

Special Issue
SUMMIT
OF THE
AMERICAS
March
2018

TRAVEL MARKETS INSIDER

Travel Retail digitalizes to compete in the wider world

Digitalizing travel retail -- combining the best of the e-commerce world with the travel retail world-- is a huge trend happening right now— as evidenced by the choice of Kian Gould, founder and CEO of AOE, as a guest speaker at this year's inaugural Summit of the Americas, and Adam Cheyer, the co-founder of Siri, and Shivvy Jervis, a Futurist and expert on digital economy, as the keynote presenters at the TFWA Asia Pacific Conference in May.

Gould, who has won numerous industry awards, is one of the primary people behind the digital transformation taking place at airports around the world, and is ready to expand to airports in the Americas. In this issue, *TMI* speaks with Gould about the reasons why this trend is gaining momentum.

We also speak with Guestlogix' CEO Mike Abramsky about the new multi-channel e-commerce platform the retail technology pioneer launched in February for airlines. The core of both platforms is all about the guest experience, they say.

"Keeping the customer at the center of everything we do" is also the mantra of Jackie McDonagh, the vivacious and successful general manager of Aer Rianta's North America business, who shares her vision and philosophy with us in an excellent in-depth interview.

While technology has become "the great disruptor" most travel retail merchandise is still bought at the POS, and airport retailers continue to work hard to upgrade stores and



Diageo is aiming to engage and educate passengers traveling through Miami International Airport through the stunning Johnnie Walker boutique it opened with Duty Free Americas late last year. Designed by Miami-based Bloommi, the 1,145sqf. luxury boutique showcases the latest products from the brand, offers gifting and personalization opportunities, and provides a full history of the Scotch and how it is made. See full story on page 104

introduce concepts to engage the consumer.

From Miami and Dallas to Grand Cayman and the Bahamas, operators have created some show stoppers this year, several of which we highlight in these pages.

The hurricane-struck Caribbean islands are still struggling to recover, but the cruise sector is playing a major role in bringing back vitally needed tourism. Read *TMI's* extensive coverage from SeaTrade Global which took place earlier this month.

Business continues to be mixed in the region: Tourism in Canada is setting records, South America is still recovering, and the U.S. is feeling the effects of a stronger dollar and more restrictive travel bans, but nevertheless showing

slight gains, supported by a surging economy. This is the backdrop against which the industry meets in Orlando this year.

TMI would like to take this occasion to wish very special anniversary greetings to a company that represents the best of the duty free and travel retail industry – Essence Corp. is celebrating 30 years in business. Please check out our coverage of how this family-owned entity has risen above the dollars and cents aspect of commerce to become a vitally engaged and giving member of its many communities.

Read all about it, *Inside Insider*.

Lois Pasternak,
Editor/Publisher

INSIDE INSIDER

News

North America

DFA, DFASS, Fraport USA, Hudson Group, DFW, MIA, SFO, ATL, NYNJPA, DEN, more



One on One with ARINA GM
Jackie McDonagh

Canada

Best tourism year ever
CiR tracks airlift from India
IGL's marketing coups

Cruise & Caribbean

SeaTrade
Hurricane recovery updates
Artco Group showcase
Rouge, Grand DF, Top Brands

LATAM

CiR, HNA, Airports & Border



Torben Andersen bids the Americas a fond farewell



Essence Corp. turns 30.
Patricia Bona & the late Pancho Motta at an IAADFS Fun Run/Walk. Essence Corp's Patricia & Jean-Jacques Bona have worked closely with the IAADFS for three decades.

Plus Products – People-Places
The Insider View



The
MACALLAN[®]
QUEST COLLECTION



STEVE MCCURRY
@MAGNUMPHOTOS
FORESTAL PENINSULAR

THE NEW
MACALLAN QUEST COLLECTION
EXCLUSIVE TO TRAVELLERS



PLEASE SAVOUR RESPONSIBLY

AN EXTRAORDINARY QUEST; FOUR DEFINING SINGLE MALTS



Created exclusively for Global Travel Retail, The Macallan Quest Collection tells the story of the pursuit of the most extraordinary sherry-seasoned oak casks through a series of four newly created single malt whiskies.



The Macallan Quest

...pays homage to the entirety of the journey taken by The Macallan to source the best oak across over 20,000 miles, concluding with the selection of four different casks types to deliver a soft blend of citrus fruits balanced with vanilla oak.



The Macallan Terra

... tells the story of discovery through a complex, yet balanced single malt, aged exclusively in the very best first fill oak sherry seasoned casks, whose journey spans 10,000 miles. Terra celebrates the wonders of spirit maturation, creating a whisky with a distinctive character of toffee, sweet dried fruit and rich wood spices.

The Macallan Lumina

...embraces the direction of the journey where old and new worlds combine over 15,000 miles to find three exact casks types. The result is a bold, zesty whisky with notes of creamy vanilla and wood spice, with ginger firmly at play.



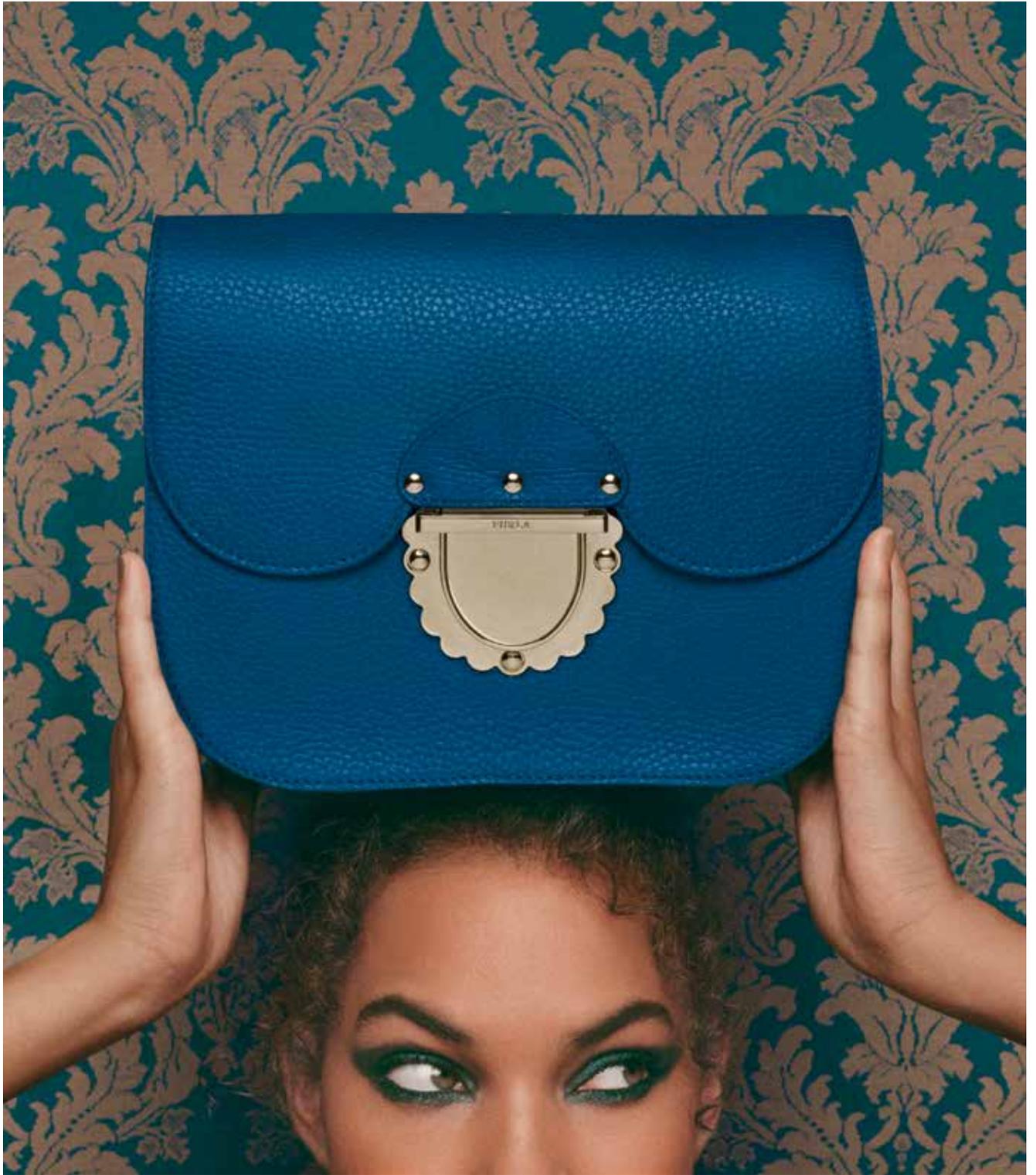
The Macallan Enigma

...is the pinnacle. A single malt shaped and influenced closer to The Macallan's spiritual home than the three preceding whiskies. The inspiration for Enigma is quite simply Spain. This rich and intense single malt offers up mature oak with subtleties of cinnamon, vanilla and dried fruit.



The
MACALLAN[®]
QUEST COLLECTION



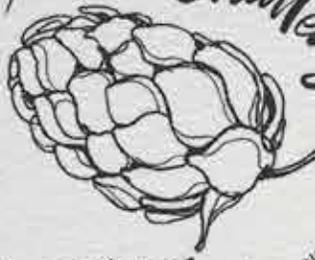


FURLA

ITALY 1927

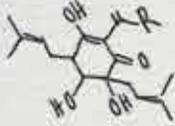
Game-changing

EXPERIMENTAL SERIES



SINGLE MALT SCOTCH WHISKY

Challenger hops



The ULTIMATE COLLABORATION

IPA Experiment

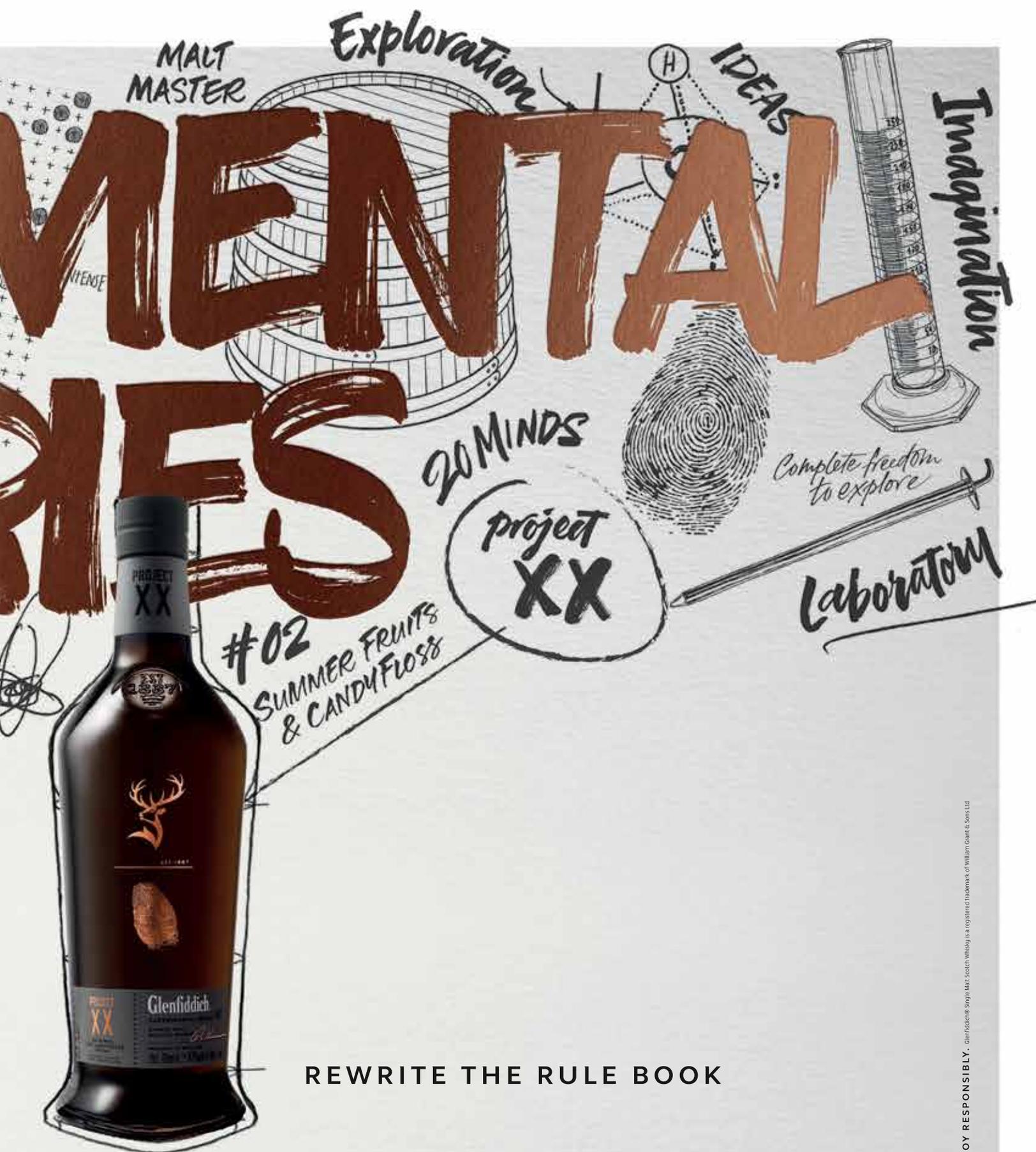
ZESTY #01 AND HOPPY



SINGLE MALTS THAT



Glenfiddich
EXPERIMENTAL SERIES



REWRITE THE RULE BOOK

#01 IPA EXPERIMENT

#02 PROJECT XX

Quinn Harris

BY THE NUMBERS

IATA: Latam air traffic leads in January	Page 10
ACI: Global pax traffic grows in 2017	Page 12
DFWC Monitor:	Page 14
M1nd-set insights: Latam to see more Chinese travelers in 2018	Page 14

Associations

TFWA Asia Pacific #TRevolution	Page 16
TFWA management additions	Page 16

Technology

Tech business transformer Kian Gould of AOE talks airport digitalization	Page 18
Guestlogix CEO Mike Abramsky brings e-commerce to airlines	Page 20

North America-USA

DFA opens Polo Ralph Lauren at MIA	Page 24
DFASS inaugurates at DFW	Page 26
Fraport USA lands JFK T5 concession	Page 26
FAO Schwarz signs with Hudson	Page 27
DFA Golf raises record donation	Page 27

New York Port Authority, DEN, SFO reach air traffic records	Page 28
ATL still busiest airport	Page 28
Mex. City to Cancun busiest air route	Page 30
Washington airports continue growing	Page 30
MIA Foreign Trade Zone approved	Page 30

North America – Canada

One on One with ARINA's Jackie McDonagh	Page 32
IGL's non-traditional marketing wins big	Page 35
Canadian tourism has best year ever	Page 36
CiR: Airlift from India to Americas doubles with new routes to Canada	Page 37

Cruise & Caribbean

SeaTrade Global: cruising is booming	Page 38
Norwegian CL plans new Miami terminal	Page 39
Fairn & Swanson's cruise services evolve	Page 40
Heinemann opens on 3 Carnival ships	Page 42
Starboard Cruise Services unveils new Retail Realty at Sea	Page 44
Port of Buenos Aires to upgrade	Page 47
Valparaiso, Chile proposes new pier	Page 47

CTO 2017 Performance Report: some growth despite hurricanes	Page 48
---	---------

Tourism update from storm-hit islands	Page 50
Bahamas renegotiating cruise fees	Page 52

Artco Group showcases new stores: Churchill's Cigars & De Sunglass Man - Cayman, Blue Diamond - PR, Park Lane Luxe - Bahamas	Page 54
--	---------

Rouge DF opens in Grenada, St. Thomas	Page 56
---------------------------------------	---------

Grand DF flourishes under new ownership	Page 58
---	---------

Sangster Airport finds a Design Solution	Page 59
--	---------

Top Brands International to open Duty Free in A.H.Riise Mall, USVI	Page 60
--	---------

USVI tourism gets boost with investments	Page 61
--	---------

Latin America

Special CiR Report:	
---------------------	--

Brazilians bounce back	Page 62
------------------------	---------

HNA expansion on hold in LA	Page 64
-----------------------------	---------

Brazil airports: Viracopos, Fortaleza & Porto Alegre, Infraero	Page 66
More South America airport news	Page 68
When will Brazil border stores open?	Page 70
Bernabel ferry sales are booming	Page 70

Beauty, Watches & Accessories

Essence Corp: 30 year of partnership, community and giving back	Page 72
Rituals set to expand in Americas	Page 76
House of Sillage	Page 76
Louboutin Beauty signs with Puig	Page 78
Nina Ricci adds Les Monstres	Page 78
Chloé Nomade adds adventure	Page 78
Lancôme launches global literacy program	Page 79
Moments4Me: Adda de Vaultchier creates global beauty line	Page 80
Lauder reports "stellar" results	Page 82

Infinity & Co.'s charming English jewelry	Page 82
Misaki Monaco "Sways"	Page 83
Breitling unveils Navitimer 8 at NY Road Show	Page 84
Lambretta's timeless Italian designs	Page 85
Cabeau's revolutionary new travel pillow	Page 86
Victorinox amenity kits now on SWISS	Page 86
Buckley London launches men's collection	Page 87
Furla drives business forward	Page 88
Bravo debuts enameled handbags	Page 88
B+D joins with IBBi	Page 89

Spirits & Tobacco

WEBB Banks muster after Caribbean storms	Page 90
DISCUS reports record sales	Page 90
Tito's expanding worldwide	Page 92
WGS experiments with Glenfiddich	Page 93
Edrington TR Americas	Page 94
DANZKA Vodka brings on The Spirit	Page 96
Wild Tiger Rum roars into Americas TR	Page 96
MONARQ adds more specialty to portfolio	Page 98
Crystal Head Vodka releases limited edition John Alexander artist series bottle	Page 98
Haleybrooke: Whitney Neil Gin, Dead Man's Rum, and Snow Queen organic vodka	Page 100

Special Feature: ABCD:

Mr. DANZKA attends his final Orlando Show and bids the Americas a fond farewell	Page 102
---	----------

Diageo opens three branded stores in USDF	Page 104
---	----------

Brown-Forman highlights whisk(e)y	Page 106
-----------------------------------	----------

Jägermeister prioritizes GTR	Page 108
------------------------------	----------

WTDC specializes in FTZ inventory management	Page 108
--	----------

Grey Goose's winter magic at Toronto Pearson	Page 109
--	----------

Intrepid Spirits debut three fun storied brands	Page 110
---	----------

Marie Brizard building Americas business	Page 112
--	----------

ALFA Brands adds new brands	Page 112
-----------------------------	----------

Mayaza shiska debuts in Orlando	Page 113
---------------------------------	----------

Confectionery & Gourmet

Tea Forté adds exotic gift packs and TR exclusive	Page 114
---	----------

PVM, Haribo, Mars, Godiva,	Page 115
----------------------------	----------

PGT: from diamond-encrusted sunglasses	
--	--

to gourmet Italian patisserie	Page 118
-------------------------------	----------

Advertising Index	Page 119
-------------------	----------

People	Page 120
--------	----------

Leader in Logistics for Duty Free & Travel Retail Spirits

Tailored Operations for the Industry
Foreign Trade Zone Warehousing
Domestic and International Transportation
Samples Distribution, COLA Waiver expertise



WTDC
FOREIGN TRADE ZONE 281-4
Visit our website www.wtdc.com



MOSCHINO

EAU DE PARFUM



BY THE NUMBERS

IATA: January passenger growth rate slows on temporary factors, Latam air traffic leads climb

Global passenger traffic in January 2018 rose 4.6% compared to January 2017, reports the International Air Transport Association (IATA). This was the slowest year-over-year increase in nearly four years, but IATA says the lower traffic was the result of temporary factors including the later timing of the Lunar New Year in 2018 and comparisons with the strong upward trend in traffic seen in late 2016 -early 2017.

IATA estimates the impact of the later Lunar New Year-related travel period holiday represented around two-fifths of the slowdown in year-over-year growth for the month.

Capacity grew faster than demand

Industry-wide available seat kilometers (ASKs) increased by 5.3% year-on-year in January 2018, the first time in 15 months in which ASKs grew faster in year-on-year terms than revenue passenger kilometers (RPKs). Aircraft schedules are generally fixed in advance for the season so are usually less prone to the type of fluctuation seen in RPKs this month. The passenger load factor fell by 0.5 percentage points relative to January 2017, taking it to 79.6%. However, both capacity and demand are currently trending upwards in seasonally adjusted terms at broadly similar rates.

“Despite the slower start, economic momentum is supporting rising passenger demand in 2018. That said, concerns over a possible trade war involving the U.S. could have a serious dampening effect on global market confidence, spilling over into demand for air travel,” said Alexandre de Juniac, IATA’s Director General and CEO.

International Passenger Markets

International passenger demand growth slowed to 4.4% in January, from 6.1% in December, with all regions recording growth, led by Latin America and Europe.

Latin American airlines’ traffic climbed 7.3% in January compared to January 2017, strongest among the regions. Stronger economic conditions in Europe are helping support rising demand on the market between Europe and South America in particular.

North American airlines experienced a 3.5% rise in traffic over a year ago. The relatively healthy economic backdrop in the region is helping support outbound demand but this is being partly offset by a negative impact on inbound traffic to the U.S.

Asia-Pacific carriers recorded a demand increase of 4.6% compared to January 2017, which was a 46-month low. This largely was owing to the impact of the later Lunar New Year, which fell in mid-February this year.

European carriers’ international traffic climbed 6.0% in January compared to the year-ago period, up from 5.8% growth in December 2017. The region was the only one to see an acceleration in traffic compared to the prior month. This is being supported by the buoyant economic conditions in the region.

Middle East carriers had the weakest growth, with demand up just 0.5% compared to January 2017, the slowest pace since September 2008. The market to/from North America has been especially hard hit owing to factors including the temporary ban on large portable electronic devices as well as the proposed travel bans to the U.S. from some countries in the region.

African airlines saw January traffic rise 4.9% against a mixed backdrop for the region’s largest economies.

Domestic Passenger Markets

Domestic traffic climbed 5.1% in January year-on-year, down from 7% growth recorded in December.

The slowdown is entirely attributable to the later Lunar New Year holiday period in 2018. All markets showed growth, led by India, which experienced its 41st consecutive month of double-digit traffic increases.

Domestic capacity increased 5.3% and load factor slid 0.2 percentage point to 79.8%.

China’s domestic traffic rose 6.6% in January, which was a slowdown compared to 14.1% YOY growth in December. With the Lunar New Year falling in February, that month is expected to see a big jump in annual traffic growth.

Russian domestic traffic grew 7.9% compared to January 2017. Traffic is being supported by strong economic conditions, helped by higher oil prices.

Growth in the domestic U.S. passenger market slowed to 3.4% YOY in January, although the upward trend in traffic remains solid. IATA estimates that the ongoing solid performance is being driven by the comparative strength of economic activity in the country.

The domestic **Brazil, Japan** and **Australia** passenger markets all posted growth rates in January, between 2.8 and 2.9% YOY. For Australia, this growth was around twice the five-year average pace, and six times stronger than that seen in 2017.

In Japan, the economy is currently enjoying its longest period of expansion in 28 years, but the upward trend in domestic Japan RPKs has paused.

In Brazil, YOY growth in domestic RPKs slowed to an 8-month low in January (2.9%), but domestic passenger traffic has continued to trend upwards modestly in line with an ongoing recovery in domestic economic conditions.

Editor/Publisher: Lois R. Pasternak
In Memoriam: Paul A. Pasternak
Executive Editor: Michael Pasternak
Deputy Editor: Lara Pasternak
Editorial Contributors: Larry Luxner,
John Gallagher

Production Coordinator & Designer: Chris Hetzer
Design and Production: It’s About Time, Inc.
Webmaster: Michael Pasternak

Printing by The Printer’s Printer. Ft. Lauderdale, Florida
This publication is a special supplement of Travel Markets Insider, published by Pasternak Communications, Inc., 255 NE 3rd Ave No. 312, Delray Beach, FL 33444 USA. www.travelmarketsinsider.net

E-mail: parsnip5@aol.com, editor@travelmarketsinsider.net
Tel (561) 908-2119 Fax (561) 908-2257

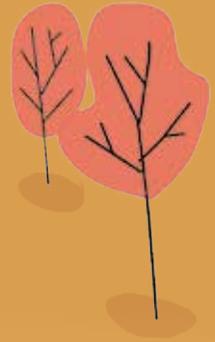
Travel Markets Insider is a weekly newsletter distributed 50 times a year via e-mail, on a subscription basis only.

The annual subscription is US\$200. Printed in the USA. All rights reserved.
© 2018 by Pasternak Communications, Inc.

TRAVEL MARKETS
INSIDER



GODIVA
Belgium 1926



Wonderful City Dreams

NEW limited edition



BY THE NUMBERS

ACI: Global passenger traffic grows above historical averages in 2017

Global passenger traffic grew by 6.4% in 2017, to surpass the 8.2 billion mark, according to preliminary numbers from Airports Council International (ACI) World. This is the third year in a row that growth was above 6%, says the group.

In spite of looming challenges that remain on the horizon-- including concerns over trade protectionism and geopolitical tensions -- passenger traffic continued to post annual growth rates above historical averages.

“Since the end of the Great Recession in 2009 to early 2010, global passenger traffic has been growing at an average rate of 5.5% annually—a testament to air transport’s resilience,” said Angela Gittens, Director General, ACI World.

Regional Passenger traffic

European and Asia-Pacific markets have been driving the increases. Despite the uncertainty over the United Kingdom’s withdrawal from the European Union, Europe’s largest aviation markets reached record-breaking growth of 8.5% year-over-year for the region. International passenger traffic was up by 9.6% for the year.

The Asia-Pacific region experienced strong demand for air travel as well. Many Indian and Chinese airports continued to achieve double-digit growth in 2017.



Preliminary figures point to growth of 7.8% for the region in 2017, with international traffic up by 8.4%.

Both Latin America-Caribbean and Africa experienced a revival in passenger traffic following the recessions of the region’s major economies: Brazil and Nigeria. As a whole, Africa and Latin America-Caribbean grew by 5.9% and 4.3% respectively. International traffic

grew by 6.3% in Latin America-Caribbean.

Middle Eastern airports saw moderate passenger traffic growth of 4.7% in 2017. ACI credits this lower growth rate to the Qatari diplomatic crisis that resulted in travel bans and trade blockades between Qatar and other Middle Eastern countries.

Mature North America making inroads

North America’s mature aviation market grew 3.5% year-over year in 2017. This is above its average 1.1% per annum over the last two decades. The continued inroads made by companies such as Southwest Airlines, the world’s largest low-cost carrier, as well as expansive global growth in the Pacific and Central American markets are among the catalysts of this growth. Some of the region’s largest hubs attained a resurgence in growth over the last couple of years— Denver (DEN), San Francisco (SFO) and Los Angeles (LAX) grew by 5.3%, 5.1% and 4.5% respectively in 2017. International traffic grew by 5.7% for the year.

Global freight figures achieved record growth this year standing at 7.9% for 2017, representing the highest growth rate since 2010, said ACI World.



★ TEXAS' ★

ORIGINAL CRAFT VODKA®

Stop by the
**TITO'S HANDMADE VODKA
POP-UP CRAFT BAR**
at IAADFS March 18-21!

