

How France hopes to bring back Chinese tourists

I Letter from François Robardet

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(Raison d'être of the Air France-KLM group)



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Monday's Press Review

> How France hopes to bring back Chinese tourists

(source AFP) January 6, 2024 - Reduced air links, rising ticket prices, visa problems, security fears: Chinese tourists are still shunning France, but the government isn't giving up hope of convincing them to return to the country. That's the aim of Tourism Minister Olivia Grégoire's visit to China on Thursday and Friday. **In 2019, before the Covid pandemic, France welcomed over 2 million Chinese tourists, representing 3% of tourist flows, but 7% of spending with 3.5 billion euros in revenue.**

(...

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At the end of March 2023, ahead of a visit to China by the President of the Republic, **four major names in the tourism sector** - Groupe ADP (Aéroports de Paris), Club Med, Galerie Lafayette and Accor - had written to Emmanuel Macron, **suggesting measures to "reinforce France's image of hospitality", "recently dented". One of the grievances was the problems of obtaining visas in China, and their cost.** On this "very delicate subject", "work is being done to improve the processing of applications", assures Olivia Grégoire's office, including "the reopening of several visa application centers across China and a reduction in service costs".

Another stumbling block: air links. Since last summer, Air France has operated 14 weekly rotations to mainland China, compared with 32 before the pandemic.

A bilateral Franco-Chinese agreement suspended since the pandemic provides for up to 128 weekly rotations. Air France is opposed to the reinstatement of this agreement as long as Russian airspace is off-limits. This would add more than two hours to its flight time, which would distort competition with Chinese airlines. As long as there are

fewer flights, and ticket prices are higher (up to +50%) because you have to bypass Russia, there can't be a big increase in traffic," confirms Didier Arino, head of the Protourisme consultancy firm,

to AFP. **During the recovery, the riots** (during a week at the end of June, following the death of Nahel, killed by a policeman during a road check, editor's note), which were **highly publicized in China, were not a** good thing either, he adds. **"We know how sensitive the Chinese are to the safety aspect. A certain number have decided to come to Europe without coming to France"**, according to Mr. Arino. There have been riots and acts of terrorism, but "the aim of Olivia Grégoire's visit is also to reassure, particularly in view of the Olympic Games", stresses her office. "We mustn't forget that there is an economic crisis in China", adds Dider Arino. The clientele that has "somewhat returned" to France is therefore primarily "individual clientele", "those who have the means, who manage to obtain visas", he analyzes.

The clientele that is lacking is that of group tourism, in his opinion. "I think we've entered a new era, and that requires more targeted marketing to a clientele that is more into itinerancy, discovering our country a little more deeply," he says. **"France is working on its tourism offering, and we realize that the younger Chinese generations are turning to sustainable tourism, and are looking for more authenticity" and destinations other than Paris, such as the Côte d'Azur or Strasbourg at Christmas,** assures the Minister's office.

***My comment:** The return of Chinese passengers is on the horizon.*

But Air France-KLM won't be able to take advantage of this until Russian airspace is once again accessible.

Until then, Turkish and Chinese airlines will be favored. They can fly over Russia

> **Intra-German air traffic declines in importance**

(source DPA) January 4, 2024 - **Intra-German air traffic has been declining in terms of the number of flights and passengers since 2019.** According to data published on Thursday by the Federal Statistical Office, **from January to October 2023**, a good fifth (20.6 percent) of some 715,500 flights took off from one of Germany's main airports to a domestic destination. At the same time, **11.4% of the 84.3 million passengers who took off during this period travelled within Germany.** The situation was similar for the same period last year.

By contrast, in the pre-Corona 2019 period, 26.7 percent of the approximately

942,100 flights departing from Germany were still domestic. The difference was even more marked in terms of passenger numbers: **from January to October 2019, 18.3 percent of the 107.2 million passengers who took off flew to domestic destinations.**

At the same time, according to the data, the importance of intra-German flights as services to destinations abroad continues to grow. In the first ten months of last year, 28.2 percent of passengers continued their journey to another country after a German domestic flight. In the same period of 2019, this figure was still 17.0%.

***My comment:** The decline in domestic traffic in Germany, excluding hubs, is similar to that observed in France.*

There are many reasons for this: massive use of videoconferencing, companies' reduced carbon footprint, incentives to prefer other means of transport, etc.

For most observers, this decline seems inevitable.

