

Air France best airline in Western Europe



## I Letter from the Director of Air France-KLM

### François Robardet

Representative of the employees and former employees shareholders PS and PNC

N°879, September 26, 2022

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## Monday's Press Review

### Editorial

*Dear Readers,*

*From September 27 to October 7, the 41st Session of the ICAO Assembly will take place in Montreal.*

*ICAO*

*'s*

*primary mission is to consider innovations in air transport policy and standardization, as directed by governments and endorsed through the ICAO Assembly.*

*All 193 ICAO*

*Member States and a large number of international organizations are invited to the Assembly.*

*The objective will be to define a so-called LTAG (Long Term Aspirational Goal) for the international air transport sector.*

*I believe it is essential that environmental standards be defined on as global a scale as possible in order to avoid the distortions of competition that would be inevitable if measures were taken at the national or even European level.*

*Together with my team members, we have been involved in the preparation of and participation in this Assembly through the ITF (International Transport Workers' Federation). We prepared five resolutions with our ITF trade union colleagues.*

*Here are the themes of three of these resolutions:*

*. For a sustainable aviation industry to thrive, there must be a just transition to a zero-carbon future*

*.*

*Attracting and Preparing the Aviation Ecosystem Workforce for Long-Term Sustainability and Resilience*

*. Health Crisis Response Program to Mitigate the Risk of Spreading Infectious Disease from Commercial Air Travel*

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*Finally, this week, I bring you the sixth and final installment in the series around climate change:*

### ***How to accelerate the development of an SAF industry in Europe?***

*Here is a summary of the previous five parts :*

- . an interview with [Mr. JM Jancovici](#),*
- . an article on the [Drawdown project](#)*
- , . [Air France's commitment to more responsible travel](#),*
- . the [climate presentation at the governmental seminar](#) by Dr. Valérie Masson-Delmotte, Director of Research at the CEA,*
- . the [presentation of the Science Based Targets initiative](#) (SBTi), an independent organization*

*Enjoy your reading.*

*François*

### **> Air France: best airline in Western Europe according to Skytrax**

(source Air Journal) September 25 - **Air France has been voted "Best airline for the Western Europe region" for the second year running** at the Skytrax World Airline Awards 2022. **It has also moved up two places to 8th position in the Top 10 of the world's best airlines.**

In this global ranking, Qatar Airways occupies the first step of the podium for the seventh time and also obtains the "Best Business Class" and "Best Lounge Dinner" awards. (...)

1	Qatar Airways	1 2021
2	Singapore Airlines	2 2021
3	Emirates	4 2021
4	ANA All Nippon Airways	3 2021
5	Qantas Airways	8 2021
6	Japan Airlines	5 2021
7	Turkish Airlines	17 2021
8	Air France	10 2021
9	Korean Air	22 2021
10	Swiss International Air Lines	18 2021

Every year since 1999, Skytrax, the international air transport rating agency, has published its annual customer satisfaction survey and awarded its prizes based on customer experience. This year, more than 14 million passengers of over 100 different nationalities rated their airlines in a questionnaire on in-flight services and airport reception.

(...) **The French flag carrier also won gold in the "product design/transportation design" category, for the aesthetics and comfort of the travel cabin of its new Airbus A220**, at the 36th edition of the Grand Prix Stratégies du Design 2022. This award recognizes the work of the Air France teams who, in collaboration with the SGK Brandimage agency, designed a bright cabin in the colors of the French identity.

**My comment:** *During the health crisis, Air France has maintained most of the investments planned to support the move upmarket: new-generation aircraft that consume less fuel, renovated and more comfortable cabins, new airport lounges, refined French cuisine.*

*Air France reacted to the announcement of these rankings by saying: "These various distinctions reward the efforts and commitment of the Air France teams who work every day to provide our customers with the best possible travel experience".*

> **Air France is still close to its 2019 winter capacity**

(source Journal de l'Aviation) September 22 - Air France continues to ride the wave

of travel recovery. On the occasion of the presentation of its flight schedule for the winter of 2022-2023, the airline announced that its capacities will be close to those of 2019 and that the entire fleet will be back in service - excluding permanently retired aircraft.

