

# Hydrogen stages quiet coup at Paris air show

Brian Davidson  
1 July 2025



- Defence received far more media coverage than sustainability at the 2025 Paris Air Show and hundreds of new kerosene aircraft were ordered versus no new orders for hydrogen-powered aircraft, appearing at first glance to confirm the risk that Fathom warned of in its latest report — that Europe's aviation industry and regulators are heading down the wrong path
- Our report, Europe's flightpath to economic competitiveness, highlighted the risk of focusing too much on waste-based sustainable aviation fuels (SAFs) instead of investing in e-kerosene and hydrogen-powered zero emission flight (ZEF)<sup>1</sup>
- Fathom's analysis shows that ZEF beats all types of SAF on cost in most scenarios when more than 30% of European flights are powered using this method — even before the wider economic spillover benefits associated with ZEF R&D are considered
- Yet beyond the Paris headlines, ZEF may have just staged a quiet coup, securing billions of euros in funding, with a series of announcements suggesting that European policymakers are cognisant of the issues Fathom raised in our report about the consequences of ignoring ZEF, and are taking steps to support it. This has the potential to lower the cost of decarbonising aviation and support Europe's wider goals around competitiveness:
  - The EU unveiled the new Aviation Research and Innovation Strategy (ARIS), which aims to attract more than €60 billion of investment into European aerospace research and innovation, with a focus on next-generation aircraft technologies; €22.5 billion of this total would be committed by the EU<sup>2</sup>
  - The UK government took several measures to support ZEF too: commitments to invest £500 million and £250 million respectively in green hydrogen infrastructure<sup>3</sup> and green air technologies,<sup>4</sup> and renewed long-term support for the UK Aerospace Technology Institute, which supports various green aviation technologies including ZEF<sup>5</sup>
- Meanwhile, memoranda of understanding between Logan Air and Zero Avia,<sup>6</sup> and Airbus and MTU Aero Engines,<sup>7</sup> demonstrate that although ZEF is not yet a fully mature technology, it is already creating important commercial opportunities. The economic realities of the best way to decarbonise may not yet be fully grasped by the aviation sector, but these announcements show that concrete steps are being taken by both policymakers and businesses to commercialise its future
- Our modelling shows the strong potential for ZEF to become the cheapest net-zero way to fly, with large wider economic benefits to Europe. When the industry wakes up to this potential, the shift could be profound with serious investment implications — and winners and losers — across a range of asset classes, which we will explore in a future note

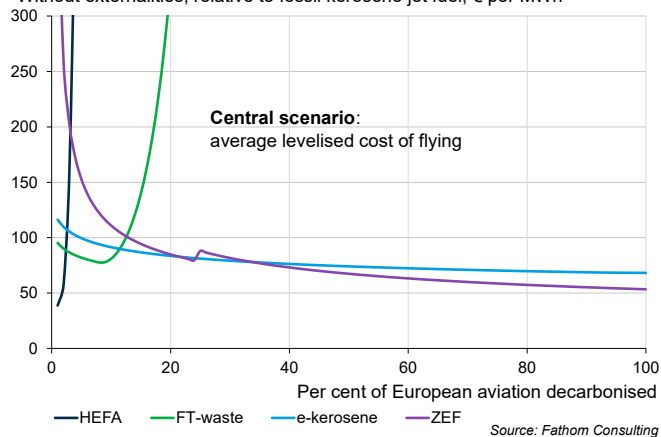
1. Waste-based SAFs are currently cheaper, but set to get more expensive, while the opposite is true for e-kerosene and ZEF. A full definition of these technologies, along with their pros and cons, can be found in the report.  
 2. <https://aviation-strategy.eu/aris-full-report>  
 3. <https://www.gov.uk/government/news/500m-boost-for-hydrogen-to-create-thousands-of-british-jobs>  
 4. <https://www.gov.uk/government/news/250m-for-green-aerospace-projects-ahead-of-industrial-strategy>  
 5. <https://www.ati.org.uk/news/governments-modern-industrial-strategy-provides-ten-year-funding-commitment-for-the-ati/>  
 6. <https://www.loganair.co.uk/news/zeroavia-and-loganair-sign-agreement-on-zero-emission-flights/>  
 7. <https://www.airbus.com/en/newsroom/press-release/2025-06-airbus-and-mtu-aero-engines-advance-on-hydrogen-fuel-cell-technology>





