

Air France favours long-haul routes for the 2025 summer timetable



| Letter from François Robardet

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

N°1010, March 31, 2025

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](#) 

The weekly newsletter

Contents :

Air France favors long-haul routes for the 2025 summer timetable

Sharp fall in profits in 2024 for Portuguese airline TAP

"Anti-gigantism, sensible air travel": ADP unveils plans for future Roissy-CDG airport

Non-fossil fuels: airlines doubt European targets

Foldable wings, AI: Airbus unveils innovations for A320 successor

Air France-KLM in the doldrums after Deutsche Bank switches to Sell

> **Air France favours long-haul routes for the 2025 summer timetable**

(source Voyages d'Affaires) March 28, 2025

My comment: *Air France is gradually returning to its pre-Covid level of activity.*

It is making the return of Business and Premium passengers its priority. The new La

Première suites reinforce its image of French-style luxury, sometimes disparaged in France but much appreciated internationally.



Read the article:

Air France has just revealed the details of its 2025 summer program, which will see a stronger increase in capacity **for the Air France long-haul network**. Overall, **capacity will be up 4% on summer 2024**.

This long-haul program includes two new destinations: Paris-CDG - Riyadh (Saudi Arabia), with up to 5 flights a week operated by Airbus A350-900 from May 19, 2025. Two days later, the airline will launch 4 weekly flights to Orlando by Airbus A350-900.

(...)

New La Première and new Business class mattress toppers

Air France has also confirmed the first destinations to welcome the brand-new La Première suites for the summer season. Passengers flying to New York-JFK, Los Angeles, Singapore and Tokyo-Haneda will be able to enjoy the refined luxury of this brand-new product. New York will inaugurate La Première Suites this spring. The product will be available on all La Première destinations by 2026. Air France plans to include even more destinations.

Long-haul business class has not been forgotten. In partnership with the Sofitel hotel chain, **Air France is offering a new mattress overlay for the lie-flat seat.** It will start appearing in cabins in July. **The mattress overlay promises cocooning comfort.**

Short- and medium-haul

The carrier is proposing a modest capacity increase on European routes, at +2%. The carrier will offer up to 670 flights to 96 destinations in Europe, including France.

Capacity will be up 8% to Italy and 3% to Spain. In particular, Air France will operate

29 seasonal routes in France and Europe, notably to Palma de Mallorca and Ibiza (Balearic Islands, Spain), Rhodes and Heraklion (Greece) and Dubrovnik (Croatia). In addition, Transavia, the group's low-cost subsidiary, has increased the number of flights and added several new destinations.

> Sharp drop in profits in 2024 for Portuguese airline TAP

(source AFP) March 26, 2025

My comment: *Since the Portuguese government decided to sell all or part of its airline, it has twice been forced to resign.*

These successive resignations have had the effect of delaying the choice of buyer.

TAP Air Portugal's results for 2024, which were mixed to say the least, show how important it is for this airline to be backed by a major group as soon as possible.

Read the article:

TAP Air Portugal, soon to be privatized, **announced on Wednesday that it had made a profit of 53.7 million euros in 2024, down 69.7% on the previous year, despite an increase in passenger numbers.** This result is explained by "extraordinary provisions" linked to personnel costs and "exchange rate variations", says TAP in a press release, which is nonetheless pleased to record "a positive result for the third consecutive year". The Portuguese carrier had posted a record profit of 177.3 million euros in 2023 and 65.6 million in 2022.

The year 2024 was "difficult" due to "increased competition in our main markets" as well as "operational challenges, particularly in the area of air traffic control and unfavorable weather conditions, as well as structural constraints, such as the limitation on the number of aircraft", explains the airline group's CEO Luis Rodrigues.

(...)

Group sales reached a record level of 4.2 billion euros, while operating profit (EBITDA) fell by 3.1% to 807.1 million euros. **Renationalized as a matter of urgency in 2020 to overcome the impact of the Covid epidemic, TAP had benefited from an injection of 3.2 billion euros of public funds in exchange for a restructuring plan due for completion this year.** This year will be "just as challenging", as we need to "focus on transforming TAP into a long-term profitable company and one of the most attractive in the sector", said Luis Rodrigues.