Henri Hourcade, SVP France of the Air France-KLM group, said that **for Air France, capacities were "calibrated at 90% of those of 2019 for the winter, with a more leisure profile"**. Indeed, due to the vacations, the summer has recorded good results in the leisure segment, which seems to be confirmed for the coming months, with the slowdown linked to seasonality. On the other hand, **demand in the business market is still stagnating, "at around -30% of its 2019 level"**.

This is why **"a deformation of the network" will take place this winter**. "The business routes will lose capacity, either by replacing aircraft with smaller modules or by reducing frequencies. **The network will have a profile more oriented towards Southern Europe and snow destinations.**"

(...)

All the major measures have already been put in place.

They consisted in maintaining only part of the activity at Orly (the three shuttles to Marseille, Toulouse and Nice, four routes to Corsica and two routes linked by public service obligations). The most loss-making routes have been closed, while others have been taken over by Transavia France - but some destinations are still served from Roissy for connecting flights. At the same time, the hub network at CDG has been maintained and even reinforced, while the Lyon hub remains. From now on, the major transformation that is underway is the replacement of Airbus A318s and A319s by A220s. (..

.)

Alongside the Air France activity, Air France HOP! survives, which has undergone a major reduction in its fleet (it now has 39 aircraft - E170s and E190s and a few CRJ1000s on departure). Its activity currently revolves around supplying CDG and serving Lyon.

***My comment:*** Air transport is at a turning point in its history.

*It will take a long time to get out of the health crisis: on the one hand, businessmen are slow to fly again, and on the other hand, the fight against climate change requires major investments.*

*As a direct consequence, fares have increased in recent months. Given the financial situation of the airlines, it is unlikely that this trend will be reversed soon (see article below).*

> **Debt, investment: air transport between a rock and a hard place**

(source Les Echos) September 21 - One crisis can hide another. **If the coronavirus**

**pandemic is coming to an end, with the return in force of passengers, other cumulonimbus are on the horizon. One of the most worrying is the debt of the air transport industry, which has grown considerably during the epidemic. So much so that it is clouding the airlines' future prospects.**

According to figures from Arthur D. Little, **the cumulative debt of a panel of 42 airlines has increased from 294.7 billion dollars in 2019 to 452.47 billion in 2021.** That of the major manufacturers (Airbus, Boeing, Embraer, Safran and UTC), from 53 billion to 93.12 billion dollars. **The increase is 30% for the airport panel, to \$62.94 billion, and 63% for the major aircraft lessors, to \$59.8 billion.**

(...)

**At the end of June, Air France-KLM's debt, although reduced by 2.2 billion compared to the end of 2021, still amounted to 6 billion euros, or nearly twice its capitalization.** While the return to profit should allow the group to continue to reduce its debt, **it will have to face heavy maturities in 2024 and 2025, with €2.75 billion and €2.8 billion of loans and bonds coming due.**

On a more modest scale, Corsair has the same concern (...)

**For all the companies,** the need to quickly and effectively absorb the "Covid debt" is all the more important as **the financing needs for the coming years are colossal.** "The crisis has increased debt, but it has also accelerated the energy transition and the necessary investments," says Yann Sonnallier, head of aviation financing at Société Générale.

Before the crisis, Airbus and Boeing estimated that they would need to invest \$5.7 trillion to renew their fleets by 2040. Airport investments were estimated at \$2.4 trillion. But **with the acceleration of decarbonization, an additional \$10 trillion will be needed over the next 20 to 30 years,** according to Arthur D. Little, to achieve carbon neutrality. Little, in order to reach carbon neutrality in 2050.

(...)

So is air transport going to the wall? If we went back to the situation before Covid, we would not be able to get out of it," says **Yan Derocles, an analyst at Oddo. We need a paradigm shift, which will first of all require higher airfares and fewer players on the market, through consolidation.**

Two phenomena that are already well underway. The average price of a flight from France was up 43.5% in July and the takeovers of Spirit, ITA Airways and TAP Air Portugal are well underway.

(...)

