

Air France-KLM loses interest in the Airbus A350-1000



## I Letter from François Robardet Air transport in France, Europe and the world

N°1029 - 18/08/2025

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### Weekly newsletter

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### > Air France-KLM loses interest in the Airbus A350-1000

(source Journal de l'Aviation) August 12, 2025

**My comment:** The adjustment decided by Air France-KLM concerns only the 50 firm orders for the A350.

The A350-1000s will either replace the group's relatively recent Boeing 777-300s, or KLM's 777-200s. In the latter case, the aim is to increase the capacity offered without increasing the number of flights, in order to circumvent slot constraints at Schiphol.

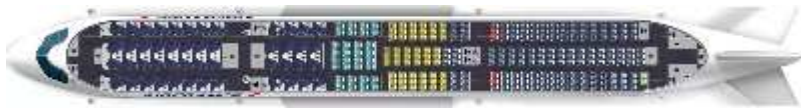
*The allocation between A350-900s and A350-1000s may be reviewed at a later date, when the remaining 40 options are activated.*

*The Air France fleet currently comprises some forty A350-900s, which are gradually being reconfigured.*

*The older aircraft have a capacity of 324 passengers:*



*The new ones offer fewer seats (292) but more business and premium seats, reflecting the French airline's strategy of moving upmarket.*



*By comparison, low-cost carrier French Bee offers two configurations with 411 and 480 seats.*

#### **Read the article:**

**The Air France-KLM group has drastically reduced its orders for Airbus A350-1000s, converting most of them to A350-900s** as part of a reassessment of its requirements for its future combined wide-body fleet.

Air France-KLM did not issue a detailed statement, but confirmed the adjustment, the change being visible in the latest Airbus order book update.

**The Franco-Dutch group** had originally ordered 50 A350s by 2023 (39 A350-900s and 11 A350-1000s), with purchase rights for a further 40 aircraft, but **ultimately decided to convert eight of the eleven A350-1000s to A350-900s** in July.

This means that only three A350-1000s remain on order.

Cargo airline Martinair has also decided to reduce the number of A350Fs it was expecting by one, as has Air France. **Initially, Air France and Martinair were each to receive four A350Fs out of a commitment of eight aircraft. This A350F order has now been reduced to six aircraft.**

The new A350Fs will eventually replace Air France's Boeing 777-200Fs and KLM/Martinair's Boeing 747-400Fs.

Air France already has a fleet of 39 A350-900s. The Air France-KLM group is still set to become one of the main operators of the new Airbus long-haul family in the coming years.

## > Which of Air France-KLM, Lufthansa or IAG will take over TAP Air Portugal?

(source BFM) August 14, 2025

**My comment:** Contrary to what the article suggests, this is not, at this stage, a privatization.

The Portuguese state intends to retain the majority of the capital (50.1%), which nevertheless leaves open the possibility of non-European investors entering the capital, within the 49% limit laid down for European airlines.

As for IAG, already a 20% shareholder in Air Europa, the group seems to be at a disadvantage. Indeed, the European Commission is likely to have reservations about the idea of IAG increasing its shareholdings in most airlines on the Iberian peninsula.

### Read the article:

The privatization of national carrier TAP Air Portugal has been postponed several times, but is now officially under way. The decree promulgated provides for the sale of 49.9% of the operator to one or more strategic investors, of which 5% will be reserved for employees. European airline giants are already lining up. It has to be said that the company has some serious assets. In particular, its strategic slots to Brazil (25% of European capacity), Portuguese-speaking African countries and the United States from its Lisbon hub, which the Portuguese government wishes to preserve and develop.

TAP carried 16 million passengers last year and generated a profit of 54 million euros, against a record loss of 1.6 billion euros in 2021. **The company, devastated by the Covid-19 pandemic, was urgently re-nationalized in 2020 with a 2.55 billion euro bailout from the Portuguese government.** This was approved by the European Commission in exchange for the implementation of a drastic restructuring plan.

The Portuguese state hopes to recover at least its stake in the sale process. And **the government wants to move quickly: the sale must be completed by early 2026 at the latest**, and the first bids submitted within six months. Privatization has already attracted the interest of Europe's three main airline groups, **Lufthansa, Air France-KLM and IAG** (British Airways, Vueling, etc.), which **have held meetings with the government over the past year.**

Air France-KLM has repeatedly reaffirmed its interest, with the Franco-Dutch airline stating in a press release that it is ready to participate in the process once all the details have been communicated. IAG, the parent company of British Airways, also reiterated that it "looks forward to reviewing the terms of the potential sale of TAP and will carefully consider all details and conditions of the process as they become available".

