

Beyond 2030: How Regulation Is Shaping the Next Global Market for Renewable Fuels

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2030 has long been a defining milestone for the renewable fuels industry but is not the finish line. The next phase of the energy transition is already taking shape.

For companies trading renewable feedstocks across borders, the question is no longer whether to comply, but how to compete. When every market writes its own rules, will ticking the compliance boxes still be enough, or will the winners be those who rethink how they source, trade and deliver sustainable feedstocks?

In Europe, the policy horizon is shifting toward 2040, with climate neutrality by 2050 as the guiding principle. At the same time, countries across the Americas and Asia are setting their own ambitious targets. Brazil aims to reduce greenhouse gas emissions by 59–67% by 2035 compared with 2005 levels, while Japan targets a 60% reduction by 2035 and 73% by 2040 compared with 2013. These commitments are driving the development of national frameworks to expand the use of biofuels, Sustainable Aviation Fuel (SAF), and other low-carbon alternatives.



Europe: From 2030 Targets to a 2040 Market

Europe has established an extensive regulatory framework for renewable fuels through RED III, FuelEU Maritime and ReFuelEU Aviation. As discussed in our previous article, Connex Market Insights: RED IV and the Europe Strategy, the next challenge is translating Europe's longer-term climate ambitions into a regulatory framework that provides certainty for the renewable fuels industry.

The EU has adopted a binding target to reduce net greenhouse gas emissions by 90% by 2040 compared with 1990 levels, representing a significant step toward its objective of climate neutrality by 2050. While countries in the Americas and Asia have established their own ambitious emissions-reduction targets using different baseline years, the EU's target reflects the scale of its long-term decarbonisation commitments. As the post-2030 renewable energy framework continues to develop, these ambitions reinforce the importance of renewable fuels in decarbonising transport and other hard-to-abate sectors.

This direction is already visible at the national level. Germany is strengthening its greenhouse gas reduction quota (THG-Quote) for road transport, progressively increasing the required emissions reduction to 65% by 2040. This represents a substantial increase in ambition, creating stronger incentives for fuel suppliers to incorporate advanced biofuels from waste and residue feedstocks to meet their greenhouse gas reduction obligations.

The United Kingdom is taking a similarly long-term approach through its SAF Mandate. Introduced at 2% of total aviation fuel demand in 2025, the obligation increases gradually to 10% in 2030, 15% in 2035, and 22% in 2040. Rather than requiring every aircraft to use a specific SAF blend, the mandate dictates that fuel suppliers increase the overall share of eligible SAF supplied to the UK aviation market.

Together, these developments demonstrate how long-term regulatory targets can create more predictable demand for sustainable fuels, while encouraging investment in production capacity, feedstock diversification, and reliable supply chains.

Beyond Europe: Established Markets and Emerging Opportunities

Europe represents only one part of the global renewable fuels market. The United States and Southeast Asia are also major players, influencing renewable fuel production, demand and international feedstock supply. As regulatory frameworks evolve beyond 2030, developments in these regions will be important in determining how global markets compete for sustainable feedstocks.

In the United States, the Renewable Fuel Standard (RFS), alongside state-level programmes such as California's Low Carbon Fuel Standard (LCFS), has supported a substantial market for renewable diesel and other biofuels. Although the federal regulatory outlook beyond 2030 remains uncertain, these frameworks continue to influence demand for low-carbon feedstocks, including used cooking oil and animal fats. Changes in domestic production incentives, import requirements and carbon-intensity criteria could therefore have implications for international feedstock availability and trade.

Southeast Asia plays an equally important role, particularly as a source of feedstock and a growing renewable fuel production region. Indonesia and Malaysia have established biodiesel programmes, while Singapore is developing its position as a SAF production and aviation hub. As domestic renewable fuel demand expands, the region may increasingly balance its role as an international supplier with its own decarbonisation ambitions, potentially influencing feedstock availability and export opportunities.

Beyond these established markets, countries such as Brazil and Japan illustrate how renewable fuel demand is expanding into additional applications.

Brazil's Fuel of the Future Law introduces aviation emissions-reduction obligations, increasing from 1% in 2027 to 10% by 2037, while supporting renewable diesel and biomethane. These are emissions-reduction obligations rather than direct SAF blending percentages, meaning that eligible fuels contribute toward the targets based on their verified lifecycle greenhouse gas emissions reductions.

The legislation also supports wider renewable fuel adoption, including a pathway toward 20% biodiesel blending by 2030 and the introduction of renewable diesel. Together with Brazil's commitment to climate neutrality by 2050, these measures demonstrate how an established biofuel-producing country is expanding into additional low-carbon fuel markets.

