

1000th Air Letter

1000^{ème}



Letter from Christian Magne and François Robardet

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

N°1000, January 20, 2025

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Message from François Robardet

Dear readers,

Today marks the 1000th edition of our aviation newsletter.

On this occasion, I'd like to take a look back at some of the milestones in its history.

On December 1, 2008, Christian Magne, my predecessor, published his 158th newsletter in a format similar to the one you know today.

At the time, 4,000 subscribers received the letter every week.

Since then, without exception, this letter has been sent to you every Monday.

It has evolved over the years to reach almost 12,000 subscribers today.

I'd like to extend my warmest thanks to Christian, who entrusted me with the responsibility of continuing this adventure in December 2016. It was a precious gift.

My thanks also go to Martine, a journalist with a passion for aviation, who has long contributed with her advice and corrections. It's partly thanks to her that this newsletter has survived.

I'd also like to thank the journalists who allowed me to reproduce part of their articles. Their work has served as the basis for our analyses.

And above all, thank you, dear readers.

Your trust and support have made this newsletter a real success. You have enabled this adventure to grow by sharing our work with your colleagues and friends.

I hope you enjoy reading it.

François

Message from Christian Magne

I'd like to extend a very warm welcome to all the aviation enthusiasts who subscribe to this weekly newsletter.

From the very first issues, your feedback and questions have encouraged me to continue publishing it with regularity, and to add comments to the articles.

Thanks again to the thousands of you who have contributed your comments to the positions I have taken on the Air France-KLM Board of Directors.

When my mandate was taken over by François Robardet, I was confident in his ability to develop this tool at your service. This confidence has been fulfilled.

Air transport is one of the sectors affected by climate change, the consequences of which are becoming increasingly serious.

Airlines have grasped the stakes. They are adapting. Nevertheless, we must remain vigilant about the real impact of simplistic proposals or decisions that penalize the sector, wherever they may come from.

That's why I've continued to work with a think-tank in this direction, while in the meantime, Air France-KLM remains committed to reducing its environmental impact.

I wish all the best to every reader of this newsletter and to the Air France-KLM Group.

Christian Magne

1000^{ème}

Monday letter

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> More than just a press review

From the outset, this newsletter was distinguished by a clear editorial line: to offer a unique insight into current air transport news and the stock market fluctuations of the Air France-KLM share, based on recent articles.

The comments were not to be limited to summarizing the articles, but rather to enrich them with additional information, while encouraging readers to consult the original content.

To facilitate rapid reading, key passages in the articles were highlighted in bold. Furthermore, in order to respect the work of journalists, only extracts from paid-for articles are reproduced, regularly interspersed with "(...)".

> **A letter in constant evolution**

Selection and

Initially, the newsletter featured around ten articles each week, but only three or four were commented on in depth. Over time, the number of articles has decreased, but more of them are now commented on, making articles without comment very rare.

The original structure has been preserved, as shown by [letter n°158](#) (December 1, 2008), the first publication in the current format.

improvements

Three major changes have marked this newsletter:

1. Identifying

In response to a reader who confused an article with a comment, comments have been displayed with a blue background since [letter 713](#) (July 2019).

2. Multilingua

The publication has opened up internationally with an English version ([letter 695](#)), followed by a Dutch version ([letter n°698](#)) in March 2019.

3. reorganization

Since [newsletter no. 990](#) (November 11, 2024), the presentation of articles has been reversed to better adapt to readers' habits. Each article is now structured as follows:

1. the title,
2. source and date of publication (with translation tool if necessary),
3. the commentary,
4. excerpt from the article.

New elements have also been added to the letter:

- an editorial sometimes introducing the articles,
- a summary at the beginning of the letter,
- a "bonus" article, offering perspectives far removed from the airline industry but useful for anticipating future trends.

> A special parenthesis: the Covid period

With the APLD (Long-Term Partial Activity), many Air France employees found themselves away from their professional environment. In response to readers' requests, the number of articles published was increased.

It was at this time that the "bonus" article was introduced. Often unabridged and dealing with topics outside the airline industry, they were very well received. Among the most striking is the article on Tocqueville's paradox, exploring tolerance of inequality ([letter n°945](#), January 1, 2024).

> Your opinion, Christian readers

My comment: *I've selected a few messages from readers addressed to Christian when he was writing this letter.*

They speak volumes about the quality of his work.