Portugal wishes to withdraw from the capital. Air France-KLM, Lufthansa and the

IAG group (British Airways and Iberia) have already shown interest in **this capital opening**. Initially scheduled to take place in the coming weeks, it **has been delayed due to the country's political situation**. The center-right government is currently resigning after losing a vote of confidence in Parliament. The country is due to hold early parliamentary elections on May 18. During his state visit to Portugal at the end of February, French President Emmanuel Macron endorsed the Air France-KLM bid, advocating "an innovative form of marriage" between the two countries' airlines, which are already highly connected.

> "Anti-gigantism, sensible air travel": ADP unveils its plans for the future Roissy-CDG airport

(source Les Echos) March 27, 2025

My comment: *The development project at Paris-Charles de Gaulle airport is taking a completely different direction from the one envisaged before the health crisis under the name Terminal 4.*

Before the pandemic, projections foresaw 168 million passengers by 2050, and Terminal 4 was to accommodate between 35 and 40 million additional passengers, equivalent to Orly airport, which recorded 33 million passengers in 2024.

Today, according to ADP, traffic growth will not exceed 1% per year between 2025 and 2050. Paris-CDG airport is therefore targeting 105 million passengers in 2050, compared with 82 million expected in 2025.

Another notable change is that, whereas Terminal 4 had been designed with commercial space in mind, the new project is more closely geared to the needs of airlines.

Anne Rigail, CEO of Air France, said that the development project had "the support of Air France", pointing out that for her it was a "strategic infrastructure for the country", to be defended against offensive competitors such as "Istanbul and the Gulf countries".

Read the article:

It's still only a "vision of the future", but it will determine the development of France's leading airport, Roissy-CDG, by 2035-2050, that of its main user, Air France, and to a large extent, the air transport offer in France. The "development vision" for Paris-Charles de Gaulle, unveiled this Thursday morning by ADP's new CEO, Philippe Pascal, groups together the main developments planned between

2030 and 2035, as well as the projects envisaged up to 2050. An investment plan of 3.5 to 4.5 billion euros between now and 2035, which should enable CDG to increase its capacity from 82 million passengers today to 88 million in 2035 and up to 105 million in 2050.

Unlike the previous development project, cancelled in 2020, which was based on a giant new Terminal 4, ADP's new plan has incorporated the new constraints imposed on the development of air transport in France, in the name of the fight against climate change, for which it ticks all the boxes, from energy transition to intermodality, via "openness to the territories". It's an anti-T4 and anti-gigantism project, more in line with 'sensible air travel'," sums up Philippe Pascal. We won't be building any new terminals or runways, but gradually adding boarding lounges to existing terminals, as and when required."

Between the decline in domestic routes and the higher cost of air tickets due to increased taxation and the higher cost of sustainable fuels, the group has effectively halved its passenger traffic growth forecasts. The latter has been reduced to between 1.5% and 1% per annum. By 2050, this should mean a gap of 64 million passengers between the pre-Covid outlook and the new forecasts.

These forecasts contrast with those of the International Air Transport Association, which are four to five times higher, but seem to meet the needs expressed by Air France.

(...)

The first of the needs identified by ADP, which should result in the inauguration in 2030 of a new boarding satellite linked to terminal 2E, is to enable its biggest customer Air France to have all its aircraft accessible from the airport, without having to use buses. The opening of satellite 6 will be accompanied by the extension of the small Lisa metro to terminal G (for regional flights), which is currently only accessible by bus.

(...)

Around the same time, Roissy-CDG should have completed its rail link projects, with the arrival of the CDG Express in 2027, linking the airport to the Gare de l'Est (Paris) in 20 minutes, followed by line 17 of the Grand Paris Express, in 2030. Not forgetting the Roissy-Picardie TER, scheduled for late 2026 or early 2027.