> **Ryanair consolidates its position as Europe's leading airline**

(source Les Echos) January 4, 2024 - **Ryanair recorded another growth spurt in 2023.** The low-cost airline, which today comprises five brands (Ryanair, Ryanair UK, Buzz, Lauda Air and Malta Air), saw passenger numbers rise by 13% in 2023, **to 181.8 million passengers.**

This is enough to claim, once again, the crown of Europe's leading airline group in terms of passenger numbers, **far ahead of number two, Lufthansa.** The German group's 2023 figures are not yet available, but its five companies (Lufthansa, Swiss, Austrian, Brussels Airlines and Eurowings) still only totalled 93.19 million in the first nine months of the year. A far cry from Air France-KLM, which had 71.2 million passengers at the end of September, and whose annual traffic should approach 100 million passengers by 2023.

If you're looking for something bigger than Ryanair, you'll have to go to the USA, where Delta and American Airlines are expected to reach 200 million passengers by 2023. On the other hand, the European low-cost carrier has probably overtaken its historical model, Southwest Airlines.

On the basis of its business plan and aircraft orders, the Ryanair group could take the world lead around 2027, with some 230 million passengers.

(...)

Impressive though it is, **the target of 300 million passengers by 2034**, for a fleet that will grow from 537 to 800 Boeing 737-8s and 737-10s, **only represents an average increase of around 4% a year. That's barely more than the growth of the European market.**

(...)

My comment: *The much-criticized Ryanair model has found its place and set an example.*

The relative impunity which the Irish airline seems to enjoy enables it to continue to receive subsidies from local authorities eager to enable their citizens to travel around Europe at lower cost.

> **2024 summer program: SAS announces nine new routes**

(source Air Journal) January 3, 2024 - Scandinavian Airlines (SAS), now a partner of Air France-KLM, has announced nine new routes for the 2024 summer program. The carrier's demand continues to grow, increasing to over 130 destinations in 40 different countries.

From Copenhagen, the new additions include direct flights to Ibiza, Salzburg, Genoa, Tromsø and Dalaman, nicknamed "Turkey's Turquoise Coast"; from Bergen, SAS will start flights to London; and from Oslo to Geneva, Milan and Tivat on the coast of Montenegro. "In addition to seamless connectivity to major cities and capitals, our summer traffic program offers new vacation destinations such as Ibiza, Genoa and Tivat," says Erik Westman, Chief Revenue Officer at SAS. "For those looking for favorite destinations, we have increased capacity to destinations such as Malaga, Florence, Palma and Alicante."

SAS is adding flights to its long-standing favorites in Spain and Italy from the three Scandinavian capitals. From Stockholm and Copenhagen, there will be up to 20 weekly flights to Malaga, and from Oslo up to 17 flights to Alicante. Milan will benefit from four daily flights from Copenhagen, there will be daily flights to Florence from Copenhagen and up to 25 weekly flights to Nice.

Oslo will offer 14 weekly departures to Split, and it will be possible to fly with SAS from Stockholm twice daily to Milan and Paris during the peak summer season. Oslo and Copenhagen also offer year-round operations to another Scandinavian favorite, Gran Canaria.

As for Northern Europe, from Copenhagen there will be five daily frequencies to Düsseldorf, four daily flights to Brussels and Gdansk, and three daily flights to Warsaw and Vilnius. SAS will operate flights from Stockholm to Tallinn up to six times a day, and to Vilnius three times a day. In addition, Stockholm will increase to two daily flights to Berlin, up to six daily flights to Helsinki and increase frequencies to Turku and Vaasa.

On domestic routes, SAS is increasing the number of departures between Stockholm and Visby, Kiruna, Skellefteå and Östersund. In addition, there will be up to seven daily flights from Copenhagen to Bergen during the

peak summer season, while Oslo will offer up to two daily flights to Aalborg and four weekly flights to Billund, as well as increased frequencies to northern Norway. Under an investment agreement, Air France-KLM holds 19.9% of SAS capital, Castlelake 32%, the Danish government 25.8%, Lind Invest 8.6%, with the remaining 13.6% of equity divided between other creditors.