Located in Atrium A outside the main exhibition area.



BY THE NUMBERS

Latest DFWC Monitor integrates IATA data in traffic benchmark; Asia Pacific leads international growth

The Duty Free World Council's (DFWC) quarterly KPI Monitor, produced by Swiss research and consultancy agency m1nd-set, integrates for the first time an air traffic benchmark from IATA, m1nd-set's traffic forecast partner.

This new element shows year-on-year traffic growth during the fourth quarter of 2017 in each region. Encompassing inbound, outbound and intra-regional traffic, Asia Pacific shows the strongest international traffic growth, four points above average at 12%; Europe saw on average growth of 8% compared to Q4 2016; Middle East traffic was the most sluggish in Q4 2017 with growth of only 2%, behind North America, 7%, Latin America and Africa, both with 6%.

The KPI monitor shows that the overall satisfaction level among global shoppers has increased moderately in Q4

2017 compared to the previous quarter.

The one percent overall increase is driven by Asia Pacific, Europe and the Middle East. Both North and South America saw satisfaction levels remain stagnant in the fourth quarter of last year.

The key satisfaction drivers in the KPI Monitor among global shoppers have seen consistent growth over the past few quarters. These include duty free shopping as an important "part of the travel experience" expressed by 46% of shoppers, "a great place to purchase gifts" cited by 41% of travelers, "a great place to buy new brands" mentioned by 30% of travelers and an environment for "exclusive and unique products" expressed by 29%. The percentage of shoppers purchasing for gifting rose 3% on the previous quarter due to seasonal factors.

The Q4 2017 DFWC KPI Monitor

also includes a segment analysis of shoppers who compare prices. On average, 54% of travelers compare prices, primarily with downtown stores (22%), but also with other airport stores (20%) as well as with online retailers (12%). "Millennial travelers" are the age segment which most compare prices when shopping in airports--69% of Millennials report doing so versus 50% of middle-aged travelers and 37% of senior travelers.

The report is compiled from over 4000 face to face interviews with international travelers at airports across all major world regions during Q4 2017 with the fieldwork and analysis taking place in December. Further information about the data on the various aspects studied in the DFWC Monitor is available from m1nd-set upon request (info@m1nd-set.com.)

M1nd-set insights: Latin America poised to see more Chinese travelers over next 12 months

Latin America will see the most significant increase in arrivals from China over the next 12 months with a 26% increase to South America and 20% to Central America and the Caribbean, according to Swiss research agency m1nd-set, which has published its latest insights on Chinese travel trends and shopper insights. The new report reveals significant shifts in destinations as well as key

behavioral insights on Chinese travelers in duty free shops.

In other findings, Europe will experience a decline (-0.4%) in Chinese arrivals over the next 12 months. Most of the major airports will see a fall in inbound Chinese travelers, with the exception of Istanbul, Moscow, Paris and Rome. Istanbul will lead the regional growth over the year with an increase of over 22% in

traffic from China. Moscow will also see double digit growth of over 15% while Chinese arrivals to Rome and Paris will grow by 7% and 3% respectively.

The report reveals that over the past 12 months Chinese outbound travel grew only moderately, with a 3.3% increase globally according to m1nd-set's Business Intelligence Service (BIS), which includes traffic forecasts from IATA's

DDS forecasting tool. Asia, which is the largest market for outbound Chinese travel with an 80% market share, experienced almost stagnant growth with an increase of only 0.3% in outbound travel in 2017. This was due mainly to political tensions with certain markets around the region, which resulted in a sharp decline (-30%) in travel to South Korea and Taiwan (-13%). The slump in travel to South Korea was offset partly by robust growth in outbound travel to destinations in Southern Asia, such as Malaysia, Indonesia and Vietnam, which all witnessed double-digit growth rates in 2017. Europe also benefitted from strong growth in Chinese arrivals in 2017 (+18.5%), driven by Russia, UK and Germany mainly.

This is set to change in 2018 however; a healthier 11% increase in Chinese outbound travel will be driven by a recovery in Asia with 13% growth across the region, led by destinations such as Thailand (+25%), Japan (+15%) and Taiwan (+13.2%). South Korea will see moderate growth of 2.5% in 2018.



SIMPLY



different

GENUINE ADDITIVE-FREE* TOBACCO



CRAFTED WITH PASSION AND CARE

* The words 'Additive-Free' do not mean that this tobacco is less harmful than others

TFWA Asia Pacific Exhibition & Conference examines #TRevolution Pre-registration for 2018 event now open

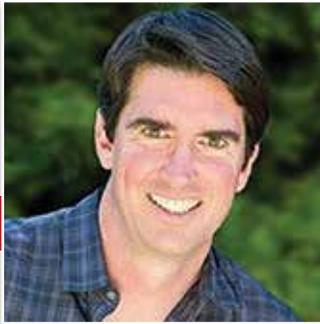
Pre-registration has opened for this year's TFWA Asia Pacific Exhibition & Conference, taking place May 6-10, 2018 at the Marina Bay Sands Expo and Convention Centre in Singapore.

"Asia continues to lead the field in terms of expansion in duty free and travel retail," said TFWA president Erik Juul-Mortensen. "In the first half of 2017, according to preliminary figures from Generation Research, sales in the Asia Pacific region grew by 8.1%, considerably higher than in any other region. Asia Pacific sales topped US \$15 billion, and accounted for approximately 45% of the global total. These impressive figures speak for themselves, and I'm sure the buoyant mood of our business in Asia will be reflected in considerable support for this year's exhibition and conference."

The 2017 TFWA Asia Pacific Exhibition & Conference attracted a record total of 3,087 delegates, up 6% from 2,905 in 2016, and was the biggest to date.

TFWA reports that Exhibitor interest for 2018 is high: as of press time, 280 companies have already reserved stand space, of which 30 are newcomers or returning after a break.

The conference, themed #TRevolution, will be sponsored by



Adam Cheyer, co-founder of Siri, and Shivvy Jervis, a Futurist and expert on digital economy are speakers at the TFWA Asia Pacific Exhibition & Conference.

diamond sponsor Changi Airport Group and platinum sponsor China Duty Free Group.

Taking place on Monday, May 7, the Conference will look not only at technological advances and their impact on retail, but also at how business practice within duty free & travel retail has evolved, exploring the improvements required if sales growth is to match that of passenger traffic.

#TRevolution will feature two plenary sessions during the morning, followed by three themed, simultaneous workshops after lunch.

In the first plenary session of the Conference TFWA President Erik Juul-Mortensen and Andrew Ford, President, Asia Pacific Travel Retail Association

will update delegates on the current state of the duty free & travel retail industry, before the keynote speakers focus on the technological advances that are transforming how we consume and interact with brands.

Adam Cheyer, the co-founder of Siri, is one of the world's leading authorities on artificial intelligence. His work with Siri, acquired by Apple in 2010, gave millions of consumers their first glimpse of AI in action, and pointed to the limitless potential of this new technology. At TFWA Asia Pacific Conference, Adam will explain how AI and other new advances will revolutionize customer behavior and experiences, as well as challenging existing business models.

Shivvy Jervis, a Futurist and expert on digital economy, is one of Britain's leading digital influencers and voted one of Europe's 30 leading women in the tech business. Jervis helps companies make sense of the impact emerging and next-gen technology will have on business and on the way we live and consume. She will look at the next wave of digital pioneers with a particular focus on travel and tourism.

Followed a second plenary session under John Rimmer (details to be announced) the three afternoon workshop sessions will cover seamless shopping (rise of e- and m-commerce), "gamifying" travel retail (using elements of video game design to enhance user engagement), and on safeguarding the industry against challenges to its future growth.

To register for the 2018 TFWA Asia Pacific Exhibition & Conference please visit www.tfw.com 'Book your place', or email conference@tfwa.com for more information.

TFWA strengthens management team in Paris

TFWA has appointed Myriem Chalabi as Exhibitions Director. Previously Customer Engagement Manager, Myriem joined TFWA in 2009 and has held a number of positions within the association's Marketing and Exhibitions departments, most notably managing registration and customer relations at TFWA's trade shows and conferences.

Myriem will be responsible for the organization of the TFWA World and Asia Pacific Exhibitions, in Cannes and Singapore, respectively, including sales, logistics, registration and sponsorship. She will be supported by TFWA's dedicated Exhibitions team, including Exhibitions & Logistics Manager Françoise Parigi and Sales Supervisor Mona Lebrasseur – both of whom have been promoted to new roles – and

Advertising & Sponsorship Manager Isabelle Régnier plus a new addition to the team, Commercial Assistant Morgane Sekfali.

Previously IT Director, Ana Homawoo has been named IT and Technical Director, and will be responsible for all technical issues relative to TFWA and its events, including data protection compliance and security.

Sylvie Guigue, currently Finance Director, has been given responsibility for Human Resources, with a particular focus on training.

The TFWA Marketing department continues to be headed by Marketing Director Cécile Lamotte, while the Association's conferences are overseen by Conference Manager Michele Miranda and John Rimmer.



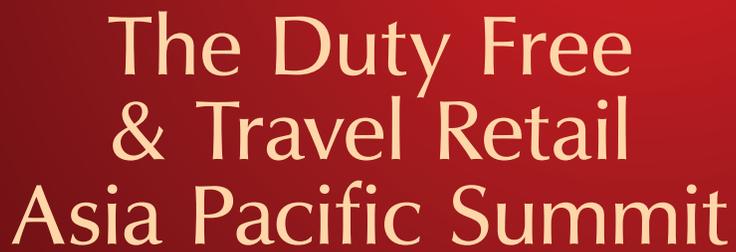
TFWA



ASIA PACIFIC
EXHIBITION &
CONFERENCE



6 - 10 MAY 2018 - SINGAPORE



The Duty Free
& Travel Retail
Asia Pacific Summit

Tech business transformer AOE opens 2nd U.S. office as CEO Kian Gould talks benefits of non-aviation revenues digitalization

Digitalizing travel retail -- combining the best of the e-commerce world with the travel retail world-- is a huge trend happening right now— and Kian Gould, founder and CEO of AOE, is one of the primary people behind the transformation taking place at airports around the world. Gould talks to TMI's Lois Pasternak explaining why this trend is gaining momentum.



AOE CEO Kian Gould

Winner of the *MoodieDavitt Report* “Disruptor of the Year” honor and *Frontier Magazine*’s award for “Technology Innovator of the Year” at the TFWA Conference 2017 in Cannes, technology provider AOE is changing the way airports can operate their non-aviation revenue streams with its OM³ Suite.

The platform connects airport retail, e-commerce and airport services in one solution, and is an essential part of airport digitalization and increase of revenue. The OM³ Suite is being recognized beyond the airport venue as well, having also won the Best Omnichannel Experience Award and Spirit of Excellence Award at the 2016 Imagine Conference in Las Vegas.

With the platform up and running in Frankfurt Airport and currently rolling out in Auckland and London Heathrow airports, among others, the company is also looking to introduce its concepts in the Americas. It has two offices in the U.S., one in California and a newly opened location in the Miami metro area (Ft. Lauderdale).

Kian Gould, founder and CEO of AOE, one of the keynote speakers at the 2018 Summit of the Americas, explains to *TMI* how the OM³ Suite concept works and the factors that went into its concept.

OM³, which stands for Omnichannel Multi-Merchant Marketplace, is a comprehensive suite that multi-retailer venues such as airports can use to digitalize their non-aviation revenues, thus providing their customers with a unified and seamless online and offline experience, says Gould.

AOE’s OM³ Suite is an innovative platform consisting of a unique, modular toolset of pre-integrated Omnichannel functionalities, services and infrastructures. This allows a tailor-made selection of functionalities according to airport-specific business requirements. The unique solution provides passengers with a variety of

options for planning their travels and during the journey itself, online and offline shopping at the airport and access to airport services. Passengers can get information about their products and make purchases before they travel or during breaks and waiting times. As a core element of the solution, a variety of airport and e-commerce systems can be integrated into the OM³ Suite, Gould explains.

In November, Europe’s biggest airport, London Heathrow, announced it had chosen AOE’s OM³ suite to digitalize its non-aviation revenue streams and the digital customer experience. The announcement came shortly after Auckland Airport and AOE announced a similar partnership.

Heathrow has a long-term vision for digital transformation, and AOE will provide an Omnichannel platform that will strengthen its digital services and infrastructure and integrate seamlessly with the existing infrastructure. The OM³ Suite will ultimately integrate with numerous additional features including loyalty programs, lounge access, parking and VIP services. Another feature of the platform is the capability to provide passengers with real-time information, helping make the most of their time in the terminals, said the company in the official announcement of the new agreement.

As the OM³ concept garners growing attention, Gould looks back at the thinking that went into its development:

Frankfort Airport Marketplace project

“When we started at Frankfurt Airport, travel retail revenues were starting to slide, and spend per passenger was dropping. Passenger numbers were still growing, but the airport was not capitalizing on each passenger the way it had previously,” Gould explains.

“Part of the problem is that people

have a very high distraction level, primarily because they are on their phones when they are in the airport. Consumers have much more availability of products through e-commerce, and other channels now than they used to have; so shopping at the airport has become a less compelling proposition than it once was.

“This was one of the main reasons Frankfurt Airport was one of the first airports to decide to digitalize all of their non-aviation revenue streams. This includes retail, of course, and duty free, but also selling premium services like lounge access, pre-booking parking, selling valet services, selling concierge services and all that.

“Now passengers can purchase everything from the airport ahead of time and don’t need to restrict their shopping, or purchasing power, to the 30 minute dwell time while at the airport,” he continues.

AOE built the entire solution, which also meant integrating the retailers into the platform.

“Heinemann is the main duty free concessionaire, plus the other retailers like Wempe, Kaviar House, Porsche Design and other luxury brands, the jewelers and the high-end gift or toy stores, electronics stores, all had to be integrated into the platform, which is a large part of the project,” says Gould.

“We built a technology solution that is adaptable to any kind of airport, and as a subset also to airlines as the news from Singapore Airlines to partner with AOE for their next generation global e-commerce operations has just proven. There is a different situation with airlines; it is more about shopping before or while flying, delivering to seats, home delivery, with a much larger range of duty free products -- it is not so much the marketplace aspect as it is with an airport but has other challenges and opportunities as the airlines know their



THE POWER OF AMERICAS

**DUTY FREE
& TRAVEL RETAIL**
SUMMIT OF
THE AMERICAS

March 18-21, 2018
Orlando World Center Marriott
Orlando, Florida



asutil

Asociación Sudamericana
de Tiendas Libres



Guestlogix: Airline retailing enters a new era using passenger data and analytics

In our next look at the latest technologies transforming the travel industry, Guestlogix has launched a new airline commerce platform designed to provide advanced retail analytics for higher ancillary revenues and improved passenger experience. The platform's ability to gather, analyze and use passenger data for retail sales and marketing before, during and after the flight is entirely new to the airline industry, says the company.

The Toronto-based technology company that pioneered onboard and off-board retail technology and merchandising systems says that airlines are sitting on a goldmine of customer data but are missing the technology needed to translate data into business intelligence. This information could be used throughout the day of travel for more selling opportunities and higher revenues, the company tells *TMI*.

"The e-commerce world is evolving to be more consumer-centric," explains Guestlogix CEO Mike Abramsky. "The kinds of experiences that consumers have gotten used to in 'terrestrial' scenarios – such as ordering from the Starbucks app



Guestlogix CEO Mike Abramsky

or using Amazon mobile – are seamless and frictionless experiences. They create user expectations that must be matched across all retail sectors, including airline commerce. To make purchases easier, these apps don't require passengers to re-enter their credentials, payment information or personal preferences – everything is stored securely in the app."

"Ideally when consumers are traveling, they have a single standard of seamless, personalized self-service. They now expect this from mobile commerce purchases anywhere in the world, but they

aren't getting it when traveling or on an airline or in an airport," he says.

There are three components to the Guestlogix platform. First, a management console that allows flight crews and sales and marketing teams to monitor sales performance across flights, and run personalized, data-driven campaigns based on predictive analytics. Second, a flight attendant point-of-sale app that enables crews to easily open and close orders, keep track of sales, process payments in multiple currencies, and up-sell and cross-sell with personalized, data-driven promotions. Third, a passenger mobile app that serves as a 'digital concierge' for passenger self-service.

"Basically, Guestlogix offers an e-commerce platform for retail sales and marketing specifically for airlines, including passenger data analytics, and sales and marketing tools," says Abramsky.

"This platform gives airlines the ability to improve passenger experience onboard, not only for passengers themselves but also for flight attendants and airline sales and marketing teams. The

passengers much better than the airports."

AOE is building out at several more airports and airlines at the moment, so expect to hear much more from them in the coming months and years.

"We are currently working with about 22 different airports and airlines in a variety of aspects, some in early consulting or early business planning, some in the discovery phase, some in the rollout phase. It is a huge trend happening within this space—to digitalize travel retail: it combines the best of the e-commerce world, which offers online payment, much more product availability, ease of use, shopping from the comfort of your home or mobile device, and combining it with the convenience of having the product at the airport, picking it up when you are traveling, and having the savings of duty free or tax free. This is how we are combining the best of the e-commerce world with the travel retail world," he says.

Seamless transaction, gathering data

"The transaction is seamless. The vision is that you are a passenger arriving

at your airport, you input your flight details so you can track your flight and your phone will tell you—'oh by the way, you are running a little late for your flight, do you want to swipe here and buy a XX for a 10-year-old, and then you can pick it up at the gate?' Or your phone will ding and say, 'would you like to buy that Jack Daniels that you bought last time?' You say yes and it will ask you: 'do you want it delivered to your house again or do you want it delivered to the Business Lounge?'

"This is just to give you an idea of this kind of immersive experience that we are aiming for in the mid-term, but in order to achieve this we need the technology solution that includes knowing the customer and knowing how to communicate with him seamlessly and personalized."

Having a channel through which to communicate with the passenger is vital to the system, says Gould.

"It can be an App, or the airport's website, but the solution needs to also be open to tap into other ecosystems and sources of traffic to be truly accessible and usable for all passengers. Integration into

the existing loyalty schemes and customer relationship systems is a must therefore. The customer signs up for a loyalty system so all of his purchases earn prizes or points. It is really taking the whole system to another level."

AOE is currently in early talks with some airports in the U.S. Gould admits that in the U.S., where most airports are publically owned, they do not normally have funding for a multi-million dollar investment into technology. In Europe and Asia, where most airports are privately owned companies, investing substantial budgets into technology solutions are much easier to get approved, because a solution like this provides a much faster ROI than most infrastructure investments.

In the Americas, AOE had opened a San Francisco office back in 2010 and in February this year added the South Florida location because of the proximity to some of the airports here and in northern South America. The company employs close to 250 people in 8 locations worldwide, with the majority in their engineering headquarters in Germany.



INTRODUCING
santaTeresa
1796

SINGLE
ESTATE
RUM

— FROM —
VENEZUELA

USING A COMPLEX
SOLERA PROCESS,
WITH RUMS
AGED UP TO



HAND CRAFTED BY OUR MAESTRO RONERO FOR A SMOOTH,
DRY & BALANCED RUM THAT EVOLVES IN EVERY SIP

ENJOY RESPONSIBLY. SANTA TERESA AND ITS TRADE DRESS ARE TRADEMARKS

@santateresorum www.ronsantateresa.com





Left: Guestlogix' The Flight attendant point-of-sale app. Right: Passenger mobile app.

platform's components are dynamically integrated with each other, so they communicate in real time, such as during busy onboard cart service."

Abramsky also explains that the platform expands airlines' sales window from onboard the aircraft to the entire day of travel, making possible a much-expanded catalogue of goods and services. At the same time, it creates a direct channel to passengers, leveraging machine learning to create individual passenger profiles, and includes a full campaign engine allowing airlines to drive targeted, personalized marketing campaigns. Since the platform's retail analytics are prescriptive and predictive, it can make recommendations based on data insights and algorithms.

Abramsky adds that the flight attendant point-of-sale app is tightly integrated with the passenger mobile app for easy communication and orders. So, whether the passenger places the order, or the flight attendant is fulfilling an existing order, the details are visible to both parties in real time. The passenger mobile app can be used to order physical goods, such as food & beverage and duty free, but also non-physical services, such as upgrades, media, destination activities, and others.

"Instead of time-consuming manual orders, flight attendants can easily access the latest information about orders that passengers have made through the app, and can more easily and quickly fulfill those orders – or take additional orders from passengers who aren't using the mobile app," he says.

Guestlogix says that currently only 7.5% of passengers make onboard purchases – a conversion rate that has not improved in years, despite the growth of ancillary merchandising across the broader day of travel.

"We want to create more selling opportunities. Our system is designed to be very easy for the airlines to integrate into their existing systems and selling channels, such as loyalty programs. The technical capabilities are easy to use because the platform provides such an intuitive user interface," says Abramsky.

Analyzing passenger data – intelligence that grows as more passengers use the app – and using that data on every transaction, will be the driving engine behind the expected revenue growth and improved passenger satisfaction in air travel, says Guestlogix.

"Airlines are now able to look at information such as whether a passenger has flown this route before, what kinds of merchandise they have ordered, or what class of passenger they are. All of this is business intelligence that can help create a better and more profitable passenger experience."

Abramsky says that the Guestlogix platform is primarily providing solutions for airlines, but airports are definitely a piece of that puzzle because the airports have the retailer relationships.

"Of course, the consumer does not see all of the back-end technology going on in the background. They just know that they are rushing through the airport with kids and they want to get food pre-delivered to the gate, or they want their favorite Scotch ready and reserved for them on the plane, waiting at the gate or even delivered to their hotel. In the passenger's mind, the airline is offering these capabilities now in a more convenient and personalized way than they had before. This is an important part of the experience between passenger and airline across the day of travel.

"This is the future of the travel experience for airlines. But actually

this is already present reality for other retail sectors. It is all about meeting user and passenger expectations," concludes Abramsky.

Lois Pasternak

Sharing information: can competitors become partners?

As airlines focus more on creating and improving the passenger experience, they have slowly started to shift their perception of airport operators, restaurants and retailers from competitors to potential partners, says Mike Abramsky, Guestlogix's CEO.

Recent partnerships like the ones between Deliveroo and Dubai Airports, or American Airlines and Grab, show signs of this shift, he says. The president of Dubai Airports estimates they have about 15 minutes to get a passenger into their duty free shops, versus the 6-8 hours on average that a passenger spends in the air -- passengers could be doing their shopping onboard and picking up the items after the flight. With stronger onboard retail analytics and passenger mobile apps, airlines will get at least 28x the time with passengers to make duty free sales, and they can transform each flight into an additional revenue program. By sharing something as simple as product and sales data, both companies increase their opportunity to be profitable.

Simultaneously, stronger retailer-airline-airport partnerships will help passengers to enjoy a stress-free shopping experience, with no worries of feeling rushed or figuring out the logistics of carrying their purchases with them.

DANZKA[®]

EST. IN COPENHAGEN

DANZKA
THE SPIRIT

Design by Jacob Jensen

DFA opens first U. S. Polo Ralph Lauren airport shop in MIA



Duty Free Americas opened the first Polo Ralph Lauren Duty Free shop in an airport in the United States at Miami International Airport North Terminal D in February.

The 920 sqf store offers a range of apparel and accessories from the World of Polo for both men and women, including Polo shirts, oxfords, chinos, crisp shirting and cable sweaters as well as travel essentials such as relaxed linen separates, shorts, tees, seasonless sweaters and small leather goods.

“Welcome to the official grand opening of our Ralph Lauren store at Miami International Airport. We are proud to tell everybody this is the first Ralph Lauren shop in any airport in the U.S. and we are very glad to bring it here to Miami,” DFA CEO Jerome Falic said at the opening attended by *TMI*.

“On behalf of our new Aviation Director Lester Sola and the Miami-Dade Aviation Department, I want to be the first to congratulate DFA for bringing in a great brand as Ralph Lauren that is well known.

We are happy to have you here. I can tell that it is going to be a resounding success and that just reinforces why DFA is one of the highest grossing concessionaires in this airport,” said Ken Pyatt, Miami-Dade Aviation Department Deputy Director.

The shop is designed to create a warm and inviting shopping environment that “captures the timeless heritage and iconic sophistication of Polo Ralph Lauren,” says the company. The Ralph Lauren image is enhanced with design features such as leather trunks, blue and white porcelain, black and white photography and modern equestrian props.

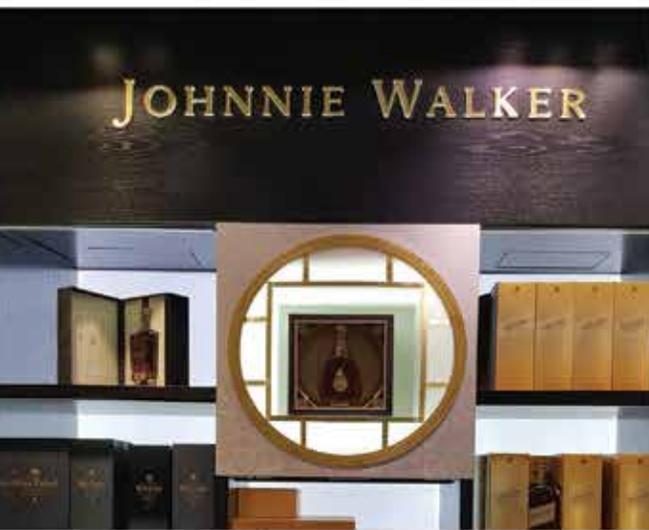
The MIA shop is the just the first Polo Ralph Lauren store DFA is planning on opening in the region.

“We already have agreed upon plans and locations to open several more in the U.S., and beyond. In a couple of weeks we are also opening Polo Ralph Lauren in Panama,” Falic told *TMI*.

“We opened up Johnnie Walker in Miami and now Ralph Lauren. We are looking at a few other new brands that we want to bring into the airport as well. We are also working on plans this year to remodel many of the existing duty free shops at MIA. Hopefully by the end of the year they will be ready. It has been really exciting.”

Hudson Group opened the first Polo Ralph Lauren shop in North America in Canada’s Toronto Pearson International Airport Terminal 3 in May 2017.





THE PREMIER TRAVEL RETAILER IN THE AMERICAS

DFA HAS OVER 200 DUTY FREE STORES AND INTERNATIONAL BRAND BOUTIQUES IN AIRPORTS, BORDER CROSSING AND SEAPORTS, WITH LOCATIONS IN THE UNITED STATES, LATIN AMERICA, THE CARIBBEAN, MACAU AND ISRAEL



U.S.A. AIRPORTS: Baltimore–Washington International Airport, Cincinnati/Northern Kentucky International Airport, Dallas/Fort Worth International Airport, Hartsfield–Jackson Atlanta International Airport, John F. Kennedy International Airport, Laredo International Airport, LaGuardia Airport, Miami International Airport, Ronald Reagan Washington National Airport, Salt Lake City International Airport, San Antonio International Airport, San Diego International Airport, Washington Dulles International Airport

U.S.A. BORDER: Arizona, California, Idaho, Maine, Michigan, Minnesota, Montana, New Mexico, New York, North Dakota, Texas, Vermont, Washington

LATIN AMERICA AIRPORTS: **Belize:** S.W. Goldson International Airport, **Brazil:** Curitiba International Airport, Maceio International Airport, Manaus International Airport, Porto Alegre International Airport, Salvador International Airport, Sao Paulo-Congonhas Airport, **Colombia:** Barranquilla International Airport, Bogota International Airport, Cartagena International Airport, San Andres International Airport, **El Salvador:** El Salvador International Airport, **Haiti:** Port Au Prince International Airport, **Panama:** Tocumen International Airport, **Dominican Republic:** Punta Cana International Airport.