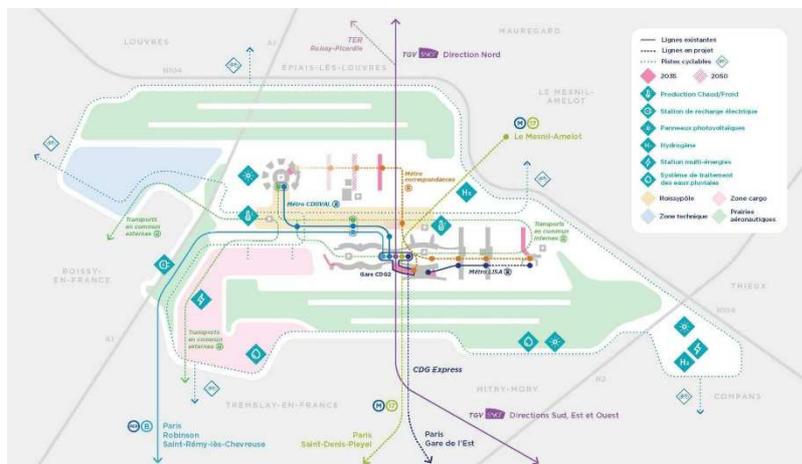
Air France's competitors have not been forgotten. ADP's project also calls for new contact points for EasyJet aircraft around 2032, as well as the construction of a new boarding satellite to the north of the hub, around 2035. This new departure lounge, with a capacity of 7 to 8 million passengers, will be linked to both CDG 2 and CDG 1, depending on requirements. Two further gates of similar capacity could be built between 2035 and 2050, depending on traffic trends.

ADP's project also calls for the redevelopment of the cargo area, with the

construction of a new freight station, scheduled for 2026, and the deconstruction of the Sodexi freight station from 2029. The aim is to double cargo capacity from the current 1.9 million tonnes by 2050.

All that remains is to transform this "vision of the future" into a plan validated by the authorities, local communities, local residents' associations and airlines, whose fees will finance the 3.5 to 4.5 billion in investments required between now and 2035. The first stage, the consultation phase, which opens on April 8, is designed to win the support of local elected representatives and residents, and to avoid legal action wherever possible.

(...)



> Non-fossil fuels: airlines doubt European targets

(source AFP) March 27, 2025

My comment: For several years now, European airlines have been aware of the challenges posed by the sector's 2030 decarbonization targets.

The warning signs have multiplied. Between 2022 and 2023, announcements of new SAF production projects dropped by 50-70%. At this rate, the supply of biofuels (from waste oils or biomass) could fall 30% short of what is needed to meet the Paris Agreement commitments by 2030.

Synthetic fuels (e-SAF), made from carbon and hydrogen, lag even further behind, with production covering less than 45% of these needs.

The delay is also due to the slowness of investment decisions: to date, less than 30% of SAF projects have resulted in a final investment decision (FID), slowing

down the ramp-up of production and the sustainable development of the sector.

By publicly voicing their concerns, European airlines run the risk of fueling the skepticism of aviation's opponents.

It's a risk they've accepted, however, and one designed to encourage the authorities to speed up the development of sustainable aviation fuels.

Read the article:

On Thursday, Europe's leading airlines cast doubt on the feasibility of targets for incorporating renewable fuels into aircraft fuel tanks by 2030, saying they might not produce enough.

As part of its decarbonization efforts, the European Union is requiring an increasing proportion of aviation fuels to come from non-fossil fuel sources ("sustainable aviation fuels", SAF).

Set at 2% since the start of the year, this proportion is due to rise to 6% by 2030, and gradually to 70% by 2050.

But already, "we don't have enough SAF, and the SAF we do have is very expensive", three to five times more expensive than petroleum-based kerosene, asserted Luis Gallego, head of the IAG airline group (British Airways, Iberia...) on behalf of the Airlines for Europe association (A4E).

A4E, which represents 17 European groups, from Lufthansa and Ryanair to Air France-KLM and easyJet, organized a press conference in Brussels on Thursday to call on the European Commission to defend their "competitiveness" on a global scale.

Gallego cited a study claiming that SAF's production would be 30% below necessary levels by 2030.

(...)

"Unless immediate action is taken" to increase production, "the only solution is to postpone the 2030 target", added Mr. Gallego.

(...)

"Let's create a more honest debate on this subject", pleaded Lufthansa Group CEO Carsten Spohr.

> Foldable wings, AI: Airbus unveils the innovations of the A320 successor

(source Les Echos) March 26, 2025

My comment: Airbus has unveiled two possible versions of its future medium-haul single-aisle jet.

