

Battle brewing for a stake in Air Europa



I Letter from François Robardet

Air transport in France, Europe and the rest of the world

N°1002, February 3, 2025

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Editorial

Dear readers,

This week, I bring you a summary of a study produced by the NGO T&E (Transport and Environment). The title is : The growth of air transport will destroy the sector's climate objectives.

It is very well documented. I invite you to read it.

Happy reading!

François

Monday's letter

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Air transport growth will wipe out the sector's climate targets

> **Air France-KLM versus Lufthansa: battle in prospect for a stake in Air Europa**

(source BFM TV) January 31, 2025

My comment: with IAG (parent company of British Airways and Iberia) out of the running, only Lufthansa and Air France-KLM remain in the running for Globalia, the parent company of Air Europa.

Globalia is owned by Javier Hidalgo and his children.



Air France has been trading with the Hidalgo family for many years. Numerous partnerships have been established over the years, and on several occasions Air France has made proposals to bring them together.

However, disagreements between the owners of Globalia have so far prevented these projects from coming to fruition.

I hope that the discussions will finally come to a successful conclusion, in the interests of both parties.

Read the article:

Consolidation in Europe's skies is set to continue. After the battle between **Air France-KLM and Lufthansa** for a stake in ITA (ex-Alitalia), which was won by the German, the two giants **will once again be battling it out for a major stake in Spain's Air Europa.**

Owned 80% by the Spanish Globalia group and 20% by IAG (British Airways, Iberia, Vueling), Air Europa is **a major player in the sector, with some fifty aircraft operating routes in Europe, to the Caribbean and Latin America.**

With a fleet of some fifty aircraft, it posted sales of 2.9 billion euros last year, up 6%. However, the indebted company is looking for a financial partner, in particular to repay a 475 million euro loan taken out with the Spanish government during the health crisis. It therefore needs new money.

TAP Portugal in the firing line

According to El Confidential and Reuters, Air France-KLM, advised by Société Générale, is aiming for a 20% minority stake for 240 million euros, before taking majority control. Lufthansa Group, backed by Goldman Sachs, is said to be aiming for the same stake, but the amount offered has not been disclosed.

For the two European giants, this move would enable them to strengthen their transatlantic routes.

A further step in a consolidation process well underway. In addition to ITA, **Lufthansa has acquired a 10% stake in Air Baltic** and is closely monitoring the privatization of TAP Portugal. For its part, Air France-KLM has taken a 19.9% stake in Scandinavian SAS, and has also indicated that it may position itself for TAP.

> **Impact analysis: night-time closure of Schiphol has dramatic consequences**

(source Luchtvaartnieuws) January 29, 2025

My comment: *In the Netherlands, the issue of noise abatement around Schiphol-Amsterdam airport is the subject of heated debate.*

In a lengthy interview with Luchtvaartnieuws, Transport Minister Madlener presented himself as a fervent supporter of KLM.

His comments caused quite a stir. Here are a few excerpts:

"I don't want to minimize noise pollution (...) I understand that people who live near Schiphol suffer nuisance. I fully understand people who complain about it. But it can also affect your life to such an extent that you have to ask yourself whether it wouldn't be better to move".

For Mr. Madlener, there's no doubt about it: "Schiphol is an important airport and will still be in ten years' time. Whether there are 440,000 take-offs and landings a year,

as the previous cabinet wanted, or 478,000, as the current cabinet has decided, makes little difference to the people who suffer the nuisance. I say to local residents: don't expect Schiphol to disappear. If it's going to affect your life, you have to ask yourself whether it's healthy to stay here.

(...)

Mr. Madlener visited the communities around Schiphol airport. His real estate instinct suddenly resurfaced. "I saw that houses were being sold at incredibly high prices. This shows that the airport can't be as bad as it's often made out to be. In fact, Schiphol brings prosperity and this is reflected in property prices. Politics should take this into account.

"We are obliged to limit airport nuisance. But shrinkage is the last option. We're doing everything possible first: new aircraft, approach and landing methods, night regime. Narrowing is really the last resort. We prefer not to do it.