***My comment:*** *In the second quarter, Air France-KLM published positive results, better than those of its main competitors (IAG and Lufthansa).*

*These results should be put into perspective. Like its peers, Air France-KLM will have to improve its results to pay off its debts while continuing its investment policy.*

## > Schiphol pays airlines 350 euros per cancelled passenger

(source NOS News, translated with DeepL) September 23 - **In order to reduce congestion at the airport, Schiphol will temporarily pay airlines 350 euros per cancelled passenger.**

This is a temporary measure, according to an airport spokesman, to "encourage" airlines to reduce the number of passengers. This measure came before the new restriction on the number of passengers announced by the airport last week.

(...)

The development of this latest passenger limit has not yet been finalized. The slot coordinator is discussing it with the airlines. But as of now, the number of passengers must be reduced, says Schiphol. To bridge the gap to the development, they are now paying the airlines to cancel passengers of their own accord.

**When the new passenger restriction is fixed, the payment of 350 euros will also stop**, says Schiphol. Consultation with the slot coordinator will take about two weeks, according to the airport. In the meantime, this measure applies.

Airline trade association Barin believes this is a short-term solution that does not address the cause. "A band-aid on a wooden leg," says president Marnix Fruitema.

**The airlines hope that a structural solution will be found as soon as possible.**

(...)

You can turn two knobs to reduce the workload, Van Doesburg says: more security officers or fewer passengers. "And now they are choosing the emergency measure of using a lot of money to reduce the number of passengers and the number of flights."

(...)

Schiphol responded that the airport is working on structural solutions to improve employment conditions. This measure is also necessary to reduce the number of passengers, says Schiphol.

(...)

***My comment:*** *The situation at Schiphol is not about to improve.*

*The airport management does not expect a return to normal operations before next year. They are not able to recruit enough staff to ensure full activity.*

*The relative shortage of staff has had an unexpected consequence: higher fares.*

## > Air France continues to develop Transavia at full speed: the first Airbus A320 NEO will arrive next year

(source La Tribune) September 30 - **Transavia France is** not reducing the pace. (...)

The low-cost airline of the Air France group **has just presented its new objective for the development of its fleet. It is now aiming for 71 aircraft next summer,**

**including its first Airbus A320 NEO.** It is thus maintaining the pace of a dozen more aircraft each year, which should lead to a doubling of the fleet between 2020 and 2025.

Transavia France currently operates 61 Boeing 737-800s, compared to 50 last year and 40 in 2020. **Its growth plan**, unveiled by La Tribune at the end of 2020, **calls for reaching a fleet of 80 aircraft by the summer of 2025. This is twice as many as before the crisis, but also almost twice as many as the fleet of its sister company Transavia Holland.** And, given the current pace, this bar could be reached quickly.

This will depend on the pace of delivery of the A320 NEO (...). Ordered at the end of 2021, they should arrive from mid-2023. The Air France-KLM group has committed to 100 firm A320 NEOs and A321 NEOs, and 60 options to replace the 150 Boeing 737s of KLM, Transavia Holland and Transavia France. The breakdown between the airlines has not been disclosed.

In the case of Transavia France, **the first A320 NEOs should first complete the 737-800 fleet to reach 80 aircraft, before the next ones will replace the Boeing (...)**

**On the other hand, the two Dutch airlines appear to have limited growth prospects, notably because of slot constraints at Amsterdam-Schiphol airport.** They should therefore be content to replace their fleet in equivalent proportions, i.e. about 50 aircraft for KLM and 40 for Transavia Holland. However, they should be given priority for the A321 NEO, to compensate for this limitation. This would leave about 70 A320 NEOs for Transavia France.

***My comment:** The roadmap for the development of Transavia France has been respected, despite the health crisis.*

*Air France and HOP! have paid the price by resorting to massive voluntary redundancy plans, mainly among ground staff.*

### > **The privatization of TAP, an "asset" according to its general manager**

(source AFP) September 22 - **The privatization of TAP Air Portugal, renationalized in 2020 following the Covid-19 crisis, would be an "asset" for the future of the airline because it would allow to count on "strong partners", estimated Thursday its general manager (CEO) of the Portuguese public company, Christine Ourmières-Widener.**

"That TAP, at some point, is part of a consolidation project, we are convinced that in the long term, it is something to really study," said the Frenchwoman to AFP. "Strong partners are important assets for the future," she added, adding that this decision was up to its shareholder, the Portuguese state, and that TAP's management would remain "in support to study scenarios".