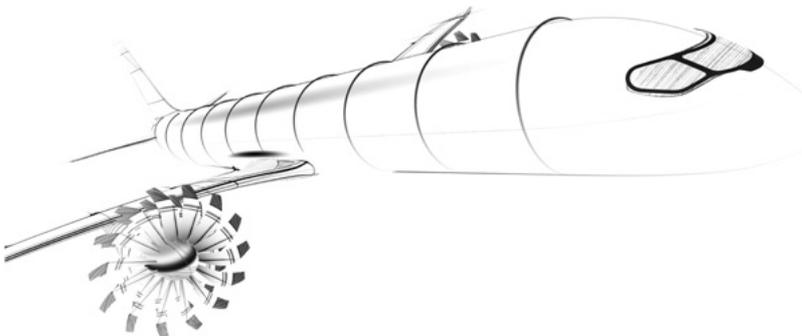
The first is based on hydrogen propulsion, promising a zero-emission aircraft. However, this version is not expected to see the light of day before 2050.



The second, illustrated in the sketch below, lacks precision - to say the least! - but seems far more likely.

It incorporates several elements already mentioned in recent months, notably the RISE-type engine.

One surprise, however: this aircraft would be equipped with folding wings.



For its part, Boeing says it has no similar project underway, being already busy solving problems affecting several of its existing models.

But in my opinion, it's not that obvious. Since engine manufacturers are in charge of engines, not engine builders, it would not be surprising if Boeing were actively preparing the successor to the B737, whose design dates back over 50 years.

Read the article:

Despite headwinds, **Airbus remains determined to launch the first new-generation**, more fuel-efficient and less polluting **aircraft**. While the sine die postponement of a hydrogen-powered aircraft may have raised doubts, Airbus CEO Guillaume Faury has reaffirmed his ambition to bring to market, "in the second half of the decade", a new model **consuming 20% to 25% less fuel. In other words, probably before Boeing**, which has yet to announce any plans.

"We have not halted our hydrogen-powered aircraft project," stressed the Airbus CEO earlier this week at a conference dedicated to "the future of sustainable aviation". "We remain convinced that hydrogen is an energy of the future, and **we would be capable of making a hydrogen-powered aircraft. But as the regulatory framework and the hydrogen ecosystem stand, it would not be commercially viable**. So we didn't want to take the risk of launching a 'hydrogen Concorde'.

The successor to the A320 therefore remains Airbus' only commercial aircraft project for the next decade. "But the good news is that we've made good progress," emphasized Karim Mokaddem, head of research and technology (R&T) for commercial aviation, as he outlined the main areas of progress for the future Airbus.

The first is new engines, which will offer the main gain. **The most advanced and ambitious project is clearly Safran and GE's Rise program for an open-fan engine, for which Airbus has made no secret of its preference**, even if the aircraft manufacturer assures us that it is not closing the door on a second engine manufacturer. To reduce fuel consumption and CO2 emissions by 20%, GE and Safran have opted for a revolutionary architecture, as detailed by GE Aerospace CTO Mohamed Ali.

The best way to improve the efficiency of a jet engine is to make it bigger, to increase the volume of incoming air," he explains. Most of this air is simply blown backwards by the fan blades, while as little as possible is mixed with the fuel and burned in the combustion chamber. The ratio between the two is called the dilution

ratio. And the higher the dilution ratio, the more efficient the engine.

This dilution ratio rose from two or three in the 1970s to five or six in the 1990s, and is now between eleven and twelve on the latest-generation engines," he continues. But the bigger an aircraft engine gets, the more its drag increases, until it cancels out the gain, starting at a ratio of fifteen to sixteen. To go beyond this, without excessively increasing drag, **we have** therefore **eliminated the fairing around the fan**, enabling us to achieve a bypass ratio of 60."

Initial tests have lived up to expectations. "We've already carried out hundreds of tests, notably in France at the Modane wind tunnel, and the results are excellent," assures Mohamed Ali. The tests are far from over, however, as the first ground tests of a complete engine will not begin until 2026. These will be followed by the first flight tests on GE's test Boeing in 2027, and then on an Airbus A380 in 2028.

The other decisive project concerns the wings of the future Airbus. According to Airbus, the wings alone should save "5% to 10% in fuel consumption". **We already know that they will be longer and more tapered than those of the current A320s:** up to 5 meters longer on each side, **for a wingspan of 50 meters**, compared with 35 meters for an A320.

"Physics teaches us that if we lengthen and taper the wings, we get more lift and less drag," explains Sue Partridge, in charge of the Wing of Tomorrow program. But longer wings pose the problem of the aircraft's ability to fit into current airport dimensions, and the problem of increasing its weight.