All that remains now is to turn these declarations into concrete measures, a task that promises to be a delicate one.

Read the article:

A night-time closure of Schiphol between 11pm and 7am would have major operational and financial consequences for the aviation sector. To a lesser extent, the same would apply to a partial night closure. **It is not certain that this would actually reduce sleep disturbance for local residents.** After all, activity will increase at the end of the night.

This is the conclusion of the impact analysis commissioned by the Ministry of Infrastructure and Water Management from To70, Beelining, Decisio and PA Consulting. Transport Minister Barry Madlener today presented the results of these studies, which are the subject of two voluminous reports, to the House.

The expert firms examined three variants:

1. No landing between 11pm and 7.20am, no take-off between 10.40pm and 7am.
2. No landing between 00:00 and 5:20, no takeoff between 23:40 and 6:00.
3. No landing between 00.20 and 5.20, no takeoff between 00.20 and 5.20.

In addition, the effects of banning noisy aircraft at night were examined.

Transavia hard hit

In his parliamentary letter, **Mr. Madlener points out that low-cost airlines, in particular Transavia, and freight companies will be hard hit by the night-time closure of Schiphol.** All the more so as there will be no alternative elsewhere in the Netherlands (as is the case at most other European airports). Conversely, the same applies to (delayed) flights at Rotterdam and Eindhoven airports. "But with a complete night-time closure, the KLM group and the Schiphol hub will also be

adversely affected," the minister stressed.

The study also shows that **airlines like Transavia**, which depend on several 24-hour departures to Southern Europe in particular, **have few alternatives for exchanging night slots for day slots**. "The operation will become less profitable in both cases," he said.

(...)

How to proceed?

A possible (partial) night-time closure could only be discussed when the first phase of the firm's objective (a 15% reduction in noise pollution and a decrease to 478,000 flight movements) is monitored and evaluated next year.

Incidentally, the European Commission still has to give its approval this spring under the so-called balanced approach procedure of the Ministry of Infrastructure and Environment, but it is highly doubtful that this agreement on the reduction package will materialize.

For the remaining 5% reduction, night-time closure could possibly be considered if necessary, but this would require another balanced approach in Brussels. In phase 1, the government already wants to reduce the maximum number of night flights allowed at Schiphol from 32,000 to 27,000.

In short, this impact assessment is not part of the package of measures that the Ministry has already notified to Brussels, with a target start date of November 2025. The new Airport Traffic Decree (LVB2025) must provide for everything, including legal certainty for residents. However, it is not certain that this decree will be ready by the end of the year.

The night is very important

The aviation industry (and Schiphol) stresses that night is very important, and that limiting night flights should only be an extreme means of reducing noise. **According to KLM ("the whole group is partly dependent on night flights, which applies to Transavia and cargo**, as well as intercontinental joint ventures and partners"), with fleet renewal, fare differentiation and smarter runway use, among other things, nighttime targets will already be largely achieved. "Airline behavior can indeed be influenced at night," said Schiphol.

The industry therefore believes that banning night flights at Schiphol is completely unnecessary, and would have dramatic economic consequences, not least for employment. The Schiphol Social Council, on the other hand, advocates the closure of night flights.

> **Global air traffic exceeds 2019 levels in 2024**

(source Journal de l'Aviation) January 31, 2025

My comment: *Despite the shortage of new aircraft due to problems at Boeing and shortcomings in the supply chain, global passenger traffic is reaching record levels.*

The trend towards strong growth in Asia and Africa is confirmed. This is in line with OECD forecasts. Let me remind you:

Over the period 2015-2050, a quadrupling of air traffic was envisaged, with very significant disparities according to geographical zones.

Here are the details:

- . Africa: traffic multiplied by 9.5*
- . **Asia: 8-fold increase***
- . **China+India: traffic multiplied by 6.8***
- . Europe+Turkey: traffic multiplied by 1.7*
- . Latin America: traffic multiplied by 4.4*
- . Middle East: traffic multiplied by 3.2*
- . North America: traffic multiplied by 2*
- . Pacific: traffic multiplied by 2.3*

If current trends continue, the net-zero CO2 target for 2050 will be difficult for airlines to achieve.

