

Young people who feel guilty about flying



I Letter from François Robardet

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

N°997, December 30, 2024

If you do not see this page correctly, or if you want to read the English or Dutch versions, please contact us.

If you do not see this page correctly, or if you want to read the English or Dutch versions,

Als u deze pagina niet goed ziet, of als u de Engelse of Nederlandse versie wilt lezen,

[follow this link](#) , [it is here](#), [vindt u deze hier](#) 



Editorial

Dear readers,

With New Year's Eve just around the corner, I've decided not to mention the accidents that have occurred over the last few days.

There will always be time to talk about them next year.

I wish you a happy New Year.

François

Monday's letter

Contents :

Young people who feel guilty about flying

Netherlands: fog cancels flights at Schiphol, Rotterdam and Eindhoven

China Eastern to inaugurate the C919 on the Shanghai-Hong Kong route in January.

ITA shareholders approve capital increase ahead of Lufthansa investment

Kelly Ortberg, Boeing's last chance

> Young people who feel guilty about flying

(source Libération) December 27, 2024

My comment: I'm not going to point out the inaccuracies in the article's comparisons of CO2 emissions between train and plane.

Nor is it my intention to point out what may appear to be inconsistencies in young people's choices.

Rather, I'd like to stress that the fight against climate change will require strong, costly choices that are likely to call into question lifestyles in the most developed countries.

Will we be able to? If the young people quoted in the article are to be believed, it would seem very difficult.

But I don't think it's impossible. Technologies exist to produce electricity without increasing greenhouse gas emissions.

But the fundamental question lies elsewhere: will we be able to help those countries that don't have these technologies today?

I'd like to repeat part of my commentary [from letter n°986](#).

Are we to assume, in the long term, that all the planet's inhabitants will be able to enjoy the same rights and a similar standard of living from one country to another?

On the other hand, is it acceptable for developed countries to benefit from raw materials extracted at the cost of enormous pollution, and from products manufactured in deplorable health conditions and in disregard of basic labor law rules, in order to ensure the energy transition?

Read the article:

They would have liked to avoid flying for ecological reasons. For the festive season, **these students and young professionals will be taking the plane to save money.** "It's the only option that was really financially feasible," confides Joris, 23, a student in Strasbourg. He's used to reusing citrus peelings to make infusions, but had planned ahead. As early as October, his eyes were scanning train fares. But "it easily cost double", he regrets, "especially with the Christmas market here, which boosts everything". On Saturday December 21, not without a guilty conscience, he will fly from Mulhouse - where flights are cheaper - to join his family in Ariège, via Toulouse airport.

As for Joséphine, she has to cross the Channel for New Year's Eve.

Employed in a law firm in Lewes, near Brighton in England, she plans to meet up with her family in Bordeaux, her home town. Committed to the environmental cause, the twenty-something couldn't afford a Eurostar. **Even if I had booked it in September, it was already too expensive,** she admits, a little embarrassed. **Conversely, it was quite easy to find a flight between London and Bordeaux for 50 euros.** Yet ecology is one of her concerns. This former member of Extinction Rebellion, known as XR in activist circles, no longer buys new clothes, for example, in opposition to fast-fashion, that fast, disposable fashion based on hyper-consumption. Like many of her friends, she eats very little meat. So flying, because of financial constraints, irritates her.

"Ashamed to fly

Testimonials like those of Joris and Joséphine are numerous. These young adults, worried about their future, all confess to wanting to limit their air travel to short and medium distances. Concerned about the environment, many of them are also interested in the flygskam movement ("the shame of flying", in Swedish), which aims to boycott air transport in order to reduce CO2 emissions.

"The price forces me to make choices I don't feel comfortable with," laments Grace, a Scot studying in Paris. As she specializes in environmental policies for her master's degree, she takes offence at the systematic increase in fares at Christmas time. "It makes me angry and I feel guilty. But how can you do otherwise when you don't have the budget?" asks the woman who will have to travel over 1,000 km to see her family. I feel hypocritical and at odds with my convictions."

Joris, the student from Strasbourg, shares this bitterness and doesn't understand what justifies such a price difference. "I tend to find it scandalous. We know that the train is the most environmentally-friendly way to travel medium distances, and not taxing kerosene makes no sense whatsoever," he says. Today, this mixture of hydrocarbons is one of the only fuels not to be overtaxed.

With a strong following among young people on social networks, environmental activist Camille Etienne wrote on Instagram on October 14: "The airline industry benefits from numerous tax niches of this type. [...] Nearly 10 billion euros in tax gifts are given each year in France to this particularly polluting and unfair sector." Although air travel is responsible for "only" around 2.4% of annual CO2 emissions, it nevertheless tops the list of the most polluting modes of transport. A single journey, for example, would emit 1,500 times more than a train," notes Aurélien Bigo, a researcher specializing in the energy transition in transport. Trains, on the other hand, emit around 80 times fewer greenhouse gas emissions than planes, in the case of a Paris-Marseille journey, for example.