LATIN AMERICA BORDERS: **Belize:** Corozal, **Chile:** Iquique, **Panama:** Paso Canoas, **Uruguay:** Acegua, Artigas, Bella Union, Chuy, Rio Branco, Rivera, **Venezuela:** Santa Elena, Ureña.

MIDDLE EAST: **Israel:** Haifa International Airport, Ovda International Airport. **ASIA:** **China:** Macau International Airport, **Singapore:** Changi International Airport.

DFA stores are operated by Duty Free Americas, Inc., UETA, Inc. (Panama), or related companies.

dutyfreeamericas.com

DFASS and partners inaugurate ground-breaking DFW duty free stores

DFASS Group with its partner CBI Retail Ventures (CBI) officially inaugurated the largest duty free store in the western hemisphere in February at Dallas Fort Worth International Airport's (DFW) Terminal D.

The 19,000-square-foot, two-level TRG Duty Free store, which has been open since December, offers passengers experiential shopping including two executive mezzanine lounges, \$2 million in dynamic digital displays, multiple tasting bars, and VIP concierge services.

One of the more unique aspects of the new concept is the airport lounge incorporated into the design.

The top level is split into two open lounge areas complete with comfortable seating pods, charging stations, work stations, and more than 50 iPads with interactive apps. The second level features a view of the entire duty free store and two sculptures from famous artist James Surls.

Several Texas brands are also



prominently featured in the store, including spirits from Fort Worth's TX Whiskey, Askinosie chocolate, and belt buckles from Dallas' Bohlin Company.

Luxury brands include Estée Lauder, La Mer, Dior, Armani, Lancôme, Prada,

Hermes, Ralph Lauren, Carolina Herrera, Paco Robanne, Gucci, Marc Jacobs, Bvlgari, IWC, Tom Ford, Marc Jacobs, YSL, Chanel, Burberry, D&G, Omega, Tom Ford, Calvin Klein, and Hugo Boss, as well as a Diageo multi-brand store.

Fraport USA lands New York-JFK retail program concession contract at JetBlue's Terminal 5

Fraport USA has announced it is the new retail developer at JetBlue's home terminal – Terminal 5 (T5) at New York's John F. Kennedy International Airport (JFK). Beginning April 1, Fraport USA will take over day-to-day management operations of T5's retail program and will be responsible for managing all shopping and dining areas.

Fraport USA and JetBlue will collaborate on further enhancing the range of shops and restaurants, including a diverse lineup of unique and local New York-inspired offerings.

"New York is our home and T5 is a reflection of who we are," said Marty St. George, Executive Vice President, Commercial and Planning, JetBlue. "We look forward to working with Fraport USA to further enhance the experience

for our customers traveling through our state-of-the-art home at T5. For nearly a decade, our customers have told us how much they enjoy their experience at T5 and even come early to shop, have a great meal or get some work done with free Wi-Fi. This experience will get even better with Fraport's innovative approach and in-depth expertise focused on delivering a world-class experience."

"Fraport USA will be working closely with JetBlue to take the passenger experience at JFK to the next level," said Ben Zandi, president and CEO, Fraport USA. "Our master plan will provide a best-in-class airport experience reflective of New York's vibrant culture and JetBlue's position as one of the most respected and innovative airlines in the industry."

Fraport USA (formerly Airmall) was

the first to launch street pricing and branded airport retail programs in the U.S., which they say created the foundation for modern American airport concession development.

Fraport USA is the developer and manager of the retail, food and beverage operations at Baltimore/Washington International Thurgood Marshall Airport, Cleveland Hopkins International Airport and Pittsburgh International Airport.

Fraport USA is a wholly-owned subsidiary of global airport company Fraport AG Frankfurt Airport Services Worldwide.



FAO Schwarz reveals global expansion strategy and airport deal with Hudson Group

Iconic toy brand announces plans for retail rollout in China and in airports across the U.S. and Canada, as well as a new product line

Iconic toy retailer, FAO Schwarz has relaunched itself and announces a global expansion strategy that includes an exclusive agreement with Hudson Group to open a chain of FAO Schwarz branded airport shops in the U.S. and Canada.

The stores will feature signature FAO Schwarz branded toys and games as well as products from other leading brands. The first stores will debut later this year, including stand-alone candy stores under the FAO Schweetz brand.

“Extending the enthusiasm surrounding our retail rollout and upcoming Rockefeller Center flagship to airports across the country is an exciting and natural progression for the brand,” said David Niggli, Chief Merchandising Officer for FAO Schwarz. “FAO Schwarz’s products and experiential retail format lend themselves well to the travel retail experience, and we are thrilled to be partnering with Hudson Group, a leader in the space.”

In addition to its agreement with

Hudson Group, FAO Schwarz is partnering with Kidsland, China’s largest toy distributor, to launch the brand in mainland China in 2018.

The long-term, multi-channel partnership will allow FAO Schwarz to enter the market and establish its position as the high-end toy retailer in mainland China with a flagship location in Beijing and Shanghai. Kidsland will also open 30 smaller FAO Schwarz specialty stores and shop-in-shops in 200 department stores across the country over the next five years.

FAO Schwarz closed its doors in 2015 after nearly 30 years on Fifth Avenue in New York, but is returning after being acquired by ThreeSixty Group Inc., a

leading provider of branded consumer products to the nation’s largest retailers, in October 2016.

In 2017, FAO Schwarz returned with an extensive collection of toys and specialty items at shop-in-shops in over 5,000 retailers nationwide. The brand also revealed the planned opening of a new 20,000 square-foot flagship location in the heart of New York’s historic Rockefeller Plaza in time for the holiday 2018 season.

The iconic FAO Schwarz brand was synonymous with quality and innovation, and its unparalleled selection of extraordinary toys that enchanted generations and cultivated a loyal clientele. With over one hundred fifty years of operation, FAO Schwarz was a must-see destination at its flagship store in New York City, attracting over three million visitors annually and over twenty five thousand visitors per day during the holiday season.

For additional information, please visit faoschwarz.com.

F·A·O
SCHWARZ®
— SINCE 1862 —

DFA raises \$275,000 at 4th annual golf tournament

Breaking the record amount of money it raised in 2017, Duty Free Americas held its 4th Annual Golf Tournament in February in Miami bringing in more than \$275,000 for United Community Options of South Florida, formerly United Cerebral Palsy.

People from all aspects of the duty free industry supported DFA and the Falic Foundation by attending the golf and tennis tournaments as well as the dinner and silent auction. Diamond sponsors included Moët Hennessy Global Travel Retail, Pernod Ricard Americas Travel Retail, Diageo, and Edrington.

DFA CEO Jerome Falic thanked those in attendance for attending and giving back.

“There is nothing better than having a great time and raising money for a great cause. I want to thank all of you for participating. Without you this would not

happen. It makes us proud as the Falic family and Duty Free Americas to be a part of this incredible industry where everyone gives back. Thanks to everyone out there we raised \$275,000,” said Falic.

United Community Options of South Florida serves more than 1,600 infants, children and adults at 60 locations in Miami-Dade, Broward, Palm Beach and Mid-Coast Counties.

The charity serves children and adults with a range of need and abilities including physical, intellectual, and neurological disabilities.

Since its first charity golf tournament, DFA and the Falic Foundation have raised money for a different cause each year



including the Breast Cancer Research Foundation, the Children’s Tumor Foundation, and the Nicklaus Children’s Hospital.

New York Port Authority airports set new records in 2017

New York and New Jersey Port Authority's airports set a sixth consecutive record for passenger numbers in 2017, welcoming 132.6 million total passengers, growing 2.2% over 2016's previous record.

The 2017 figures for the agency's airports – including John F. Kennedy International (JFK), Newark Liberty International (EWR), LaGuardia (LGA), and Stewart International (SWF) airports – set a variety of different passenger records in addition to the highest total passengers ever. System-wide the four airports reached a new high in both international passengers last year, with 47.6 million, and domestic passengers, 85 million. JFK

and EWR had their best year ever for total passengers (59.4 million and 43 million respectively), while LGA set a record for most international passengers with 2.1 million.

Air service was added at JFK Airport to three cities in China, along with direct service to Glasgow, Senegal and Uzbekistan, as well as in Newark Liberty to Bimini, Warsaw, Barcelona and Buenos Aires, and several new carriers, such as Avianca Brasil, Hainan and LOT Polish now fly there.

Over the past year, the agency made more than \$5 billion in airport investments which included rebuilt runways and high-speed taxiways to alleviate congestion and

delays, as well as terminal improvements.

LaGuardia Airport's modernization advanced with progress on a new Terminal B and its supporting infrastructure, including the opening of the terminal parking garage and the completion of Concourse B's steel erection. Additionally, the board approved a \$4 billion plan by Delta Air Lines to redevelop terminals C and D, and six airlines relocated to improve the travel experience and minimize inconvenience and reduce delays. Work on Newark Liberty International Airport's new \$2.7 billion Terminal One is underway with roadway-related infrastructure projects. Work is anticipated to begin by mid-year on the state-of-the-art 33-gate new passenger terminal, associated aircraft ramp, roadways and bridges and a 3,000 space parking garage complex and related infrastructure improvements.

At JFK, the board also authorized \$62.2 million to upgrade two taxiways to allow larger cargo planes to access the airport's north side warehouses.

DEN sets new traffic record in 2017, welcomes one billionth passenger as international travelers surge

International traffic at Denver International Airport (DEN) grew by 12.5% to 2.59 million international travelers in 2017, more than double the overall passenger traffic growth rate – which itself was up by 5.3% to reach a record high of nearly 61.4 million.

International traffic growth over the last year was driven in part by new service and new airlines, including Copa Airlines to Panama City, Panama; United to Cozumel, Mexico; Norwegian to London Gatwick; Air Canada to Vancouver; and Southwest to Belize City, Belize. Aeromexico, Icelandair and Lufthansa also contributed to the record-setting year.

July was the busiest month ever for DEN, tallying more than 5.8 million

passengers. The airport also experienced the single busiest day in its history on June 30, 2017, with 197,276 passengers. And, in late May, DEN celebrated its billionth passenger since the facility opened on Feb. 28, 1995.

“2017 will be remembered as one of the most successful in Denver aviation history,” said Denver Mayor Michael B. Hancock. “The coming year will find Denver connected with more long-haul international destinations than ever before, further strengthening Denver's position on the global stage.”

December 2017 was the busiest month ever for international passengers at DEN, increasing nearly 17% over December 2016.

ATL world's busiest airport for 20th consecutive year

Hartsfield-Jackson Atlanta International Airport (ATL) has retained its ranking as the busiest airport in 2017, both in passenger traffic and aircraft movements. Pending confirmation from Airports Council International, 2017 marks the 20th consecutive year ATL will be named the busiest airport in the world. ATL remains the only airport ever to reach the 100 million passenger mark in a single year; 2017 is the third consecutive year it surpassed this milestone.

ATL hosted 12,033,865 international travelers in 2017, up 4.86% over 2016's total of 11,475,615 passengers. Cargo development efforts also paid off, as cargo operations increased by 5.66% over 2016. Overall, ATL hosted 103,902,992 passengers in 2017, a quarter of a percent less than 2016's total of 104,171,935. ATL also tops the world in aircraft movements, with 879,560 operations in 2017, 2.09% less than 2016's total of 898,356.

More pax records for SFO in 2017

San Francisco International Airport (SFO) reports a new all-time record for traffic, serving 55,832,518 passengers in 2017. This milestone represents 14 years of consistent passenger traffic growth, which set new records every year since 2011. While passenger traffic has grown by 36% since 2011, the number of flights at SFO has only grown by 14%, which SFO says

validates its smart traffic growth efforts, which encourage airlines to increase capacity by using larger aircraft wherever possible, in lieu of adding more flights.

SFO has also announced four new airlines and five new destinations are confirmed for 2018 to date, all but two of which are international.



NEW JACK[®] RYE. SAME JACK SPIRIT.

== INTRODUCING ==

JACK DANIEL'S TENNESSEE RYE

When Master Distiller Jeff Arnett crafted our new Jack Daniel's Tennessee Rye, he set out to make a rye that was bold, balanced, and true to Jack's roots. With a 70% rye grain bill, new Jack Rye is spicy and complex in flavor, but like every whiskey from Jack, it's charcoal mellowed to be sippin' smooth. All the more reason to try it neat, the way Jeff prefers it.



YOUR FRIENDS AT JACK DANIEL'S REMIND YOU TO DRINK RESPONSIBLY.



North America's busiest air route: Mexico City to Cancun

A new study published by air service event organizer Routes reports that Mexico City (MEX) to Cancun (CUN) is the busiest air route in North America with almost 3.7 million passengers traveling between the two cities between Nov. 1, 2016 and Oct. 31, 2017.

Los Angeles International (LAX) to New York JF Kennedy (JFK) ranked second with 2.8 million people flying between the east and west coast cities. This is the longest route in the top ten at 2,474 miles.

The third-busiest route links MEX with Monterey International Airport (MTY), the third largest city in Mexico.

Completing North America's top five busiest passenger routes is New York

LaGuardia (LGA) to Chicago O'Hare International (ORD), which attracted 2.36 million passengers during the year, and San Francisco (SFO) to Los Angeles International, with 2.2 million.

Routes says that the research analyzed the top 100 aviation routes by total capacity from Nov. 1, 2016 to Oct. 31, 2017, according to OAG's Schedules Analyzer, and then ordered them using data provided by Sabre Airline Solutions for the same time period.

The research was released ahead of Routes Americas 2018, an aviation forum that took place in Quito, Ecuador (Feb. 13-15).

More information is available at routesonline.com

The top ten routes:

1. MEX - CUN
2. LAX - New York JFK
3. MEX - MTY
4. New York LGA - Chicago ORD
5. SFO - LAX
5. Guadalajara (GDL) - MEX
6. LAX - Seattle-Tacoma (SEA)
7. SFO - JFK
8. LGA - Atlanta ATL
10. Orlando MCO - Newark EWR

Dulles International, Reagan National airports report continued growth in 2017

International traffic grew for a 14th consecutive year at Dulles International Airport in 2017, while Reagan National set a seventh consecutive passenger record last year, reports the Metropolitan Washington Airports Authority.

At Dulles, overall passenger traffic increased 4.1% to 22.7 million with international traffic rising 3.6% to 7.7 million passengers. The uptick was supported by domestic growth of United's Dulles hub operations and double-digit

traffic increases from Frontier (60.7%) and Southwest (10.1%). On the international service side, Air India began new service, while nearly a dozen airlines increased passenger service by at least 10% over 2016 through additional flights and aircraft up-gauges.

Reagan National served 23.9 million travelers in 2017, 23.5 million of them domestic passengers. Growth was fueled by passenger increases on Delta, United and Alaska, as well as international increases

by American and Air Canada. Domestic passenger figures for American, the airport's largest carrier, grew 1.2% from the prior year with 11.7 million passengers served.

Nine new shops and restaurants at Dulles International and eight new shops and restaurants at Reagan National opened in 2017. Since 2013, 146 new concessions have opened at both airports.

MIA Foreign Trade Zone approved

The Miami-Dade Aviation Department (MDAD) gained final approval from the U.S. Department of Commerce in February to designate Miami International Airport's entire 3,230-acre land parcel as a Foreign Trade Zone (FTZ) magnet site.

The magnet site designation allows existing or prospective airport tenants to operate manufacturing, warehousing and/or distribution centers on airport property, and have their federal tariffs deferred, reduced or eliminated – providing time and cost savings for approved importers and exporters.

The new magnet site - an expansion of Miami-Dade County's existing FTZ

281 - will allow companies to receive and process materials and merchandise with reduced or eliminated Customs duties upon entry into the country at MIA.

Companies within an FTZ are able to defer paying duties only when product exits the site, reduce duties on combined finished products instead of on each individual product, and eliminate duties on products being imported to the site and then exported.

In 2016, MIA's air trade was valued at \$57.3 billion - representing 92% of the value of Florida's total air trade and 40% of the State's total (air and sea) trade with the world.

"Six years after being approved by the U.S. Department of Commerce, FTZ 281 has more than 65 approved sites," said PortMiami Director and CEO Juan M. Kuryla. "Adding MIA as a magnet site is a huge accomplishment. It makes Miami a more competitive global gateway for growing international trade and commerce in Miami-Dade County. We welcome MIA to FTZ 281."

MIA's passenger traffic was mostly flat in 2017, with total traffic down by 1.15% to 44.58 million. International traffic rose slightly (+.43%) to reach 21.47 million.

RON
Flor de Caña

125 YEARS AGING AT THE BASE
OF AN ACTIVE VOLCANO



PLEASE ENJOY RESPONSIBLY

Travel Markets Insider: One on One with ARINA GM Jackie McDonagh “Keeping the customer in the center of everything we do”

Jackie McDonagh, General Manager of Aer Rianta International North America, brings a distinctive management style and pride of being Irish, representing the most positive aspects of Irish culture, in her position at the head of Aer Rianta International’s Americas business. At the time of our interview in Montreal during the Frontier Duty Free Show last November, McDonagh had been with ARI in North America for 8 months, having come from Ireland where in July 2014 she joined ARI as Head of Retail Ireland, and was promoted to general manager ARI Ireland in September 2016.

McDonagh arrived in Montreal just as ARINA was going through some major upgrades to its stores as well as winning a new concession agreement in Quebec City at Jean Lesage International Airport. She led an extensive remodel of The Loop Duty Free store for transborder passengers to the United States in Montreal-Trudeau International airport, which opened last October, and the launch of a 400 sqm state-of-the-art The Loop Duty Free store (YQB) in Quebec City in late December.

The new duty free store in Québec City is quadruple the size of the previous shop representing a significant investment in capital and ARI’s commitment to that location. Aer Rianta International invested over a million dollars in the new layout, which features an array of luxury products, from makeup, perfume, sunglasses and accessories to a wide selection of wines and spirits, using customer insights to ensure the range best fits the customer demographics.

Speaking with *TMI*, McDonagh discussed how ARI is enhancing the passenger experience at both airports with a consumer-led offer.

“We have a very clear plan to deliver sustainable growth with our business in North America, and have developed a strategy plan for 2018 to bring in newness, including new brands and adapt to the new passenger profiles.

The ARINA team won the FDFA Gold Standard Award for Best Canadian Airport Duty Free Operator in 2016 and 2017.



McDonagh (far right) and the ARINA team celebrate their victory for the FDFA Gold Standard Award for Best Canadian Airport Duty Free Operator in 2017.

Developing a Sense of Place with Canadiana is another key element, which we have begun working on already,” she said.

“What is exceptionally pleasing for us at ARI is having brands like premium Montreal leather brand RUDSAK and Celine Dion handbags along with our beautiful Canadiana section which resonates with our Montreal and Quebec customers and creates a sense of place and pride in being Canadian,” she says. “We are working with our design team and buying team to develop the concept.”

Although new to the Americas, McDonagh is customer focused and believes that “if you put the customer at the center of everything we do, then

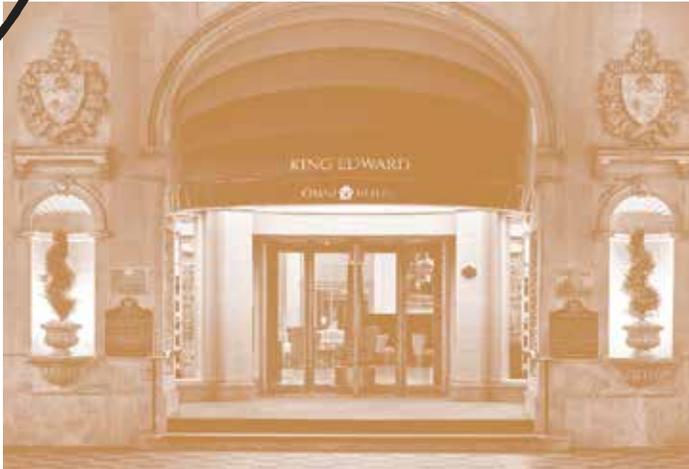
familiarization with a new location is no longer a prohibitor to success. Another exciting opportunity delivered by the Airport and Airlines is the introduction of additional flights to Shanghai and Beijing delivering real revenue opportunities and of course brings additional tourism aiding growth to the economy,” she says.

Not only is Jackie McDonagh the first woman to hold this top position for ARINA in the Americas, she was also the first woman to be promoted to General Manager of ARI in Ireland, bringing a comprehensive set of retail skills with her from the domestic market.

“Retail comes natural to me simply because I love retail, and if you are passionate in whatever you do and firmly

Join us

Collaboration for Innovation



2018 FDFA CONVENTION

November 4 - 7
King Edward Hotel • Toronto, ON

fdfa.ca

 Duty Free


FRONTIER DUTY FREE ASSOCIATION
ASSOCIATION FRONTIERE HORS TAXES

believe in it then you have a better chance of succeeding in that market. I have been in retail for 22 years and believe success can be achieved when you are open to change, willing to learn and put your customer at the heart of everything you do.

“As for me, I always strive to make a difference. When I join a company or go into a new role, I engage and meet with all my employees to get their feedback and create a joint plan to drive positive change in a fully collaborative manner.”

McDonagh joined ARI in July of 2014, having worked 10 years for UK retailer River Island, a high street fashion brand. River Island operates more than 320 stores in the UK, Ireland and Europe.

“My belief is that management needs to lead by example and set clear achievable joint objectives across the business. People will perform to their very best and support the overall business objectives if they are part of, and fully understand, the company vision, of which the team are an integral part,” she continues.

“I believe in communicating with teams and having a two-way engagement structure that allows employees to have a voice. It is about motivation and bringing positive energy and a whole ‘Can Do’ attitude to the workplace.”

This is the style of leadership that McDonagh brings to Aer Rianta: “Effective communication in business is essential to ensure all teams are aligned, and on the same path to achieve a shared vision for success.”

McDonagh also strongly believes in celebrating success with her team. “We spend a lot of our time in work, so when we achieve set milestones, we celebrate success. This translates into better business as our team feels valued and recognized which in turn motivates and sustains a positive, high performing team structure.”

Looking forward for ARI in North America, McDonagh says ARI will continue to bring in newness and even more Sense of Place within the existing footprint this year. “We will continue to have Chinese flights and we need to ensure that we have the right brands. We will also need to understand what luxury

offers the passengers would like to see and adapt accordingly. We have identified key deliverable opportunities for Summer 2018 focused on better serving the existing and evolving passenger profile of the future at Aeroport de Montreal.”

McDonagh is particularly proud of two achievements in 2017. Aer Rianta International North America won Best Airport Duty Free Operator for 2017 repeating the success from 2016, and she was nominated and short-listed for the Business Woman of the Year – Overseas award from *Irish Image* magazine.

From a personal perspective, McDonagh is enjoying this exciting new chapter in her career, having moved to a new country, a new exciting business and adapting to a new culture.

“I believe it’s really healthy to continue to challenge oneself and step out of the comfort zone. This is when one achieves most growth both personally and professionally. I am continuing to learn French with a firm commitment to immerse myself in the North American, Quebecois and Canadian cultures. And I hope I can give something back as part of my time in this beautiful country.”



Ribbon cuttings for ARINA at Montreal and Quebec City airports.



Lauren Guay's non-traditional approach to marketing brings results for IGL Duty Free

Montreal-based Importations Guay Ltée Duty Free nearly swept the Frontier Duty Free Association Gold Standard Awards this past November at the annual Canadian convention, winning the Platinum honor for Best Land-based Duty Free Store, the Best Marketing Award, the Best New Idea Award, and the Outstanding Duty Free Employee Award.

For the Marketing Award, IGL had partnered with *CAA Quebec*, the local CAA division of The Canadian Automobile Association, and *MTL1642* magazines, with IGL placing full page ads in both summer editions of the magazines and a call to action to enroll in a summer gift card giveaway contest.

“With over 6 million members nationally and 936,856 in Quebec, the CAA partnership was the right fit to communicate with our local customers, reaching our target clientele in the province who like to travel. *MTL1642*, which is distributed in over 16,000 high-end hotel rooms in Montreal, was the ideal complement to target travelers visiting Montreal during our busy summer season, and the sophisticated look and feel of the magazine tied nicely with IGL Duty Free’s image,” says Lauren Guay, VP Marketing of the family-owned operation, who added that IGL also worked with spirits suppliers to develop creative that highlighted the store offerings.

IGL’s award for Best New Idea involved a social media awareness video campaign that played off of reasons people stop at the duty free shop. IGL developed three story lines into 30-second videos with the tagline, “For whatever the situation.”

The success of both programs is due to Lauren Guay, daughter of store owner Pierre Guay, who recently joined the company and brought her background in public relations for consumer goods with leading New York agencies to the table.

“When my father asked me to join the company, I saw so much opportunity as our consumers are changing dramatically. Millennials are now a huge focus and especially in the case of our company, we had not really reached out with much advertising or marketing and public relations,” Guay tells *TMI*.



Lauren, Pierre, and Justin Guay celebrate their win at the 2017 FDEA Gold Standard Awards.

Her first venture into promoting the company became a national success.

“We had a bottle of Balvenie 50, worth nearly \$40,000, in our store. I thought it was such an interesting story that I reached out to the *Montreal Gazette* and their business editor did a huge story on it. We had the last bottle of Balvenie 50 in Canada—the only other bottle had been robbed at gunpoint from the SAQ store in downtown Montreal. The *Gazette* people came to our store to film the segment, and the *National Post* picked it up then the radio stations. The story really blew up and sure enough we had someone from Montreal come by the store and purchase it. Just to show you the power of publicity,” she recalls.

Guay says that the success of the Balvenie venture spurred the idea do some fun little video segments. She contacted a local fashion/lifestyle blogger to see if she would write something for Millennials. “She came to the store and was surprised by the amount and types of products that we had, and how beautiful the store looked. She pointed out that we had to educate people about what duty free is. The blogger did not even know that a Canadian could shop in the duty free store before I called her,” said Guay.

“I didn’t want to just talk about sales,

but really explain what duty free is. We came up with the idea of the 30 second video segments. We kept them small and cute, focusing on why people shop duty free. #1 is for a bathroom break! We showed a family stopping for a break and the father discovering our single malt selection. #2 was for people who forget gifts and last minute items, so we showed a man who forgot his anniversary and stopped for champagne, and #3 featured guys on a road trip who forgot their beer cooler at home, and stop in the duty free. We are trying to pinpoint why people should think of coming to the duty free store. So that was just a fun social media campaign. We sponsored the posts and geo-targeted them to our area. One of them garnered 12K views in a week. And we can leverage the videos again. They are not time sensitive so we can run them at different times of the year.”

IGL’s biggest project was the partnership with the magazines. “I am not a fan of traditional marketing. You cannot track who is actually reading your message or interact with people, unless you have a call to action. So in the ad we announced we were giving away a \$100 gift card every week of the summer (13 in total), and people had to sign up to enter. We saw a substantial increase in activity to our website and social media channels.