Read the article:

On January 30, IATA published a review of passenger traffic for 2024, noting record demand. Traffic jumped by 10.4% compared to 2023, exceeding its 2019 level by 3.8%. With capacity up by a more modest 8.7%, load factors reached an all-time high for a full year. **The biggest improvements were recorded in Asia Pacific and Africa.**

"2024 clearly showed that people want to travel. With demand growing by 10.4%, **traffic reached record figures both domestically and internationally. Airlines met this high demand with unprecedented efficiency. On average, 83.5% of all seats offered were occupied - a new record, partly attributable to supply chain constraints which limited capacity growth**", sums up Willie Walsh, IATA's Director General. He also believes that "all the indications are that travel demand will continue to grow in 2025, albeit at a moderate pace of 8%, more in line with historical averages."

International traffic was the most dynamic, with growth of 13.6% (for a capacity increase of 12.8%). It is very slightly above its 2019 level (by 0.5%), but with capacity also slightly reduced (by 0.9%). **Asia Pacific** was the region with the strongest growth - having started its post-covid recovery later than the other regions - at 26%, and **retains enormous potential as traffic remains below its 2019**

level.

Domestic traffic grew by 5.7%, with a 2.5% increase in capacity. Unsurprisingly, the most dynamic market is China. IATA also notes that Japan recorded growth of 3.2% despite a slight contraction in capacity.

> The new golden age of America's major airlines

(source Les Echos) January 27, 2025

My comment: *One of the factors contributing to the good economic performance of US airlines is an observation already made by Air France-KLM: a significant proportion of business class passengers travel for personal reasons.*

This enables airlines to compensate for the decline in traditional business traffic, a consequence of the increased use of videoconferencing.

The good shape of US airlines benefits airports.

Four US airports are among the world's top ten.

According to statistics compiled by OAG's Global Airline Schedule Data, Atlanta is the world's leading hub in terms of capacity for 2024.

It is ahead of Dubai, Tokyo-Haneda, London-Heathrow, Dallas, Denver, Canton, Istanbul, Shanghai and Chicago.

Only one European airport makes the list.

Read the article:

America's major airlines believe in the return of the golden age. **For Delta Airlines CEO Ed Bastian, it's even a certainty: 2025 will be financially "the best year in the history of the company"**, which celebrates its 100th anniversary next year.

Since the end of Covid, the traditional heavyweights of the American sky - Delta, United and American Airlines - have been in fine form. The first to emerge from the crisis in 2022, they have already taken full advantage of the rebound in the American economy and the thirst for travel that has taken hold of Americans.

(...)

Delta sets the tone

The undisputed champion of the rankings, Delta Airlines set the tone in December by announcing its best-ever fourth-quarter results (11% operating margin) and an annual operating profit of nearly 6 billion, on sales of 61.6 billion

dollars (58.6 billion euros).

Its challenger for the crown of world number one, United Airlines, also exceeded expectations, achieving its best-ever quarterly result and over \$5 billion in annual profits, on sales of \$57 billion. A little behind, American Airlines closed the gap, with annual operating income of \$2.6 billion on \$54.2 billion in revenues.

But all three have promised to do even better by 2025, buoyed by growth in traffic in the United States, which is set to pass the symbolic one-billion-passenger mark for the first time. Already up from 758 million passengers in 2015 to 989 million last year, this traffic continues to benefit from a combination of factors specific to the American market, which would be the envy of many on this side of the Atlantic.

The first factor is the growth rate of the American economy, which is expected to reach 2.1% in 2025, compared with 0.9% in Europe, against a backdrop of full employment and falling inflation. The second is **America's appetite for travel, which has become a fundamental trend.**

Affluent retirees

According to a study by A4A, the share of Americans' budget devoted to travel has risen from 0.65% in 2010 to 0.94% in 2024. **Not only are Americans traveling more often and further afield, they are also increasingly inclined to prefer business and premium classes to economy class for their personal travel, and traditional airlines to low-cost.**

At Delta Airlines, which was the first to capitalize on this move upscale by American customers, premium classes now generate almost as much revenue as economy classes (46% vs. 54%), and are driving growth.