The head of TAP was reacting to information published on September 9 in the

weekly Expresso, according to which the Portuguese government wants to launch the reprivatization of TAP Air Portugal by the end of the year. **The socialist executive has already begun discussions with the Air France-KLM and Lufthansa groups.**

(...)

For the coming months, the "risks are numerous", the TAP director emphasized, citing in particular the surge in oil prices and "fluctuating exchange rates", before concluding that there was no "inflection" in the level of bookings for the moment.

### > **Airbus snatches big Chinese customer from Boeing: A320 NEO displaces 737MAX at Xiamen Airlines**

(source: La Tribune) September 22 - Air France-KLM and Qantas are switching to Airbus, Allegiant Air and IAG are switching to Boeing, and loyalty to a manufacturer is no longer the rule in the medium-haul sector. **Now it's Xiamen Airlines' turn to change its mind. Although it is Boeing's exclusive operator, the Chinese company has just signed a firm order for 40 Airbus A320 NEO Family aircraft. The contract was placed by its parent company China Southern Airlines on September 22, and is in addition to the aircraft already ordered by the latter a few months ago. The European manufacturer is thus further strengthening its grip on the Chinese medium-haul market.**

**This is a blow for Boeing**, as Xiamen Airlines is not content to change manufacturers when renewing its fleet. Indeed, it was already a customer of the 737 MAX with ten aircraft received and 30 more on order. But the aircraft obviously does not suit him anymore: its fleet is still parked since March 2019 and the second fatal accident of the 737 MAX, despite the lifting of Chinese restrictions on the aircraft since the end of 2021. Last April, the company had however begun modifications to return the fleet to flight, but without giving a timetable for return to service.

(...)

**According to China Southern Airlines, this order will allow Xiamen Airlines to "secure its strategic development**, continue to stimulate the structural adjustment of its fleet, maintain a steady pace of A320 NEO Family aircraft introduction" in line with its five-year plan. **China Southern**

, another 737 MAX customer, does **not seem to be counting on the Boeing aircraft either**, despite test flights in recent months. **It signed a firm contract with Airbus last July for 96 A320 NEO Family aircraft**, worth more than \$12 billion at list prices, with deliveries again between 2024 and 2027.

**The announcement of this order was coordinated with those of three other Chinese airlines for a total of 292 aircraft:** China Southern with 96 aircraft, but also China Eastern Airlines (100), Air China (64) and its subsidiary Shenzhen Airlines (32). **The A320 NEO's dominance in China over Boeing's 737 MAX has**

**been confirmed.**

Although the American manufacturer has sold nearly 200 of its medium-haul aircraft in the country, it has not signed any contracts there since 2016, except for three aircraft for the leasing company ICBC Leasing. Airbus, on the other hand, has now won more than 600 orders in the country. With the addition of leased aircraft, there are nearly 500 A320 NEO Family aircraft in service in the country.

***My comment:** Since the two fatal Boeing 737 MAX accidents in October 2018 and March 2019, investigations have pointed to deficiencies in the certification of this aircraft model.*

*Confidence has yet to return and Boeing continues to suffer the consequences.*

## **Stock market press review**

### **> Rates and oil pushed down**

(source Les Echos) September 23 - The summer gains have more than evaporated! On Friday, the day of the fall, the Cac 40 was only a few points away from its annual low, hit on March 7 at the beginning of the Russian offensive on Ukraine. The Parisian index, back under 5,800 points, showed a weekly loss of 4.84%, its worst performance since mid-June.

(...)

That said, the major U.S. indices were no better: the Dow Jones contracted by 3.86% over five days, and the Nasdaq growth stocks by 5% (at 5 p.m. Friday).

**The most anticipated event of the week, the Federal Reserve's Monetary Policy Committee (MPC), ended with a further 75 basis point increase in its key rates,** in line with consensus. **But the devil was in the statements of its chairman,** Jerome Powell, who was much more "hawkish" than expected in his commitment to fight soaring prices. He also raised his inflation expectations and lowered his growth targets for the US economy. This has **reinforced fears of a recession on both sides of the Atlantic.** These fears were accentuated on Friday by the activity indices for industry and services in the euro zone, which contracted in September and worsened in Germany.