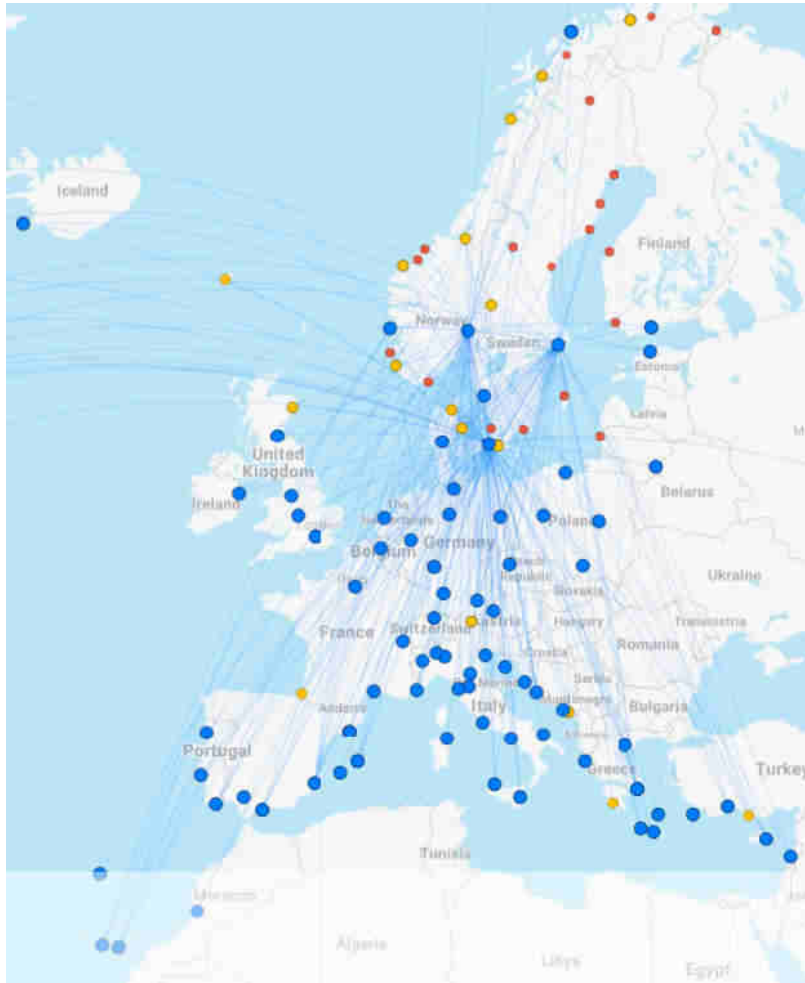
My comment: Here's a chance to get to know SAS a little better, a Scandinavian airline that is in the process of merging with Air France-KLM.

Norway, Denmark and Sweden have long been its main shareholders.

For the full year ended October 2023, SAS reduced its loss to 500 million euros, compared with a loss of 625 million euros the previous year.

Placed under Chapter 11 bankruptcy protection in the U.S. in July 2022, it is expected to emerge from bankruptcy shortly, thanks to an investment agreement involving Air France-KLM.

SAS operates mainly medium-haul flights from three hubs: Oslo, Copenhagen and Stockholm.



Long-haul flights are not shown on the above map.

According to the airfleets website, SAS operates 92 aircraft, including 54 from the A320 family, 8 A330s, 3 A350s and 18 CRJ900s.

> A Boeing 737 MAX loses an emergency door mid-flight and raises the question of reliability

(source Les Echos) January 6, 2024 - After the bolt problem in December, the door problem in January. **An Alaska Airlines Boeing 737 MAX 9, with 177 people on board, had to make an emergency landing** on Friday in Oregon, USA (Northwest), after passengers reported that **a window panel had blown off after takeoff, the company announced.**

(...)

The dreaded US Federal Aviation Administration (FAA) has ordered the immediate inspection of 171 737 MAX 9 aircraft, which will be suspended from flight until then.

(...)

The aircraft had been certified in October, according to FAA records available online. The aircraft's manufacturer, Boeing, wrote on X that it was gathering more

information and that a technical team was available to investigators.

For the American aircraft manufacturer, which thought it had turned the page on technical problems, this latest incident is all the more unwelcome at a time when air traffic is at its peak. **In December, the manufacturer informed airlines that MAX aircraft were to be inspected for loose parts in the rudder control system, following the discovery by an international operator of a nutless bolt during a routine inspection.**

(...)

The 737 MAX was grounded for many months worldwide after two air disasters involving the aircraft in October 2018 and March 2019, which claimed 346 lives. The FAA had only authorized its return to service following changes to the in-flight control system. More recently, Boeing has had to slow deliveries due to problems with the fuselage, in particular the aircraft's rear bulkhead. By the end of December, Boeing had delivered a total of over 1,370 737 MAX aircraft, and its order backlog currently stands at over 4,000.

My comment: To be more precise, the panel in question is a door that is closed and masked by a partition that reveals only a window, a configuration offered by Boeing to customers who request it.

The FAA

directive also applies to models "with the middle door blocked", according to the document published on its website. The FAA directive "requires airlines to inspect the aircraft before a new flight", said the agency in a statement, estimating that this operation would take between 4 and 8 hours for each aircraft. This concerns 171 of the 218 737 MAX 9s delivered to date by Boeing.