This thirst for travel and quality of service can be explained by the growing number of affluent retirees in the American population. The proportion of people over 60 has risen from 21% in 2000 to 29% in 2020, and will reach 31% in 2030. This is also the age group with the highest incomes. The median income for 60-70 year-olds is estimated at \$117,000 per year, compared to the national median of \$81,210.

Overcapacity trap avoided

Added to this is a relative drop in the price of air tickets compared to other expenditure items, such as hotels. According to A4A, the inflation-adjusted average price of a round-trip ticket fell by 19.7% in 2024. It would have gone from \$528 in 2014 to \$405 last year. Other factors have also contributed to the price decline, such as the virtual disappearance of fare surcharges for ticket changes and the proliferation of digital booking tools.

Not to mention a growing range of flights, but not to the point of generating fare

wars. Between **Boeing and Airbus delivery delays**, which would have meant 240 fewer aircraft last year on the US market, and the priority given by low-cost airlines to improving margins and dividends, rather than growth, **the US market has managed to avoid the trap of overcapacity.**

The sum of all this has resulted in share prices at all-time highs, unlike those of Air France-KLM. United's share price has risen by 190% in one year, and the company now has a market capitalization of almost \$35 billion.

(...)

> **How Boeing hopes to bounce back after hitting rock bottom in 2024**

(source Les Echos) January 28, 2025

My comment: *The figures are in: Boeing's losses in 2024 are colossal.*

The new CEO is resolutely optimistic, despite the setbacks encountered by the B737, B787 and B777-X.

At this stage, it's all a case of "I'm a man of faith".

Read the article:

Boeing may have announced its losses for 2024 as early as last week, but the figure is nonetheless impressive. **With a net loss of \$11.8 billion on \$66.51 billion, the group lost almost as much money, give or take a few hundred million, as it did during the Covid crisis, when air transport came to a virtual standstill.**

But the bill becomes downright monstrous if you add up the losses accumulated since its last profitable year, in 2018. **In six years, Boeing has lost nearly \$36 billion! That's almost as much as all its profits during the previous six years, from 2013 to 2018, which had been the most profitable in its history.**

36 billion in losses in six years

To gauge the scale of the fall, we need only recall that **in 2018**, at the height of its power, the Boeing group posted sales of \$101 billion, with profits of \$10.5 billion. At that time, **Airbus generated around 35% less sales, for a profitability three times lower. Today, the European aircraft manufacturer has overtaken its American rival, and its accounts have been in the black for the past three years.**

Since late 2018, Boeing has had one problem after another. Those of 2024 are

well known. Between the ripped-off door panel on the Alaskan 737 Max and the two-month strike on the Renton and Seattle assembly lines, Boeing's "commercial airplanes" division lost \$7.9 billion. Cost overruns on the Defense & Space division's main military programs added another \$5.41 billion in operating losses. Only the services business (maintenance and training) remained in the black, with a profit of \$3.61 billion and an 18.1% margin.

Reasons for optimism

And **yet, the 2024 balance sheet offers some grounds for optimism. This explains why Boeing's share price jumped by over 6% on Wednesday, even before the press conference, and why the company's \$21 billion fund-raising operation in October was so successful.** It also explains the relative confidence of new CEO Kelly Ortberg, who stated without batting an eyelid that, despite these record losses, Boeing "is making progress and continuing to strengthen".

The main reason to believe this is the size of the order book, which grew again in 2024, reaching a total value, civil and military, of \$521.3 billion. The commercial aircraft division alone has more than 5,500 aircraft to deliver, worth \$435.2 billion (compared with \$440.5 billion at the end of 2023). Such is the need for airplanes among airlines that, even during the strike, Boeing continued to rack up more than 200 orders (279 for the year as a whole).