“Over the course of the contest we had 1700 visitors to the contest page and about 800 new subscribers to the newsletter.”

With this marketing initiative greatly exceeding expectations IGL plans to carry out similar initiatives soon to further develop its client base, says Guay.

Sticking to non-traditional projects, Guay is looking to repeat the success they had parking a massive food truck outside of their store on Canada Day which served a popular brand of Canadian burgers owned by a Montreal hockey player called Dilallo.

“This was a fun thing that drew a lot of customers into the store. We are thinking of having food trucks serving Montreal’s famous bagels early in the mornings as well, or maybe a tasting truck from locally-made Chic-Choc rum.”

Canadian tourism has best year ever

Canada welcomed a record breaking 20.8 million tourists in 2017 (+4.4% over 2016), the highest ever in Canadian history.

The preliminary data, released by Statistics Canada, shows that Canada has surpassed the previous record set in 2002 by almost one million.

After a somewhat rocky start to the year, U.S. overnight arrivals to Canada rounded off the latter half of 2017 with a fifth consecutive month of strong growth in December 2017 (+3.7%), bringing the annual 2017 total to 14.3 million (+3.1% over 2016). Even with the weaker purchasing power of the U.S. dollar in Canada in 2017 (-2.1% total 2017), U.S. tourists visited Canada in the highest numbers since 2005.

Overnight arrivals to Canada from countries other than the United States reached an all-time high of over 31% in 2017, up from 19% during the previous peak year of 2002. Overseas tourists typically stay in Canada longer and also

spend more, benefiting tourism businesses across Canada, and the Canadian economy, says Destination Canada, which markets Canada internationally in Australia, Brazil, China, France, Germany, India, Japan, Mexico, South Korea, the UK and the USA.

Among Destination Canada's core markets, the Asia-Pacific region (1.90 million, +11.4%) led 2017 arrivals, followed by Europe (1.76 million, +0.7%), and Latin America (498,000, +39.3%).

Much of the growth recorded in 2017 was driven by increased direct air arrivals, both from the U.S. (+6.6%) and from overseas (+9.5%). This progress was particularly evident in direct air arrivals from Destination Canada's Latin American markets (+60.3%) and Asia-Pacific markets (+16.6%).

The Government of Canada has implemented visa changes for priority markets by introducing the eTA and opening seven new visa application centers

in China, Canada's third largest source market. New flight routes and increased service to Canadian airports have flight capacity soaring by 7% over 2016 to the highest level ever.

Expect the number of Chinese visiting Canada to rise even more this year as 2018 was declared the year of Canada- China tourism by the two countries.

U.S.-Canada cross border

Supported by the steady expansion of air capacity between Canada and the U.S. (+3.8% in 2017), arrivals by air were a driving force behind the growth in U.S. visitation. In 2017, the number of U.S. tourists arriving in Canada by air reached a new peak for the third consecutive year and represented 33.6% of total U.S. overnight arrivals. Arrivals by other modes of transportation, such as bus, train, and cruise, also recorded strong growth (+9.9% in 2017). While auto arrivals were generally on par with 2016 levels, they still



continued to make up the largest proportion of U.S. visitors (55.7% in 2017).

In 2017, the largest share of U.S. overnight arrivals by state originated from New York (18.0%), Washington (15.1%), and Michigan (11.4%).

International markets

In 2017, Canada welcomed a new annual record of 1.76 million visitors from Destination Canada's Europe region (+0.7% vs. 2016). The muted performance from this region in 2017 was mainly due to a consistent decline in arrivals from the UK (-3.8% vs. 2016), which faced a deteriorating consumer mood since May 2017 in the midst of growing concerns over the economy ahead of Brexit and a weakened British pound in Canada (-6.9% vs. 2016). December (-6.0% vs. December 2016) marked eight consecutive months of declining arrivals to Canada from the UK. Steady gains in arrivals from Germany (+5.2%) and France (+4.6%) over the course of the year compensated for the losses from the UK, resulting in an overall positive trend in arrivals from the region. France was the only Europe market to

hit new arrivals records in 2017, while Germany observed its best year for arrivals to Canada since 1999.

With overall air capacity for the region up 4.4% year-over-year in 2017, direct air arrivals from Destination Canada's three Europe markets were up slightly compared to 2016 (+0.8%). In 2017, 69.9% of visitors from Destination Canada's three European markets arrived by air directly from overseas, mainly via Toronto Pearson -YYZ (36.3%) and Montreal-YUL (31.7%).

Total 2017 visitation from Destination Canada's Asia-Pacific region reached 1.90 million (+11.4%), setting new peaks for the region. This year's strong performance moved the Asia-Pacific region ahead of Europe as Destination Canada's largest overseas regional market for the first time in 2017.

Double-digit gains were recorded from all of Destination Canada's Asia-Pacific markets except Japan in 2017 (+0.2%). Arrivals from India (+17.8%) posted the strongest growth, followed by South Korea (+17.0%), Australia, (+12.6%), and China (+11.8%). All but Japan also reached new

arrivals records in 2017.

Direct air capacity to Canada from the Asia-Pacific region expanded +22.2% in 2017, led by India (+52.7%), Australia (+28.6%), and China (+24.8%), supporting the particularly strong growth in direct air arrivals (+16.6%).

The majority of direct air arrivals from Destination Canada's Asia-Pacific markets in 2017 entered the country via Vancouver-YVR (50.3% share of direct air arrivals) and YYZ (41.1% share of direct air arrivals). However, YUL and Calgary-YYC also saw significant growth this year in arrivals from China.

2017 total arrivals from Destination Canada's Latin America region reached almost half a million (498,000, +39.3% over 2016). Both Mexico (+47.4%) and Brazil (+22.0%) hit new arrivals records individually in 2017.

Both of Destination Canada's Latin America markets benefitted from the replacement of the visa requirement with the eTA over the last year. This was introduced for Mexican citizens on December 1, 2016 and for some Brazilian citizens in May 2017.

CiR: Airlift from India doubles to Americas with new routes to Canada

The Indian aviation industry is booming and capacity to the Americas is growing by double-digits, reports analysis from Business Lounge, the market data arm of CiR.

In the ten months to October 2017 total PAX at India's airports combined was up +14.9%, a growth second only to Russia among the top thirty markets globally, says CiR.

"India's rate of growth ... is certainly impressive considering its already significant scale," says Garry Stasiulevicus, Founder and President of CiR.

India is currently the fifth biggest market in terms of total PAX, positioned in between the UK and Spain, and behind the USA, China and Japan.

While much of the growth is being driven by domestic travel, which accounts for over three quarters of total PAX and has grown +17.0% year to date, the international market is recording robust

growth, up +8.8% over the same period.

Half of India's outbound PAX travel is to the Middle East, but airlift to the Americas rose 22.1%.

Looking to the first six months of 2018, this trend is likely to continue, says CiR. Capacity to MEA is up only +5.5%, whereas seats to Europe and the Americas are currently +17.2% and +13.5% ahead of the same period last year.

Much of the growth to the Americas is being driven by capacity on flights into Canada, which is up +57.1%. Air Canada's Delhi-Toronto Pearson has historically been the sole link between India and Canada, however in October 2016 the Canadian national carrier launched a seasonal Vancouver-Delhi service, running through to April 2017. It proved to be such a popular route, the airline has scheduled the service to run again from October 2017, but has expanded the number of seats by +45.3% over the seven-month period.

More recently, in July last year,



Air Canada also inaugurated a Toronto-Mumbai service, making it the first airline to operate a route between Mumbai and Canada.

"Air Canada is seemingly keen to invest heavily in what it must see as a lucrative Indian market," says Stasiulevicus, "and it appears that there will be a significant opportunity to target Indian shoppers in Canada throughout 2018. It is imperative for brands and retailers in these regions to understand how this key nationality behave in their airports in order to maximize the opportunity."

CiR's Indian Traveller Report, launched in 2017, provides a focus on attitudes towards travel and the airport environment, together with an in-depth study of shopping behavior in Duty Free.



The SeaTrade keynote panel, Richard Fain, CEO of Royal Caribbean Cruises Ltd.; Pierfrancesco Vago, CEO of MSC Cruises; Frank Del Rio, CEO of Norwegian Cruise Line Holdings Ltd. and Arnold Donald, CEO of Carnival Corp. & plc, with moderator Peter Greenberg of CBS News, all agreed that business was very good in the cruise industry in 2017.

SeaTrade Global addresses potential, challenges and responsibilities of a booming cruise industry

Earlier this month, the 2018 SeaTrade Cruise Global event gathered 11,000 of the world's top cruise line and port executives to discover the latest destinations, maritime innovations and cruise news.

Kicking off the four-day event was a two-part State of the Global Cruise Industry panel discussion, moderated by Peter Greenberg of CBS News, where executives from the top four cruise lines discussed a range of topics, following an introduction from Cindy D'Aoust, president of Cruise Lines International Association.

Ship builders are at full capacity as cruise lines order new vessels to keep up with the rapid pace of demand. There are about 80 cruise ships in development. Sixteen of these will be powered by clean liquefied natural gas, with the first of these to set sail in 2019, said D'Aoust in her opening remarks. LNG, which produces almost no sulfur when burned, is designed to reduce sulfur emission from ships' exhausts.

The cruise industry has made a clear commitment to ocean conservation, clean water and sustainability, she said, adding that the cruise industry currently recycles 60% more than the average person.

The cruise industry, along with CLIA and trade organization Florida Caribbean Cruise Association, also played a major part in the recovery of the Caribbean following the devastation caused by Hurricanes Irma and Maria, not only by supplying money, transportation and emergency housing after the storms, but by returning their ships filled with tourists to the islands as soon as possible, bringing in vitally needed revenues.

D'Aoust also spoke of the industry's partnership with the floating hospital Mercy ships, and announced the launch next year of a global program that will double its capacity to train medical personnel.

The keynote panel, Richard Fain, CEO of Royal Caribbean Cruises Ltd.; Pierfrancesco Vago, CEO of MSC Cruises; Frank Del Rio, CEO of Norwegian Cruise Line Holdings Ltd. and Arnold Donald, CEO of Carnival Corp. & plc, all agreed that business was very good in the cruise industry.

About 27 million people are expected to cruise in 2018 according to Cruise Lines International Association (CLIA), up from a record 25.8 million cruise passengers in 2017.

The panelists note that today's ships feature cutting-edge entertainment options, but that they must build for future cruisers – even a decade in the future, to meet demand. And those demands will evolve as the demographics of cruisers are changing. Even though the majority of cruisers still come from the U.S., the international cruise market is becoming increasingly important.

Another important trend is that cruisers are getting younger. While Baby Boomers are still a major share of cruise travelers, about 25% of cruisers today are millennials. Cruising appeals to them as they search for that experiential holiday.

While their business is booming, the cruise executives are fully aware of the challenges surrounding them. Carnival Corp. & plc president and CEO Arnold Donald spoke of the danger of "overtourism," when too many ships visit a destination port.

Citing Venice and Barcelona, MSC Cruises executive chairman Pierfrancesco Vago pointed out only 1 million of the 30 million day visitors to Venice each year are cruise passengers, but the cruise ships are the most visible.

Disagreeing with what Greenberg called 'destination denigration,' Royal

Caribbean Cruises Ltd. chairman and CEO Richard Fain suggested that cruise lines spread out their shore excursions further, and do a better job of educating critics.

Norwegian's Del Rio pointed out that more ports are requesting cruises, however, not discouraging them. RCL's Fain noted that cruise lines have the ability to control the number of tourists and the flow to ease congestion.

The panelists also spoke of product differentiation and the trend towards larger ships.

RCL's Fain, whose *Symphony of the Seas* will be the world's largest cruise ship when it launches later this year, said: "I am not sure if bigger is better but better is better."

Speaking of destinations and source markets, there was a lot of discussion about the potential of China's 130 million tourists. Whereas China is forecast to

become the world's largest cruise market in the future, Carnival's Donald pointed out that for now it is still tiny at about 2 million.

The opening of Cuba – which was the center of discussions at SeaTrade two years ago – is now up and running, despite the new restrictions implemented against land-based visits to the island by the Trump administration. Norwegian is doubling its capacity to Cuba this year and Carnival recently announced 17 new voyages to the island for next year.

In the second part of the keynote panel, Virgin Voyages Tom McAlpin and Ritz-Carlton Yacht Collection CEO Douglas Prothero discussed their new ground-breaking cruise lines which are currently under construction, and how different each will be from the current offering.

McAlpin, a former Disney Cruise

line executive, explained why the Virgin ships will be "adult by choice" and how important a name is: "We are Virgin Voyages, not Virgin Cruises. Think about how the word 'Voyages' connotes adventure and a journey of discovery," he said. Many first time cruisers have contacted them already due to the appeal of the Virgin name, he added.

Similarly Prothero explained the allure of the Ritz Carlton name and the "Yacht Collection" designation. The company is targeting a built in audience of Ritz Carlton hotel guests, among other high-end passengers.

This is the last year that SeaTrade Global is being held in Ft. Lauderdale. The event will return to the Miami Convention Center next year, where it will take place in April.

Norwegian Cruise Line Holdings unveils design of new terminal at PortMiami

Norwegian Cruise Line Holdings Ltd., took the occasion of SeaTrade to unveil the design of a new and dedicated 166,000-square-foot Norwegian Cruise Line terminal at PortMiami.

The cruise company, which has been based in Miami since 1966, is working with Miami-Dade County in a public-private partnership to construct the facility. Pending the final approval by the Miami-Dade County Board of County Commissioners, the project will commence in May 2018, and is scheduled for completion by the fall of 2019. The opening will coincide with the launch of the *Norwegian Encore*, the newest ship of

the Breakaway Plus class, as it makes her debut in Miami with seasonal cruises to the Caribbean.

Miami-Dade County will invest \$100 million to build a new terminal dedicated to Norwegian Cruise Line, with Norwegian Cruise Line Holdings Ltd. augmenting the county's allocated funds with its own contribution to PortMiami

The terminal will be able to accommodate ships with up to 5,000 passengers. Innovative lighting, inviting indoor and outdoor waiting areas and other guest-centric elements will enhance the overall passenger experience.

It will feature new technology

to support faster and more efficient embarkation and disembarkation, expedited security screening and luggage check-in, and a dedicated lounge for large groups and charters, as well as a new parking garage, a valet area and lounge.

"Norwegian has been sailing from Miami for over fifty years, longer than any other cruise line, and we are honored to be partnering with PortMiami and Miami-Dade County to construct an iconic terminal that will contribute to Miami's world famous skyline and strengthen its position as the Cruise Capital of the World," said Frank Del Rio, president and chief executive officer of Norwegian Cruise Line Holdings Ltd.

The pearl-shaped structure, designed by Miami-based Bermello Ajamil & Partners, draws its inspiration from a nautilus, with its spiraled and multi-level façade, opening up to grand ocean views. Once complete it will be the new "pearl" of Miami, redefining the landscape of the city's skyline, says the company.

The project will be constructed to LEED Silver standards, focusing on innovation in design and terminal operation to create a platform that will optimize energy performance, indoor air quality, water efficiencies and maximize the use of local materials and resources.



Fairn & Swanson hones its ship chandelling expertise to serve the evolving tastes of cruise ship passengers

“Our specialty is handling what the liquor companies consider a logistical nightmare”

Duty free operator Fairn & Swanson is growing substantially as it devotes more of its business expertise to supplying cruise lines with Duty Free products and services.

Since its humble beginnings in 1949 as a small duty free operation solely supplying the ships that came to the Port of San Francisco, F&S has evolved dramatically.

In the past 69 years the company has widened its business along the West Coast, opened and grown its Baja Duty Free stores along the Southern Border, and expanded to the East Coast to round out its nationwide service to the cruise lines. With over 200 employees nationwide, F&S distributes over 4 million cases of core products yearly by shipping to all ports and warehouses that service the cruise lines it supplies.

“As the cruise industry continues to grow, so has F&S. With 23 new cruise ships scheduled to launch between now and 2020, F&S is prepared to grow with the industry,” says Nicole Uhlig, F&S President. “Our specialty is handling what the liquor companies consider a logistical nightmare. Receiving and filling orders of a wide variety of products, sometimes with 72 hour turn-around, can be a tricky business. Anticipating the needs of the cruise lines and delivering on time requires a tremendous amount of communication and coordination between all parties,” she explains.

Uhlig notes that the key to success begins with the beverage company and the cruise line working together to determine which products are the best fit for each vessel - negotiating menu cocktails, food pairings, promotional activations and product placement on board.

“We work closely with small craft and worldwide liquor companies and cruise lines to assure promotional time frames and forecasting is clear on both sides. From there it is the challenge of the ship chandlers to pull all the different beverage requests into consolidated pallets for on



F&S loading supplies on a cruise ship

time delivery to each vessel,” she explains.

According to Uhlig, the taste/palate of the cruise line customer has also changed over the years. The days of rum and coke & vodka tonic have evolved into Mojitos & Moscow Mules.

“We feel this all began with the craft beer boom. The trend that began with appreciation of smaller craft beers has grown to include other alcohols. The consumer’s interest in small batch liquor is flourishing and is reflected in the cruise line offerings. Craft whiskeys and bourbons are part of the new trend, allowing the smaller distilleries an opportunity to sit side by side

with the premium standards.”

Using specialized informational experiences through flight tastings, and personalized blendings, the cruise line customer has the opportunity to learn more about the processes and subtleties between brands, says Uhlig.

“This is allowing smaller brands an opportunity for great exposure to a larger audience, further driving the craft boom. Another part of this trend is seen with increased interest in Mixology. Specialized mixers and bitters are coming to the market, bringing hints of sweet & savory to today’s modern cocktail. The awareness of the new flexibility of specific liquors is revamping how our customers perceive and enjoy the cocktail hour. As a result it has increased the scope of offerings on board and broadened our supply portfolio.”

The staff and management of Fairn & Swanson are proud of the relationships they have had with their cruise line partners and key suppliers over multiple decades.

“We are excited to see the continued growth in the industry and in our own business. We look forward to continue providing exceptional products and services to the industry for many years to come,” promises Uhlig.



Nicole Uhlig, F&S President



COSTA[®]



See What's Out There[®]



costadelmar.com

Geb. Heinemann to operate retail onboard four Carnival cruise ships in the Caribbean and the Pacific

Two Gebr. Heinemann subsidiaries, Heinemann Americas and Heinemann Asia Pacific, have signed a partnership agreement with Carnival Cruise Line to operate retail concessions for four Carnival Cruise Line cruise ships, with operations commencing in the first half of 2018.

In the Americas, Heinemann launched its first duty free store onboard the *Carnival Liberty*, as the ship set sail from Port Canaveral, Florida to the Bahamas.

Heinemann reports that more than 1,000 customers attended the grand opening in January.

Heinemann also opened stores on the *Carnival Ecstasy* in February and the *Carnival Fantasy* the beginning of March, ships that sail from Charleston, South Carolina and Mobile, Alabama, respectively, to the Caribbean. *Carnival Spirit*, based in Sydney/Australia, will follow in June 2018.

Total retail space on the four cruise ships operated by Heinemann will cover more than 1,220 square meters.

This is the first time that Gebr. Heinemann is operating cruise stores in the American and Australasian markets. The stores will carry perfume and cosmetics, liquor, tobacco & confectionery, watches including fashion apparel and accessories.

Caribbean shopping

The majority of passengers onboard Carnival's Caribbean-based ships are from the USA and have booked with the line looking for an affordable, fun-packed holiday. On the *Carnival Liberty*, which sails between its homeport of Port Canaveral in Florida and The Bahamas, the contract calls for two shops covering a total of 299 square meters. Heinemann is also managing three shops, with a total of 249 square meters, on the *Carnival Fantasy* and *Carnival Ecstasy* respectively.

"We are looking forward to working with Carnival Cruise Line and this new challenge of starting the first global partnership between Heinemann Americas and Heinemann Asia Pacific.



The Heinemann team onboard Carnival Liberty.

We are also pooling Gebr. Heinemann's extensive expertise in airport retail, distribution and logistics and bringing it to the cruise ship channel," says Nadine Heubel, Managing Director of Heinemann Americas.

"Heinemann Americas was established in 2013 in order to showcase the expertise of Gebr. Heinemann as a key player in the global travel retail industry, and is committed to becoming the first choice for operators, landlords, suppliers and of course passengers, by offering flexible and comprehensive travel retail solutions on a global scale."

"Carnival Cruise Line is committed to offering our guests the best shopping experiences at sea," says William Butler, Vice President of Retail for Carnival Cruise Line. "We are thrilled to launch this fantastic new partnership with Heinemann and we look forward to introducing numerous new brands and retail concepts while creating an enhanced shopping environment for our guests."

Off the coast of Australia

From June 2018, Heinemann Asia Pacific will operate the largest of the new cruise shops, spanning 424 square meters, on the *Carnival Spirit*, one of two Carnival cruise ships based in Sydney, Australia. The *Carnival Spirit* sails the Pacific Islands and New Zealand for cruises of up to ten days.

Shop design concept: a local sense of place

For the upcoming redesign of the retail spaces, the two Gebr. Heinemann companies will focus on the concept of a "local sense of place," which has already been implemented successfully at the Heinemann airport shops around the world. Caribbean themes will be reflected in the shop architecture for the vessels sailing U.S. routes. Inspired by the turquoise sea, white sand and beach verandas, Heinemann is using colorful worlds to recreate the typical island setting on board.

LOVE X INFINITY GIFTS ARE DISPLAYED ON A SPECIAL SENTIMENT CARD, WHICH IS CAREFULLY WRAPPED IN TISSUE AND PLACED IN A BEAUTIFUL BAG, A DELIGHT TO BOTH GIVE AND RECEIVE

Just to say...

SENTIMENTAL
MEANINGFUL
MEMORABLE
& TIMELESS



... four leaf clovers are luck they say, so I am sending some good luck your way



... here's a little compass to help guide you in the right direction



... you make my world complete



THE perfect gift



... never live faster than your guardian angel can fly



LOVE X INFINITY

www.infinityandco.com

Starboard Cruise Services unveils the new Retail Reality at SeaTrade Cruise Global 2018

Global cruise retailer Starboard Cruise Services will commemorate its 60-year legacy with a number of innovative new retail concepts on four new cruise ships in 2018.

Under the leadership of President and CEO Beth Neumann, Starboard continues to bring new retail design, unique entertainment experiences, and exceptional guest hospitality to the cruise industry.

“Shopping must be every bit as entertaining and engaging as the rest of the onboard activities,” says Neumann.

“The cruise industry in recent years has upped its game in creating ships that rival the imagination and it’s vital that our retail experience does the same. In the retail environment, entertainment doesn’t just mean a water slide or a theatrical show, it’s also about engaging the guest in learning something new, connecting with their fellow cruisers and making shopping feel like the celebration it should be. Our exceptional associates on board and the teams behind the scenes deliver on that promise day in and day out,” Neumann explains.

In November 2017, Dream Cruises’ newest ship, *World Dream*, was launched with exclusive features designed by Starboard, including Asia’s first Tiffany & Co. store at sea and the global marine debut for a Dior Jewelry and Watches boutique.



Beth Neumann
President and CEO,
Starboard Cruise Services

In 2018, Starboard will debut exclusive shops and brands on the industry’s newest, largest and most anticipated ships, including *Carnival Horizon*, Royal Caribbean’s *Symphony of the Seas* and *Celebrity Edge*.

Starboard was awarded the *Carnival Horizon* contract as part of a multi-year agreement to operate retail on nine Carnival ships. Starboard also recently executed a multi-year retail contract with Norwegian Cruise Line to operate retail on three megaships, and a multi-year contract with Costa Cruises including the new *Costa Smeralda* launching in 2019 and additional future new ships. Several more partnerships

will soon be announced, further solidifying its leading position in the cruise industry, says the company.

By 2020, Starboard will operate over 360,000 square feet of cruise ship retail space, with more than 750 brands on 90+ ships, reinforcing the company as the largest and dominant cruise retailer in the world.

Throughout its 60-year history, Starboard has been a trailblazer in cruise retail, and the first to bring prestige brands such as Bulgari, Cartier, Tiffany, Dior, Omega, IWC, Ferragamo, Kate Spade, Michael Kors, Kiehl’s, La Mer, Shiseido, and Hublot to the retail cruise experience.

Many of these brands are exclusive partnerships, but it’s not only about luxury. Guided by consumer insights, popular brands like Nike, Victoria’s Secret, Swarovski, Benefit, Urban Decay, Chico’s, Vineyard Vines and Guess are also part of tailored merchandise offerings, says the company.

For guests who desire personalization and customization, Starboard offers such interactive activities as O bag build-your-own handbags and Starboard’s exclusive make-your-own fashion jewelry with Crystals from Swarovski. They even host fun Flip Flop Workshops where cruise guests can design their own cruise footwear.



Tiffany boutique, *World Dream* – Asia’s first Tiffany & Co. store at sea



The global marine debut of a Dior Jewelry and Watches boutique on *The World Dream*.

RON GRAN RESERVA

1888

DOBLEMENTE AÑEJADO

A RUM
MADE TO SIP





The *Apprentice of Time* event onboard the *Celebrity Equinox*.

Starboard says it is all about delivering exceptional experience. “We know that guests on cruise ships are searching for the perfect memory of their vacation, not just merchandise. Cruise ships are the perfect place to entertain, delight through discovery, ensure guests are having a fun time in retail and deliver unparalleled hospitality. It’s not just about buying an item at a great price — it’s about capturing the joy of the vacation in a treasured keepsake,” notes Neumann.

Examples of the unique experiences with brands that Starboard is delivering on the newest ships include:

High Tea with Tiffany at Sea: The first Tiffany & Co. store at sea in Asia serves more than a full selection of Tiffany jewelry

and accessories. Guests can enjoy the Tiffany & Co. High Tea on *World Dream*, featuring a set menu showcasing exclusive Tiffany treats and British delicacies

Apprentice of Time: Guests aboard the *Celebrity Equinox* become amateur horologists, studying the inner workings and art of a Swiss

timepiece movement by donning a loupe, disassembling, tinkering, and reassembling the tiny parts.

What Would You Do for Love? with Dior: Finding the perfect Dior makeup look has as much to do with creating emotion as it does selecting the right color. Certified Dior beauty experts on *Celebrity Equinox* host a unique combination discussion and seminar. Inspired guests learn makeup looks while sharing some of the secrets to their hearts as they celebrate their personal stories with other cruise guests of “what would you do for love?”

Designer Fashion Trunk Shows: On sailings of luxury lines such as Crystal and Silversea, guests are treated to exclusive,

limited edition apparel collections often presented by the fashion designers themselves.

Victoria’s Secret Find Your Fragrance: In celebration of the first-ever Victoria’s Secret boutique on a Carnival ship debuting on *Carnival Horizon*, guests are invited to an interactive event in the boutique that’s all about their favorite fragrances. DJ tunes and cool cocktails make it a party, as participants take a fun quiz to reveal their fragrance style.

Kate Spade Eat Cake for Breakfast: Royal Caribbean’s *Symphony of the Seas* guests will be invited to have dessert first at this event in the multi-brand boutique that includes Kate Spade on the Royal Promenade. Cake and champagne are served as guests discover Kate Spade’s newest collections. The event wraps up with a unique photo opportunity at a step-and-repeat, featuring a quote from the designer herself: “She had a cocktail in her hand, and confetti in her hair,” while confetti falls from the sky.

