

Finnair sees little effect from LCC long-haul service

June 6, 2017, © Leeham Co.: Low cost airlines, notably Norwegian Air, are increasingly getting into the long-haul business, but Finnair so far isn't affected much.

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Pekka Vauramo, president and CEO of the legacy airline, told *LNC* in an interview at the annual IATA conference yesterday that only about 10% of its routes face competition from the LCCs.

Most of its long-haul service heads east toward Asia, he said. Far fewer routes head west over the Atlantic, the prime target for the emerging LCC long-haul service.

Laptop bans

The Trump Administration threatens to ban laptops and other electronics from carry-on, which would mean putting these into checked baggage or leaving them at home.

During an airline CEO panel yesterday, one official said that if the ban is enacted,

passengers should leave their laptops at home.

Otherwise, he suggested, they could wind up in the bins with discarded water bottles before going through security checkpoints.

Vauramo doesn't go this far.

"It will be complicated for sure, for passengers," he said.

"It will be for airlines, for airports, for everyone. When you look at what airlines have done and what passengers are already doing for security, there is a solution. We will find a solution.

"No one likes it. It will complicate traveling, but I don't think it will stop traveling," he said.

Checking 100 or 200 laptops powered by lithium-ion batteries holds more risk for fire than the risk level of a terrorist bringing a bomb on board, though the choice is hardly one likes to think about.

"True," Vauramo said. "There are risks relating to [checking laptops]. I'm sure there is a solution even for that one. We have to think about what the solution is.



Pekka Vauramo, CEO of Finnair. Photo via Google.

"I have to say we know too little about the reasons why this is being proposed. Only after knowing the reason can one start thinking about how to avoid those risks," he said.

A350 deliveries caught up

Finnair, an early customer for deliveries of the Airbus A350, suffered from delays because interior supplier Zodiac fell far behind in getting its seats and other components to Airbus for installation. Airbus continues to face these difficulties, but Finnair's airplanes are now being delivered on time.

Vauramo said the Zodiac seats are fine, but during assembly of the A350s, delays on delivering other components, such as panels, led to out-of-sequence installations. The additional manual labor contributed to the slower deliveries.

"There's a lot of rework that needs to be done," he said. "You buy a new aircraft and you expect that to be perfect. If there is a very visible defect, it is visible to the passengers."

In contrast to the mercurial Akbar Al Baker, CEO of Qatar Airways and the launch customer for the A350, Finnair's concerns remained below the radar. Al Baker, who is notorious for complaining about Airbus, Boeing and just about anyone else, went public over and over about the A350's lack of perfection. He initially refused to accept the first ones off the line.

Vauramo said that had he known about Zodiac's difficulties in advance, he wouldn't have bought from the company. He's unsure if he will buy from Zodiac in the future.