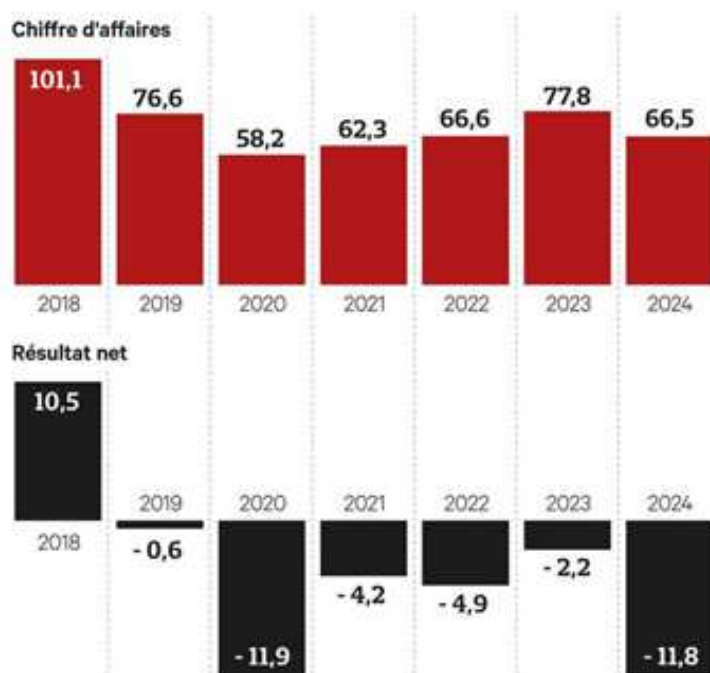
The recovery has begun

All Boeing has to do is get back to manufacturing and delivering airplanes properly to bring in the money. It has started to do so, delivering 57 aircraft in December, including 36 B737s. But the good news of the day is CEO Kelly Ortberg's announcement that production of B737s, Boeing's main source of cash, will increase to 38 aircraft per month.

When the strike ended, we didn't rush to resume production," explains the Boeing boss. First, we got our teams back in shape, to stabilize our operations. But today, there is no longer any constraint that could prevent us from doing so", assured the Boeing CEO.

Les années horribilis de Boeing

En milliards de dollars



SOURCE : BOEING



Towards lifting FAA restrictions

Kelly Ortberg is even optimistic about the chances of obtaining "in the second half of the year", a lifting of the ceiling of 38 B737s per month imposed by the American civil aviation authority. After that, **the aircraft manufacturer plans to increase production rates for the Max "by 5 aircraft per month every six months"**. Before the two crashes in 2018 and 2019, Boeing was aiming for 57 B737s per month.

On the long-haul side, the **Boeing boss also confirmed his goal of going from 5 to 7 B787s per month "later this year" and delivering the first B777X in 2026, despite the problems encountered this summer.** Boeing even hopes to solve the problem of the new Air Force One presidential aircraft, which has already cost \$2 billion. Kelly Ortberg even revealed that he met with Elon Musk, as an emissary of the presidency, last December, to discuss ways of "accelerating delivery" of this specially outfitted Boeing 747.

However, the return to a normal financial situation will still take time. "A return to positive cash generation will not occur before the second half of the year," says CFO Brian West. Fiscal 2025 will therefore probably still be in the red, although the improvement should be massive. Which implies **that the aircraft manufacturer**

won't be able to finance the launch of a new model any time soon, as Kelly Ortberg confirmed. "It's more of a long-term issue for us".

> **United Kingdom: Heathrow airport soon to have its third runway**

(source La Tribune) January 29, 2025

My comment: Heathrow airport could have its third runway.

Until now, all expansion projects launched in Western countries have failed, either for environmental reasons or because the economic justification was not demonstrated.

Read the article:

UK Finance Minister Rachel Reeves announced on Wednesday her government's support for the controversial project to build a third runway at London's Heathrow airport, Europe's busiest in terms of passenger numbers.

The move is part of a plan to boost the country's economy. "This government supports the construction of a third runway at Heathrow," she announced in a wide-ranging speech, detailing a series of measures designed to boost sluggish growth.

A decried project

Plans to expand Heathrow are not new, but the government's support for the measure has been decried by environmental organizations and part of her Labour camp. The project will, however, be subject to "a full assessment" to "ensure that the project is cost-effective", but also that the third runway "will be built in line with our environmental objectives", assured the UK Chancellor of the Exchequer.

