

## INTERVIEW

BY HELEN CAHILL

**A**IRLINES, it's fair to say, are going through a rough time. On top of the environmental backlash led by 17-year-old activist Greta Thunberg and broadcaster Sir David Attenborough, domestic carrier Flybe has had to seek a highly controversial Government bailout and taxpayers funded the biggest ever peacetime repatriation of Britons when Thomas Cook went bust last autumn.

But despite these very public troubles for the industry, Wizz Air boss Jozsef Varadi is convinced air travel's heyday is far from over.

In fact, the 54-year-old Hungarian says air travel can – and must – play a big part in the future of global business and leisure. The key is bosses waking up to rapidly changing attitudes among climate-conscious passengers – by cleaning up their act.

Varadi, who grew up in Hungary when it was controlled by the Soviets, has an extremely clear vision on what that should mean in practice. And it has nothing to do with the sort of overbearing state interference on air travel so often advocated by eco-warriors.

‘We need to look at how the whole industry operates in terms of efficiency and the processes to create something that is much more efficient,’ he explains.

The first step, he says, is improving air traffic control to minimise the amount of time airplanes spend in the sky. ‘Air navigation is a huge problem and that should be better managed,’ he says.

‘You come to Heathrow and without exception you will be put on hold [in the air]. And while you are circling around, you are burning fuel. So why can't that be better coordinated?’

And often air traffic controllers go on strike. Then we get rerouted, keeping the airplane in the air for up to half an hour extra. It just doesn't make any sense and you're not helping the environment for nothing.’

The second step – and perhaps most controversial – would be an all-out ban on business-class seats for short trips. Either that or punitive taxes to make them prohibitively expensive, says Varadi.

‘The hell do you have to fly business class for one hour or two hours in Europe?’ he says. ‘When you are on business class, your footprint is going to be two or three times larger than economy class. I would just simply ban that.’

And finally, he thinks the industry must start ploughing money into new technology. The holy grail for air travel would be electric engines for planes. It may seem like a long way off, but Varadi is confident it's on the horizon. ‘We need to keep challenging ourselves as an industry, and push ourselves to find new technologies to reduce that [environmental] impact,’ he adds.

All of these efforts would be underpinned by new environmental standards for airlines. Varadi says there is currently no way to compare airlines' environmental

## That's Wizz Air chief's VERY provocative plan to cut carbon on short flights – and he'd let the worst polluters go BUST

performance. ‘I would welcome an initiative where you label airlines, so you know as a consumer what choice you are making,’ he says. He says Wizz Air – a low-cost challenger to Ryanair – is one of the greenest airlines because it has young, fuel-efficient airplanes. ‘I want to make the claim that we have the lowest environmental impact. But we need some measurements to make that claim transparent to the market and consumers.’

Varadi's view on climate change also reflects his disdain for the more established airlines – which he says have older, more polluting planes and out-of-date technology.

He strongly believes these companies should be allowed to go out of business to make room for younger rivals. So was it wrong for the UK Government to step in to save regional airline Flybe? Varadi doesn't mince his words. ‘If an air-

line is not fit to compete, and is not fit to cover its financial obligations, that airline has to go out of business,’ he says. ‘It is a mistake by governments to intervene and unfortunately we are seeing more of that – the UK Government bailing out Flybe, the German government bailing out Condor. The market is a very strong force and it can sort

things out. If you are an efficient player, then you are going to win, and if you are an inefficient player, you are going to go out of business.’

Varadi co-founded Wizz Air in 2003 and has built it into a FTSE 250 company flying 40 million customers a year, of which 10 million come from the UK. It made profits of £247 million on revenues of £2 billion last year and surpassed Ryanair as the airline with the lowest operating costs in Europe.

Varadi's attack on the Flybe bailout is even more significant given his past. After he left as chief executive of state-owned Malev Hun-

garian Airlines to set up Wizz Air, his former company went bust. Varadi says the collapse of Malev was for the best.

Four hours after Malev went bust, its rivals had put on more flights than had been lost by the collapse. This is how quickly the market reacts,’ he says. ‘Back then, Budapest airport had eight million passengers a year – now it is pushing 20 million. The country benefited because the industry grew faster.’

Varadi's staunch support for the powers of free market capitalism is personal. His father was thrown in jail for rising up against the Communists in the Hungarian revolution of 1956 and then received a lifetime ban on working in professional jobs.

He says: ‘My family had a tough life, and their circumstances were bad because of this. We had food to eat, but we had no luxuries in life. I didn't get on an airplane until I was 26.’

But, he laughs, he's been catching up ever since.

## Wall Street veteran mulls tyre takeover

By Ben Harrington

**A** PRIVATE equity firm led by veteran Wall Street financier Leon Black is weighing a multi-billion pound takeover of Nokian Tyres after activist investor Elliott built a shareholding in the company.

City sources said Apollo, set up by Black in 1990, is in the early stages of evaluating an offer.

‘They are kicking a few tyres,’ said one source in the 1990s. However, he said the firm

had only just begun looking at buying the Finland-based business.

Black is one of America's most powerful financiers. Prior to creating Apollo, he worked at Drexel Burnham Lambert, an American investment bank that collapsed during the junk bond scandal of the 1980s. Apollo's interest in Nokian

Tyres comes amid rumours that Italy's Pirelli, which is backed by ChemChina, has been looking at merging the two businesses.

Nokian Tyres specialises in manufacturing winter tyres for 4x4 vehicles, while Pirelli mostly makes summer tyres.

A spokesman for Pirelli said the merger rumours were ‘without foundation’. An Apollo spokesman declined to comment.



## JOZSEF VARADI, 54

**Family:** Wife and three children.

**Lives:** Budapest.

**Book:** George Orwell's 1984 – he managed to get a copy when it was banned in Hungary.

**Film:** Kill Bill, starring Uma Thurman, left.

**Music:** Rock band Deep Purple.

## Dolittle's £21m tax boost for studio

By Christian Sylt

**U**NIVERSAL Studios has been handed £21 million by the taxman for choosing Britain as the filming location for Dolittle, its latest movie, which stars Robert Downey Jr as the Welsh vet who can talk to animals.

The film was released on Friday and features animals voiced by A-list actors including Emma Thompson and Ralph Fiennes. It was made at Pinewood Studios in Buckinghamshire and filmed

on location in Wales, Windsor and Cumbria.

Movie budgets are usually kept secret as studios tend to absorb the cost of individual films in their overall expenses. But those films made in Britain must be consolidated in single companies to benefit from film tax relief. This allows production firms to claim back up to 25 per cent

of their costs in Britain provided that at least 10 per cent of the total was spent in the country.

Filming in the UK keeps local staff in work and benefits related sectors.

Universal subsidiary Voyage Productions' account for the year to June 30, 2018 reveal the spell it cast on Britain's economy as 189 staff were paid £8.5 million. This brought its overheads to £106.8 million.

# Why the hell do you have to fly business class? I'd BANNED IT!



**TOUGH:** Wizz Air boss Jozsef Varadi says airlines should not be bailed out