**The risk of recession weighed on oil prices, bringing Brent crude down to \$85 a barrel on Friday** and US WTI below \$80 for the first time since January. The fall in oil stocks was therefore no stranger to accelerating the decline in the equity markets.

***My comment:** Recession forecasts are repeating themselves, causing oil prices to fall.*

*The Air France-KLM share is also impacted by these recession threats, it has lost 15% in two weeks.*

## **Bonus Article**

### **> How to accelerate the development of an SAF industry in Europe?**

(source Air & Cosmos) September 22 - According to all the projections made by the major institutional players in the global air transport industry, **the use of sustainable aviation fuels (SAF) should account for 61% of the decarbonization trajectory of the global aviation sector**, which should lead to a net zero emission level by 2050. Nevertheless, **as the speakers at the workshop on the subject at the 2022 edition of the États de l'Air showed, there are still many obstacles to be overcome in order to increase and generalize the use of safes at the European and French levels.**

It is important to remember that the SAF initiative is not very old," said Philippe Fonta, consultant for the BSR (Business for Social Responsibility) group. "Indeed, **the first tests of aircraft with alternative fuels took place in 2007-2008** and the first conference organized by ICAO (International Civil Aviation Organization) dates from 2009 in Rio de Janeiro. The justification for the gradual introduction of SAF is, of course, their environmental performance, since they are able to emit 80% less CO<sub>2</sub> than fossil fuels, over their entire life cycle.

PRODUCTION FAR BELOW INITIAL TARGETS.

According to the ATAG (Air Transport Action Group) report "Waypoint 2050", SAF is 61% of the overall decarbonization trajectory for international air transport. "Well beyond the Air France-KLM group, there have been important steps taken recently on the subject. **In October 2021, the industry clearly stated its ambition to reach the level of 'zero net emissions' of CO<sub>2</sub> in 2050,**" recalls Pierre Albano, Secretary General of the Air France-KLM Group." This was followed, under the French presidency of the European Union, by the Toulouse Declaration in February 2022 and, at the end of the month, the 41st ICAO (International Civil Aviation Organization) Assembly should formally confirm this global objective," he continues. **"Air France-KLM's positioning is very clearly in support of this ambition with, in particular, an Air France ACT program that was communicated in April 2022 and that pushes milestones that guarantee that this trajectory will be verifiable."**

Nevertheless, SAF

production itself is far below what was envisaged at the time of the first "drop in" certifications in 2011 (editor's note: SAF can be blended with fossil fuel without engine modification). **"We are currently at 100,000 m<sup>3</sup> of SAF production worldwide, which represents 0.01% of global aviation fuel consumption,** so it is surprising how little progress we have made since the first drop-in certifications. We

can see that the decarbonization trajectory of global air transport relies heavily on SAF to achieve its goals, so the availability of sustainable aviation fuels is absolutely crucial," continues Pierre Albano. "In June 2011, at the Paris Air Show, a European project, the "Biofuel Flight Path 2020" had been presented and had nothing less than the ambition to have a production and consumption of 2 million tons of renewable fuel by 2020. If we compare this objective to the current 100,000 m<sup>3</sup>, we can see that we are still very far from this goal, and yet, at that time, biogenic resources were clearly identified and the demand was confirmed by the industry. Today we have made progress since there is a mandate of incorporation which has been set up in France and which is of 1% of incorporation since January 1st, 2022 but we see that the regulatory constraint arrives. And there is **a draft European regulation "Refuel EU", which also sets constraints on timing and volumes of incorporation for 2025, with a big step in 2030 (editor's note: 2% in 2025, 6% in 2030, 32% in 2040, 38% in 2045, 63% in 2050).**

AN INCENTIVE MECHANISM.