"Like so many others, I'd like to thank you for the help you give us on a daily basis, both in having the talent to reveal the latest news about our beloved company almost day by day, and for the always clear information about our dividends! I had the pleasure of talking to you on the phone one day, and I can testify to your availability and dedication to others", *retired Senior Cabin Crew Chief*.

"Thank you for the letter, which is always very complete and interesting, especially if you're not too well-versed", *Hostess, Orly*

"You do an excellent job and I hope we thank you often for it", *Secretary, Paris*

"Well done on your AF/KL administrator's bulletin, as always very clear", *Logistics supervisor, Lyon*

"I'd like to take this opportunity to tell you that I find your information very clear, sufficient. When we receive your information, we really want to read it", *Executive, Roissy*

"Your letter is very well written and full of information, my thanks for this quality work", *Servair, Roissy*

"I just wanted to thank you for your work and tell you my support", *Agent Escale, Roissy*

"Thank you again for the quality of your letter from the Air France-KLM administrator and for your commitment to keeping us informed of our company's development", *Cadre Technique Entretien, Roissy*

"My e-mail comes from far away: Africa, Douala in particular. Just a short note to tell you how happy I am to read you and thus have news "from the COUNTRY" via our Company. Your action is remarkable within our company, both through the Director's letter and your Navigation site. Thank you again for this for us who are very far from France", *Executive, Douala*

> **Your opinion, François readers**

"Thank you for maintaining your newsletter.
It's clear, readable, well-presented and full of pertinent comments. What's more, the bolding for quicker reading is consistent.
Just what we need", *Cadre, Roissy*.

"A short message to add to the long list you must receive regularly, but this one simply to thank you for the quality of your newsletter.
The diversity of subjects covered and the synthesis of your comments are a great help in my overall understanding of the issues facing our sector, and help me to convey these subjects to my teams.
Thank you very much for your synthesis", *Cabin Manager*.

"For a retiree, it's always a pleasure to read the Administrator's Newsletter every week. It keeps me in touch with what's going on in the company and the airline industry. The dossiers are also very interesting.
So thank you for all your hard work in keeping us informed, and I wish you all a very happy and eventful 2024," says *a retired air operations manager*.

"We don't know each other, but I'd like to thank you for your newsletters, which are always very interesting.
I also wish you all the best for 2025!", *Executive, Roissy*

"Thank you very much for the fantastic work you do. Your blog is a goldmine of information", *Flight Analyst, Revenue Management Passage*.

Reading your highly relevant blog is always a pleasure! Even if the news isn't always good.... you decipher it very well! And you help us to sort out the essential from the urgent..... *Air France-KLM executive, during the Covid period*.

"On behalf of our Amicale USA members, thank you for your newsletters which are

extremely popular with your colleagues in the USA, especially with the English option."

Editorial

Dear readers,

1000^{ème}

This 1000th letter has a special fragrance.

It's in the news with the launch of AF001: Air France's first perfume.

The Bonus article presents a different vision of the fight against climate change.

*Enjoy your reading
François*

> AF001: Air France's first perfume by Francis Kurkdjian

(source Vogue) January 14, 2025

My comment: *Increasingly, businesses that welcome the public are investing in home fragrances, which can have a positive impact on customer mood and behavior.*

In high-traffic areas (airports, waiting rooms), room fragrances neutralize unpleasant odors and enhance customer comfort.

A refined fragrance reflects an image of elegance.

A soothing fragrance reinforces an image of relaxation and comfort.

Fresh or floral fragrances give an impression of cleanliness.

As Fabien Pelous, Air France Customer Experience Director, so aptly put it:

"Air France travel now touches every sense:

sight, thanks to the haute couture uniforms of our staff, the harmony of our cabins and the meticulous design of our lounges,

- *taste through tasty menus for everyone,*
- *touch through the soft materials of our seats,*
- *hearing, with playlists to discover on board,*
- *and now the sense of smell with this prestigious olfactory signature".*

Read the article:

As the world's leading airline, Air France criss-crosses the globe, celebrating a certain French art de vivre and constantly renewing itself. After taking control of a beach during the last Cannes Film Festival, this Wednesday, January 15, the French airline unveils a brand new olfactory project.

Working alongside perfumer Francis Kurkdjian, head of his eponymous house, **Air France is creating its first interior fragrance**. Called AF001, **it will be available for sniffing in Paris-Charles de Gaulle airport lounges, as well as in the suites of the La Première lounge, before moving on to more areas around the world.**

Primarily floral, this fragrance features jasmine and rose notes, combined with mimosa from Provence.