**However, whoever wins the bid will have to show their credentials. It will have to preserve the TAP brand, develop the network and fleet, and strengthen its presence at Lisbon, Porto and Faro airports.** This sale is the latest episode in a process of concentration in Europe's skies. Air France-KLM recently announced its intention to increase its stake in Swedish SAS from 19.9% (acquired in summer 2024) to 60.5%. Lufthansa, for its part, acquired ITA (ex-Alitalia) after a battle with Air France, and 10% of Air Baltic.

## > Turkish Airlines confirms a major stake in Spanish airline Air Europa

(source Contactonews) August 15, 2025

**My comment:** Turkish Airlines is proposing to value Air Europa at one billion euros, twice as much as IAG, Air France-KLM and Lufthansa had estimated.

*If the deal goes through, the Hidalgo family would officially retain 54% of the capital, compared with 26% for Turkish Airlines and 20% for IAG. But who will actually decide? Certainly not the Hidalgo family.*

*Epecially as IAG is itself dominated by Qatar Airways, which holds over 20% of its capital. In other words, between Turkey, the Gulf and IAG, power is already shifting elsewhere.*

*As for the Hidalgo family, they appear to be trapped in debt. Having failed to reach an agreement with a European partner, it paradoxically finds itself with a majority shareholding... but with a stake that is impossible to monetize.*

#### **Read the article:**

European media report that **Turkish Airlines will lend Air Europa 275 million euros, giving it a stake of between 26% and 27% in the Spanish airline.**

The transaction is still subject to the regulatory approvals required to formalize the binding agreement. The news was confirmed by Juan José Hidalgo, Chairman of Air Europa, who expressed his satisfaction with the agreement, which aims to strengthen the company's financial structure.

**The main purpose of this capital injection is to prepay the 475 million euro loan granted to Air Europa by Sociedad Estatal de Participaciones Industriales (SEPI)** to cope with the impact of the pandemic. Last May, the company had already repaid another 150 million euro loan granted by the Instituto de Crédito Oficial (ICO). Thanks to the Turkish Airlines funds and its own liquid assets, Air Europa is seeking to honor its commitments to the State.

**If the deal goes ahead, IAG (International Airlines Group) will retain 20% of the capital previously acquired; Turkish Airlines will become a shareholder with 26% or 27% after conversion of the loan; and the Hidalgo/Globalia family will remain majority shareholders.**

This move comes after other major European groups, such as Air France-KLM and Lufthansa, expressed interest in the purchase, but ultimately withdrew from negotiations, according to information leaked in recent weeks.

#### **> Lufthansa plans to import its future Boeing aircraft via Switzerland. Could this influence customs duties?**

(source Le Temps) August 13, 2025

**My comment:** Attempts to circumvent US sanctions are not uncommon.

*For example, until 2022, China used the Addis Ababa freight hub to export textiles to the United States (see my comment on the article "Ethiopian Airlines lost 190 million dollars in two months" [in my newsletter n°745](#)).*

*More recently, five Boeing 777s were discreetly transferred to Iran, circumventing US sanctions thanks to provisional registration in Madagascar (sources: Jeune Afrique and Le Journal de l'Aviation).*

#### **Read the article:**

Germany's **Lufthansa Group plans to buy new Boeing aircraft from the USA via Switzerland**. This measure could reduce the US trade deficit with Switzerland and avoid punitive customs duties, according to a report published on Wednesday by Tages-Anzeiger.

Lufthansa's order is for around 100 Boeing aircraft, with a catalog value of 21 billion Swiss francs, to be delivered over the next seven years. They would not be purchased as before via leasing companies located in low-tax regions such as Malta or Ireland, but via Switzerland, reports the publication.