"It's really poorly served

Zigzags all over France and countless train changes also dissuade these young people, in a hurry to get back to their families, from choosing the rail option: the time factor often tips the balance. "It would have taken me at least nine hours by train," calculates Joris. To return home, the student would have had to "link Strasbourg-Paris, Paris-Toulouse and Toulouse-Ariège". "There's no direct service and it's really badly served," he laments, comparing it to the Belgian rail network he was used to using last year during his civic service in Brussels. A car-pooling enthusiast, he admits that this time he didn't consider this option "too costly in gas and tolls". His outbound flight will cost him "just 80 euros", for a flight of just 1.5 hours.

Had they had a little more money in their bank account, Joris, Josephine and Grace would have been willing to take the train, provided that "the rail network is a little better maintained and connected", says the Strasbourg student. The Scottish girl nods in agreement. She comes from isolated countryside where you have to drive several miles to find a station. For the time being, without forgetting her ecological convictions, she is looking forward to being reunited with her brothers and sisters, whom she hasn't seen for months.

> Netherlands: fog cancels flights at Schiphol, Rotterdam and Eindhoven

(source Belga) December 27, 2024

My comment: *In winter, bad weather conditions worsen the performance of KLM and its subsidiaries.*

Sometimes this can even lead to the temporary closure of Schiphol airport.

Read the article:

Several flights were cancelled at Dutch airports on Friday due to poor visibility caused by fog. **Nearly 60 flights were cancelled at Schiphol** (Amsterdam), said an airport spokeswoman, while seven departing and as many arriving flights were cancelled at Rotterdam-The Hague airport.

Also in Belgium and the UK

Flights from Ibiza, Lisbon and Marrakech, which were due to land at Eindhoven airport, had to be redirected to Schiphol. Flights from Alicante, Prague and Malaga, still scheduled for the evening, were cancelled.

The Dutch meteorological institute KNMI issued a yellow alert for almost the entire country due to the fog.

Brussels Airport also experienced delays due to the weather conditions. Air traffic was also disrupted on Friday at several major British airports, resulting in cancellations and delays lasting several hours, due to the fog, said the British air traffic control service (NATS). **Gatwick (London) and Manchester airports, the country's second and third busiest, were among those most affected by the disruption.**

> China Eastern will inaugurate the C919 on the Shanghai-Hong Kong route in January.

(source Reuters) December 26, 2024

My comment: *China is working to obtain certification for its Comac C919 short-haul aircraft, with the aim of competing with the Airbus A320 family and Boeing's B737 MAX family.*

This should happen in 2025 or 2026.

This aircraft, designed over ten years ago, is equipped with engines (LEAP-1C produced and marketed by CFM International) similar to those used on the A320 (LEAP-1A) and B737 MAX (LEAP-1B).

It could enable China to win market share in geographically close emerging countries.

But in these emerging markets, the economic equation is not certain.

For some analysts, "a company, before buying, wants to know the price at which it can hope to resell - this remains an unknown on the C919 - and make sure that the entire support and maintenance chain is accessible nearby. This will be a big challenge for the Chinese offer".

Read the article:

China Eastern Airlines will launch the first C919-operated cross-border commercial service between Shanghai and Hong Kong on January 1, state-owned China Central Television (CCTV) reported on Thursday.

Currently, **China's three major state-owned airlines all operate the C919**, a narrow-body aircraft developed by the Commercial Aircraft Corporation of China (COMAC), **but they only fly within mainland China.**

The new service, a daily round-trip flight, comes as **China seeks to land the first international customer for the C919, a jet with the potential to rival the Boeing 737 MAX and Airbus A320neo.**

China Eastern, which was the first to launch the C919, has a fleet of nine C919s serving various domestic routes.

The addition of Hong Kong - a Special Administrative Region of China with its own aviation regulatory system - as a destination will expand China Eastern's network to nine cities.

COMAC has been focusing on its international expansion, and opened an office in Hong Kong in October, following the establishment of its Asia- Pacific office in Singapore. COMAC said the Hong Kong office was a crucial element in its global strategy.

The aircraft manufacturer **is seeking European Union certification for the C919, and has expressed the hope of achieving this by 2025.**

> ITA shareholders approve capital increase ahead of Lufthansa investment

(source Air Journal) December 26, 2024

My comment: *The takeover of ITA Airways is complete.*

Lufthansa's ambition (to regain market share in Italy) is ambitious.