Neumann participated in SeaTrade’s “Designing Luxury Cruising for the Future” panel, examining cruising’s new age of luxury and experientially driven services. She discussed recent trends and insights with key cruise executives.

PLANNERS, DESIGNERS, MANUFACTURERS AND INSTALLERS OF CUSTOM JEWELRY STORE INTERIORS

WWW.ARTCOGROUP.COM
1.877.222.7820 | 305.638.1785

STORE PLANNING | PROUDLY MADE IN AMERICA | FINANCING AVAILABLE

Gem Digital
Solutions

ARTCO
GROUP
SUPERIOR IN DESIGN & CRAFTSMANSHIP™

**QUALITY CAN
BE AFFORDABLE**

Argentina renovates Port of Buenos Aires with \$200 million upgrades as tourism improves

Argentina's Port of Buenos Aires is undergoing a \$200 million improvement and capacity building project, designed to ensure that the Port remains the most important hub for cruise lines throughout South America, according to Gonzalo Robredo, President of the Tourism Entity of the Autonomous City of Buenos Aires. The newly renovated port should be completed in about 18 months.

TMI met with Robredo during the 2018 SeaTrade Global event in March, where he discussed the new initiatives the tourism board has implemented to help cruise-goers easily explore their way throughout the city. Buenos Aires has been ranked one of 2018's must-visit destinations by *Fodor's*, *Robb Report*, *Travel + Leisure*, *Town & Country*, *Vogue*, *Food & Wine*, *Architectural Digest* and *Mic*.

During SeaTrade, the Argentine delegation consisting of Buenos Aires City Tourism Board's Director of Tourism Promotion Karina Perticone and Transportation Minister Guillermo Dietrich, joined Robredo to announce that BA would be granting ships of more than 1,033 feet in length that arrive at the Port of Buenos Aires a 100% deduction on ship and passenger dues and scanner and security costs during the 2018/2019 season and through 2019/2020, in order to boost passenger arrivals.

The Port of Buenos Aires building project is being conducted by Terminals

Rio de la Plata, a division of Dubai-based DP World group.

With its blend of European elegance and Latin American passion, Buenos Aires is a top tourist destination. Famous as the birthplace of tango, the city is also home to world-class opera, theater and art, well-preserved European-style architecture, and an emerging culinary scene, said Robredo, who disclosed that next year Art Basel will come to Buenos Aires.

"Buenos Aires is the first partner in the Art Basel Cities initiative. We will have an intense week of art in September for Art Basel, but in truth BA is a center for the arts all year round," he said.

BA Cruising

Buenos Aires' cruise season runs from October to April each year, during the warm southern hemisphere summertime. Cruise routes arriving into and departing from Buenos Aires include domestic destinations such as Puerto Madryn in Patagonia and Ushuaia in the Tierra del Fuego archipelago, as well as international destinations such as Brazil, Chile, Peru and Uruguay, and unique excursions to Antarctica.

The "Quinquela Martín" terminal is located in the heart of the city and is a building structure of over 137,627 square feet that can comfortably receive a flow of up to 13,000 passengers daily.

New tourism initiatives include bilingual signage and street maps located

throughout the port and city, along with the new free app, BA Turismo, which may be used offline, make getting around easy. All throughout the city are new BA tourist assistance centers which offer maps in English and Spanish, and include complimentary Wi-Fi, phone charging stations, and more.

International tourism is on the upswing in Buenos Aires as an estimated 1.55 million international tourists arrived through the city's major airports in 2017. The city has been meeting this demand, and greets the new year with new hotel and restaurant openings and inaugural high-profile events.

Among the city's newest hotels set to open this year include the Ker San Telmo and the MGallery by Sofitel. The recently debuted Alvear Icon Hotel in Puerto Madero will open South America's first deluxe glatt kosher restaurant as well as a restaurant on the 31st floor.

Valparaíso proposes a new cruise pier

The Chilean port of Valparaíso has released plans for a new cruise ship pier in Valparaíso that would be able to handle two 300-meter ships simultaneously, with the possibility to expand for bigger vessels in the future.

Agencias Universales SA, Agunsa, has proposed the pier, designed in conjunction with the Dutch engineering company Royal Haskoning-DHV

The project would require an investment of up to US\$30 million, and would cover an area of approximately 2,300 square meters on the land side, where offices for the pier's operations and cargo could be consolidated, along with parking for ship suppliers. An access bridge, consisting of a concrete platform 200 meters long and 10 meters wide, would connect the berthing platform to the land.

The reinforced concrete berthing platform, 203 meters long and 30 meters wide, mounted on piles, would serve two ships of 300 meters, the size of most cruise vessels currently calling in Chile.



Rendering of new \$200 million improvement project at Port of Buenos Aires.

CTO Caribbean Tourism Performance Report 2017: some growth after hurricane impact; recovery underway

The catastrophic hurricanes that devastated some Caribbean destinations last September slowed down tourism's progress but did not stop it, according to figures released by the Caribbean Tourism Organization (CTO).

Ryan Skeete, the CTO's acting director of research announced at a news conference streamed to a global audience that the Caribbean reached the 30 million mark in stay-over arrivals for the first time ever last year, even as the region battled the effects of hurricanes Irma and Maria, as well as Hurricane Harvey, which lashed parts of the United States, the Caribbean's primary market.

Total visitor spending reached an estimated US\$37 billion, he reported.

Stay-over arrivals had been on track for a strong performance during the first-half of 2017, growing by an estimated 4.8%. But there was a major slowdown in the second half performance due to the impact of the September hurricanes, after which tourist visits declined by 1.7%.

As a result, overall tourism visits increased only 1.7% to reach 30.1 million visits for the full year, said Skeete. This marks the 8th consecutive year of growth, albeit slower than the average global growth rate of 6.7%. As a result, the Caribbean market share of global visits in 2017 shrunk by 0.1 percentage points, to register 2.3% of the market.

Tourist arrivals showed uneven growth among destinations. Several countries reported double-digit increases in 2017 including Saint Lucia (11%), Belize (10.8%), and Bermuda (10.3%), while the hurricane-impacted countries recorded decreases ranging from -18% to -7%.

The contributing factors to the excellent performances in those countries with increases included greater air access from the source markets to the region and

significant investments, including in hotels, to enhance the tourism product.

The major Caribbean sub-regions reporting declines included the U.S. Territories (-7.9%), the Dutch Caribbean (-6.6%) and the Organization of Eastern Caribbean States (OECS) (-3.6%).

The grouping dubbed Other Caribbean comprising Cancun, Cozumel, Cuba, the Dominican Republic, Haiti and Suriname, which accounts for almost half of all arrivals to the region, recorded an increase of 6.0% and Caricom recorded an increase of 1.7%.

Market Trends

Most major source markets recorded growth except the South American and Caribbean markets which declined by 6.5% and 1.3% respectively, reflecting weak economic conditions.

The major Caribbean source market, the U.S., grew by approximately 0.5% to reach an estimated 14.9 million visits to the region.

Arrivals from the European market totaled 5.8 million and improved by an estimated 6.2%, the strongest growth among the main markets.

Visits from the Canadian market rebounded in 2017, growing by 4.3% compared to a decline of 3.1% in 2016. The country's strong economic performance and increased seat capacity to the region helped support this recovery.

Cruise Trends

Cruise passenger arrivals also set a new landmark in 2017. Despite the hurricanes, cruise arrivals reached an estimated 27.0 million visits to the region, 2.4% higher than in 2016.

The cruise passenger performance mirrors the performance of tourist arrivals, as it grew strongly (4.6%) in the first half

of 2017, but contracted marginally (-0.4%) in the second half of the year, said CTO.

Cruise passenger arrivals fell dramatically in September by some 20%. However, growth resumed in October, which saw a 2% increase.

Visitor expenditure

Consistent with increases in stay-over and cruise visits, total visitor expenditure is estimated to have increased by approximately 2.6% to reach US\$37.0 billion in 2017. This performance marks the eighth consecutive year of growth. Overall, stayover visitors spent an estimated US\$34.2 billion or US\$1,230 per trip compared to US\$1,129 per trip in 2016.

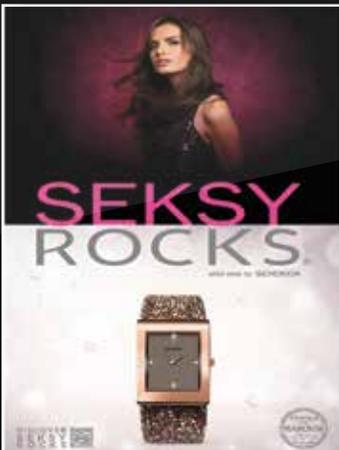
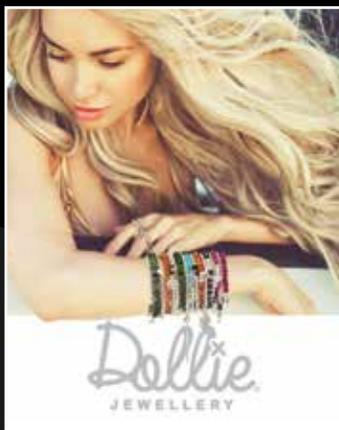
Outlook

Global economic conditions are expected to be favorable in 2018. All of the major economies are projected to grow strongly, oil prices are expected to remain relatively low, and hourly wages are expected to increase again in the U.S. following years of stagnation. These factors bode well for tourism in the Caribbean. On the downside, there is rising geopolitical tensions, the persistent threat of major terrorist attacks, and the heightened risk of extreme weather events. Consequently, the CTO is projecting that tourist arrivals will increase between 2 and 3% in 2018.

According to the Florida-Caribbean Cruise Association (FCCA), booking data indicates that demand for Caribbean cruises remains quite strong. The demand is supported by their multimedia campaign, "The Caribbean is Open", launched soon after the hurricanes. Consequently, the CTO projects that cruise arrivals will accelerate in 2018, to register a growth rate of between 2 and 3%.

Smugglers
Cove,
Tortola





*The Harbor
in St. Thomas
at twilight.*



Tourism in Hurricane impacted Caribbean countries rebounding

Hurricane affected countries are rebounding after last September's devastation by Irma and Maria. The least affected countries are at or near normality, while the worst hit ones, which recorded decreases ranging from -18% to -7% in 2017, continue to make progress.

The following is an update on the progress of some of the worst hit destinations as provided by the countries, along with the hotel picture made available by the Caribbean Hotel and Tourism Association (CHTA).

Hotels

According to the CHTA, the status of 129 CHTA-member hotels in severely impacted destinations - Anguilla, the British Virgin Islands, Puerto Rico, St. Maarten (Dutch), St. Martin (French) and the United States Virgin Islands - is as follows as of Friday, February 9:

49% (63) of properties are now open, 51% (66) remain closed. Note: properties that are only hosting relief workers and/or government officials are considered closed.

An additional 19% (12) of the closed properties are expected to open by September 2018.

Between September and December 2018, 32% (additional 20) of properties will reopen.

The status of the remaining properties has not been determined.

Following are destination updates provided to the Caribbean Tourism Organization (CTO) by member countries:

British Virgin Islands

The British Virgin Islands continues to rebuild and some of the accommodations

have reopened (400 rooms and 1,000 berths), and will continue into 2019. Several properties were scheduled to reopen on March 1.

All attractions - with the exception of four museums on Tortola - are open, including the famous Baths.

Electricity has been restored to 85% of most islands, with the plan for full power across all islands by Easter 2018. All water plants are up and running, however there was major damage to the distribution network, so some places are without water. All mobile networks and internet access are up across the islands.

Beef Island Airport is fully operational with normal flights on LIAT, InterCaribbean, Cape Air, VI Airlinks and private charters. InterCaribbean connects the BVI to Puerto Rico, Dominican Republic and Turks and Caicos Islands.

Dominica

Nineteen of the 23 major natural sites and attractions are open to visitors.

Dominica welcomed the *MV Mein Schiff 3* of TUI Cruises with over 2,000 passengers on January 28. This was the first major cruise call to Dominica and the first call to the Roseau Cruise Ship Berth since Hurricane Maria. The ship is expected to return five additional times this cruise season.

Hotels began reopening on January 1, 2018, with 388 (40%) of the 960 total rooms in the country available to visitors. In addition, over 60 restaurants are open and operating.

Dominica is served by LIAT (from Antigua and Barbados); Winair (Guadeloupe, San Juan and St. Maarten);

Seaborne Airlines (San Juan); Air Sunshine (St. Kitts, St. Thomas, San Juan, Anguilla and Tortola); Sky High (Santo Domingo); and Trans Island Air (Barbados).

Puerto Rico

The Puerto Rico Tourism Company (PRTC) recently announced its rapid-pace recovery efforts and positive outlook for 2018.

Currently, there are over 120 PRTC-endorsed hotels open, along with hundreds of Airbnb listings and paradores, small family-run inns. This represents approximately 12,458 rooms with 2,670 additional rooms currently being revamped at Wyndham Rio Mar, Ritz Carlton Reserve, El San Juan Hotel and others. The Wyndham Rio Mar is expected to reopen in March while El San Juan Hotel will reopen in October.

Puerto Rico will also be adding 3,800 more rooms to its inventory by 2019, representing a 25% increase. Approximately \$1.9 billion will be injected into new developments and renovations.

Puerto Rico has over 120 tourist attractions open including Old San Juan walking tours, Castillo San Felipe del Morro, Castillo San Cristobal, Bacardi Tour, Cueva Ventana and Hacienda Campo Rico. Additionally, 13 golf courses and 15 casinos are open for recreation.

More than 4,000 restaurants are open throughout the island, 1,885 of which are located in the San Juan area, including Condado, Old San Juan and Santurce.

Electricity has been restored to 83.6% of the destination, 98.8% percent have potable water.

All airports across the island are

open and operational day & night with Luis Muñoz Marín International Airport averaging 110 daily flights. Capacity is on the rise with a current monthly seat volume of 391,000. By July 2018, seat capacity will increase by 81,000 and by early summer 2018, air access will be on par with levels this time last year. Growth is driven by newly established routes and existing frequency, in addition to larger aircraft that will result in higher seat capacity.

Puerto Rico has more homeport cruises serving the island than ever before with 14 vessels – four more than last year – including Royal Caribbean's *Freedom of the Seas*, Windstar Cruises' *Star Pride*, SilverSeas' *Silver Wind* and Viking Ocean Cruises' *Viking Sea*. Cruise operations resumed less than three weeks after Hurricane Maria and the territory has since hosted 410,000 visitors. Puerto Rico expects a record-breaking 1.7 million cruise passengers, which equates to approximately \$250 million in revenue.

St. Martin (French)

The tourist office is reporting that all beaches are open and back to normal, Grand Case International Airport is open, offering daily flights to and from Guadeloupe, Martinique and St. Barth's, and more than 60 restaurants are open, as are about 300 hotel rooms, with at least 10 more hotels scheduled to reopen before the end of 2018.

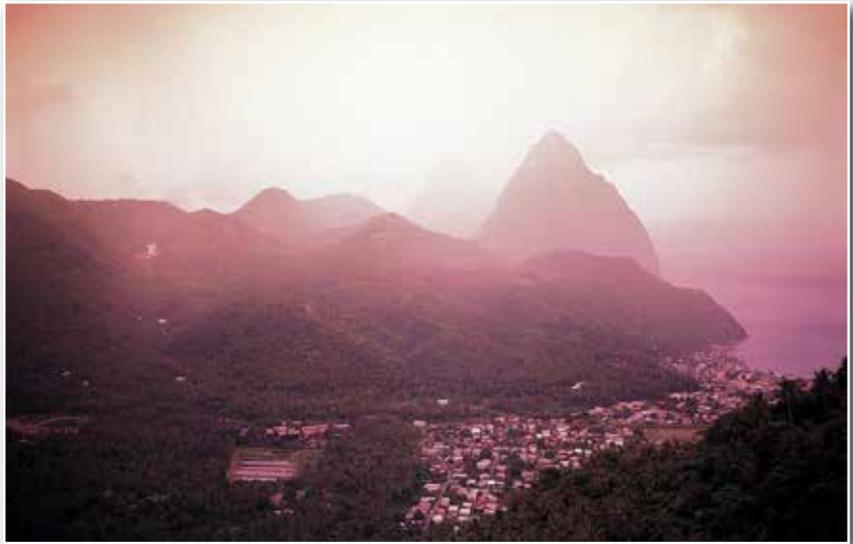
St. Maarten (Dutch)

St. Maarten continues to rebuild and has reopened many of its tourism businesses. All telecommunications, including Wi-Fi, along with drinking water are up and running while electricity has been restored to 95% of the destination. There are currently 27 accommodations open, representing 669 accommodation units, while the 36 that are closed will begin reopening in the upcoming weeks and months.

Oyster Bay Beach Resort plans to reopen in April 2018 while Divi Little Bay anticipates a June 2018 reopening and the Sonesta hotels in early 2019. These openings will allow for guests to enjoy specific parts of each property with more activities to become available as the year progresses.

On Front Street, 90% of the shops are open while the majority of restaurants are open throughout St. Maarten.

Airport service is still limited, however, active reconstruction efforts



Sunrise over the Pitons, St. Lucia

have begun. The structure of the terminal building held up firmly during the hurricane so that will go untouched in the reconstruction. A cleanup took place after the hurricane, but the water removal process is still ongoing. A mold assessment will be conducted to determine if further mold remediation is necessary.

December marked the much-anticipated reopening of St. Maarten's cruise port, with the arrival throughout the month of Viking Cruises' *Viking Sea* ship, Marella Cruises' *Marella Discovery* and Royal Caribbean's *Grandeur of the Seas*. Princess Cruises, Carnival Cruise Line and Disney Cruises returned in January. The port welcomed 14 ships during the week of February 18.

U.S. Virgin Islands

The United States Virgin Islands continues to recover from the effects of the hurricanes, with 98% of the territory now with electricity. Airports on St. Croix and St. Thomas have been operational for months, and several carriers have recently increased flight service from key cities to meet the growing demand.

Cruise ship calls to St. Thomas have returned to pre-hurricane levels, with nearly 50 ships arriving in January.

All beaches and most activities and attractions have opened, with restaurants and attractions reopening each week. National Park sites, including the Virgin Islands National Park on St. John, have reopened.

Approximately 40% of traditional hotels/rooms in the territory are

operational, many housing relief workers. Villa rentals are a popular choice, and villa accommodations of all sizes and configurations are available.

Visitors to St. Croix will find a range of accommodations from resorts such as The Buccaneer to private luxury villas, bed and breakfasts, and the brand new boutique hotel, The Fred, located in downtown Frederiksted.

On St. John and St. Thomas a significant portion of the hotel inventory remains closed for repairs and renovation. Options for overnight visitors to St. John near Cruz Bay include Gallows Point Resort, Grande Bay Resort, Hotel Cruz Bay (Cruz Bay Boutique Hotel), Estate Lindholm and Sea Shore Allure. Beyond Cruz Bay, there are numerous private villas located throughout the island that are available for vacation rental. On St. Thomas, Emerald Beach Resort, Windward Passage, Lindbergh Bay Beach as well as numerous villas, inns and bed and breakfast properties are accepting leisure visitors.

See related information on St. Thomas on page 64.

The territory will host the St. Thomas International Regatta from 22-25 March, V.I. Carnival 31 March - 28 April and St. Croix Food & Wine Experience 5-9 April.

St. Barth

St. Barth continues to recover and reopen tourism related businesses. Electricity and water have been restored to all areas of the island, Internet service is now widely available, Wi-Fi hot spots have

been installed and cellular phone service is widely available.

St. Barth's Gustav III airport is opened for commercial operations with daily flights from Guadeloupe and St Martin by St Barth Commuter, as well as daily flights from Antigua and Puerto Rico on Tradewind Aviation. Winair offers three to four daily scheduled flights from St. Maarten, Air Antilles offers flights from Guadeloupe, while Air America and Paradise Air operate charter flights from San Juan.

The government of St. Barth reports that 49 restaurants are open, including two on the beach, as are many of the shops. The Great Bay Express Ferry resumed service between St. Martin and St. Barth's in October, the commercial port facilities are open, as are boat charter companies Jicky Marine and Master Ski Pilou.

Anguilla

The majority of villas, boutique hotels and holiday apartment rentals opened in time for the holiday season. Electricity and water have been completely restored on Anguilla.

Starting 2018 on a positive note, Anguilla added the brand new Quintessence Boutique hotel, a luxury, nine-suite hotel located in Long Bay, which opened January 1. Traditional five-star properties started reopening in February, including Zemi Beach House, the Four Seasons Resort, The Reef by CuisinArt will open on April 1. The five-star Malliouhana, CuisinArt Golf Resort & Spa and the new Belmond Cap Juluca will open in November 2018.

Anguilla has over 20 attractions open and operating on the island – including the tennis academy, a championship golf course, and all types of water sports, from scuba diving to paddle boarding to kayaking and hydroplaning. The Aqua Park reopens in March. Around 10 attractions that are currently closed, including some of the off-shore cays, will soon announce reopening dates.

The Blowing Point ferry terminal has been demolished to make way for the construction of a new facility with the groundbreaking anticipated in the next few months. Visitors and residents are currently

being processed on arrival through the police station at Blowing Point, and a tent has been set up to accommodate passengers awaiting departure. Ferry services are back in operation from Anguilla's Blowing Point Ferry Terminal to both St. Martin (French) and St. Maarten (Dutch).

Several private ferry companies have resumed operations to and from St. Maarten, timed to coincide with flight arrival and departures at Princess Juliana Airport. All guests are currently being processed through the Simpson Bay Police Station, where the boats dock. Anguilla is in the process of concluding negotiations for the use of a facility closer to the airport.

The Clayton J Lloyd International Airport is operating only during daylight hours.

As a result of the hurricane, Anguilla is now making long overdue and truly significant improvements to air and sea port facilities, which will greatly enhance visitors' experience on arrival and departure. For Winter 2018, Anguilla is working towards unveiling a refreshed and revamped tourism product.



Bahamas seeks to renegotiate Nassau cruise ship incentives

Bahamas tourism minister Dionisio D'Aguilar is seeking to change the way tax rebates are calculated for the cruise lines that call at Nassau, and had announced that he would be meeting with all the major cruise lines during SeaTrade to discuss ways to maximize benefits for his country.

Currently, tax rebates are based on the number of overall cruise passengers, whether or not they disembark the ship during the port call.

D'Aguilar wants the rebates to be calculated on the number of passengers who actually come off the boat and spend

money locally.

"A lot of their [cruise] contracts are coming up for renewal and we want to make our relationship with them based on not the number of people they bring, but based on the number of people that come off the boat and spend money here," he said in a statement to the *Bahamas Tribune Business* on Feb. 20.

The Minister admitted that the Bahamas would need to upgrade its port facilities and welcome center, and provide new tours and attractions to make it more appealing for passengers to disembark.

He said that he will be asking the cruise companies to help them achieve the improvements.

D'Aguilar reportedly successfully restructured ferry/cruise ship incentives for Grand Bahamas island late last year.

The *Tribune* reports that the Ministry of Tourism made agreements with Balearia, Grand Celebration/Paradies Cruises and FRS Caribbean for departure tax rebates to be based on the volume of passengers brought to the island, with rebates double for stopover visitors compared to day trippers.



Top Brands Int

GREAT OPERATORS DUTY FREE

PRESENCE IN **14** COUNTRIES
MORE THAN **60** STORES

CALIFORNIA - BAHAMAS - BVI - GUYANA - ST. THOMAS - EL SALVADOR
BELICE - CUBA - COSTA RICA - PANAMA - COLOMBIA - CHILE - URUGUAY - PARAGUAY

www.topbrandsint.com

EL DORADO
DUTY FREE

Artco Group showcases new Caribbean stores

Artco Group, the Miami-based specialist store planners, designers and manufacturers of customer millwork and store fixtures, has been providing store designs for the duty free and travel retail industry for the past 30 years, always staying ahead of the retail trend.

The company created some striking new stores in the Caribbean this past year, and here *TMI* spotlights some standout shops from Grand Cayman; Nassau, The Bahamas; and Puerto Rico.

In Grand Cayman, Artco's V.P. Sales/Senior Project Manager Alex Portal created two especially effective designs for two stores belonging to Island Companies Ltd., Churchill's Cigars and De Sunglass Man, located in Island Plaza.

The design of Churchill's Cigars

is one that was adapted from the cigar store that Artco built for ICL in the Grand Cayman airport. The company was so pleased with the airport store they wanted one like it in the Island Plaza in the middle of George Town.

"The entire design of the store replicates a giant cigar box," explains Portal. "If you look closely at the area just below the ceiling, these are actual hasps and seals – large size – from boxes of Cohiba cigars. We re-created one giant humidor."

De Sunglass Man was a renovation in an area that was previously used for Pandora, says Portal, and features a complete new look for the brand. One highlight is a triple display for the G-Shock watches custom-made by Artco, which

showcases men's, ladies, and kids watches.

The stunning Blue Diamond Luxury Jewelry store in Old San Juan, Puerto Rico was completely renovated by Artco early last year before the island was hit by the hurricane, but Old San Juan escaped the worst of the storm damage, and the store was able to open for business.

"We collaborated closely with the architect on the renovation: this was an old building and involved a massive demolition to clear up the space," explained Portal. Among the design highlights are the elegant monochromatic color scheme softened by white highlights, and lots of daylight streaming through the windows. The designers made innovative use of 2 inch aluminum posts in front of the windows, which look like they are floating



Top left to right: Churchill's Cigars and De Sunglass Man in Island Plaza in Grand Cayman.
Bottom: The Blue Diamond Luxury Jewelry store in Old San Juan, Puerto Rico.



Artco designed and built the new Park Lane Luxe store on Bay Street in Nassau, The Bahamas.

boxes. Even the massive circular lamps were specially designed by the architect, said Portal.

Another showpiece designed and built by Artco is the new Park Lane Luxe store on Bay Street in Nassau, The Bahamas. Park Lane was originally a jewelry store run by partners Jeff Keswani and Raj Chandiramani (along with Bahamian partners) in another location since 2009,

but the owners invested more than \$1.5 million in renovating the new location and significantly expanded the product offer, adding high-end perfumes like Creed and Bond No. 9, a full array of sunglasses and a humidor to their traditional fine jewelry selection, according to Park Lane Luxe consultant Suzanne Kilic.

“The location is the old The Perfume Shop in the historic Lightbourne Building,”

said Portal, adding that the renovation involved a significant demolition and took nearly a year to complete. “The interior of the store was on three levels—street level, above street level and below street level, so we had to even out the flooring before anything else.”

“The owners are very passionate about the store, and have created a warm and welcoming venue that is appealing to both tourists and the local clientele,” says Kilic. The new design features a cocktail bar in the back of the store, serving local Bahamian drinks, complete with glass cases showcasing merchandise.

“Customers sit and relax and try on sunglasses, perfume and look at jewelry. It also has a ‘window to the jeweler’ so customers can watch the jeweler make adjustments to their selection,” she says. “Park Lane Luxe has also hired a local artist to decorate the store each holiday, holds special events like bottle engravings, and caters to local shoppers with services like gift baskets. We are really concentrating on the experience.”

Artco Group launches new digital service division

Artco Group has opened Gem Digital Solutions, a digital marketing agency designed to create a seamless retail experience for customers both online and in-store.