Across Asia, Japan is developing a similarly ambitious transition. The country aims to replace 10% of aviation fuel consumption by Japanese airlines with SAF by 2030, while pursuing carbon neutrality by 2050. Beyond aviation, Japan plans to introduce low-carbon gasoline containing up to 10% bioethanol by 2030 and up to 20% by 2040.

Japan is also supporting the development of advanced SAF production pathways, including alcohol-to-jet technology, fuels produced from gasified waste and biomass, and synthetic fuels. These developments aim to diversify renewable fuel production technologies and strengthen long-term supply security.

These examples illustrate how renewable fuel markets in Europe, America, and Asia are developing under different regulatory frameworks. While Europe places significant emphasis on certified feedstock eligibility and greenhouse gas performance, other regions combine emissions-reduction objectives with policies that support domestic production and new fuel technologies.

As a result, the renewable fuels industry is becoming increasingly interconnected. National differences in sustainability criteria, feedstock classification, and carbon-accounting methodologies continue to influence international trade.

What Does This Mean for the European Biofuel Market?

Waste- and residue-based feedstocks, such as used cooking oil (UCO), animal fats and certain agricultural or food-processing residues, can be converted into renewable diesel, biodiesel, marine diesel or SAF, depending on their characteristics and the production technology used. As demand grows across road transport, aviation and maritime shipping, these sectors may increasingly compete for overlapping raw feedstock supplies.

However, not every feedstock qualifies for every renewable fuel market.

Regulatory frameworks determine which materials qualify, how they are classified, and what sustainability requirements they must meet. For example, feedstocks classified under Annex IX of the EU Renewable Energy Directive may qualify for specific incentives or obligations. At the same time, other non-European countries apply different definitions, restrictions and certification requirements.

A feedstock's geographical origin may also affect its eligibility, particularly where regulations distinguish between domestic and imported materials. Similarly, greenhouse gas emissions reduction can influence the value of a feedstock: materials capable of supporting greater lifecycle emissions reductions may be more attractive in markets that reward verified carbon savings.

This creates increasingly differentiated markets for renewable feedstocks. A shipment of UCO or animal fat may suit several production pathways. Still, its commercial opportunities (and therefore its commercial value) depend on whether its origin, classification, traceability, and greenhouse gas performance meet the intended market's requirements.

For international market participants, understanding these differences will be essential to connecting sustainable feedstock supply with the markets where it can deliver the greatest emissions reductions while remaining commercially attractive.

Connex Beyond 2030

At Connex, we see the post-2030 landscape as both a challenge and an opportunity.

Our role is not simply reacting to legislation once it enters into force. By anticipating how regulatory developments influence feedstock demand, availability and market access, we can help our clients navigate changing requirements and identify opportunities (or potential pitfalls) across different renewable fuel markets.

For Connex, this means continuing to diversify our product portfolio and geographical reach, strengthening traceability and sustainability controls, and developing relationships with partners in emerging renewable fuel markets. As markets in Europe, the Americas and Asia evolve, the ability to

connect fragmented sources of sustainable feedstock with increasingly diverse demand will become even more important.

But adapting to regulations is only one side of our approach. As an active participant in the renewable fuels value chain, we also believe the industry has a role in policy dialogue. By participating in industry associations, engaging continuously with regulators, and sharing our practical supply chain expertise with other market participants, Connex helps develop ambitious but workable renewable fuel policies.

Clear, predictable regulations should give the market the certainty it needs to invest, innovate, and build the robust supply chains required to reach climate neutrality. When legislation creates long-term demand while safeguarding sustainability and traceability, it will encourage the industry to respond by developing new renewable feedstocks, entering new partnerships, and building the necessary infrastructure.

For Connex, this is where regulation and our core purpose meet.

Beyond 2030, our ambition is not only to adapt to the renewable fuels market as it evolves, but to help create the robust, transparent and scalable supply chains that allow it to grow.

Beyond 2030.
One global market. Different rules.

How regulation is reshaping renewable fuel markets and feedstock trade.

Global regulatory outlook

Europe

From 2030 target to a 2040 market



EU -90%
Net GHG emissions by 2040 (vs. 1990)

UK 22%
SAF mandate by 2040

Germany 65%
GHG emissions reduction obligation for transport fuels by 2040 (THG quota)

Americas

Established markets and growing demand.



Brazil 1% → 10%
Aviation emissions-reduction obligation 2027–2037

United States
RFS + LCFS
Drives demand for low-carbon feedstocks

Asia

Expanding demand and new opportunities



Japan up to 20%
Bioethanol in low-carbon petrol by 2040

Southeast Asia
Established biodiesel programmes and expanding SAF production initiatives

What does this mean for feedstock trading?

Growing demand

Different eligibility rules

Shifting trade flows

The Connex perspective

Connecting supply with opportunity.

Market knowledge, traceability and strong supply chains help connect sustainable feedstocks to the right markets.

Origin

Classification

Traceability

GHG performance



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