Competition from low-cost airlines is strong here; Ryanair, Italy's leading airline, has a 42.5% share of the domestic market, ahead of ITA Airways (26.2%) and easyJet (9%).



Read the article:

Lufthansa will acquire a 41% stake in ITA Airways for 325 million euros, financed by a capital increase now finalized by the Italian airline.

At an extraordinary meeting on December 20, ITA shareholders approved a €325 million capital increase to be offered to Lufthansa prior to the latter's acquisition of a 41% stake in the Italian airline.

(...)

In July 2024, it was suggested that Lufthansa's acquisition of the minority stake would be finalized by the end of this year.

ITA shareholders also approved new articles of association for the company, assigned to the two shareholders (Lufthansa and the Italian Ministry of Economy and Finance), which will come into effect as soon as Lufthansa subscribes to the capital increase. The two shareholders are also expected to appoint a new Board of Directors.

The European Commission officially gave the green light to the acquisition project in July 2024, a decision welcomed by the Lufthansa Group, the Italian Ministry of the Economy and Finance and ITA Airways. ITA will become the fifth network carrier in the Lufthansa Group's multi-brand, multi-hub system.

Deutsche Lufthansa CEO Carsten Spohr had previously described the

proposed acquisition as a "win-win situation for Italy, ITA Airways and the Lufthansa Group", with "a stronger ITA [to] boost competition in the Italian market".

Options to acquire the remaining ITA Airways shares have been agreed between the two shareholders, and can be exercised from 2025 at the earliest.

> Kelly Ortberg, Boeing's last chance

(source Les Echos) December 24, 2024

***My comment:** Who wants to take Kelly Ortberg's place?*

Nobody ...

But nobody (on the airline side) wants Boeing to go under.

The need for new aircraft is huge, and no manufacturer could cope with a Boeing failure.

The expression "too big to fail", which originally applied to financial institutions, will apply to the American manufacturer.

Read the article:

When discussing the case of Kelly Ortberg, one question immediately springs to mind: **is there a boss in the world facing a worse situation than his?** Appointed in August 2024, **Boeing's** new CEO inherits a group in a nosedive, **literally on the brink of ruin after the improbable series of accidents involving its flagship aircraft, the 737 Max**, two models of which crashed in 2018 and 2019, killing a total of 346 people. Last January, images of a door ripped off in mid-air on an Alaska Airlines 737 Max completed the destruction of the aeronautical giant's image and accounts.

In October, the group announced a loss of 6.2 billion dollars for its third quarter, bringing **the deficit for the first nine months to 39 billion dollars, a third of its sales for the period.** "Clearly, we're at a crossroads," commented Kelly Ortberg, whose penchant for euphemism was unimaginable.

Program stoppage (767 model), delivery delays (777X), multiple setbacks in the Defense and Space division, including the much-publicized failure of its Starliner capsule, forcing the two astronauts Butch Wilmore and Suni Williams to spend

eight months on the International Space Station instead of the planned eight days, and a massive strike resulting in a 35% across-the-board pay rise at a time when the company is penniless: **To talk about Boeing today is to unravel the springs of a disaster, from which one wonders how this 64-year-old engineer will ever emerge.**

In November, Boeing's new boss from avionics specialist Rockwell Collins delivered a powerful message to his managers: "Don't just stand at the water cooler and gossip. At the same time, he sent out the first redundancy letters to the employees who will be among the 17,000 departures announced, i.e. 10% of the workforce. **The year 2025 will be crucial for Boeing, which is launching a giant capital increase of at least \$21 billion.**

This is not just a detail. Kelly Ortberg was one of the first to make a phone call to President-elect Donald Trump in early November. His message: "Don't knock China too much, one of my major markets."

End of press review

> Air share price trend

Air France-KLM shares closed at **8.094 euros** on Friday December 20. Over the week, it is **up (+1.17%)**.

It was 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 10.66 euros (it was 15.0 euros at the beginning of January 2023). The highest price target is 17.50 euros, the lowest 7.10 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: *In recent weeks, the share price has stabilized at a level consistently below the analyst consensus.*

> Fuel price trends this

The price of a barrel of Jet Fuel in Europe has risen (up \$1) to \$89. It was \$94 at the end of June 2023, and \$79 before the outbreak of war in Ukraine.

Brent crude oil (North Sea) is **up (\$1) to \$74 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 month, 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](#)

If you like this letter, please pass it on.

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

| François Robardet

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

**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.

If you no longer wish to receive this newsletter, [unsubscribe](#)

If you wish to change your e-mail address, please [let know your new address](#).me

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

11,657 people receive this live press review

.