**Why didn't this emerge earlier?** "There have been calls for projects, there have been initiatives by investors from the energy sector or from outside," explains Pierre Albano. "But some calls for projects have not always been as successful as expected. So is there a lack of a mechanism to make this market credible? **What has been missing is the credibility and depth of the market for investors to really get involved.** There may also be doubts about the ability of companies to assume the additional cost of biofuels compared to the production of fossil fuels. So perhaps, after having provided aid for investment and research, we should provide aid for purchase. This is a system that is already used in the energy sector and is called the "contract for difference". It allows us to guarantee a selling price to producers and not to make the buyer take risks on the purchase price of the product. Therefore, a remuneration price for the production and a lower reference price are fixed by invitation to tender or by political decision, which would allow the operators not to have their economic model questioned too brutally. **We could imagine that airlines could have an SAF purchase price indexed to the price of fossil fuel.** The price difference between the two would not be an obstacle to the environmental transition from one to the other. At the same time, airlines would no longer have any doubts about the advisability of making the change. **Some companies, like Air France, are ready to spend billions of euros to decarbonize, but this is not necessarily the case for all carriers.** The difference between the remuneration price and the reference price would be compensated in the form of a subsidy. This mechanism already exists, for example, to support offshore wind turbines in Great Britain and it works very well. How could we finance the difference between the two prices and the subsidy? "We have an opportunity coming up in Europe with the end of free quotas for the ETS (Emission Trading Scheme). In Europe, it is estimated that between €10 and €15 billion will be generated by auctioning these allowances, which is what will be needed to cover the European mandate for the first six years.

IMPROVING ACCESS TO RESOURCES.

**On FAS production, there is also a real issue of mobilizing primary production**

**resources and raw materials.** "It is clear that we need to find a way to mobilize more resources to accelerate the establishment of the production chain," explains Mouhamed Niakate, bioenergy project manager at Bioeconomy For Change. "We also need to think about having a more globalized approach because, in Europe, it is not possible to use the resource that is in competition with food needs. There is also a constraint on the carbon impact of transporting the resource. We cannot go and get it at the other end of Europe, otherwise it no longer makes sense. So we need a systemic approach with all energy sectors, such as biogas and electricity. We tend to operate in "silo" mode, only by transport sector. On the contrary, we need to bring everyone into the loop and be able to set up a real map of available biomass in real time. **At the same time, the calls for projects must move away from an innovation and demonstration orientation and move towards industrialization.** Today, there are **technologies that are maturing and that need support for industrialization.** Finally, we must also work on acculturation and societal acceptability. We are dealing with new technologies that can be frightening. **We must therefore communicate with the public with factual environmental data and the beneficial economic consequences that this production sector can have, in terms of jobs created in the regions, for example.**

***My comment:** This question (How to accelerate the development of an SAF industry in Europe?) was addressed during the Etats de l'Air on September 14.*

*Participants welcomed the initiative of inviting a representative of the agricultural world alongside air transport specialists.*

*During the discussions, it was learned that today, the French agricultural sector provides most of the raw materials used to manufacture the bio-ethanol used in automobile fuel.*

*When all cars are electric, these same raw materials could be used to manufacture three quarters of the bio-kerosene needed for planes operating from France. All this without competing with food production.*

*It remains to convince the various stakeholders of the merits of such a transition.*

## **End of the press review**

### **> Advice for employees and former employees who are shareholders**

You will find on my [navigation](#) site the modalities of access to the managers' sites.

To avoid forgetting to change your contact information each time you change your postal address, **I advise you to enter a personal e-mail address.** It will be used for

all correspondence with the management organizations.

Keep all the documents related to your Air France-KLM shares in one place: all the letters you receive from the different managers, Natixis, Société Générale, your personal financial institution if you bought your shares through it.

### > **Management of employee investment funds. Good to know**

When you invest money in one of the Air France FCPE funds, you get 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 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 stocks.