Behind the Federal Council's visit to Washington

**This measure could help reduce the trade deficit between the USA and Switzerland** (CHF 48 billion in the first half of the year, including gold shipments). **It would also have no direct impact on Swiss's fleet**, according to the publication. **The aircraft would fly for other companies in the Lufthansa Group. Lufthansa had already considered this measure before, in order to circumvent any retaliatory customs duties imposed by the European Union.**

For its part, Swiss declined to comment, although it did point out that the company's CEO, Jens Fehlinger, accompanied a Swiss delegation to the United States. "The aim of this trip was to hold discussions at political level in order to improve the customs policy framework, as previous negotiations had not resulted in the progress expected for Switzerland."

(...)

When questioned by AWP, Lufthansa did not elaborate on the information either, but said it was "generally speaking clearly interested in Swiss's long-term economic success. Fleet purchases are made by the Lufthansa Group in close collaboration with the airlines."

(...)

## > Air transport: Europe takes off, France stays grounded

(source Les Echos) August 12, 2025

**My comment:** *In France, if air transport is growing less rapidly than elsewhere, it's less because of low-cost airlines than because of the weight of rail, which is very competitive in the country.*

*All the more so as the traffic of low-cost carriers is well and truly counted in the French figures.*

### Read the article:

**The summer of 2025 should be another good year for European air transport, judging by the mid-term figures.** Belying fears of a possible slowdown in demand, air traffic to and from the European continent rose by a further 3% in July, compared with July 2024, according to Eurocontrol figures, with an average of 35,391 flights per day. This marks a clear rebound from the slight dip in June, when growth fell to 1.7%.

Another reason for satisfaction, taken from Eurocontrol statistics: delays linked to air traffic management fell by 23% in July, with 68% of flights arriving more or less on time. Delays due to staffing problems at air navigation centers were even down by 39%.

However, **this growth is quite variable from country to country, and France continues to lag behind**, with traffic virtually stable (+1%) at the end of July/beginning of August compared to summer 2024, and barely below that of 2019 (+2%). **With an average of 4,779 flights per day this week, France ranks only fifth in Europe**, behind the UK, number one with 6,300 daily flights, Spain (6,146 flights), Germany (5,439 flights) and Italy (4,821 flights).

This stagnation in the number of flights offered in France, attributed by the Union des Aéroports Françaises and the Fédération des Métiers de l'Aviation to the over-taxation of airline tickets, is borne out by data from the Cirium research firm, which compiles and analyzes airline offers worldwide. According to these figures, seat availability in France rose by just 1.6% in July (with 19.8 million seats sold), compared with an average increase of 4.5% for European Union countries, and 1.1% in August.

**This French under-performance was partly due to a strike by air traffic controllers** on July 3 and 4, which led to the cancellation of 1,422 flights. **But it is also, and above all, due to the importance of low-cost airlines in air traffic growth, which are the most vocal in their opposition to French tax hikes.**

Starting with the Ryanair group, which last month announced its decision to sharply reduce its offer in France this winter, in response to the tax increase. This threat was reiterated last week by Michael O'Leary in an interview with Le Parisien. Ryanair is more than ever Europe's leading airline, with an average of 3,699 flights a day this summer and 20.2 million passengers carried in July alone, and the activity of several French regional airports depends on its goodwill.

On the second step of the European podium is another low-cost carrier, EasyJet, with 1,858 flights per day this summer, followed by Turkish Airlines with 1,743 flights per day, up 11% on summer 2024. Lufthansa and Air France come fourth and fifth respectively, with 1,188 flights a day on average over the last 30 days for the French airline, 4% more than in 2024. It is closely followed by a third low-cost carrier, Wizz Air, with 1,105 daily flights.

But **some will find at least one reason for consolation in the evolution of CO2 emissions. According to Eurocontrol, France is among the half-dozen European countries whose air transport CO2 emissions remain below (by 2.1%) the August 2019 level.**

## > Environment : Air France-KLM participates in the development of the European Union's Fuel Emissions Label

(source Air Journal) August 16, 2025

**My comment:** *Once again, I salute the Air France-KLM Group's commitment to decarbonizing air transport.*

*In preparing this commentary, I was surprised not to find a census of Scope 1 greenhouse gas (GHG) emissions for all airlines worldwide.*