Led by Karen Estrada, Gem Digital Solutions (GDS) specializes in Social Media Marketing and Search Engine Optimization for the luxury goods market. Its diverse team of talented professionals has over 33 years of combined experience working with renowned luxury brands from both the U.S. and the international markets,

she says.

“Our focus is to create meaningful and unique campaigns that resonate with and target the particular audiences of each client. Specialized algorithms (created by the GDS team) optimize existing digital marketing techniques; while our team’s experience with this demographic eliminates the need for preliminary research, expediting an increase in exposure,” says Estrada.

For information, please visit www.gemdigitalsolutions.com

Rouge hits milestones in Grenada and St. Thomas with more store openings

Rouge Caribe is celebrating two major milestones so far this year as it continues to expand in the Caribbean.

One month prior to the Summit of the Americas the aggressively growing duty free operator opened its first stores in 3,000 sq. feet of new space on the second level of Grenada's Maurice Bishop International Airport. And just days before Christmas, on Dec. 20, Rouge managed to open its expanded, waterfront perfume store location in Charlotte Amalie, St. Thomas, even as the island struggles to recover from the devastation caused by Hurricanes Irma and Maria.

Grenada Airport

"Grenada's long awaited second level at the airport opened for passengers on Feb. 17, and we had nearly 3,000 square feet of retail space ready to serve them," commented Marco Bordoni, who heads up the Caribbean venture. Rouge Carib is a subsidiary of the Bordoni family's Buenos Aires-based Perfumerias Rouge, one of Argentina's leading beauty companies.

The 120 foot long by 25 foot wide retail space, featuring wide front entrances and a bright airy layout, is divided into six category areas: fragrances, skincare & color; jewelry & watches; handbags, luggage and small leathersgoods, confectionery; electronics; and tobacco, liquor & wines.

"We have a wide open front and each shop flows into the next, making it easy



Rouge's Port Louis store in Grenada, which caters to an exclusive audience of mega-yacht passengers, reports business is booming, while (below) Rouge has opened 3,000 sq. feet of duty free retail space on the second level of Grenada's Maurice Bishop International Airport.

for the passengers to shop from category to category," says Bordoni. The store carries all the major brands, including anchor fragrances Chanel, Lancôme, Tom Ford, Christian Dior, Estée Lauder and more. "We are bringing in some more very exciting new brands in other categories as well," he promises.

The new second level handles embarkation of flights from American Airlines, British Air, Air Canada, Delta and Virgin Atlantic. As an added draw, the newly opened second level also now hosts several local restaurants.

Rouge also continues to operate a store on the first level of the airport, as well as a booming flagship store in Grenada's prestigious Port Louis yacht marina.



Port Louis

"Our flagship store in Port Louis has now been open for a year and it is selling way above expectations," says Bordoni. "Because of the high-end clientele from the mega-yachts that dock in the marina, we can offer some very special brands.

"The stores offer the best brands our industry can offer from fragrance, color, skincare, chocolate, jewelry and watches. It also offers a special made-in-Grenada section."

According to Bordoni, Rouge is now the largest retailer in Grenada, with its stores on two levels at the airport, at Port Louis and in the Spiceland Mall.

"Rouge brought luxury shopping to Grenada. Before Rouge opened there was really no place to go to buy luxury or high end goods on the island," he said. "We have really made our mark on the island, especially in Port Louis where we were so well accepted by the yacht sailors. Our timing was ideal—Grenada has had a 17-20% upsurge in tourism arrivals and been nominated for numerous tourism awards over the past year—including winning Expedia's title of Caribbean Destination of the Year for 2017.

"The island has 8 hotels under construction and 8 more hotels in the planning stage, so I imagine that business can only go up," he says.



ROUGE

Le parfum. **La couleur.**

Rouge St. Thomas Waterfront

Grenada Rouge Spiceland Mall Perfumerie

Port Louis Rouge Flagship store

Grenada Maurice Bishop Airport level 1 Rouge Duty Free - Maurice Bishop Airprt level 2

Havana Vieja - Cuba

kattoura@dfrg.us

St. Thomas, USVI

Rouge acquired property adjacent to its initial location (the former Dadlani Little Europe Perfume store) in Charlotte Amalie, St. Thomas last year, allowing it to more than double its former 550 sq. ft. size to more than 1,200 sq. ft. and relocate to the waterfront. Because Rouge had closed the old store so it could renovate the new space shortly before Hurricane Irma hit,

moving merchandise into storage, it was able to complete renovating and re-open the new space on Dec. 20, in time to meet some of the holiday demand.

“Not only are we the only perfume store on the waterfront, but we have been the only perfumery open in St. Thomas, so business has been very good,” said Bordini. “The previous store had always catered to the local market, and that is

continuing. But now we have more tourist business as well. Despite the hurricane damage, the cruise ships are back, and passengers are shopping. We have power and the new store is very bright and welcoming, with updated LED lighting throughout.”

Bordini says that the store has more furniture arriving every day, and business has been excellent.

Grand Duty Free flourishes under new ownership in the Cayman Islands

The Grand Duty Free store in downtown George Town, Grand Cayman, was opened under new ownership in July 2017, and continues to offer a range of exclusivities on the upscale tourism island.

One year after introducing the high-end Swiss skincare brand Valmont, offering facials and other treatments in the only instore cabin on the island, the brand is doing “exceptionally well,” reports Karen Bodden, a director of the new company. “This is the only Valmont cabin in the entire Caribbean and the only one in duty free in the region. The brand has become exceptionally popular with many of our local clients, and we provide several private sessions every day.”

In addition to the full Valmont line, the 2,300 sq. ft. luxury store carries fragrances, cosmetics and other skincare brands, as well as a range of jewelry and watches, many of them exclusive to the shop. Grand’s fashion jewelry brands, for example, have been hand-picked from all over the world. These include Sea Smadar (Israel), hand-made Qudo (from Germany), Uno de 50 (hand-crafted in Spain), Strumento Marino watches (from Italy), Bering Watches (Denmark), and Lambretta (Italian inspired from Sweden). The shops also carries such familiar brands as Thomas Sabo and such unique brands as eone --sleek, modern watches, which feature braille-like faces that allow users to tell time by touch or sight.

Grand Duty Free also offers a unique concierge service on the island, where exclusive fragrances and other products are presented in a VIP Lounge at the back of the store.

“Within the past six months Grand Duty Free has attracted a great line-up

of regular customers, including the top celebrities and socialites on the island, drawn by our exclusive brands,” said Raymond Kattoura, another director.

Also popular is Grand’s extensive NYX New York cosmetic counter, which has become one of the busiest in the Caribbean, he says.



The sleek and modern Grand Duty Free store with an offer ranging from VIP fragrance and skincare exclusivities to popular NYX Cosmetics.

The Design Solution blends local design with a revenue-driving approach at new Sangster International terminal

Sangster International Airport in Montego Bay, Jamaica will be unveiling a distinctive new design for the main terminal, featuring an effective walkthrough strategy designed to drive non-aeronautical revenues.

Airport operator MBJ Airport Ltd is partnering with London-based airport retail design specialists The Design Solution to deliver a terminal that is says seamlessly blends creative design with commercial drivers. Development is planned for 2018-19.

The design of the 6,600 sqm space will give 100% of the passengers sight of the retail offer, enabling MBJ to significantly increase passenger exposure to the offer.

Robbie Gill, founder and managing director of The Design Solution, explains that Sangster's two-level layout presented

a serious challenge to achieving optimal exposure of passengers to the retail offer.

Gill says that after check-in on the ground floor, 40-45% of the passengers going to the second floor were by-passing the core retail space in the duty free shop.

"Travelers turning to the northern gates have no exposure to the core retail space located towards the southern end of the terminal. ...so our design needed to address the huge opportunity especially as, currently, the northern retail space is principally focused on souvenirs and the category opportunity is much broader," he said.

The new design plan combines the walkthrough route and clear sightlines creating an open space that ensures that 100% of passengers pass through the main duty free store and that they can see the broader retail offer in both the northern and

southern areas of the terminal, says Gill.

"By dramatically increasing the exposure of passengers to the core duty free store MBJ Airports Ltd can achieve a powerful return on its investment in its existing space," he noted.

The airport also has a Phase 2 option to expand the retail space and Gill says that The Design Solution has 'future proofed' the design principles it created for Sangster so they can be applied whether MBJ decides to opt for a single major expansion or a series of smaller phases developments.

The new design also includes a powerful local emphasis reflecting Jamaica's natural beauty and its tourist appeal, such as a Coffee and Spice store that expresses Jamaica's global renown for its coffee. Other design elements reflect the island's wildlife and Jamaica's relationship with the ocean.

"The key to successful design is that we combine great looking spaces with highly effective planning of how the space works, especially regarding passenger flow. A stunningly beautiful store is pointless if footfall isn't guided to it. Whether it's a major hub or a small regional airport the design must draw passengers to the key retail spaces and we have achieved a huge increase in that at Sangster International," says Gill.

Rafael Echevarne, CEO of MBJ Airports Ltd, comments: "Like most airports we are constantly seeking the optimal commercial return on our investment in our terminals, particularly through driving retail footfall and penetration. We are committed to creating an amazing experience for our passengers and are delighted that The Design Solution has created an adaptable new layout that not only drives our commercial imperatives but also delivers a unique and authentic expression of our island."

Robbie Gill adds: "Right now we are very active at a number of airports across the Americas and we are seeing a surge of airport investment in retail spaces focused on conveying a true sense of location while delivering optimal commercial returns, stretching from Toronto and New York (JFK) to Rio, Cancun and Bogota among others."



Top Brands International enters St. Thomas market with duty free concession at the historic A.H.Riise Mall

Panamanian company Top Brands International continues to power ahead with its expansion strategy in the Americas, and announces an important new retail concession contract with the owners of the A.H.Riise Mall in St. Thomas, U.S. Virgin Islands.

Danny Yohoros, President of Top Brands International, tells *TMI* that his company will be operating more than 6,000 sq. feet of retail space in St. Thomas' iconic A.H.Riise Mall beginning in April.

"Top Brands continues its expansion into the Caribbean, and is now taking over the duty free business in St. Thomas on Main Street in the historic A.H.Riise Mall. We are in a wonderful location right next to the Rolex Boutique and will be opening five stores," says Yohoros.

"Two of the stores are duty free, one of which will be exclusively for fragrance and cosmetics and the other a multi-category store carrying liquor, tobacco, accessories, etc. The third store is a Swarovski Boutique, and another is a Chanel Beauty Boutique, which will carry Chanel cosmetics and skincare. We will announce what will be in the fifth store soon, as we are currently in negotiations to fill it," says Yohoros.

"The Mall – which is located in a series of beautifully restored 19th century Danish warehouses in downtown Charlotte Amalie --is very iconic and a destination in itself. We are very excited to be entering this market," he says.

Yohoros plans to open the stores for business in April and says that his team has carefully studied the St. Thomas tourists and will be marketing strongly to the cruise passengers that visit the island. His staff will fine-tune the product selection to best serve this customer.

"We expect to do many activities to appeal to the cruisers, and bring the right product mix to this passenger," he says.

Filippo Cassinelli, one of the owners of the A.H.Riise Mall said: "We look forward to welcoming Danny Yohoros and his dynamic company into our duty



Top Brands International will be opening five stores in the historic A.H.Riise Mall in St. Thomas in April. The stores are located within Charlotte Amalie's beautifully restored 19th century Danish warehouses.

free market! In addition to the categories of liquor, tobacco, fragrance and cosmetics, Mr. Yohoros will bring other merchandise categories not currently represented in the market to the historic and heavily trafficked A.H.Riise Mall."

Some of the other tenants in the Mall are the A.H.Riise Rolex boutique, Diamonds International, Little Switzerland, Fresh Produce, Belgian Chocolate, Cafe Amici and Hot Look Sunglasses."

Top Brands International may be entering the USVI market at a very opportune time, as Cassinelli tells *TMI* that a number of significant infrastructure developments have been approved that could spell good news ahead as St. Thomas recovers from the devastating impact of two category 5 hurricanes that hit the Virgin Islands in September of 2017.

"The Main Street Renovation Project (a federally funded historic enhancement project) has commenced work. The \$12 million dollar infrastructure project is intended to revitalize the town; burying

utility and phone lines, adding blue bit stone sidewalks, a brick paved Main Street roadway, historic benches and lighting, along with landscaping to provide shade," he says.

The shops at the A.H.Riise Mall should soon benefit also from long-awaited Water Taxi service.

"The government has chosen a Water Taxi operator and announced this news at the Florida SeaTrade convention last week. The government of the VI responded to the overwhelming demand from the cruise lines for this service to enhance the visitor experience with scenic boat rides from both cruise ship docks to the historic shopping district. The Water Taxi operator should be in place by the late fall of 2018. This amenity will also be available to local residents and hotels guests," Cassinelli continues.

In more major news announced during SeaTrade, the Virgin Islands Port Authority confirmed that it intends to build a third dock in Crown Bay to berth an additional Oasis class vessel. "With

the trend in the industry to bigger ships the VI government wanted to create additional dock capacity. Currently the Port of Charlotte Amalie can only dock one Oasis class ship at Crown Bay. The surrounding area will also be renovated and enhanced under a master plan produced in cooperation with the cruise lines,” says Cassinelli.

The A.H.Riise stores are just the latest new markets for Top Brands International. Since late in 2016, the company acquired duty free businesses in the Bahamas and Tortola as well. “This latest concession in the Virgin Islands gives us a much bigger footprint in the Caribbean,” he tells *TMI*.

Top Brands’ expansion has progressed in Latin America as well. Over the past year, the company acquired Bright Star Duty Free in Asuncion and won the airport concession in El Salvador.

Family-owned Top Brands International, a mainstay in Panama and Colombia, has been in business marketing and managing prestigious international brands for over 40 years, and currently operates in locations across 14 countries in the Americas.

Top Brands acquisition of the duty free operations of Paraguayan travel

retailer Bright Star further strengthened the company’s presence in the airport travel retail channel in the region. Bright Star is the main duty free retailer at Aeropuerto Internacional Silvio Pettirossi in Asuncion, Paraguay.

Yohoros tells *TMI* that the Asuncion business has grown by 20% in the year since the acquisition: “We are doing very well, thanks both to growing passenger traffic and to the fact that we have expanded the product categories that we offer in the store.”

Yohoros also confirms that the Airport Authority has extended the company’s concession contract at the airport.

Top Brands also won the 10-year concession contract to operate 10 duty free and specialty retail stores at El



Top Brands International will be opening the Chanel Beauty Boutique located within the A.H.Riise Mall.

Salvador’s San Salvador International Airport (Óscar Arnulfo Romero International Airport) last year. The concession covers more than 700 square meters of retail space that will carry different categories of merchandise, he says. Top Brands is investing \$15 million in the project which includes renovating all of the stores to ensure they deliver a state-of-the-art, upscale offer to their customers.

“We take our business very seriously, making sure that the stores are done in the most professional way.”

USVI tourism to get major boost as more projects are approved

St. Thomas businessman Filippo Cassinelli says a number of additional projects under development will also upgrade the tourist experience in St. Thomas.

“The West Indian Company dock and Havensight Mall located in the main harbor of Charlotte Amalie is considered the primary cruise ship dock. WICO is in the process of applying for Army Corp permits to allow the harbor channel to be dredged which will allow the largest Oasis class vessels safe entry into the main harbor where they can dock at WICO. This will further enhance the Port of Charlotte

Amalie’s ability to dock the largest vessels in the cruise industry set to debut in the coming years in the Caribbean market.”

On the hotel front, Cassinelli reports that the Ritz Carlton is scheduled to open in December of 2018 in time for season. While the Marriott Frenchman’s Cove and its roughly 200 rooms have opened, the main hotel is closed until 2020 for a complete overhaul. However small boutique hotels like the Mafolie Hotel or Emerald Beach resort are stepping in to provide room capacity.

He also reports that Delta airlines will be adding back daily direct flights

from NYC and Atlanta starting in May as demand continues to grow. JetBlue is also adding flights, while American Airlines remains the primary carrier with daily flights.

“Congress has approved over 2 billion dollars to support the USVI’s recovery. Monies will be used for hardening the electrical grid, rebuilding roads, ports, harbor dredging, communications systems, schools and hospitals. The money has been flowing into the territory already and will be spent over the coming several years with congressional oversight,” Cassinelli concludes.

Latin American retailers bound to benefit as Brazilians bounce back

Analysis by Luke Stockton, CiR Business Lounge

The Brazilian air traffic market enjoyed a positive year in 2017, with international PAX at the country's airports +2.3 % ahead in the twelve months to November 2017, following a -2.6% drop in 2016. According to data from CiR Business Lounge, outbound Brazilian travel also displayed robust +4.8% growth in the same period, after a prolonged period of decline as a result of the recent recession, arguably the worst in the country's history.

"This will no doubt come as welcome news to Dufry," says CiR President Garry Stasiulevicius, noting that currently around 95% of outbound international Brazilian PAX depart from an airport where the global travel retail giant has a presence. Dufry operates numerous concessions at key airports in Brazil, including the country's top two international hubs – Sao Paulo Guarulhos and Rio de Janeiro Galeao – from where more than four in five outbound Brazilian international passengers depart.

Dufry, however, won't be alone in celebrating the return to growth of Brazilian PAX. Duty Free Americas has also invested heavily in the country over the last couple of years despite the unfavorable climate and is now well-positioned to benefit from the revival. DFA has operated stores in both departures and arrivals at Afonso Pena International Airport in Curitiba since 2014, which

despite falling outside of the country's top ten airports, has demonstrated some impressive growth in international traffic in 2017: up +22%, compared to the calamitous -65% decline in 2016. The retailer, the majority of whose operations are still in North America, has been pursuing growth in the other regions in recent years and in 2016 announced further wins at Manaus, Porto Alegre, Salvador, Maceio and Sao Paulo Congonhas (duty paid) – the country's second busiest airport when including domestic passengers – solidifying its position as Brazil's number two retailer.

Early signs indicate that 2018 could continue along the positive trend for Brazilian airports, as the economy continues to gain momentum regardless of the uncertainty which still looms over the country's politics. Certainly PAX growth looks set to continue with total international seats departing the country's airports up 24% in the first six months of the year versus the same period in 2017, the equivalent of over 1.6 million additional seats.

The two key international hubs of Guarulhos and Galeao will continue to be the volume drivers, adding over 1 million of the additional seats between them at growths of +18% and +20% respectively, although higher percentage growths look like they may be achieved



at some of the smaller, regional airports. International capacities at Belo Horizonte (+91%), Recife (+122%), Fortaleza (+52%) and Porto Alegre (+50%) airports are significantly ahead of 2017, while scheduled international flights will be offered at the likes of Navegantes, Campo Grande and Cabo Frio for the first time in several years.

Much of the growth will be driven by intra-regional Americas traffic (+25%) as well as travel to Europe (+24%), with flights into Chile (+54%) and Portugal (+49%), which are already leading destinations for Brazilian passengers, as well as Colombia (+39%) and Paraguay (+51%), continuing their strong growth trajectories. The USA will remain the top destination country, also recording impressive growth of +23%.

Brazil is by no means completely out of the woods, but preliminary data suggests that retailers could benefit from this key traveling and shopping nationality taking to the skies in numbers and entering their stores once more.

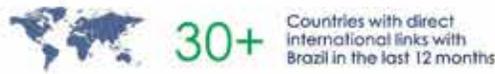




Key Traveller Statistics Summary Powered by CiR Business Lounge

For more information, please contact Simon Best; simon@counterintelligence.com

AIRPORT & PAX FACTS



KEY FLIGHT METRICS

Outbound/International flights only

Destination Airports

Miami (MIA)	9%
Lisbon (LIS)	8%
Santiago (SCL)	7%
Panama City (PTY)	7%
Buenos Aires (EZE)	6%



Destination Countries

USA	25%
Argentina	14%
Portugal	8%
Chile	7%
Panama	7%

TRAVELLER STATISTICS

Outbound/International flights only

Departure Airports

Sao Paulo (GRU)	66%
Rio de Janeiro (GIG)	18%
Brasilia (BSB)	3%
Porto Alegre (POA)	2%
Belo Horizonte (CNF)	2%

Key Airlines

TAM Linhas Aereas	21%
American Airlines	9%
TAP-Portugal	8%
COPA	7%
Gol	6%

Seat Class

First Class	1%
Business Class	9%
Premium Economy	4%
Economy	86%

Retailer Exposure

Dufry	95%
DFA	5%

PAX Source: CAPA – For further news, market intelligence & data for 4,000 airports globally visit <http://centreforaviation.com>
 All other data source: CiR Business Lounge GTS 550 database. All data displayed for departing international passengers on scheduled flights only (Dec 16–Nov 17). *Nationality is based on residency through place of ticket purchase.



HNA - Expansion on hold for debt-laden Chinese conglomerate that had invested heavily in Dufry

The business of Chinese travel conglomerate HNA Group, a global Fortune 500 company whose tourism interests includes market-leading positions in aviation, hotels and travel services, has tumbled tremendously over the past few months. Only a year ago, the company had spent billions of dollars to buy assets in airport caterers, travel agencies and high-end hotel chains overseas, and at its peak had invested in nearly 2,000 hotels with over 300,000 rooms across major markets, and owned 1,250 aircraft carrying over 90 million passengers to 260 cities worldwide. Among its investments was a 20+% stake in leading travel retailer Dufry Group.

But now the debt-laden Chinese conglomerate is seeking buyers for its holdings all over the globe. According to a report in Bloomberg News on Feb. 1, the group is about 15 billion yuan short of the sum it needs to meet payments coming due by April, and some 100 billion yuan of assets -- almost a tenth of the total -- will be sold by July, it said. How will this financial crisis impact Dufry and travel retail – if at all? John Gallagher reports from Buenos Aires.

HNA had made a big splash in the travel retail world when it took a 16.8% stake in Dufry in April 2017. In August, it increased its initial stake to 20.9%, stirring speculation that a full scale takeover of the Swiss based travel retailer might be in the works.

Some travel retail industry experts even suggested to *TMI* that HNA was well advanced in its plans to make a full bid for Dufry, possibly through its fully owned subsidiary Gategroup, a global leader in travel related food and beverage.

Gategroup's CEO Xavier Rossinyol clearly knows how Dufry works from his 8 years as the company's Chief Financial Officer based in Zurich and Basel, but this aggressive move is certainly off the cards for the time being. In fact, Swiss regulatory authorities are investigating HNA's acquisition of Gategroup and requesting more details about HNA's complex ownership structure before green lighting further acquisitions involving Swiss-based companies.

HNA's liquidity problems have forced the once formidable powerhouse to sell assets worth CNY100 billion (US\$16 billion) in the first half of 2018. The selloff has been described as the 'sale of the century;' clearly the Chinese expansion program is on hold, at least for the moment.

In the last three years, HNA has spent more than US\$50 billion buying stakes in companies throughout the world. At the same time its debt has increased substantially; late last year the *Wall Street Journal* put the figure at US\$100 billion. Bloomberg and Reuters both reported that HNA was seeking to offload certain assets that were not producing sufficient profits to cover interest charges on loans that

the company had taken out to finance the group's rapid expansion.

Real estate in several countries has been earmarked for sale as well as the group's 29.5% stake in Spain's NH Hotel Group, valued at EUR632 million (US\$775.6 million).

In addition, industry analysts predict that a stock market listing for Swissport, its 100%-owned airport ground services operation, is also being evaluated, and could go ahead as early as Q2 of this year. The listing could raise around CHF2.7 billion (US\$2.86 billion)

Airport caterer and retailer Gategroup, which was delisted from the Swiss stock market in April 2017 following its acquisition by the Chinese conglomerate, is also expected to return to the market later this year.

Already, HNA's stake in Dufry has been cut from 20.9% to just over 16% after shares pledged in an equity collar facility were sold by Swiss banks to Elliott International and The Liverpool Limited hedge funds.

This major downsizing exercise is unlikely to affect Dufry's day to day operations. Last year Dufry CEO Julian Diaz confirmed the company's collaboration with HNA was to increase sales to Chinese travelers, and the relationship is only in its early stages.

Dufry has other sources of revenue to count on. In the Americas, Dufry raised just under US\$750 million from a public offering of Hudson, its airport convenience store specialist, on the NYSE. At the same time the rest of the company's businesses are doing well. International passenger traffic has been strong in Chile; and the business in Peru, Uruguay, Brazil and

Argentina is recovering after several years of low single digit traffic growth. Analysts predict that the company will show significant sales growth when the FY 2017 results are announced.

Investments in Brazilian airlines and airports

As for HNA's other ventures in the Americas, the group has also been investing heavily in Brazil. In November 2015 HNA purchased a 23.7% stake in Azul Brazilian Airlines for US\$450 million. Azul, established by JetBlue founder David Neeleman, has been a solid performer during Brazil's recent economic turmoil and is delivering strong growth as the economy recovers. During the Brazilian crisis, Azul even took a majority stake in TAP Air Portugal with the support of fellow shareholders at HNA.

In September last year Brazilian civil aviation authority ANAC approved a petition by HNA to change the shareholder structure of the management company that controls Rio De Janeiro Galeão International Airport. In July 2017, the Chinese group had acquired the stake previously held by Brazilian engineering group Odebrecht, when the Brazilian conglomerate sought to sell off assets to recover from debt resulting from its role in the Lavajato corruption scandal. HNA paid \$16 million for the stake but will have to invest much more in airport infrastructure improvements to maintain the concession.

HNA clearly had big plans for Brazil and possibly for other Latin American countries. After HNA completes its asset sell off and gets its finances in order, further investments cannot be ruled out.

COME SEE WHAT'S NEW WITH ZIPPO

Our exciting, affordable line of lifestyle accessories, anchored by the Zippo windproof lighter, is expanding.

BOOTH # 1123

WHY ZIPPO?

- 🔥 Fast turns/ good volume & margins
- 🔥 Destination product – we make customization easy
- 🔥 Flexible & effective merchandising options
- 🔥 Windproof lighter backed by the famous Zippo guarantee
- 🔥 Globally iconic American brand

Contact Bart Collins bcollins@citra-inc.com
to book your IAADFS appointment.



zippo®

Brazilian government begins termination of Viracopos contract

ANAC, the Brazilian Civil Aviation Agency, has formally started the administrative process to terminate the 30-year concession contract of Viracopos airport, which was won by the Aeroportos Brasil Viracopos S.A consortium (ABV, Triunfo Participações and UTC Construction) in 2012.

The purpose of the formal process is “to establish noncompliance with the obligations provided for in the concession contract by the concessionaire, and may culminate in the declaration of forfeiture of the contract.”

According to ANAC, the main factor for the termination is the failure to pay a portion of the concession contract fees. ANAC said the concessionaire has been duly notified and will have 60 days to present a defense.

A spokesman for the airport manager said that it has already paid the fees and that there was no reason to declare the contract invalid. The concessionaire also said it expects to pay the fixed and variable concession installments of the fees for the year 2017 by the end of March this year.

In July 2017, the concessionaire

announced it would return the airport concession to the government, citing the reduction in the movement of passengers and cargo due to the Brazilian economic crisis. Although the decision was taken, the concessionaire has been talking to several foreign investors and claims that one of them may take a stake in the consortium.