This accident on a model recently put into service raises questions about Boeing's ability to produce quality aircraft.

Is there a cause-and-effect relationship here? According to Le Point, Airbus has a considerable order backlog, with over 8,500 aircraft still to be produced, representing more than eleven years of activity, while Boeing's backlog, at 5,914 aircraft, is 35% smaller.

> Authorities target air traffic controllers' working hours after "serious incident".

(source Le Figaro) December 27, 2023 - **A vitriolic report by the Bureau d'enquêtes et d'analyses (BEA) for civil aviation safety points the finger at air traffic controllers' self-management of working hours, and calls for the introduction of an automatic attendance control system.**

Is this the end of the road for air traffic controllers? At least, that's what the Bureau

d'Enquêtes et d'Analyses (BEA) recommends for civil aviation safety. **In a report published at the end of December, the national authority recommends the introduction of automatic checks on the presence of air traffic controllers at their place of work.** The air traffic controllers' petty scheduling arrangements are now a thing of the past. They had acquired the unfortunate habit of organizing "outside any legal framework, a level of manpower present generally lower than the manpower theoretically determined as necessary". In other words, putting fewer controllers on duty than necessary.

The BEA's call to order follows a "serious incident" last year. On December 31, 2022, an easyJet airliner almost collided with a passenger plane at Bordeaux-Mérignac airport. The two aircraft had passed within about fifty meters of each other. **According to the investigation, this dangerous situation was due to "an insufficient number of controllers present at work, and consequently insufficient arming of control positions". However, according to BEA investigators, this was not an isolated problem,** linked to the date or to dubious organization on the part of the Bordeaux controllers, but rather to a "social consensus, anchored for many years at the Direction des services de la Navigation aérienne (DSNA)".

This means that air traffic controllers are holding the helm less firmly than required by safety standards. The BEA argues that this is due to "the latitude implicitly left to tower managers to manage staffing levels". Indeed, the experts point to understaffing at the time of the incident: three controllers, including the tower manager, instead of six. As early as 2002, the French Court of Auditors had criticized "a work organization that was disconnected from traffic imperatives, in favor of an increase in controllers' rest periods", as the BEA points out. In 2010, the "Sages de la rue Cambon" returned to the subject in a new report: "the opacity of attendance monitoring persisted, contrary to what was observed in other countries, and the unions' desire to maintain it had led to systems that did not meet the safety requirements that must prevail in air traffic control". As recently as 2021, the Cour des Comptes noted that "no system for clocking in and out or for monitoring air traffic controllers' working hours had been put in place".

Although the DSNA subsequently introduced a time-reporting tool, known as OLAF ATCO, this system remains declarative. The DSNA even carried out attendance checks at the main French centers on February 21 and April 4, 2023. The results? Impossible to determine the number of agents working their full shift. Only 69% of agents worked half or more of their scheduled shift, 12% didn't show up at all, and 13% worked half or less than their scheduled shift, some of them for less than two hours. Worrying attendance rates, highlighted by the BEA.

So, to finally comply with the recommendations of the European Union's Aviation Safety Agency (EASA), the Bureau d'enquêtes et d'analyse (BEA) recommends "the adoption of an automatic, nominative system for controlling the presence of controllers in position", such as individual badges. This would be the only way to guarantee access to "reliable and objective information on the

presence of position controllers and their workplace". In short, a valuable tool for checking compliance with safety standards. Because the current situation, "outside the legal framework, but known and implicitly tolerated, is such as to prohibit any official collection of information that would lead to the identification of these deviations, including within the framework of the analysis of safety events". This is why "the subject of the reduction of effective presences compared to those planned in the duty roster and its possible impact in terms of safety is never addressed during the analysis of a safety event by the DSNA, either at local or national level". The BEA report is so edifying that Clément Beaune himself looked into the matter and sent a letter to Damien Cazé, the Director General of Civil Aviation. In his letter, dated December 19 and published by the specialist site [aeroVFR](#), **the Minister for Transport insists that "maintaining a high level of safety is a priority objective" and that "as such, the incident is a symptom of a failure which must be remedied as quickly as possible". Agreeing with the BEA, the Minister recalls the "mismatch between the volume of traffic and the effective arming of control positions, which directly contributed to the incident".**

This is why Clément Beaune is asking the Director General of Civil Aviation to "report back to him within one month on the actions already taken since the incident to improve the situation and their effectiveness". **This request is coupled with an injunction to set up with the DSNA "an action plan with an ambitious timetable to implement the BEA's recommendation" concerning the installation of an automatic presence control system.** The representative trade unions must be involved in the discussions, insists Clément Beaune, who closes his letter with a handwritten "I'm counting on you".