***My comment:*** *If you would like more information on the management of the various Air France FCPEs, please consult [my website Navigation, section Air France-KLM employee shareholding](#).*

### > **My comment on the Air France-KLM share price**

**Air France-KLM shares closed at 1.314 euros on Monday 26 September. It is down this week by -4.51%.**

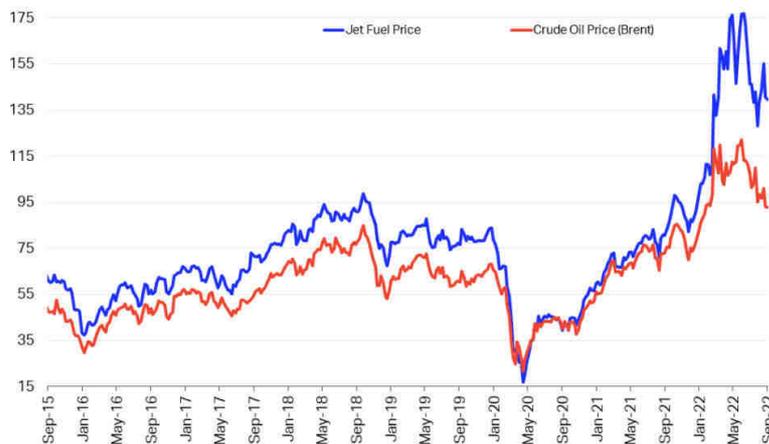
**The analysts' average (consensus) for AF-KLM shares is 1.50 euros.** The highest price target is 1.90 euros, the lowest 0.85 euros. I only take into account analysts' opinions after the May 2022 capital increase.

You can find the details of the analysts' consensus on my blog.

### > **My comment on the evolution of fuel prices**

**Since the start of the war in Ukraine, there is no longer any correlation between the price of a barrel of Brent oil and a barrel of Jet Fuel.** This is very clear on the graph below, which covers the period June 2015 - August 2022.

Jet Fuel & Crude Oil Price (\$/barrel)



Source: S&P Global, Refinitiv Eikon

According to specialists, this increase was due to an increase in the fuel reserves of the armed forces, which consist solely of Jet Fuel.

Indeed, for several years, to ensure the strength of the infrastructure, the French Army has favored a single fuel policy aimed at supplying all equipment, land vehicles and generators with jet fuel for air use.

I have no explanation for the sharp rise in fuel prices over the past month.

*Jet fuel price per barrel by region (source IATA) as of September 23, 2022*

#### Fuel Price Analysis

The jet fuel price ended last week up 4.7% at \$127.4/bbl:

23 September 2022	Share in World Index	cts/gal	\$/bbl	\$/mt	Index Value 2000 = 100	vs. 1 week ago	vs. 1 month ago	vs. 1 yr ago
<b>Jet Fuel Price</b>	100%	303.24	127.36	1005.76	348.16	4.7%	-17.9%	47.2%
Asia & Oceania	22%	273.08	114.69	906.08	327.71	2.4%	-22.5%	36.2%
Europe & CIS	28%	301.50	126.63	999.13	341.18	1.0%	-20.4%	46.9%
Middle East & Africa	7%	275.42	115.68	913.33	345.44	1.9%	-22.6%	38.1%
North America	39%	325.37	136.65	1079.56	363.30	9.2%	-12.9%	54.8%
Latin & Central America	4%	315.15	132.36	1045.66	366.67	3.4%	-17.1%	48.4%

**The barrel of Jet Fuel in Europe is down sharply this week by -\$10 to \$127.**

After peaking at \$182 in June 2022, it was down to \$132 in early August.

**It was at \$79 a little over a year ago.**

**Brent crude oil (North Sea) is down sharply this week from -\$6 to \$85.**

Since mid-February, it has been yo-yoing between \$100 and \$120.

At the beginning of March, Brent had reached \$132, close to its record of \$150 (in

2008).

At the end of October 2020, it was at a low of \$37.

Fears that the economy will be in recession by the end of 2022 have driven fuel prices down.

**This information is not intended to be 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 better carry out my duties as a director of the Air France-KLM group.

**You can ask me, by return, any question relating to the Air France-KLM group or to employee share ownership...**

See you soon.

To find the last press reviews of Monday, it is [here](#)

**If you like this press review, please pass it on.**

New readers will be able to receive it by [giving me](#) the email address of their choice.

**| François Robardet**

**Director of Air France-KLM representing the employees and former employees shareholders of PNC and PS.**

**You can find me on my twitter account @FrRobardet**

***Alternate Nicolas Foretz, PNC***



When I was elected, I received the support of the CFDT and the UNPNC.

This press review deals with subjects related to the Air France-KLM shareholding.

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To contact me: [message for François Robardet](#).

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