At the end of 2020, following a legal saga, the British Supreme Court ruled in favor of a third runway. But the project was subsequently delayed by the Covid-19 pandemic and still faces numerous obstacles.

Heathrow, opened in 1946, is (...) located 25 km west of central London - which has five other international airports - and serves over 200 direct destinations in more than 80 countries, via four terminals.

(...)

Why European airports want to expand too

New terminals and runways will have to be built in Europe to meet the expected growth in air traffic, argue aviation professionals. The International Air Transport Association (IATA), the voice of the airlines, and the duopoly of aircraft

manufacturers Boeing and Airbus are still forecasting a doubling in air travel over the next 25 years, from 5 to 10 billion a year worldwide.

In Western Europe, however, few hubs have announced expansions, while political measures are multiplying to encourage less air travel. Industry professionals, already struggling with saturated European air traffic control, are worried about the prospect of airports that are too small.

(...)

This does not prevent major projects from taking place elsewhere, in sunny destinations popular with low-cost airlines, such as Heraklion in Crete. Lisbon is also planning a giant new airport by 2034.

Environmentalists and other NGOs warn that only sobriety will make it possible to achieve "zero net emissions" by 2050.

Article Bonus

> Air transport growth will undermine the sector's climate objectives

(source Transport et Environnement) January 13, 2025

My comment: *This dossier compiled by the NGO T&E (Transport et Environnement) is an excellent summary of the current situation.*

The basic data used by T&E are difficult to dispute:

- *traffic forecasts are those provided by the industry,*
- *the rules governing the use of sustainable aviation fuels are those laid down by the authorities,*
- *the quantities of raw materials and green electricity needed to manufacture sustainable aviation fuels are those supplied by the industry.*

Airline executives (including those at Air France-KLM) are fully aware of the difficulties involved in achieving their decarbonization objectives.

This is why they are constantly alerting public authorities to take measures to facilitate the production of sustainable aviation fuels.

But this subject must not overshadow other actions to be taken by the aviation industry.

I shall shortly be talking about condensation trails, whose impact on the climate is of the same order of magnitude as CO2 emissions.

Read the article:

T&E (Transport and Environment) shows that growth forecasts for the aviation industry will result in a doubling of the number of passengers carried in Europe by 2050, and in the depletion of the aviation sector's carbon budget as early as 2026. The expansion of airports, the under-taxation of the sector and the intensification of travel by the wealthiest are all issues that need to be rapidly addressed by legislators.

If Airbus and Boeing's projections materialize, air passenger traffic from EU airports will double by 2050, compared with 2019. This is one of the findings of T&E's new study, which confirms the extent to which **the sector is deviating from the decarbonization trajectory it is supposed to be following.**

In 2050, again according to the aviation industry's traffic growth scenario, the European aviation sector will consume 59% more fuel than in 2019 [1], despite improvements in fuel efficiency. **In 25 years' time, aircraft departing from Europe will continue to burn around 21.1 million tonnes of fossil kerosene.**

With the industry's projected growth, the electricity needed in 2050 to produce synthetic fuels will be greater than Germany's current electricity demand.

Aircraft will increasingly use alternative fuels known as SAF (sustainable aviation fuels), which emit less CO2 over their lifecycle. But **even using 42% SAF, as required by European law, the sector will burn as much fossil kerosene in 2049 as it did in 2023.**

Alternative fuels are of two types: firstly, biofuels, made from biomass, which have the disadvantage of not being very sustainable. The other is synthetic fuels, made from renewable energies and CO2.

With regard to biofuels, T&E's analysis shows that European aviation plans to consume 24.2 million tonnes by 2050. But 80% of this volume is likely to come from unsustainable raw materials, such as palm oil derivatives.

Although synthetic fuels are more sustainable and scalable than biofuels, they will not be able to keep pace with the unbridled growth of the aviation sector. European legislation (known as RefuelEU Aviation) requires aircraft fuel tanks to contain at least 35% synthetic fuels by 2050.