My comment: *The situation described here (a near-accident in aviation parlance) is linked to understaffing at the time of the incident.*

This brings me back to the question of how to prevent such a situation from recurring. I take up part of what I wrote in my letter [n°875](#) in August 2022.

The analysis of a near miss follows Reason's model (see below).

All the potential causes identified must then be the subject of corrective measures.

The message from the Minister for Transport is clear: "maintaining a high level of safety is a priority objective" and that "as such, the incident is a symptom of a failure which must be remedied as quickly as possible".

The conditions under which air traffic controllers are present should therefore be reviewed in the near future.

The Reason model (also known as the Swiss Gruyère model)

(Source : <https://zenavioncoaching.com>)

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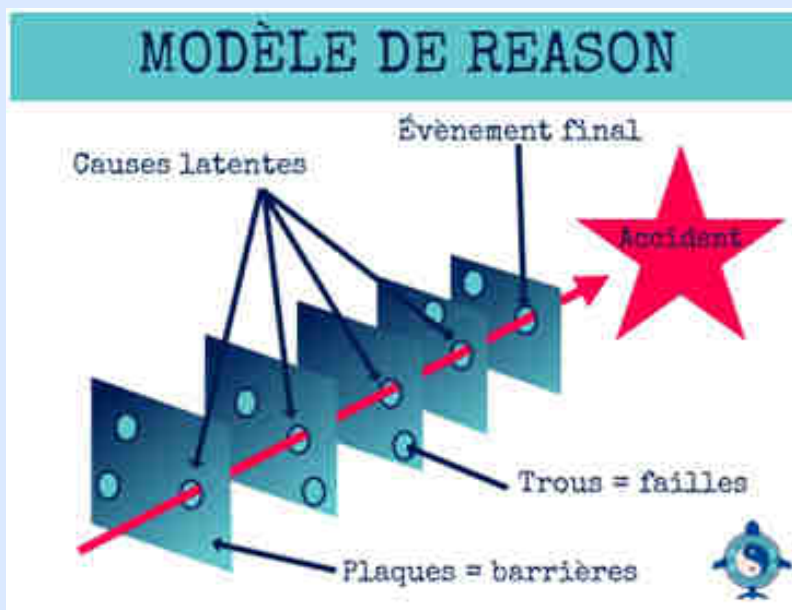
It's rare for a plane crash to have a single cause. More often than not, it's a succession of seemingly innocuous little things, visible or invisible hazards that, when linked together, lead to an accident.

Reason

's model helps us understand why accidents happen, and highlights the complexity of cause-and-effect relationships.

Professor of Psychology

J. Reason has proposed a simple model to illustrate the complexity of the chain of events that can lead to an accident: a series of perforated plates.



Let's imagine that each link in the safety chain is modeled by a plate, and that a hole in this plate represents a flaw in safety: lack of experience, bad practice, insufficient knowledge, poor aircraft maintenance, technical failures, unfavorable weather conditions, and so on...

If the plates are put into perspective, there are two options:

1. the holes are not aligned, indicating that at least one of the plates has played its "safety" role: no accident occurs.

2. the holes are aligned, and despite all the elements that could have prevented the accident, no safety device has been able to prevent it: the accident occurs.

For J. Reason, there are three types of failure:

- *Technical failures*
- *Human error*
- *Organizational failures*

In his view, "error is inseparable from human intelligence".

The fact is, human error is involved in the vast majority of air disasters.

--- end of quote ---

> **Volotea eagerly seeks pilots for its Lyon base**

(source Lyon-Entreprises) January 7, 2024 - It's no secret that **the world's booming airlines are sometimes almost desperate for pilots.**

According to aircraft manufacturers, nearly 200,000 pilots are expected to be hired worldwide over the next five years. This represents 40,000 recruitments per year. But **we're not training enough pilots to meet demand.**

This augurs well for battles between airlines to attract these scarce employees. For example, the airline **Volotea, "to support the development of its Lyon base, its 3rd largest in Europe, is launching a campaign to recruit pilots".**

And he explains why "experienced pilots" should first knock on Volotea's cabin door: "To give a new dimension to their career in France".

But **the Iberian airline is also playing on the sensitive issue of "work-life balance, which has become a priority".**

These include "local contracts within French bases and mentoring programs to support professional growth..."

My comment: *Volotea, like most low-cost airlines operating in France, is setting up bases to optimize its operations.*

Flight crews are attached to these bases and take their shifts there. This allows them to live nearby.

This is a real advantage, which Air France highlighted when it created its provincial bases in 2011. Even then, over 50% of Air France flight crews lived far from Paris.

