



# Nordic Tourism Collective

Finnair

GM Japan

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15 September, 2022



# Agenda

1. Airline general view
2. Finnair today
3. North Pole Route
4. Finnair Strategy
5. Sustainability
6. Summary





# Airline general view

- Russian Airspace continues to be closed
  - War may prolong
  - Sanction continues even war is ended
- European airline capacity remain 25-30%
  - Longer route hits fleet utilization
- Destination Europe becomes high end market
  - High airfare due to cost impact
  - Sand carriers may enjoy with lower operating cost
- More clear reason to travel is essential
  - Fishing by rod, not by fish net
  - Senior Membership, Student, Corporate – clear segmentation





# Finnair today

- Ukraine situation has impacted airlines
  - Covid-19 situation is ending and free travel starting for Japanese travelers
  - Russian Airspace Closure hits hugely for European and Japanese airlines.
  - Finnair gets biggest hit
  - Fastest to most of European cities are in history
  - Daily Tokyo is maximum we can operate today



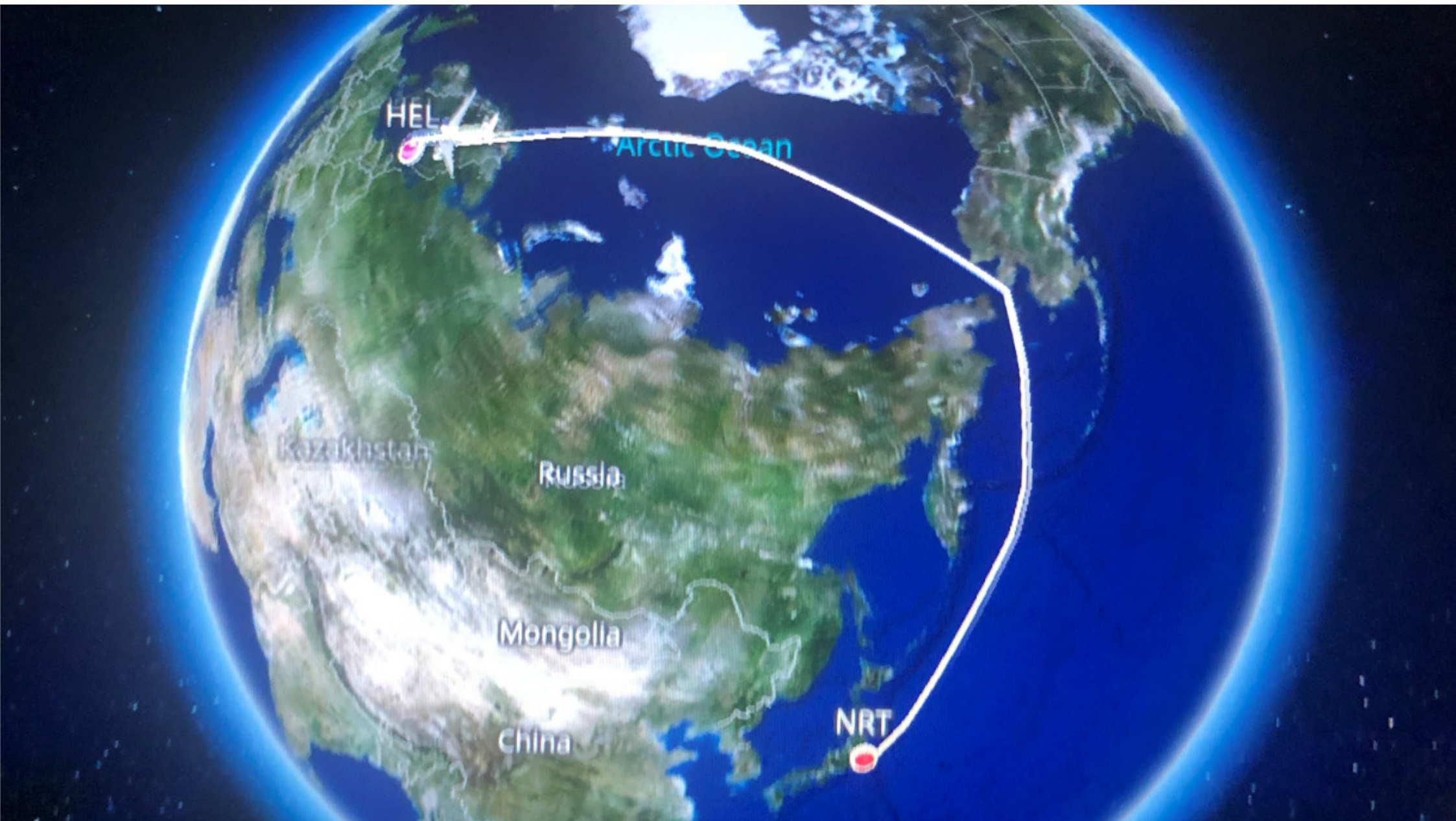


# North Pole Route

- Longer route with high operation cost
  - 30% longer flight time due to avoid Russian Airspace
    - Japan route block time - 10hrs to 13hrs
    - Actual flight time - 9.5hrs to 12 hrs
  - Double the operation cost
    - 24hrs rotation is not possible which was the strong advantage for Finnair
    - Deploy two aircraft hours on Japan route
    - 36hrs rotation due to adjust connectivity
    - Cannot operate with full capacity due to longer route
  - Pressure on yield => higher airfare









# Finnair Strategy

- Focus on home market
  - Still fastest to Nordics and Baltics
  - Leisure product focus on home market
    - Nature, history, culture as a base
    - More interactive
    - Sustainability related product
    - Education program
  - Offer European network for corporate customers
    - Night flights both way
    - Arrive in the morning for most of European cities where Finnair operates
- Haneda operation to start from 31OCT
  - Nationwide coverage by our partner Japan Airlines
  - Nearly 30 cities with good connecting flights







# Sustainability

- A350 in use for long-haul flights
  - Fuel consumption 25% less
  - Reduced aircraft weight
- Carbon neutral by 2045
  - Carbon offset
  - Bio fuel
- Reduce plastic items 50% by 2025
  - Reduce plastic catering items







# Summary

- Russian Airspace closure continues
  - We need to live in this new world
- Home market strategy
  - Finnair strong competitive advantage to Nordic destination remains unchanged
  - Carry customers to Nordic destinations is more valuable ever to Finnair
  - We need to work more closely together with Nordic suppliers and Japanese Tour Operators
- Haneda hub
  - Japan nationwide coverage over Haneda while difficulty to resume other cities Finnair used to operate
  - Becomes competitive against other airlines already online to Haneda – Haneda premium



**Thank You.**

***FINNAIR***