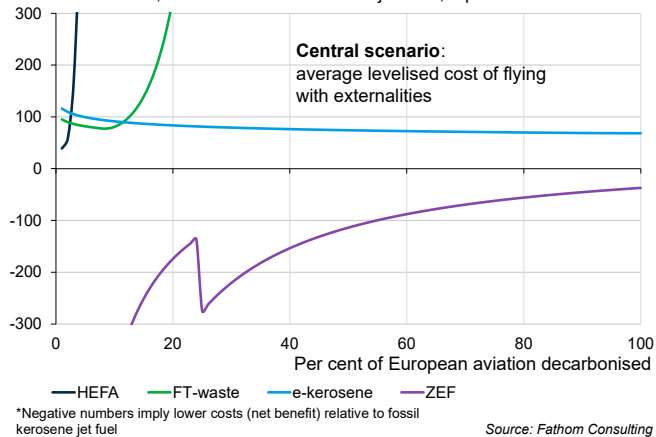
### Levelised cost of flying in 2050, average

Without externalities, relative to fossil kerosene jet fuel, € per MWh



### Levelised cost of flying in 2050, average

With externalities, relative to fossil kerosene jet fuel\*, € per MWh



- To support our research we built [Fathom's Aviation Decarbonisation Model, FADM](#), which shows the how the levelised costs of different decarbonisation technologies vary relative to fossil kerosene under different scenarios, at different points in time and at different levels of decarbonisation; it can also be used to assess the costs and benefits from the perspective of both the aviation sector and the wider economy through considering externalities

[Read full report](#)

The conclusions reached in this research note draw on recent work we were asked to do by the European Climate Foundation, which can be accessed via the link below. The views expressed in this note reflect those of Fathom alone. To learn more about our work, the model underpinning it and how we can help your organisation, [book a free 20-minute FADM demo](#).

#### Further reading

[Negative energy prices in Europe](#)

[Chinese statecraft through new energy FDI](#)

[Is clean tech the answer to China's slowing growth?](#)





**Fathom Consulting**  
47 Beviden Street  
London  
N1 6BH  
Tel: +44 (0)20 7796 9561



Contact information  
[brian.davidson@fathom-consulting.com](mailto:brian.davidson@fathom-consulting.com)  
[www.fathom-consulting.com](http://www.fathom-consulting.com)

This newsletter is a confidential, copyright protected communication intended only for the person to whom it was originally sent. If received in error, please notify the sender and delete immediately. Its intended recipients may not make copies of this newsletter, or distribute it to third parties, without the written consent of Fathom Consulting.

Fathom Consulting is a trading name of Fathom Financial Consulting Limited, a company registered in England & Wales under the Companies Act, company number 04942817, © 2025

#### Regulatory Disclaimer

FFC LIMITED and all of its affiliates (henceforth FFC) do not conduct "investment research" as defined in the FCA Conduct of Business Sourcebook (COBS) section 12 nor do they provide "advice about securities" as defined in the Regulation of Investment Advisors by the U.S. SEC. FFC is not regulated by the SEC or by the FCA or by any other regulatory body.

This research report has not been prepared in accordance with legal requirements designed to promote the independence of investment research and is not subject to any prohibition on dealing ahead of the dissemination of investment research. Nonetheless, FFC has an internal policy that prohibits "front-running" and that is designed to minimize the risk of receiving or misusing confidential or potentially material non-public information.

The views and conclusions expressed here may be changed without notice. FFC, its partners and employees make no representation about the completeness or accuracy of the data, calculations, information or opinions contained in this report. This report may not be copied, redistributed or reproduced in part or whole without FFC's express permission.

Information contained in this report or relied upon in its construction may previously have been disclosed under a consulting agreement with one or more clients. The prices of securities referred to in the report may rise or fall and past performance and forecasts should not be treated as a reliable indicator of future performance or results. This report is not directed to you if FFC is barred from doing business in your jurisdiction. Nor is it an offer or solicitation to buy or sell securities.

#### Analyst Certification

I Brian Davidson, the lead analyst, certify that the views expressed herein are mine and are clear, fair and not misleading at the time of publication. They have not been influenced by any relationship, either a personal relationship of mine or a relationship of the firm, to any entity described or referred to herein nor to any client of FFC nor has any inducement been received in relation to those views.

I further certify that in the preparation and publication of this report I have at all times followed all relevant FFC compliance protocols including those reasonably seeking to prevent the receipt or misuse of material non-public information.