If the industry's growth projections come true, 24.2 million tonnes of e-kerosene would be needed. However, as the production of synthetic fuels requires a great deal of electrical energy, the European aviation industry's

energy requirements would exceed Germany's total electricity demand in 2023 (506 TWh).

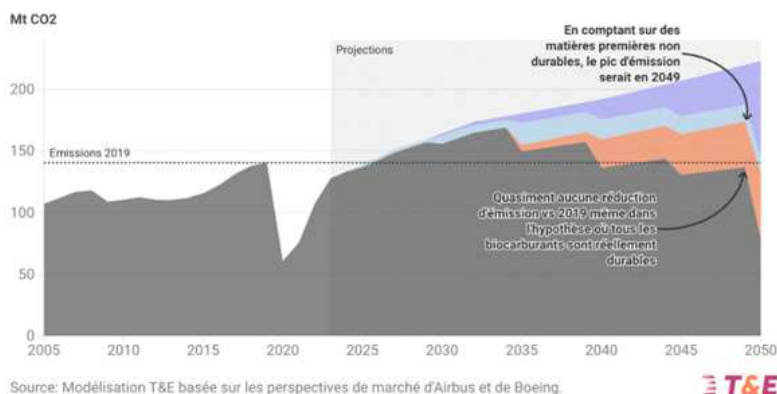
The T&E study thus illustrates how the unbridled growth of the sector would cancel out the emissions reductions made possible by SAF. SAF is a solution for decarbonizing air travel, but only if traffic levels are kept under control.

With Airbus and Boeing's growth figures, European aviation emissions will fall by just 3% in 2049, compared with 2019 [2]. **By 2050, when the EU will have to achieve net zero emissions, the aviation sector will still be emitting 79 million tonnes of CO₂. At this rate, it would exhaust its carbon budget by 2026, according to T&E.**

La croissance du trafic aérien annule les efforts permis par les SAF

Les réductions d'émissions permises par les SAF seront intégralement annulées par la croissance du trafic jusqu'en 2049, même dans un scénario optimiste sur la durabilité des biocarburants

- Emissions de CO₂
- Emissions hypothétiquement évitées avec des biocarburants non-durables
- Emissions potentiellement évitées avec des biocarburants durables (huile de cuisson usagée...)
- Emissions évitées avec le e-kérosène



These figures make you dizzy," says Jérôme du Boucher, head of aviation at T&E France. **The aviation industry's growth plans are in total contradiction with Europe's climate objectives, and fail to address the scale of the climate crisis.** A paradigm shift and genuine climate leadership are needed now to solve the problem. The credibility of aviation is at stake".

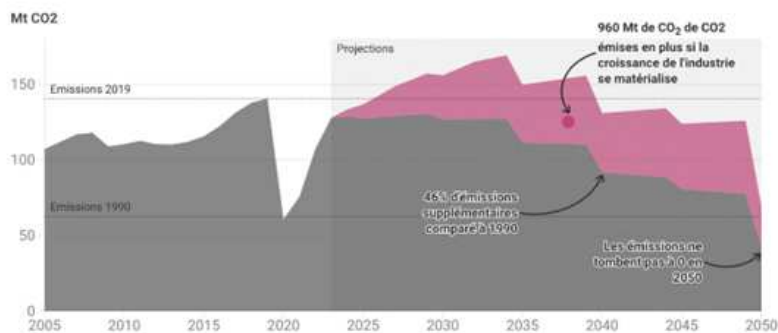
The European Commission has drawn up a plan to reduce emissions by 90% by 2040 compared with 1990 levels. All sectors, including aviation, must address their impact on the climate. Based on the Commission's impact study, **T&E anticipates average annual traffic growth of 1.4% between 2023 and 2050, 60% less than Airbus and Boeing projections.**

This lower growth projection will nevertheless result in a 46% increase in emissions in 2040 compared with 1990, which is far from sufficient to achieve net zero emissions. This would be tantamount to giving aviation a free ride at the expense of all other sectors, warns T&E.