The government hopes to retender within the next few months but the Law that regulates tenders has not yet been sanctioned by the Federal Government.

JG

Fraport Brasil begins operations at Fortaleza & Porto Alegre Airports

Fraport AG-owned Fraport Brasil started the year off with brand new operations at Fortaleza’s Pinto Martins International Airport (FOR) and Porto Alegre’s Salgado Filho International Airport (POA).

The operational takeover on January 2 follows the completion of the required joint transition period with Infraero, the state-owned authority that previously ran both airports. Fraport AG won the FOR and POA concessions in March 2017 during a public auction of four airports under Brazil’s third round of airport privatizations.

Some BRL 600 million is expected to

be invested at each airport for infrastructure improvement and development projects during the corresponding concession periods.

Dr. Stefan Schulte, Fraport AG’s executive board chairman, emphasized: “We are proud to welcome these two ‘best-located’ gateways to the Fraport global portfolio. With Porto Alegre and Fortaleza, we now have three airports in South America and a total of 30 airports where we are active worldwide. Our mandate is to enhance the passenger experience while strengthening the role of these airports for their respective stakeholders and regions.”

Andrea Pal, CEO of Fraport Brasil,

explained: “We strongly believe in the potential of Fortaleza and Porto Alegre airports. We are focusing our efforts on raising the attractiveness of these two airports through ongoing improvements in infrastructure and operational processes.”

The Fraport Brasil Fortaleza operating company has been established to run the FOR concession in the federal state of Ceará for 30 years, while Fraport Brasil Porto Alegre has been created for the 25-year POA concession in Rio Grande do Sul. Both airports are located about 3,200 km by air (4,200 km by car) from one another along the Atlantic seaboard of Brazil.

JG

Infraero to sell airport shareholdings

The Brazilian government intends to sell the 49% share that Infraero holds in Sao Paulo Guarulhos, Brasília and Belo Horizonte - Confins airports by the end of 2018. The National Economic and Social Development Bank (BNDES) will handle the sale of the assets. A statement is expected before the end of the month listing the full regulations for the sale, calculation of the value of the shareholdings and an assessment of market conditions.

According to Dario Rais Lopes, the Brazilian National Civil Aviation

Secretary, the government expects to raise around R\$5 billion from the sale of the three airports. He commented that the sale would be made through an auction process and that the current partners of Infraero will be allowed to participate but with some restrictions. He clarified, for example, that the partner of Guarulhos will not be able to buy a share in Confins or in Brasília.

Inframercia (Corporacion America) has controlled Brasilia airport since 2011, whereas Sao Paulo Guarulhos Airport has been in the hands of the Invepar

consortium since 2012. BH Airport (CCR/ Zurich Airport) has managed Confins Airport since 2014.

TMI understands that the government will sell the stakes it holds in the other privatized airports in 2019. All three consortia paid handsomely to win the airport tenders. With a slowly improving economy it should be interesting to contrast the values the current managers have with those of the government who needs to raise cash to reduce the budget deficit.

JG

**TRAVELING IS ABOUT
CONNECTING**

**PEOPLE,
CULTURES
AND PLACES.**

**ASUTIL's new web platform is about connecting
more Duty-Free Operators & Brands**

**BY CONSTANTLY ADDING NEW FEATURES,
WE WILL WORK TO ENSURE OUR NEW PLATFORM BECOMES:**

- your official source of Duty-Free information in LATAM
- your complete Data Base of ASUTIL's Members, operators and suppliers
- your calendar for main Events, e.g., conferences, summits and tradeshow
- your link to the key travel retail players
- your site to share among colleagues
- your networking place
- your ASUTIL.

www.asutil.org

Keep in touch.

Visit the website and subscribe to get notified of the latest breaking news.



asutil

Asociación Sudamericana
de Tiendas Libres

Passenger traffic increases by 9.3% at Lima

Jorge Chavez International Airport in Lima reports solid passenger growth last year, with traffic up by 9.3% over the previous 12 months to reach 20.6 million passengers. The strong numbers reflect the health of Peru's aviation business and the role of capital city Lima as a vital hub linking cities in the Americas.

The airport is operating close to full capacity, but plans for a new runway and new terminal were confirmed last year. Airport manager Lima Airport Partners will invest US\$1.5 billion in the project and expects the new runway to begin

operating by 2021. The new terminal will open to travelers by 2023, according to the current schedule. However, for the schedule to be met, the government must formally reassign the land to LAP to build the second runway. Media reports suggest that one of the strips of land donated to the government was earmarked for highway construction and must formally be expropriated if used for any other purpose.

LAP invited 30 engineering, construction and infrastructure specialists from around the world for consultations and have selected three international groups

to assist with the expansion. The finalists all come with extensive international experience in airport construction, and include U.S. engineering and construction specialist Bechtel and two Spanish based consortia - Ferrovial – Dragados and FCC – Sacyr – Aecom. A decision on the winner is likely to be made in the second half of this year.

The government extended the concession contract until 2041 last July after LAP agreed to finance the new expansion project from privately sourced funds.

Chilean air traffic boom continues

Aviation continues to prosper in Chile with more than 22.31 million passengers using the country's airports last year, up 11.1 % on 2016.

According to figures from Junta Aeronautica de Chile, 10.72 million travelers used Chilean airports for international journeys in 2017, an increase of 15.8% on the previous year. Almost all of these pass through the airport located just outside the Chilean capital, which is operating almost at full capacity.

Sky, Chile's best performing low cost airline, enjoyed strong traffic throughout the year, especially on routes to and from

Argentina, Uruguay and Peru. The airline posted a 45% increase in international passenger traffic, consolidating its position as the second most important airline after the Latam Group and ahead of COPA and Aerolineas Argentinas.

Since Nuevo Pudahuel took over the concession in 2015, six airlines have started operations in Santiago, opening more than 20 new routes.

Last year, British Airways returned to Chile after a 17 year absence with a direct flight to London and later this year Emirates will provide direct service to Dubai.

New SCL International Terminal on schedule for 2020 opening

Renovation and construction work at Santiago's Arturo Merino Benitez International Airport continues in line with the timetable presented by the Nuevo Pudahuel consortium when they won the 20 year concession back in 2015. More than 20% of the \$900 million project had been completed by the end of February. With this progress, the new international terminal should open on schedule in 2020. Once the new terminal is completed, the current terminal building will only be used for domestic flights.

El Palomar confirmed as Buenos Aires' 3rd airport

Argentina's Minister of Transport Guillermo Dietrich has confirmed that the military airbase at El Palomar will be converted to a low cost airport with immediate effect. ARS 1,600m (US\$82.5m@ 19.4 ARS/USD) will be invested in a three stage plan to improve existing facilities at the air base, situated 18km to the west of Buenos Aires.

Last year, newly created low cost airline Flybondi had shown an interest in building its own terminal at the military facility but the government has now incorporated the airport into the national network and has passed management of the airport to Aeropuertos Argentina 2000 (AA2000).

Plans for retail and other commercial

activities are still unclear but AA2000 has strong links with ShopGallery for duty paid shopping and Dufry, the duty free concession holder at the airport manager's other airports in Argentina.

Initially the scheduled capacity of El Palomar is for one million passengers per year and with the new expansion plan, it will become the third largest airport in the Buenos Aires Metropolitan Area.

Work on the first phase of the improvement program is already underway but local politicians are seeking to halt the construction project alleging that a Public Hearing should be mandatory as well as an environmental study to assess the suitability of the airbase for expansion.

Argentina approves new duty free allowance

The Argentine government has increased the country's duty free arrival allowance to US\$500 per person.

The increase from the previous level of \$300 brings the country into line with other countries in the Mercosur trading bloc. Children under 16 years of age are entitled to an allowance of US\$250. Duty free goods purchased in excess of the allowance will be taxed at a rate of 50%.

The new allowance took effect immediately at arrivals stores in all the country's international airports.

All news this page by John Gallagher

Brazil considers raising airport duty free allowance to \$900

At the end of January, Brazilian newspaper *O Globo* reported that duty free companies operating in the region were negotiating with the government to raise the duty free allowance for inbound air passengers from the current limit of US\$500 to US\$900.

O Globo says that Dufry, which is by far the largest duty free airport operator in Brazil, is pushing hard for the higher limit.

The article argues, however, that convincing the staff of Brazil's Ministry of Finance to raise the exemption during Brazil's current economic struggle could be a challenge. The Ministry managed to bar a request to raise the limit to \$1,200 last year, said the article.

Jose Luis Donagary, Secretary General of South American Duty Free Association ASUTIL, conversely, is optimistic that the higher exemption will be adopted.

"We have done a lot of work preparing our arguments in favor of the higher allowance, and presented a lot of data," Donagary tells *TMI*. "We expect to have a good response to our petition.

"The allowance in Uruguay was previously \$300, one time per month. We did a lot of work with the government, I think it was 2012, and the allowance was raised to \$500, and now it is \$650 as of the end of last year.

"And we were just successful in raising the allowance to \$500 in Argentina – which went into effect this January -- so I think we can do this in Brazil as well."

One argument for the increase is that the current allowance is worth less than when it was first implemented.

"The amount of the current allowance was fixed many years ago. Since then, the dollar has lost value because of inflation. At the same time, prices have gone up. So passengers can buy much less for this allowance than they could ten years ago. This is one of the main reasons we are requesting an increase in allowances," he explains.

Donagary also disputes the tax argument.

"Every time you sell something in a duty free store, a percentage is paid to the airport authority. Since the airports are 50% public, the state will get money whether through the tax or through the sale of the additional duty free goods. So we are encouraging the sale of more duty free goods through the higher allowance."

Marcos Reis, Brazil-based retail and operations consultant, believes that it might take some time yet before the government approves the higher allowance.

"Personally I believe that the approval for the border stores to open on the Brazil

border [Ed. Note. The border stores are scheduled to open later this year] will happen before any change in the allowance at the airport free shops. I think that the border shops have more interested players behind them (cities, other companies) and the legislation is already approved, only lacking the regulation of the Federal Revenue Service," he explains. "I do not believe that at this moment the Federal Revenue would give up those taxes on purchases above \$500 dollars from abroad."

Brazil approved the formation of border stores on the border back in 2012. The maximum allowance on the border will be \$300, one time per month.

The first stores are expected to be implemented later this year.

LP

Tocumen's second terminal to open in October?

The October opening date of the new US\$878 million South Terminal at Panama City's Tocumen Airport may be in doubt.

Airport authorities and government officials insist that more than 80% of the construction work is completed, and promise the October inauguration will take place. However, visitors to the airport see a half completed shell with only part of the roof and walls in place. Officials say that the work that remains is merely cosmetic and will be completed quickly. Furthermore, Brazilian construction firm Odebrecht, the principal contractor, has not asked for an extension to the October date.

Tocumen has not yet tendered the main duty free concessions for the new terminal. But Airport General Manager Carlos Duboy has confirmed that both Duty Free Americas and Attenza, the victors in the Terminal One tenders, would be allowed to compete. *TMI* understands that the traffic flows between the two Terminals have not been definitively established, causing the delay in announcing the tender.

Last year 15.6 million travelers used Tocumen airport. With the second Terminal, airport capacity will increase to 25 million passengers.

JG

New Mexico City Airport to open October 2020

The first phase of the new international airport under construction in Mexico City is scheduled to open on October 20, 2020. The new airport will have the capacity to handle 70 million passengers per year. Future construction works will eventually expand airport capacity to 120 million travelers. More than 42 million passengers use the current Benito Juarez airport, even though it was designed for 35 million.

Construction work is being meticulously planned and the two principal runways are 60% completed and will be ready on the agreed date at the end of this year. The foundation work, of critical importance in an area where seismic shocks are common, is on schedule at the 90 meter

high control tower and work has recently started on the main terminal building.

Total construction costs are estimated at 186,000 million pesos; with 70% from private sources and 30% federal government funds. Financing is in place to finish the project on time and the only major problem appears to be the forthcoming Mexican Presidential elections to be held in July this year.

Antonio Manuel Lopez Obrador of the "Juntos Haremos Historia" coalition party and current leader in the polls says that he will cancel the project if elected. Whether this is political posturing or a firmly held belief is to be seen. At the moment the construction work provides 45,000 jobs and contributes 3% of the Mexican GDP.

JG

Uncertainty remains whether Border stores in Brazil will open this year

More than 5 years after the original federal legislation for border stores in Brazil was approved, the final pieces of the eagerly awaited legislation are expected sometime this month. Brazilian Customs authorities claim that the software to control Brazilian resident's purchases in the border stores has been tried and is working well. But Brazilian companies tell *TMI* they are unsure when and where shops will open, and some of the 32 Brazilian towns and cities cited to have duty free stores still must approve local regulations authorizing them.

One entrepreneur, who preferred anonymity, admitted "The legislation is almost ready but I am not sure if the logistics system is in place to bring duty free goods to the border towns where I am looking to open stores."

Major players in Uruguay are watching with interest. Carlos Loaiza, secretary general of the Chamber of Uruguayan Free Shops, told *TMI*, "Everyone expects that the border shops in Brazil will open this year, but we are not sure exactly when.

"We understand from our contacts in Brazil that the final piece of legislation will be approved this month. We also know that the software that will allow the Receita Federal to control shoppers and the

operation of stores in Brazil was tested last month and is ready to go."

Meanwhile, Carlos Loaiza says his group is campaigning the Uruguayan government to address the interests of its members: "Right now we are looking to increase significantly the variety of products that are sold in border free shops. The government has always limited the categories of products that can be sold free of duties and we are hoping to be able to add to this list in order to meet the shopping needs of travelers who visit duty free stores located in Uruguay."

Loaiza also explains that the government is taking a leading role to defend the \$300 land border shop allowance, which Brazil is threatening to cut to \$150.

"We are confident that the Uruguayan government will do everything in its power to make the playing field as level as possible [when the stores open]."

Enrique Urioste, CEO of Neutral, which operates stores in six Uruguayan cities, said, "The only certain thing at the moment is uncertainty as to when and where the shops will open. It will happen and we think it will happen this year. But we are not really sure of any of the details."

Rafael Parodi, Business Development Director of Siñeriz, the biggest retailer in

Rivera in northern Uruguay, agreed with Loaiza and Urioste: "No one is really sure what will happen when the legislation finally allows shops to open on the Brazilian side. It will take several months, if not longer for stores to open – it certainly will not happen overnight. Obviously some Brazilian companies will be preparing but it will still take them a good deal of time to get the right product selection and also the logistics in place to ensure proper inventories to keep customers happy.

"We feel that the opening of stores in our sister town Santana de Livramento in Brazil will be beneficial for the whole area. More people will come to the border to shop and the Brazilian shopper knows there is a high-level retail offer in Uruguay," said Parodi.

"Right now, the Siñeriz plan consists in developing our store and our complementary non retail offer. Our restaurant has been well received by all travelers, our play area keeps the kids happy and the other services we offer make our store an obligatory stop on a shopping visit to the border. The end of 2017 and the beginning of this year have been much better than last year and if the current economic situation is maintained we feel 2018 will be another good year on the road to recovery."

JG

Bernabel reports booming 17.2% sales increase

Duty free sales on the River Plate have been booming, according to Martin Laffitte, director of Bernabel Trading, the concession holder onboard Buquebus ferries that link Buenos Aires with Uruguay.

"Last year sales jumped by 17.2% with passenger numbers increasing by 4.4%. Since the last major downturn in 2014 we have now enjoyed three consecutive years of sales growth," Laffitte told *TMI*.

"We have had a great start to the year. Over the last three years we have developed the Rio de la Plata Duty Free brand as our primary retail fascia and this is now recognized as one of the leading travel retail brands by Latin American travelers.

We will continue to develop and innovate in our onboard stores and our land-based shops in Montevideo Port," he continued.

Laffitte says that the Buquebus will bring in another boat for the Buenos Aires - Colonia route late next year.

"We broke the mold with our store onboard the *Francisco* boat launched in 2013 and we will do the same again with this new vessel. The store will be 3,000sqm and something very different from what we would expect to see on a ferry," he notes.

Laffitte credits the company's success to great work from the Bernabel team in its Head Office, in logistics and also onboard in the shops.

"We also enjoy a strong relationship with all our suppliers. This clearly allows

us to source the correct products and set up the right promotions to build sales in a positive fashion. We also listen to our customers and try to give products and brands not available in the local market. Over the years we have built a strong reputation as a leading retailer of fine foodstuffs, confectionery and chocolates from suppliers from all over the world and we still work hard doing this."

"In recent years, we have also introduced shop-within-shops for brands like Furla and Victoria's Secret, both of which are difficult to obtain in local domestic markets. Over the next few months we will be introducing a number of new brands in different categories in response to direct requests from travelers."

JG

cabeau®
TRAVEL MADE BETTER

ALL NEW

Evolution® S3™

featuring the patent-pending
Seat Strap System that attaches to the
airplane seat's headrest.

**STRAP IN.
ARRIVE RESTED.**



Essence Corp.'s Patricia Bona with the late Alberto "Pancho" Motta Jr., at the first annual 5K Fun Run/Walk in Orlando, just one of the many joint projects between Essence Corp. and the IAADFS. The Bonas and the Motta family can look back on 40 years of friendship, says Patricia Bona.

Essence Corp.: 30 years of partnership, community engagement and "Giving Back"

When you start a business, your goal is to make money. Be successful. Excel in the field. But a rare few rise above the dollars and cents aspect of commerce to become something much more—a vitally engaged and giving member of its community.

Essence Corp., the family-owned distributor/agent of fine fragrances and cosmetics headed by Jean-Jacques and Patricia Bona for the past 30 years, is one of these very special enterprises that sees its rationale for being as going far beyond the balance sheet.

On the occasion of the company's 25th anniversary in 2013, Patricia Bona talked with *TMI* about their industry relationships and the qualities that she and Jean-Jacques hoped come to mind when people think about their company:

"Faithfulness, loyalty, somebody who sticks to values. It always comes down to values. The values of our family are the same as the values of our company," she said.

"Transparency, respect for the brand, respect for the people who are working for us," added Jean-Jacques. "These are not

only words to us. We practice this belief," he emphasized.

As Essence Corp. now celebrates its 30th anniversary, one indication of its loyalty and respect for those with whom they work is the company's ongoing relationship with industry association International Association of Airport & Duty Free Stores (IAADFS), which this year is holding a joint Summit of the Americas with South American Duty Free Association ASUTIL.

"We congratulate the Association for improving the show, year after year. We support the joint venture with ASUTIL and we think that the new format of the Summit combining conferences with trade show illustrate how both Associations are there to serve its members first," commented the Bonas, as they looked back over highlights of the past three decades.

"Our Company has attended what we all called 'The Convention' since the '70's. Those were the times of the Four Ambassadors, the Carillon Hotel, The Sheraton Bal Harbor before moving to larger hotels with Convention floor space, in Hollywood, Ft. Lauderdale and Orlando.

The first Conventions had an intimate and family feeling, mainly because we were all 'under one roof' which allowed us to spend the three days and nights talking about business but also having a good time. Although today the space is larger, there are over 400 company members and communication is at the palm of our hand, the Association has kept that 'all under the same roof' feeling which is so important among operators, buyers and suppliers of our industry. And we love it," said Patricia Bona.

"The IAADFS Convention was since its first edition, and still is, an essential meeting to attend. Although it was originally directed to the U.S. airport duty free operators and their suppliers, it immediately expanded to the Latin American and Caribbean part of the business. New suppliers also were eager to showcase their products, making the IAADFS Duty Free Show of the Americas the most important meeting of the Duty Free industry for the Americas, a true crossroad of our industry," added Jean Jacques.

"As master Duty Free distributors for



Essence Corp. has been a constant and integral participant at the IAADFS Duty Free Show of the Americas over the years: 1988 at the Hollywood Diplomat Hotel; 2005 at the Broward County Convention Center in Ft. Lauderdale; 2007 at the Marriott World Center in Orlando, and 2017, again in Orlando.

the region, it is essential for us to meet our customers, discuss with our suppliers, and feel the industry trends, all in three days, and again ‘all under the same roof,’ he says.

Michael Payne, president and CEO of IAADFS, recognizes and deeply applauds the depth of the support given to the Association by the Bonas.

“The Essence Corporation led by Jean Jacques and Patricia Bona for me has always represented excellence at the highest level,” Payne tells *TMI*. “IAADFS is 50 years old this year and Essence Corporation celebrates 30 years of success. While I haven’t been there from the beginning it has always felt that the two organizations grew up together. The emergence of Essence as a major player in the Duty Free industry through the leadership of the Bonas has been an

impressive and wonderful story on the evolution and success of their company.

“Importantly, beyond the business success achieved, they have been leaders in giving back to the community and sponsoring charitable events and volunteering to help whenever asked. It’s part of the culture of their company and who they are as individuals,” he stressed.

Essence Corp.’s support goes beyond participating in the IAADFS annual events. The company has helped define the Association’s role in the industry as it contributes on many levels.

“Essence Corp. has been a tremendous supporter over the years for IAADFS and helped shape the various approaches and direction that IAADFS has implemented with our Show of the Americas and now the Summit,” explains Payne. “Essence volunteered without hesitation to sponsor

our charitable Fun Run/Walk and contribute resources and dollars to that activity. They are always helpful with their advice and suggestions and always ready to contribute to the overall success of the industry. It is a friendship and relationship we look forward to continuing for many, many years to come,” he said.

Perhaps because Essence Corp. is a family company (Patricia and Jean-Jacques now share management of the company with son Antoine Bona, daughter Laetitia Bona Piedra, nephew Guillaume Bona, and long-time employee Gabi Medeiros Humbles) they treat their working relationships and their involvement in the community as if they are taking care of family; with compassion, with commitment, and with generosity. These qualities are present in all that they do, and are reflected in their work with the



One of the IAADFS’ most elegant and memorable events ever, the Oscar de la Renta fashion show organized in partnership with Essence Corp, raised over US\$5,000 for travel retail industry charity Hand in Hand for Haiti in March 2012.



IAADFS.

“We have many memorable moments at IAADFS and each year brings a new one, loaded with emotions. The project of building our first own Essence Corp. booth came true in 2006, and that white structure unveiled on Monday morning certainly made our heart beat faster. It was also a way for us to show our support to the Association at a time when companies were pressuring for hotel suites rather than booths. One year later, we hosted our traditional cocktail party in the Ft Lauderdale Antique Car Museum ‘All On Board!’ sending the message that we are a true Association, acting together,” recalls Patricia and Jean-Jacques.

They continue: “We continued the tradition of the cocktail gatherings, and the year of the Oscar de la Renta Fashion Show certainly was special. More recently, we are very proud to sponsor the Fun Run/Walk

on Sunday morning benefiting a charity in the region.”

The Community Beyond

Essence Corp.’s community spirit is evident far beyond the borders of the duty free/travel retail landscape, and is especially active in the local Miami area where the company is headquartered. The Bona’s philosophy of philanthropy is deeply embedded in the DNA of the company and a full reckoning of their contributions would take more space than we have here.

But among the highlights are major events calling for the participation of the whole Essence Corp. work family, like its fielding of a full team at the Mercedes-Benz Corporate Run for charity every year since 2009 to more intimate company-only endeavors like building a home for Habitat for Humanity, planting a community

garden, or helping clean up local beaches, which the Essence Corp. staff have done several times over the years.

Essence Corp. staff have also ridden bikes to raise money to fund cancer research; run races for Hand in Hand for Haiti, MADD (Mothers Against Drunk Driving), and Susan Korman Cure for Cancer, among others. They have volunteered to prepare and serve meals at the Miami Rescue Mission and are significant contributors to The Buoniconti Fund/The Miami Project to Cure Paralysis and Act4Me, which provides funding for therapy to children with neurological disabilities.

Some of their events are fun, like when the Essence Corp. men staged a No Shave November to raise cancer awareness last year; and some are educational happenings, such as mentoring students at the ESSEC Business School and running seminars in association with the French Consulate during Miami’s annual French Week.

It also goes without saying that the company contributes money and energy to those in need from local disasters in the region, from Chile and Haiti to the Caribbean.

Essence Corp. is a business success story. They have made money, they are accomplished, and they have excelled in their field. But their success reaches far beyond the confines of the industry; their generous heart, their good works, and their philanthropic pulse continuously make the world a better place, and that is true success.



Above: The team at the top of Essence Corp.: Jean-Jacques, Patricia and Antoine Bona, Laetiitia Bona Piedra, Gabi Medeiros Humbles, and Guillaume Bona.

Bottom Clockwise from left: Just a few of Essence Corp.’s community team endeavors—a Miami beach clean-up, the annual Mercedes-Benz Corporate Run; planting a community garden; and the IAADFS Fun Run/Walk in Orlando.

LOEWE



SOLO LOEWE

[perfumesloewe.com](https://www.perfumesloewe.com)

Rituals set for expansion in the Americas with Essence Corp.

As part of its strategy to build a global presence in the travel retail market, Rituals has entered into an exclusive distribution agreement with Essence Corp. based in Miami. The agreement covers the expansion of the Rituals brand into the travel retail markets of the USA, Canada, LATAM, the Caribbean, and the luxury cruise channel.

Rituals launched its travel retail division in 2012 and has shown steady growth in Europe and North Africa and more recently in the Middle East and Hong Kong. Rituals is currently the No. 1 Bath and Body brand in Europe.

Neil Ebbutt, Director Global Travel Retail for Rituals Cosmetics said, "The time is right to further expand into new continents as the brand awareness of Rituals is growing rapidly thanks to its increased presence not only in travel retail but also in domestic markets through our retail stores and in leading department stores.

"In total Rituals can now be found in nearly 400 travel retail locations – 10 standalone Rituals airport stores; 240 SIS locations within multi-brand stores and onboard around 120 luxury cruise liners and ferries, mainly in the Nordics," he said.

Two of Rituals four standalone stores at Schiphol Airport even have a spa attached, he says. Rituals stores can also be found airside in London Stansted airport, Luton airport, Arlanda airport and Munich



airport and landside in Zurich airport and Eindhoven airport.

Earlier this month, the brand announced that it had secured its first presence in Middle East airports, as well, with a dedicated retail area in Dubai Duty Free at Dubai International airport.

"We opened our own standalone downtown store in Dubai Mall in 2016 so we have been steadily building our brand awareness in Dubai over the past twelve months. Now, our dedicated retail area with Dubai Duty Free represents a major breakthrough for us in travel retail in the region. A presence in a world class airport retailer such as Dubai Duty Free, which has defined excellence in airport duty free shopping for so long is a major result for us and brings our brand to millions of potential new customers," said Ebbutt.

Rituals will be supplying an

assortment that includes body and home products from their best-selling Rituals collections – Ritual of Dao, Ritual of Ayurveda, Ritual of Laughing Buddha and their newest re-launched collection, Ritual of Sakura. A range of travel exclusive sets will also be available.

The brand has also built a strong presence as a premium amenity product in 1500+ luxury hotels worldwide and can be found onboard leading airlines carrying passengers all over the globe.

"We believe that by working with Essence Corp. we will be able to capitalize on this growing awareness to fast forward our expansion in the Americas travel retail market," says Ebbutt.

Rituals will showcase the brand together with Essence Corp. at the Summit of Americas. Ebbutt has high hopes that Rituals will be able to repeat its European success over the past five years in the Americas and that American travelers will soon be able to treat themselves to this unique home and body lifestyle brand which helps you to re-discover the magic in the every day.