The inspiration? "The illusion of a sunbeam on the wings of an airplane guided me in composing this light, fresh and comforting home fragrance," says Francis Kurkdjian.

Notice to connoisseurs.

Article Bonus

> Climate obsession

(source Contrepoints) January 16, 2025

My comment: *Growing differences are emerging over the priorities to be set in the fight against climate change.*

This was evident at COP29, held last November in Baku (Azerbaijan), where debates were particularly tense.

The BBC reported that "developing countries, as well as those particularly vulnerable to climate change, walked out of the negotiations in spectacular fashion", fed up with what were seen as the petty calculations of the rich nations.

Emerging countries such as China and Saudi Arabia have been under pressure to help finance climate initiatives. However, statements by the future president of the United States dampened the general momentum.

At the end of COP29, an agreement was reached: rich countries pledged to increase their contribution to \$300 billion a year by 2035, up from the current \$100 billion, to support developing countries in their transition to clean energy and adaptation to climate impacts.

However, independent experts estimate that these needs amount to 1,300 billion dollars a year, a figure recognized in the agreement signed in November.

The debate also highlighted the need to strike a balance between decarbonization, which aims to reduce greenhouse gas emissions, and adaptation, which involves preparing populations for the inevitable effects of climate change.

Directing investments according to their effectiveness in combating global warming now seems crucial.

This strategic choice is also at the heart of the concerns of Air France-KLM's senior management.

According to their analysis, sustainable aviation fuels will probably not be available in sufficient quantities to meet targets after 2030.

They advocate a proactive approach, directing available funds towards high-impact projects as soon as possible, rather than resorting to punitive taxes.

For Air France, every 1% increase in the use of sustainable fuels represents an additional cost of 100 million euros a year, underlining the importance of optimizing investments in a sector where room for maneuver remains limited.

One final remark: contrary to what the journalist wrote, the climatologist is talking about climate disruption, not global warming. The nuance is important.

Read the article:

The climate issue has invaded every social debate. In her book *Le Changement climatique n'est plus ce qu'il était* (2024), **climatologist Judith Curry argues that this obsession is unreasonable and even harmful.**

On Saturday December 14, cyclone Chido hit Mayotte, devastating the island and claiming a huge number of human lives. Immediately, experts and activists of all kinds began arguing over whether global warming was to blame for this tragic event. But the question doesn't really make sense, because it's very difficult, not to say impossible, to link a single event to a global phenomenon. Even if we were able to show that, on average, the strength of cyclones increases with global warming, it would still be unclear whether the strength of the latter could be explained by it.

On the other hand, **a fundamental question is how human populations could have been better protected.** In her book *Le Changement climatique n'est plus ce qu'il était* (L'Artilleur, 2024), **climate scientist Judith Curry** provides a clear answer to this question, going against the grain of the prevailing discourse. In essence, she **argues that we should be less concerned with reducing CO2 levels in the atmosphere than with global poverty, which is the main cause of vulnerability to climate hazards.**

The IPCC's biases

As a climatologist who has closely followed the work of the IPCC, **Curry does not question the scientific studies on climate change.** But in her book, **she shows** that the focus on CO2 levels is the result of a methodological bias linked to the way the IPCC itself operates, that these studies still contain a great deal of uncertainty, and **that it is not by making the reduction of CO2 emissions a priority that we can best protect human populations.**

It's important to understand that current climate research is conducted within a predefined framework. **In 1992, the United Nations Framework Convention on Climate Change identified climate change as the portion of climate variability due to human activities.** Implicitly, therefore, the part due to natural variability tended to be left out of the discussions. Furthermore, this same convention assumed that global warming was dangerous, without considering its possible beneficial aspects, and aimed to stabilize greenhouse gas concentrations in the atmosphere. Tacitly, it followed that the elimination of fossil fuels was the priority path to follow. But, Curry points out, it's not at all clear that the climate situation is any less favorable today than it was before the industrial era. She even suggests that few people "would choose the pre-industrial climate of the 18th century" (p. 37).