Le scénario 2040 de la Commission européenne ne répond toujours pas au défi de la décarbonation

Et 960 millions de tonnes supplémentaires de CO₂ seront émises si la croissance du trafic reste incontrôlée

■ Emissions avec le scénario 2040 de la Commission
■ Emissions supplémentaires correspondant au niveau de croissance de l'industrie



Source: Modélisation T&E basée sur l'étude d'impact 2040 de la Commission européenne et sur les perspectives de marché d'Airbus et de Boeing



Emissions reduction targets must be backed up by concrete measures

For the moment, the European Commission has no concrete plan to limit the growth of the aviation sector in its 2040 target. **Unless policies are put in place to combat traffic growth, aviation emissions in Europe will not fall fast enough.**

T&E urges the European Commission to put forward proposals to halt the expansion of airport infrastructure in Europe, maintain business travel at 50% of 2019 levels, solve the problem of frequent flyers and review the under-taxation of the sector. In this respect, **France must without further delay bring itself up to the level of taxation of its German, British and Dutch neighbors by significantly raising its tax on airline tickets.** In the absence of such measures, if Airbus and Boeing's forecasts become reality, T&E estimates that, at European level, an additional 960 million tonnes of CO₂ could be emitted between 2023 and 2050, compared with the European Commission's forecasts.

"We welcome the European Commission's 90% emissions reduction target. But such a target is meaningless if it is not accompanied by concrete policies to reduce aviation emissions. The sector has benefited from countless exemptions throughout its history; it's time to change course," concludes Jérôme du Boucher.

Notes to editors

[1] This includes fossil kerosene, biofuels (many of which are not sustainable), and synthetic fuels (or e-fuels).

[2] With the optimistic assumption that all biofuels are sustainable and offer an 85% reduction in unit emissions compared with fossil kerosene.

End of press review

> Air share price trend

Air France-KLM shares closed at **8.000 euros** on Friday January 31. Over the week, it is **up sharply (+7.61%)**.

It was 13.60 euros on January 1, 2024, and 8.23 euros on July 1, 2024.

The analysts' 12-month average (consensus) for AF-KLM shares is 9.26 euros (it was 17.50 euros at the beginning of January 2024). The highest price target is 12.50 euros, the lowest 6.45 euros.

I only take into account analysts' opinions after July 1, 2023.

You can find [details of the analyst consensus](#) on my blog.

***My comment:** After hitting an all-time low in mid-January, Air France-KLM's share price has recovered by 10%.*

Nevertheless, it remains extremely low.

> Fuel price trends this

The price of a barrel of Jet Fuel in Europe is stable at \$95. It was \$94 at the end of June 2023, and \$79 before the outbreak of war in Ukraine.

Brent crude oil (North Sea) is down (-\$1) to \$77 a barrel.

From mid-February 2022 to the end of July 2022, it was yo-yoing between \$100 and \$120. Since then, it has oscillated between \$75 and \$99.

***My comment:** Over the past two months, oil prices have shown little change. It is at a two-year low.*

> Corporate Mutual Funds

When you invest in one of Air France's FCPE funds, you obtain shares in these funds. You do not hold shares directly.

It is the Supervisory Boards, which you elected in July 2021 for a five-year term, that manage the funds and make the decisions.

The Partners for the Future, Aeroactions, Majoractions and Concorde funds only hold Air France shares.

The Horizon Épargne Actions (HEA), Horizon Épargne Mixte (HEM) and Horizon Épargne Taux (HET) funds manage portfolios of various equities.

My comment: *If you'd like to find out more about how the various Air France FCPEs are managed, please visit the [Air France-KLM Employee Share Ownership section of our navigation website](#).*

Details

This information does not constitute a solicitation to buy or sell Air France-KLM shares.

You can react to this press review or send me any information or thoughts that will help me to keep you better informed.

By return, you can ask me any questions you may have about the Air France-KLM group or employee share ownership...

See you soon.

To read my latest letters, [click here](#)

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| François Robardet

At the forefront of more responsible European aviation, we bring people together to build the world of tomorrow.

(Air France-KLM's raison d'être)

I represented current and former Air France-KLM employees. You can find me on my twitter account @FrRobardet and on LinkedIn.

This newsletter deals with the airline industry around the world and topics related to Air France-KLM shareholding.

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