This situation (living far from one's home base) is governed by the EASA (European Union Aviation Safety Agency), which stipulates:

"Crew members should consider making arrangements for temporary accommodation closer to their home base if the travelling time from their residence to their home base usually exceeds 90 minutes".

which can be translated as:

"Crew members should consider making arrangements for temporary accommodation closer to their home base if the travelling time from their residence to their home base usually exceeds 90 minutes".

Stock market press review

> Air France KLM: support to get the year off to a good start

(source Boursier) January 2, 2024 - **Air France KLM starts the year higher (...), while Citigroup remains Buy on the airline with an adjusted price target of 17 to 19 euros. Last month, the carrier indicated that it was targeting an operating margin in excess of 8% over the 2026-2028 period, compared with a forecast of 7 to 8% over 2024-2026. A target more or less in line with that set by Lufthansa, which is also aiming for a margin of at least 8% in 2024...**

"We are now well placed to accelerate further and exploit the full potential of our Group's assets to generate sustained and more profitable growth," said Ben Smith, CEO of Air France-KLM... Thanks to a rigorous capital allocation and a targeted capital expenditure program, Air France-KLM will continue to invest in fleet renewal and maintenance to improve its economic performance, and reduce CO2 emissions and noise pollution.

To achieve this, the Group estimates net capital expenditure of €3 to €3.5 billion a year between 2024 and 2026, and €3.5 to €3.8 billion a year in 2027 and 2028. **On the basis of a further acceleration of its transformation program and improved cost-effectiveness, the Group's operating income should improve by 2 billion euros over the next five years for all businesses.**

No comment

Article Bonus

> The return to very large-capacity aircraft is a real issue.

(source Air & Cosmos) January 5, 2024 - Quantum computers on board aircraft, a possible return to very large-capacity aircraft, denser skies... Now it's the turn of Didier Bréchemier, another leading air transport specialist, to give us his thoughts on what international air transport might look like in 60 years' time.

"To look ahead 60 years, the first thing to do is to look at how air transport was in 1960. At that time, we had supersonic aircraft on test, since Concorde came out in 1970, and **when we look at the evolution from the 60s to today, from a physical point of view, there's very little evolution.** There have been incremental improvements. All this is to put ourselves in the perspective of a very futuristic vision in which we would have very different aircraft shapes, very different propulsion systems... After all, there can always be technological improvements, but we have to put things into perspective and recognize that in the final analysis, there hasn't been **a revolution in flying an aircraft in the last 60 years, even if there have been some very significant developments.** Since the advent of jets and then supersonic aircraft, we haven't found anything different, which could be linked to quantum physics for example.

Nevertheless, there have been major advances in terms of lower fuel consumption, much more efficient aerodynamics, new materials, automation of numerous systems and constant improvements in safety.

Quantum computers will enable us, for example, to adapt the canopy to the phase of flight, fuel consumption, and optimize the use of aircraft in a given area to make air transport more fluid and therefore consume less. Artificial intelligence shows that things are already in motion. A priori, it's possible that the first quantum computers will really be up and running in 60 years' time. If we have this "quantum leap", we'll be able to make canopies evolve in real time during flight, because we'll have the computers to do it, a bit like fighter planes, which are very "unstable" and are constantly being "corrected" because they're supersonic. Even if we could use new, stronger, lighter materials, we're still relying on aerodynamics, thermodynamics and Newton's laws of chemistry, which man, through his calculations and knowledge, is capable of implementing.

Then, **looking ahead to 2060, the very important point is the number of people on Earth.** Today, we have a balance of 200,000 extra people every day. There were 1.5 billion of us at the beginning of the 20th century, and if we continue at this demographic rate, we're **going to have a real saturation problem, even beyond the pollution and noise pollution that can be caused by aviation. We're going to have to go much further technologically in densifying the sky, but it's going to be harder to do that at an airport, because we're constrained by physical limits.**

In space, on the other hand, we could have planes closer together, at different flight levels, etc., and optimize safety with even more efficient systems for detecting planes in relation to others, but here again there are physical limits, and so on. The sheer

number of people on earth, multiplied by the need for globalization and connectivity, is a factor to be taken into account when considering the future of aviation in sixty years' time.

Will we be going back to very large-capacity aircraft?

