding, a leading Qatari diversified conglomerate, and Vision Invest, a leading Saudi Arabian infrastructure investor and developer, both of which bring strong track records in delivering large-scale infrastructure and energy projects across the region.

Click here for more information.

Hong Kong and Dongguan Sign MOU to Develop Sustainable Aviation Fuel Base

The Government of the Hong Kong Special Administrative Region and the Dongguan Municipal Government are deepening their strategic collaboration to jointly build a sustainable aviation fuel (SAF) supply chain in the Greater Bay Area. Today, under the leadership of the Hong Kong SAR Government, EcoCeres – a Hong Kong-incubated sustainable fuel and green molecules producer – signed an Investment Letter of Intent with the Dongguan Municipal People's Government to establish the first complete SAF supply chain in the Guangdong-Hong Kong-Macao Greater Bay Area (GBA). This landmark agreement marks a significant milestone in cross-regional collaboration to advance green energy development and strengthen energy independence.

Click here for more information.

DHL Express signs Bahrain SAF offtake-agreement with SAF One

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DHL Express and Dubai-based next generation SAF developer SAF One today announced the signing of a landmark offtake agreement, bringing the first sustainable aviation fuel (SAF) production facility in the Middle East into DHL's global SAF supply network. Under the agreement and as a key customer for the facility, DHL Express will receive long term access to 25,000 metric tons of unblended (neat) SAF per year - a total of 250,000 metric tons over a ten-year term from start of production, planned from 2028. The SAF will be produced at SAF One's flagship plant in Bahrain, enabling measurable lifecycle CO_2e reductions across DHL's regional and intercontinental air network, and support DHL's aim to increase the use of sustainable aviation fuels to 30 percent by 2030.

Click here for more information.

Egypt eyes sustainable aviation growth through green hydrogen, SAF initiatives: Civil aviation minister

Egypt is advancing efforts to develop a more sustainable aviation sector through investments in green hydrogen and Sustainable Aviation Fuel (SAF), Minister of Civil Aviation Sameh El Hefny said during the Egypt Green Hydrogen Forum 2026. El Hefny participated in the forum, organised by the German Arab Chamber of Industry and Commerce (AHK) in cooperation with the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), as part of the Egyptian-German Green Hydrogen Partnership (GH2P).

The event brought together government officials, international experts, and representatives from the aviation, energy and maritime sectors to discuss the role of green hydrogen and sustainable fuels in reducing carbon emissions.

Click here for more information.

SAS: Lack of sustainable fuel could push aviation into new energy crisis

Europe risks a fuel shock as sustainable jet fuel supply falls far behind the 2030 mandate, a new SAS Aviation Insights report shows. Without rapid build-out, the shortfall could push up fares, force route cuts and deepen Europe's energy vulnerability at a moment when global fuel markets are already under pressure.

SAS warns that Europe is heading toward a structural shortage of e-SAF (electro-sustainable aviation fuel) just as the EU's ReFuelEU Aviation regulation enters into force. The new report, "The Need for e-SAF in Scandinavia," shows that demand for e-SAF will rise sharply from 2030, while no European production facility has yet reached Final Investment Decision (FID).

Click here for more information.

Price Information

Historical spot prices of liquid fossil fuels and liquid biofuels. Five years of pricing up to May 2026 are given in $ per barrel.

Prices of Crude oil, diesel, jet fuel, gasoline and ethanol are recorded from Trading Economics Prices for FAME from Neste (NB: Prices for June to August 2024 and January 2025 to present refer to UCOME only)

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Biocentre, York Science Park, Innovation Way, Heslington, York YO10 5NY

+44 (0) 1904 217 182 | enquiries@alderbioinsights.co.uk

alderbioinsights.co.uk