*Here are the answers obtained from several AI modules:*

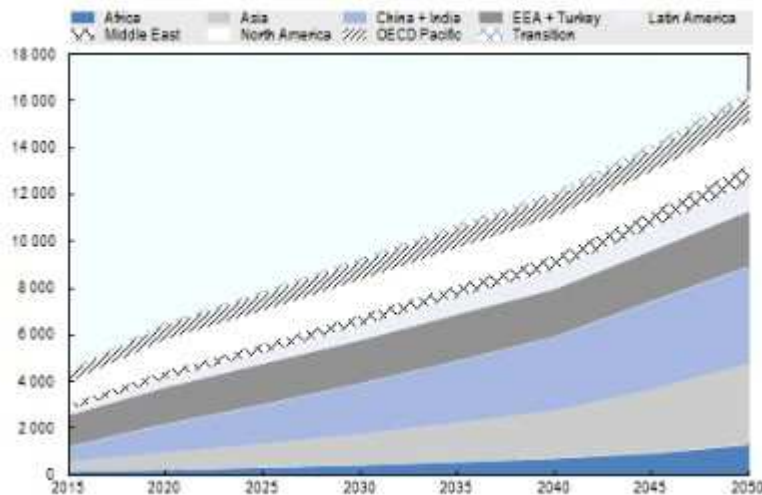
- *there are numerous reports and studies - institutional, academic and associative - on the global emissions of the airline sector and the carbon footprint of airlines, as well as on the evolutions, rankings and decarbonization trajectories followed by the main market players.*
- *At present, there are no robust, detailed public sources for Scope 1 emissions from major Asian/Chinese airlines, unlike Western operators, where ESG/SASB publications are more extensive.*

*As a reminder, total gross Scope 1 GHG emissions are the direct GHG emissions of assets owned or controlled by a company and its subsidiaries.*

*It would be useful, if not necessary, to define decarbonization roadmaps for all the world's major airlines.*

*Before doing so, each airline would have to publish its annual GHG emissions data. IATA would be tasked with publishing a summary report, and then drawing up the roadmaps.*

*I'm afraid this would meet with opposition from the countries with the biggest traffic growth forecasts ([see my letter n°930](#)).*



**Read the article:**

**Air France-KLM becomes the first airline group to cooperate with the European Aviation Safety Agency (EASA) to support the development of the Fuel Emissions Label, the future European label for carbon emissions from flights.**

Supported by the European Commission, this cooperation aims to provide consumers with standardized, reliable data on the CO<sub>2</sub> emissions and fuel efficiency of flights within Europe. The aim is to enable customers to make informed choices when booking their air travel.

As part of this collaboration, Air France-KLM will actively contribute by testing EASA's Fuel Emissions Label portal and providing feedback on its technical and methodological design, leveraging its operational expertise to help shape this environmental label of tomorrow. **"Air France-KLM is committed to a fair global framework. Our early and active participation aims to contribute to the establishment of a transparent, fair and efficient scheme for all airlines"**, said Benjamin Smith, Chief Executive Officer of Air France-KLM.

In its press release, **the Franco-Dutch airline group points out that "this approach is fully in line with [its] global decarbonization strategy**. To achieve this, the group is activating all the levers at its disposal: fleet renewal with new-generation aircraft consuming up to 25% less fuel, the incorporation of sustainable aviation fuel (SAF), and the deployment of operational measures such as eco-piloting to optimize flight energy efficiency, as well as intermodality, which enables aircraft to be combined with low-carbon modes of transport such as rail".

**End of press review**



### > Air France-KLM share price trend

The Air France-KLM share price closed at **14.43 euros** on Friday August 15. It was 13.60 euros on January 1, 2024, 8.23 euros on July 1, 2024, and 7.604 euros on January 1, 2025. **Since its lowest point of the year at the end of April, it has risen by +94%!**

The average (consensus) 12-month analyst price for AF-KLM shares is **9.80 euros, up +1.2 euros since the announcement of the half-year results** (it was 17.50 euros at the beginning of January 2024). The highest price target is 14.25 euros, the lowest 5.70 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 5 years.



### > Evolution of fuel prices this week

The price of Jet Fuel in Europe is down (-\$1) to \$88 per barrel. It was \$94 at the end of June 2023, and \$79 before the outbreak of war in Ukraine.

Brent crude oil (North Sea) is stable (+\$0) at \$66 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:** After a 10% drop in two weeks, oil prices are stabilizing at a low level.



## > 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 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 my navigation website, under the heading Air France-KLM employee share ownership](#).

## 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 may help me to keep you better informed.

**You can also send me any questions you may have about the Air France-KLM group or employee share ownership.**

See you soon.

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## |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.**

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