That's a big question mark. I find it hard to imagine that mankind as a whole will stop flying. But there could always be a break in behavior. Which could be triggered by higher prices, more voluntary CO2 reduction policies and the use of airplanes under the influence of climate awareness, which could make people less inclined to travel. These behavioral changes could be significant, and "non-mobility" could develop with augmented reality systems. For airplanes, all choices are possible. Is it better to have ten planes with one flying per hour, or just one that's ten times the size? It

s true that the smaller the modules, the more flexible it is to get to the right places, **but for me the very concept of very large aircraft like the Airbus A380 is a real issue. Trains have a capacity of 1,100 passengers, so nobody's shocked.**

But do you think we could go even further?

Where I think it makes sense is in terms of fuel consumption. The smaller the modules, the more fuel they consume per passenger. On the other hand, the bigger they are, the further they go, and the more fuel they require. Doing something big over medium distances, where there are no rail alternatives powered by low-carbon energies, can make sense from a market and demand point of view. All the more so given the extremely high level of reliability available today. Then there's always the psychological side. If a plane carrying 200 people crashes, it has less impact than a plane carrying 2,000. **We could imagine planes bigger than the A380. To make them fly, in terms of physics, it is indeed feasible by adding more powerful engines. The problems we're facing are more those of the Airbus A380 and Boeing 777 at the outset: reinforcing the skins, the parking problem, the size of the airports... This requires infrastructures that are impossible for many airports for lack of space, and the investments would be massive.**

How do you see the evolution of cabins inside aircraft, particularly with certain concepts of bunk beds appearing?

When you're on a train that runs for ten hours, there are already bunks of this type. It doesn't seem crazy to have less luggage, but more space for passengers seems plausible. It's

easy to imagine a passenger who, for environmental reasons in particular, will carry less baggage and will have everything he needs at point A and point B. This means a larger surface area that can be used by passengers. This is something we're starting to do with certain business class seats, which allow passengers to pass over their neighbor's legs without him even noticing. So bunks are not out of the question.

Then, of course, there may be issues of weight, certification and safety, because

aviation regulations are slow to evolve, and certification takes time. It's all the more conceivable that passengers on these types of couchettes could travel strapped in, as is already the case with the seats that can be converted into beds found in business class.

What are your views on the possibility of pilotless aircraft?

Yes, we're capable of flying planes without pilots - drones are already here. But **I think we're potentially going to keep a mix of a pilot in the plane and a pilot on the ground at 60.** There needs to be human responsibility in the aircraft to, for example, disconnect in the event of a cyber-attack and manage unplanned elements such as sudden weather phenomena. There's also a problem of acceptability, but passengers aren't necessarily aware that crew numbers in the cockpit have already been greatly reduced over the years. And now, during phases of flight, there's only one pilot when the co-pilot goes to rest. After that, everything can evolve. There are already automatic subways without pilots, and people accept this very well. On the other hand, it would be more difficult for a TGV or a plane, but if we can demonstrate that safety is there, why not? But I imagine there will still be a pilot and someone on the ground.

Are we moving towards an even more digitalized passenger experience at airports?

I'm totally convinced of it. Because here, we're not touching physical limits, we're simplifying and fluidifying the physical. Everything is moving in the direction of this fluidity, and the technology is already there. We're obviously touching on issues of access to personal data, but there are solutions for that too. We're touching on issues of administrative slowness, but in fifty or sixty years' time, we can imagine deported baggage, and virtually unrestricted passage through the terminal to get to the plane. Offering this total fluidity seems to me something very affordable. From a geopolitical or diplomatic point of view, there may still be a few stumbling blocks, but from a technical point of view, there are things to be done to harmonize facial recognition, video recognition and biometric data processing in real time. And the fluidity of the journey seems to me to be something that will increase dramatically in the short term. It's in everyone's interest, and the technologies exist.

In terms of diversifying airport activities, could we move towards anticipating passengers' needs?

On the subject of airports becoming managers of mobility in general, and not just aviation, with cars, buses, trains, streetcars... and becoming integrators of these interchanges, that's certain. This business will evolve, as will the associated investments and business models. Whether an airport becomes a center where passengers can find attractions will depend on the type of hub. **If there's a hub with waiting times, why not? But if you have an airport where everything has to be**

very fluid and very fast, it's less relevant. Today, passengers have their own distractions with their own devices. If we add more content and more animations, we'll also be confronted with higher energy consumption. It really depends on each airport. At the same time, shopping areas will certainly evolve considerably, but in line with regulations and taxes.

With the development of eVTOLs, don't you think that in 60 years' time, we'll have overcrowded skies that will be difficult to manage?