For the first problem, **Airbus has taken inspiration from the solution already implemented by Boeing on the new B777-9. Folding wingtips to reduce the aircraft's wingspan.** But the aircraft manufacturer would have added the possibility of operating these wingtips in flight. "This would help absorb turbulence," explains an Airbus engineer. **The wings of future Airbus could also be fitted with actuatable leading edges and deformable ailerons, capable of adapting to different phases of flight, like those of birds.**

As for weight, **Airbus is banking on wings made of carbon composites rather than metal.** This means introducing a new manufacturing method at Airbus's UK sites, where the wings for all Airbus models are produced. "We've already built two scale wing demonstrators," says Sue Partridge. They will allow us to test their robustness, but also the possibility of producing them at an industrial rate, bearing in mind that production of medium-haul Airbus could rise to 100 per month over the next decade.

The third major project follows on from the first two. **This is the flight control system**, whose sophistication will go hand in hand with that of the wings and

engines. With the A320, Airbus ushered in the era of fly-by-wire and computer-assisted piloting. Its successor will require **even more electrification, energy, connectivity and automation. And, as a bonus, a layer of artificial intelligence.**

This simply means that we're developing more and more ways of assisting the pilot in his piloting," explains Maud Delourme, in charge of designing these systems. **We can help pilots even in dense traffic or difficult weather conditions. The automatic resolution of in-flight faults will also be improved. Artificial intelligence will facilitate automated landing and taxiing at the airport.** This will help to improve safety.

Stock market press review

> Air France-KLM in a bind after Deutsche Bank switches to Sell

(source AOF) March 27, 2025

My comment: Like Deutsche Bank, UBS has lowered its recommendation from buy to neutral, but with a target (€11.45 instead of €12.05) 20% higher than the current price.

Read the article:

Air France KLM (-4.35% to 9.24 euros) **posted** [Thursday March 27] **the third biggest drop in the SBF120 index** and the SRD market **after Deutsche Bank changed its rating on the stock from "Hold" to "Sell", with its target price unchanged at 8.50 euros.** The broker highlights the increased risk of recession in France (57% according to Bloomberg), where the company is 63% exposed. **It also believes that 2025 could disappoint despite positive signals. The unchanged price target, given that the stock has gained 20% over the past year, implies a decline of 10%.**

Air France-KLM "had a much better fourth quarter than we and the market had anticipated", says Deutsche Bank, citing the non-recurrence of three factors. It cites high customer compensation due to operational disruptions (over 300 million euros), the impact of the Olympic Games on unit revenues and costs (250 million euros), and the cost of implementing IT tools in Air France's cargo business (around 45 million euros).

Deutsche Bank also highlights the macro-economic risk in France, as well as

the risk of weaker transatlantic demand from the United States.

The bank points to the very high sensitivity of Air France-KLM's earnings, due to its low operating margins and high financial leverage, which is more worrying than the corresponding indicators of its competitors.

"All other things being equal", a 3% reduction in the RASK (revenue per available seat/kilometer) assumption for 2026 "would result in a reduction of around 75% in earnings per share, compared with 20% for Ryanair and IAG".

End of press review

> Air share price trend

Air France-KLM shares closed at **9.136 euros** on Friday March 28. Over the week, it is **down sharply (-4.04%)**.

It was 13.60 euros on January 1, 2024, 8.23 euros on July 1, 2024, 7.604 euros on January 1, 2025.

The analysts' 12-month average (consensus) for AF-KLM shares is 9.37 euros (it was 17.50 euros at the beginning of January 2024). The highest price target is 12.50 euros, the lowest 7.00 euros.

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

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

Below is the share price trend over the last 10 years.



My comment: Following the announcement of better-than-expected annual results, the share price climbed over 30%.

The various decisions taken by the new President of the United States have worried US airlines. They revised their forecasts for 2025 downwards.

This led to a fall in the share prices of most of the world's major airlines (Delta -19%, IAG -11%, Lufthansa -8%).

The downgrading by Deutsche Bank, which feared that economic pressures would hamper Air France-KLM's progress, exacerbated the decline.

Air France-KLM's share price has fallen by 22% in the last three weeks.

> Fuel price trends this

The price of a barrel of Jet Fuel in Europe has risen (up \$1) to \$91. 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 \$73 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 three months, oil prices have shown little change. It is at a two-year low.

The price of jet fuel reached a low of \$85 in mid-December. For the past month, it has been stable at around \$90, a very reasonable price for airlines.

> 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 [giving me](#) the 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.

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](#).

11,665 people receive this live press review