There is, of course, the possibility that climate change will increase the frequency and intensity of floods, droughts, forest fires and hurricanes. But, says Curry, "there

is little evidence that recent warming has exacerbated such events". She even argues that "the first half of the 20th century saw more extreme weather events than the second, during which human-induced warming is thought to be the main culprit in observed climate change" (p. 41). **There is certainly a perception that extreme weather events are more frequent and more severe. But she believes this is due to "population growth and [the] concentration of wealth in coastal and other disaster-prone regions"** (p. 41). In any case, even if such events were to increase, she points out that the number of their victims has fallen over the century, thanks in part to economic development.

Development or decline in emissions

That said, she acknowledges that global warming could become dangerous.

However, she points out that the IPCC's extreme scenarios are, in her own words, unlikely. As for those that are more likely, they do not lead to the end of the world, as some activists claim. They could, of course, lead to problems, more or less serious. But Curry argues that, in the face of these problems, it is legitimate to discuss the IPCC's policy recommendations that the priority objective is to reduce CO2 emissions.

Indeed, she explains that a scientific body whose aim is to find a consensus doesn't really make sense in terms of scientific activity, insofar as minority theses often have a crucial role to play in advancing science. And yet, by being built around the search for consensus, this body inevitably comes to minimize divergent studies and uncertainties. What's more, having been set up on the premise that CO2 emissions are harmful, it is necessarily biased in favor of reducing them. Finally, **Curry reminds us that, if our aim is to improve the living conditions of human beings, we should not promote a reduction in CO2 until we have verified that the economic and social consequences of this measure are no worse than the consequences of global warming.**

On this point, it shows that, to date, **the most dramatic impacts of climate change are above all the symptoms of underdevelopment.** And yet, CO2 reduction measures tend to hinder development in the regions that need them most. **It would therefore be better to help the populations of these regions become richer, have access to cheap energy and therefore be more resilient to the vagaries of the climate, than to reduce CO2 emissions.** Especially since, as Curry points out, reducing emissions "won't help anyone over the next few decades, whereas [adaptation measures] provide short-term relief" (p. 85).

Finally, to make it clear that this obsession with CO2 reduction is unreasonable, Curry imagines the following situation: "If the world's climate were warming at the current rate due solely to natural causes, would humanity feel compelled to slow future warming (perhaps through direct capture of atmospheric CO2 or solar radiation engineering)? Unlikely; such climate control would rightly be considered

futile and/or dangerous. Humans would adapt, as they always have, to climate change" (p. 458).

The book suggests that, in debates about climate, it is above all the fact that it is humans who are changing it that is deemed problematic. In other words, we might wonder whether it isn't the outdated image of a lost paradise, tainted by human activity, that fuels climate activism and, at times, the work of climatologists.

Stock market press review

> Barclays fears that political instability in France will further depress Air France-KLM share price

(source BFM Bourse) January 15, 2025

My comment: Air France-KLM's share price is at an all-time low, as is the analyst consensus.

Read the article:

Air France-KLM faces uncertainties

On Wednesday, **the British bank** lowered its recommendation on the airline group's shares to "underweight" from "market weight". The bank **notes that the political context is likely to weigh on local activity and consumer confidence, and is cautious about KLM's recovery.**

Air France-KLM has been suffering on the stock market for several quarters now. The Franco-Dutch airline group is down 40.8% year-on-year, and 12.7% since the start of 2025.

Barclays is not optimistic about a potential rebound for the stock - quite the contrary. **On Wednesday January 15, the British bank lowered its recommendation** from "in-line weighting" to "underweight", which is equivalent to going from **"neutral" to "sell"**. The bank also adjusted its target price to 7 euros from 8.5 euros.

This change of opinion weighed slightly on Air France-KLM, which was down nearly 2% at the start of trading on Wednesday.

(...)

End of press review

> Air share price trend

Air France-KLM shares closed at **7.232 euros** on Friday January 17. Over the week, it is **down slightly (-0.58%)**.

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

The 12-month analysts' average (consensus) for AF-KLM shares is at 9.65 euros (it was at 17.50 euros at the beginning of January 2024). The highest price target is 13 euros, the lowest 6.45 euros.

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

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

***My comment:** In recent weeks, the share price has hit an all-time low, as has the analyst consensus.*

You can find the beginnings of an explanation in the stock market press review above.

> Fuel price trends this

The price of a barrel of Jet Fuel in Europe is up (+\$4) to \$100. 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 \$81.**

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 rise in oil prices follows the announcement by the United States of sanctions against Russia.*

> 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 my 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 bring people together to build the world of tomorrow.

(Air France-KLM's raison d'être)

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

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

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