Yes and no. The first applications will be in niches, with a bit of taxiing, in areas that are difficult to access. In

my opinion, eVTOLs are replacing helicopters, so where they exist, they'll be replaced fairly quickly. Where they don't exist, everything will depend on the ability of cities to manage their mobility, to facilitate travel between the airport and the city center, and whether surface transport develops to increase mass transit and limit car use. The use of eVTOL will be important, but not necessarily the way we imagine it. There are still many barriers in terms of noise, and the other issue is the possibility of overloading the skies. By 2030, we'll be flying a lot of drones and eVTOLs, but I'm hopeful that we'll still be able to see the sky. But with the energy consumption per passenger, I don't think it will be for mass transit. In some cases, such as Sao Paulo, helicopters, which are very much in evidence for reasons of congestion and difficult access points, will be replaced, but it will all depend on the specific circumstances of each city. Even so, there is a real demand, despite the fact that it will be three times the price of a cab.

More generally, with the expected rise in prices linked to decarbonization, do you think we can change the aviation model?

I think we'll find the business model that works. Yes, it will be more expensive, and yes, there will be an impact. Yes, there will be fewer certain types of travel, but from a global point of view, **I think that the dynamics of air transport will be maintained even if we double the price of air travel.** We can already see that it's very expensive, with fare increases of 15 to 25% on certain destinations compared with 2019, and planes remain full for the time being. That's not to say there won't be cycles. But in terms of underlying trends, at sixty, it will be more in line with the need to travel. I think that with a **better understanding of the CO2 impact we have in our everyday lives, there will be a reduction in travel,** but the overall trend will continue.

My comment: *With the exception of fuel, most topics concerning the future of aviation are covered here.*

Didier Bréchemier, Senior Partner Transport and Travel at the consulting firm Roland Berger, takes an interesting

look. His contributions are pragmatic, a far cry from the incantations we hear here and there.

I share his view that scientific innovation alone will not enable air transport to meet its 2050 decarbonization targets.

Other avenues will have to be explored.

I'm more and more inclined to think that beyond aeronautics, the goal of zero net CO2 emissions by 2050 will be revised downwards.

As has often been said, "the last drop of oil on this earth will go into an airplane".

But when? The answer may be found in a Senate document dating from... 2006 ! It is entitled "Climate change and energy transition: overcoming the crisis. Actes du colloque du 29 juin 2006".

I quote: "The last drop of oil is forecast for 2150".

End of press review

> Air France-KLM share price trend

Air France-KLM shares closed at **13.425 euros** on Monday January 8. It is **down this week by -1.23%**.

Since the beginning of November, the Air France-KLM share price has risen by over 25%.

It stood at 12.53 euros on January 2, 2023, and 17.77 euros on June 19, 2023.

The analysts' 12-month average (consensus) for AF-KLM shares is 17.54 euros (it was 15.0 euros at the beginning of January 2023). The highest price target is 23.00 euros, the lowest 9.50 euros. I only take into account analysts' opinions subsequent to the May 2022 capital increase.

You can find details of the analyst consensus on my blog.

No comment

> Fuel price trends this week

The price of a barrel of Jet Fuel in Europe is down \$4 to \$108. It was \$94 at the

end of June, and \$79 before the outbreak of war in Ukraine.

Brent crude oil (North Sea) is up +\$2 to \$79.

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: *The spread between Jet Fuel in Europe and Brent crude oil was around \$15 before the conflict in Ukraine. In 2022, at the start of the Ukrainian conflict, the spread was close to \$50.*

It is stable this week, at \$29.

From February to July this year, the spread had returned to reasonable levels (between \$12 and \$25). Since August, it has systematically exceeded \$30.

Good to know

> Advice for current and former employee shareholders

You'll find [details of how to access the managers' websites](#) on my [navigation](#) site.

To avoid forgetting to change your contact details each time you change your postal address, **I advise you to enter a personal e-mail address.** This will be used for all correspondence with management bodies.

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

My comment: *If you have shares in one of the funds managed by Natixis Interépargne, remember to log in to your account manager once a year, to avoid it being considered inactive.*

Please note: After 5 years of inactivity, Natixis Interépargne will send a letter/email to those concerned asking them to log in to their account or to call Natixis Interépargne to reactivate their PEE account.

After 10 years of inactivity, your account is transferred to the Caisse des Dépôts et Consignations.

To unblock your PEE, click [here](#).

> FCPE management

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

It's 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 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 my website](#).*

Details

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

Please feel free to react to this press review, or to send me any information or thoughts that will help me better carry out my role as a director of the Air France-KLM Group.

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

See you soon.

For the latest Monday press reviews, [click here](#).

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

New readers can receive it by [sending me](#) an email address of their choice.

| François Robardet

**former Director of Air France-KLM.
You can find me on my twitter
account @FrRobardet**

At the time of our election, Nicolas and I received the support of the CFDT and the UNPNC.

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

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