Antoine Bona added, "Essence Corp is excited to partner with Rituals, whom we believe shares the same values of authenticity and personal connections. We believe the timing is just right and that Rituals perfectly complements our brand portfolio. We look forward to a successful collaboration."

House of Sillage Founder & CEO, Nicole Mather, creates fragrance to support women's cancer prevention

Internationally leading haute couture fragrance line, House of Sillage, created a



fragrance within their top selling 'Whispers in the Garden' collection, to support Camille Grammer and her "Camille's Crusaders" in conjunction with the Foundation for Women's Cancer. House of Sillage is a first time exhibitor at the Summit of the Americas, and is showing its stunning line of fragrances at Booth 1001.

House of Sillage is known for creating beautiful packaging and extraordinary fragrances, each with their own unique inspiration. The 'Whispers in the Garden' collection contains a powerful message within each scent. When one wears the fragrance, she will be reminded

of the strength she has within herself, and the hope of overcoming the most difficult situations we all face in life, says the company.

A percentage of the sale of the 'Whispers in the Garden - Strength' fragrance will go to benefit the Foundation for Women's Cancer, to increase public awareness of gynecologic cancer risk awareness, prevention, early detection and optimal treatment.

"We aim to raise awareness through our fragrance, and we are grateful to be a part of such an esteemed non-profit," says Mather.



SLOW DOWN



THE
RITUAL OF SAKURA
celebrate each day as a new beginning

The ancient Hanami ceremony from Japan celebrates the fleeting beauty of the Sakura blossom. As with life itself, its beauty is short-lived and precious and should be enjoyed to the fullest. Slow down with The Ritual of Sakura and celebrate each day as a new beginning.

Christian Louboutin and Puig partner for worldwide luxury beauty growth

Christian Louboutin has signed a long-term license agreement with family-owned Puig to expand its Christian Louboutin Beauté business.

Christian Louboutin had established “a one-of-a-kind universe for beauty” in 2013 in partnership with New York-based Battallure Beauty, working with beauty gurus Robin Burns-McNeill, chairman and Sam Ghusson, President/CEO.

Christian Louboutin – best known for its collections of women’s and men’s shoes recognizable by the signature red lacquered sole, established Christian Louboutin Beauté in 2014. Over the past five years the partnership launched high-end nail polishes, several ranges of lipsticks, and a

makeup collection for eyes.

Now five years after having developed a successful, unique vision for Christian Louboutin, Alexis Mourot, Christian Louboutin Chief Operating Officer and General Manager, says that “Puig is the best partner to bring our beauty business to the next level while understanding and protecting our DNA and keeping our existing high positioning in the market,” and went on to thank Burns-McNeill and Ghusson who brought the brand to this level.

“I am happy to continue this adventure with the Puig family. When I first met Marc and Manuel Puig, I immediately understood we had a lot in common. We

are both a family business, we talk the same language and we are both passionate about what we do. Puig will be able to develop my vision of beauty according to the brand values,” commented Christian Louboutin.

Marc Puig – Chairman and CEO of Puig – states: “We are delighted to sign this agreement with Christian Louboutin. We respect his brand and creativity and we want to build on his original and innovative presence in the beauty territory.”

Christian Louboutin currently has 140 boutiques around the world carrying women’s and men’s shoes, handbags and small leather goods.

Nina Ricci launches a limited edition Les Monstres collection

Nina Ricci has launched two limited edition flankers to its Les Belles de Nina fragrance franchise, developed in



collaboration with Brazilian artists Ana Strumpf and Guto Requena.

Available since January of this year, Les Monstres de Nina Ricci Limited Editions are new variations of Nina Ricci’s Nina and Luna scents. A third version – Luna Blossom – is available exclusively in Asia.

All three fragrances come in the apple-shaped Les Belles de Nina bottles.

Nina is a sweet floral-fruity fragrance featuring notes of sparkling pear and candyfloss in a red and yellow bottle decorated with heart-decked yellow eyes and a red pom-pom tied to its neck.

Luna is a juicy pineapple scent in a blue/green apple flacon with pink eyes and a blue pom-pom.

Luna Blossom, featuring Japanese mochi with orange blossom, comes in a pink bottle with bright blue eyes and a pink pom-pom.

The launches have been supported by major press and advertising campaigns leveraging the little monsters’ striking visual identity and the artistic collaboration with Strumpf and Requena.

Les Monstres de Nina fragrances are available as 50ml and 80ml Eau de Toilette.

Coty launches a new direction for Chloé with Nomade

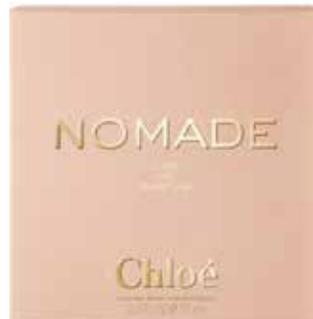
The new Nomade fragrance from Chloé is said to evoke a vision of escape and confidence combined with freedom, hence the nomad-inspired name. Described as a powerful floral chypre with oak moss, mirabelle plum and freesia created by perfumer Quentin Bisch, it projects a more adventurous image of the Chloé girl than that of the rose-scented signature scent.

The face of Nomade is French actress Ariane Labed, who was born in Athens and lives in London, making her “the incarnation of this nomad woman,

an adventurer with countless horizons,” says Chloé licensee Coty Luxury.

Even the bottle evokes a journey, according to the press materials. Round O-shaped curves contrasts with the graphic lines of the collar, and a cap with bright reflections sealed by a pink knot

Chloé Nomade began rolling out in travel retail worldwide on March 1.



Lancôme launches global literacy initiative for women; pledges 2 million euros to fund long-term commitment



Lancôme is launching its first global philanthropic initiative, a civic and long-term commitment called Write her Future that aims to raise awareness and implement concrete actions to combat illiteracy among women. Lancôme has pledged at least 2 million Euros (\$2.4 million) to fund international literacy programs and develop local support for this cause.

Seventy six million young women are illiterate worldwide, according to UNESCO. Evidence from Project Literacy in 2012 shows that knowing how to read and write not only increases self-confidence and career prospects, but also allows people to lead longer and healthier lives.

“Often hidden, this handicap causes young women to face exclusion and dependence, with serious consequences for themselves, their families, and their close ones,” said Françoise Lehmann, Lancôme’s international president. “This is why Lancôme has committed to fight against young women’s illiteracy and give a voice to this invisible reality.”

Girls’ education has become one of the major challenges of various development programs as 76 million young illiterate women are too often forgotten. They drop out of school as teenagers and are suddenly deprived of a voice and propelled into an adult lifestyle with new responsibilities, some of them becoming wives and mothers

quite early. From then on, learning to read and write is no longer a priority for them as once they have dropped out of school, the opportunity to get back on the path of basic learning does not exist.

“Lancôme believes that to claim each woman’s right to education, they claim the right to become fully herself,” says the company in its announcement of the program.

In their first step to fighting female illiteracy, Lancôme has partnered with CARE, an NGO operating in 94 countries, which has become one of the largest global, non-political and non-denominational humanitarian networks.

Lancôme’s literacy programs with CARE have already launched in Morocco, Guatemala and Thailand. These three programs will directly benefit more than 8,000 women and indirectly benefit more than 40,000 people.

The Morocco for Mother’s Education program, which began in July 2017, is slated to last four years and directly impact 1,880 women. Another 13,000 people will benefit indirectly, says Lancôme.

The 4-year-long Guatemala for Women’s Rights project started this January and will be implemented in the El Quiché, Totonicapán, Sololá and Chimaltenango regions. It directly concerns 3,000 young aboriginal women excluded

from the educational system, as well as 2,000 other women over 25 years old who have had no access to education and are mostly illiterate. Lancôme and CARE estimate teaching these 5,000 women will indirectly benefit another 25,000 people.

The Thailand for Integration & Independence project also began in January and will directly benefit 1,200 women and indirectly assist 2,400 more people. The program is being implemented in centers and meeting places in the Nan province, and will enable the 1,000 women benefiting from literacy classes to learn while also sharing their knowledge. Ultimately, they will be able to teach other women what they have learned, contributing to the literacy of about 2,400 other young women. Lancôme is calling this “a virtuous circle.”

Lancôme says that the Write Her Future adventure is not intended only for developing countries. Functional illiteracy affects women in France, the UK and the U.S. as well as other countries worldwide.

Reaching beyond its partnership with CARE, Lancôme’s commitment extends to wherever illiteracy affects young women.

“Every year, the campaign should therefore involve a growing number of beneficiaries, thanks to new projects and programs conducted in various countries in collaboration with local partners. Within this context, Write Her Future intends to directly or indirectly support some 40,000 people,” says the company.

Lancôme ambassadors Julia Roberts, Kate Winslet, Penélope Cruz, Lupita Nyong’o, Lily Collins, Isabella Rossellini and Taylor Hill, the brand’s employees and others are spreading awareness of the campaign on their social networks.

As Julia Roberts states: “Literacy is one of the most defining human skills. We read and write—that’s how we communicate, how we share, how we express our feelings, and how we learn to understand the world. To not have that accessible to everyone everywhere is really a crime. It’s so great for Lancôme to be involved and get serious about supporting young girls in the world through the work of Write Her Future.”

TR's own Adda de Vaultchier creates global beauty product ideal for women travelers

One of the most popular young personalities in the travel retail industry from South America is making global inroads with her innovative skin care treatment that holds special appeal for women who travel.

Adda de Vaultchier created her Moments4me facial masks based on her own experiences traveling around the world.

“Long-haul flights are harsh on a woman’s skin. And, tired-looking, dehydrated skin, (especially for the woman arriving for a business meeting, or to meet that special someone), is not something that can be quickly fixed,” she told *TMI*.

De Vaultchier’s face and eye masks stand out from the crowd because they use a bio-cellulose material for the mask, instead of the paper used in most other such products. Made in France, the masks are EU & U.S. compliant.

“Bio-cellulose is the latest generation of masks, a superior mask for skincare. Our mask is 100% natural, made out of fermented coconut jelly. Its structure adheres to your face like a second layer, allowing the serum to penetrate easily into your skin’s top and deeper layers. It is also sterile, toxin free, eco-friendly, biodegradable and extraordinarily pure, with a high degree of excellent water retention and absorption,” explains de Vaultchier.

“Our facial mask is of great quality, affordable, not tested on animals, and

easy to use. The Moments4me facial masks are light in weight, and compact, making for an ideal purchase at airport duty free and travel retail stores. They are also an ideal item to carry in a purse or carry-on, since they can be used on board before arrival,” she continues.

Moments4me facial masks are currently being sold domestically in about 900 stores in more than 10 countries.

There are seven types of masks, which retail for approximately 9 Euros. The brand has caught the attention of several travel retail operators, and de Vaultchier expects the line to be on shelf in airports and border stores in the coming months.

Moments4me encourages a practice of daily care, both for the skin and for the mind. “When the mind is stressed, so is the skin,” says de Vaultchier. “We created a product that encourages the user

to do something great for their skin, and incorporate time for themselves. We want our consumers to get two great benefits from our skincare line – beautiful skin and a moment for themselves.”

Since the brand was created with millennials in mind, de Vaultchier is promoting it with a huge social message. The brand will invest in social media campaigns, which she says will not only promote the benefits of the skincare products, but the benefits of unplugging from the world, if only for a few minutes each day: “We are reaching out to millennials worldwide and encouraging them to take a moment from their busy lives, and to share their special moment on social media,” she explains.

Moments4me will also be releasing a range of natural body care products. For more information, contact Adda de Vaultchier at a.devaultchier@the7cgroup.com



Moments4Me's bio-cellulose made-in-France facial masks come in seven varieties: anti-aging, moisturizing, brightening, lifting, rejuvenating, charcoal (to purify) and a de-puffing eye mask.



Special Issue
**SUMMIT
 OF THE
 AMERICAS**
 March
 2018

TRAVEL MARKETS **INSIDER**

Travel Retail digitalizes to compete in the wider world

Digitalizing travel retail -- combining the best of the e-commerce world-- is a huge trend happening right now-- as evidenced by the choice of Kian Gould, founder and CEO of AOE, as a guest speaker at this year's inaugural Summit of the Americas, and Adam Cheyer, the co-founder of Siri, and Shivvy Jervis, a Futurist and expert on digital economy, as the keynote presenters at the TFWA Asia Pacific Conference in May. Gould, who has won numerous industry awards, is one of the primary people behind the digital transformation taking place at airports around the world, and is ready to expand to airports in the Americas. In this issue, *TMI* speaks with Gould about the reasons why this trend is gaining momentum.

We also speak with Guestlogix' CEO Mike Abramsky about the new multi-channel e-commerce platform the retail technology pioneer launched in February for airlines. The core of both platforms is all about the guest experience, they say. "Keeping the customer at the center of everything we do" is also the mantra of Jackie McDonagh, the vivacious and successful general manager of Aer Rianta's North America business, who shares her vision and philosophy with us in an excellent in-depth interview.

While technology has become "the great disruptor" most travel retail merchandise is still bought at the POS, and airport retailers continue to work hard to upgrade stores and

introduce concepts to engage the consumer.

From Miami and Dallas to Grand Cayman and the Bahamas, operators have created some show stoppers this year, several of which we highlight in these pages.

The hurricane-struck Caribbean islands are still struggling to recover, but the cruise sector is playing a major role in bringing back vitally needed tourism. Read *TMI's* extensive coverage from SeaTrade Global which took place earlier this month.

Business continues to be mixed in the region: Tourism in Canada is setting records, South America is still recovering, and the U.S. is feeling the effects of a stronger dollar and more restrictive travel bans, but nevertheless showing

slight gains, supported by a surging economy. This is the backdrop against which the industry meets in Orlando this year.

TMI would like to take this occasion to wish very special anniversary greetings to a company that represents the best of the duty free and travel retail industry -- Essence Corp. is celebrating 30 years in business. Please check out our coverage of how this family-owned entity has risen above the dollars and cents aspect of commerce to become a vitally engaged and giving member of its many communities.

Read all about it, *Inside Insider*.

Lois Pasternak,
 Editor/Publisher



Diageo is aiming to engage and educate passengers traveling through Miami International Airport through the stunning Johnnie Walker boutique it opened with Duty Free Americas late last year. Designed by Miami-based BloomMiami, the 1,145sqf. luxury boutique showcases the latest products from the brand, offers gifting and personalization opportunities, and provides a full history of the Scotch and how it is made. See full story on page 104.

INSIDE INSIDER

News

North America

DFA, DFI, Fraport USA, Hudson Group, DFW, MIA, SFO, ATL, NY/NJPA, DEN, more



One on One with *AR/NA GM Jackie McDonagh*

Canada

Best tourism year ever
 CiR tracks airlift from India
 IGL's marketing coups

Cruise & Caribbean

SeaTrade
 Hurricane recovery updates
 Artco Group showcase
 Rouge, Grand DF, Top Brands

LATAM

CiR, HNA, Airports & Border



Torben Anderson bids the Americas a fond farewell



Essence Corp. turns 30. Patricia Bona & the late Pancho Motta at an IAADFS Fun Run/Walk. Essence Corp's Patricia & Jean-Jacques Bona have worked closely with the IAADFS for three decades.

Plus Products - People-Places
The Insider View

The most comprehensive coverage on the duty free and travel retail markets in the Americas for the last 20 years.

But you already know this because you are on pg 81.

“Stellar results” for The Estée Lauder Companies in 2Q; TR delivers double-digit growth

Travel retail, makeup and skincare are doing very well for the The Estée Lauder Companies, which reported net sales of \$3.74 billion for its second quarter ended December 31, 2017.

“In our second quarter we continued our strong momentum and generated stellar results,” said Fabrizio Freda, President and Chief Executive Officer. “In constant currency, our sales grew 14%,” he noted, “led by exceptional strength in travel retail, global online and Asia, along with strong double-digit growth in several markets in Europe, including Italy and Benelux.”

In travel retail, double-digit sales growth was generated across most brands, led by Estée Lauder, Tom Ford, M•A•C, Jo Malone and La Mer.

Growth in global airline passenger traffic, particularly by Chinese travelers, solid new launch initiatives, and targeted expanded consumer reach contributed to the sales gains, said the company earnings report.

ELC delivered double-digit sales gains across most product categories and many

brands, including Estée Lauder, luxury brands and most mid-sized brands.

“In the holiday season, our brands achieved outstanding results from their e-commerce businesses, and customizable gift options were significant contributors. These elements, along with our accelerating cost saving efforts and our progress executing our Leading Beauty Forward initiatives, resulted in an impressive adjusted 23% earnings per share growth in constant currency,” continued Freda.

ELC said that it was impacted by one time charges of \$394 million related to the U.S. Tax Cuts and Jobs Act (TCJA) that was signed into law in December 2017. Net sales and operating income outside the United States were favorably impacted by a weaker U.S. dollar in relation to most currencies.

The Americas

ELC reported that sales in North America benefited from incremental sales from the acquisitions of Too Faced and

ESTÉE
LAUDER
COMPANIES

BECCA and growth from several other brands. La Mer generated strong double-digit sales gains in skin care, while the Estée Lauder brand had strong sales growth primarily in fragrance and skin care. Sales in the Company’s online and specialty-multi channels grew strong double-digits.

On a reported basis, sales in Canada and Latin America increased double-digits. In constant currency, sales in Canada rose mid-single digits and Latin America increased high-single digits.

Partially offsetting the higher results were lower results from M•A•C, Tom Ford and certain designer fragrances, due to a decrease in sales. Operating income also reflects additional support spending behind new and existing launches at Too Faced. Sales decreases were recorded in several brands, primarily attributable to the decline in retail traffic in some U.S. brick-and-mortar stores.

Infinity & Co returns to Orlando with charming English jewelry collections

After a very successful debut in 2017, English brand Infinity & Co will return to Orlando to showcase its new 2018 collections. Building on recent successes in both Travel Retail and domestic Latam, the company will be launching new collections for both of their brands: the core ‘Infinity & Co’ and its carded sentiment brand ‘Love X Infinity’.

Infinity & Co will launch seven new collections in Orlando featuring contemporary chokers, star, moon and clover profiles all with exquisite hand set detailing.

The company will also debut its men’s collections which launched in Cannes, but will be seen for the first time at IAADFS. With retail prices ranging from \$20 - \$80, affordable luxury is the inspiration behind all of their designs, says Infinity & Co Managing Director Samantha McDermid.

This year, Infinity & Co is introducing over 100 new designs for its Love X Infinity brand, each with a unique sentimental message. The designs feature initials, birthstones and include a selection



available with Spanish translations specifically for the Latam market.

“We had an incredible reaction to our debut in 2017 and are delighted to be back here in 2018 with a new booth and lots of new collections,” says McDermid.

The company will be introducing a new simplified pricing structure for Love X Infinity with all items priced under \$20, presented in a premium gift bag with a one year warranty.

“As a special thank you to all IAADFS partners we will also be offering free POS with their initial PO,” she says.

“As a company with a specific focus on travel retail we have been working with our Miami based partner Astrid Steinhäuser to develop our brands here in the Americas. For us, this is a key region where we feel there are great opportunities for a new English brand with an innovative gift concept. The concept has been very successful in Asia and Europe and we are seeking to continue our growth here in the Americas. We are also looking forward to catching up with old friends and hopefully making some new ones, and after several months of English rain a little Florida sunshine will be very welcome too.”

Infinity & Co. will be exhibiting in Orlando in the Cypress Ballroom Booth 833.

Misaki Monaco “Sways” with its new collection in Orlando

Created in 1987, Monaco-based Misaki is a luxury jewelry brand specializing in the pearl: cultured pearls and crafted glass pearl beads.

Far from the usual clichés surrounding classic pearl jewelry, however, Misaki combines pearls with original and modern designs. Sophisticated and contemporary, the Misaki collections mix pure shapes and lines with precious, quality materials.

Since the brand was acquired by the Altéal Group at the end of 2014, Misaki has developed a new dimension, adopting a new artistic direction inspired by jazz music and dance. Each collection is reminiscent of a melody, and the name of each creation is a song lyric.

The 1st collection “Cheek to Cheek,” inspired by the famous duo of Ella Fitzgerald & Louis Armstrong, presented graphic designs that played with asymmetry and interlacing, with the pearls moving together, side by side, cheek to cheek.

The 2nd collection “Almeria,” pays tribute to the passionate love story between Brigitte Bardot and Serge Gainsbourg, written about in his song “Initials BB.” The pieces are rhythmic and sensual, the



pearls tenderly wrap themselves around each other.

The new collection “Sway” takes its inspiration from the famous Dean Martin mambo from 1954, reinterpreted by Pink Martini and pays homage to Monaco by drawing on all of its qualities. The Sway Set subtly evokes the M of Misaki, the M of Monaco and the royal coat of arms. The rhinestone crest dances with the pearl, hanging delicately from its chain.

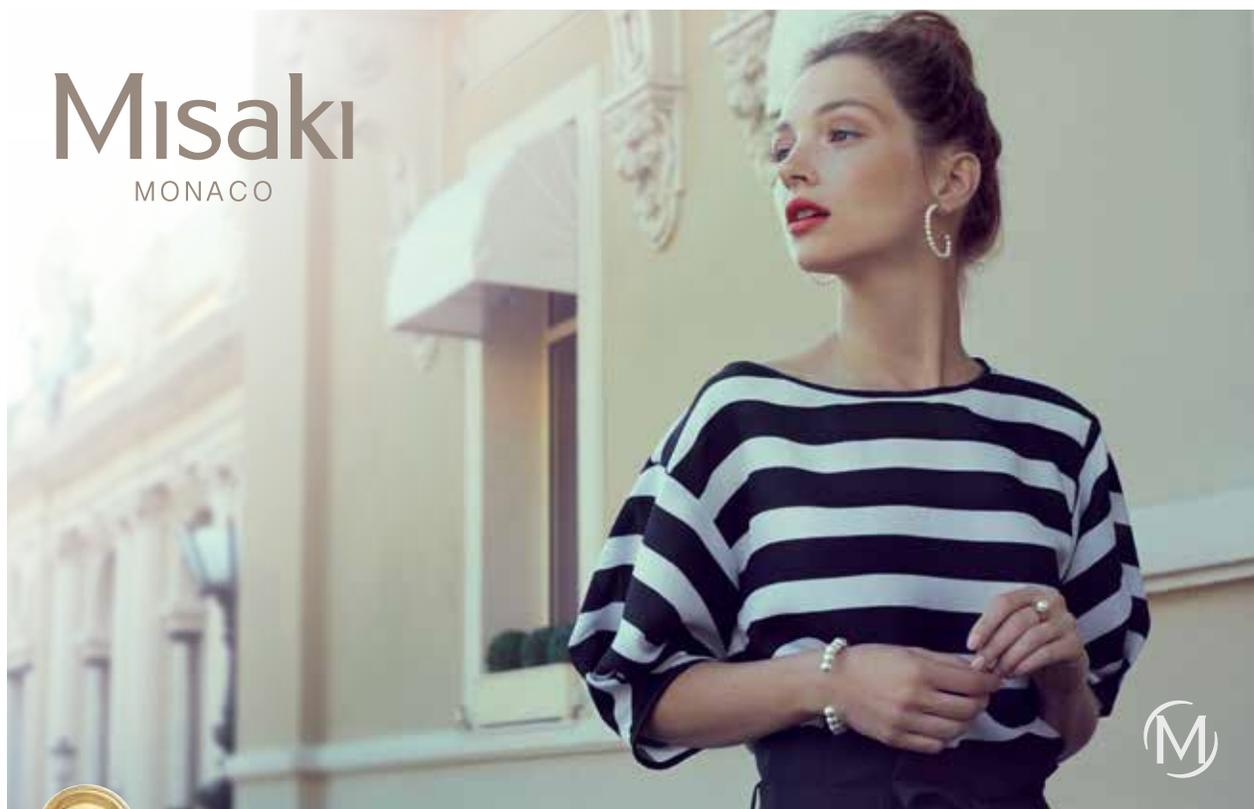
Misaki celebrated its 30th anniversary last year with a new visual identity, and a new logo that takes the initials of both its name and its town: “Misaki Monaco.” This logo will be present on all of the creations and advertising material.

Travel retail is very important to the brand. Its first collections were exclusively

on board airlines, and then extended into travel retail, a market that it says today is fast-growing and booming.

Already present in over 30 countries, Misaki understands how to create a strong image throughout the world. The brand has multiplied its solid partnerships in the travel retail sector with Lotte (a further point of sale opened last year in Lotte World), Valiram, Eurotrade, Pavo and many others. The brand is also present on Air France, Swiss Air, Lufthansa, China Airlines, Korean Air, Emirates, Aeroflot, etc. and is back with Singapore Airlines since last September with two new products. It also recently opened kiosks in Dubai and an all-new Misaki Monaco boutique concept in the World Trade Centre in Beijing, China and will be opening its first pop-up store in Nice Airport in April 2018.

After announcing its partnership with International Brand Builders (IBBI) for the Americas, Misaki Monaco is serious about its desire to expand into the Americas travel retail sector and is exhibiting at the Summit of the Americas, Booth 727.



Summit of the Americas

ORLANDO FL. - STAND 727 - 18-21 MARCH, 2018

Breitling launches new Navitimer 8 watch collection in North America, reveals new image and its #LegendaryFuture

World-renowned Swiss watch brand Breitling celebrated the launch of its new Navitimer 8 collection and exhibited 60 vintage watches for the first time ever in North America at a star-studded red-carpet event in New York City at the end of February.

More than 300 distinguished guests from Australia, Latin America, Canada, and the United States were welcomed by Breitling's new global CEO, Georges Kern, who introduced his vision for this storied brand's latest chapter in a beautiful setting against the backdrop of the iconic New York City skyline.

Among the celebrities in attendance were Houston Astros World Series pitchers Justin Verlander, Dallas Keuchel and Lance McCullers Jr., motocross champion Ken Roczen, former NFL quarterback and CBS NFL commentator Boomer Esiason, former astronauts Mark and Scott Kelly, and American actors Darren Criss, Olivia Munn and Armie Hammer.

The New York event was the third such Roadshow, following similar events in Shanghai and Zurich.

Breitling had been one of the last independent, family-owned premium watch brands when it was acquired by CVC Capital Partners, one of the biggest private equity firms in Europe, in April 2017. CVC purchased an 80% stake in the company, while previous owner and CEO, Théodore (Teddy) Schneider retained 20%.

At the time of the purchase, CVC noted that it would use its network and expertise to make "this global, iconic brand even more renowned," and that it saw great growth potential for Breitling in both existing and new geographies.

Alexander Dibelius, Managing Partner and Head of Germany at CVC, had commented: "Breitling has a proud heritage, high brand awareness, and enjoys an excellent reputation as one of the finest watchmakers in the world. We very much look forward to working with Théodore Schneider as we embark on Breitling's next chapter of growth."



The launch of the Navitimer 8, a new pilot's watch collection, is positioned to represent both the past and the future under the theme of #LegendaryFuture, and is the first new collection since CVC acquired the company.

Breitling, famous for its chronographs and its strong link to aviation, is featuring the "8" in its name as a nod to the Huit Aviation Department, which was set up in 1938 to produce cockpit instruments as well as classic pilot's watches for civilian and military use. At the time, Willy Breitling chose the name "Huit," the French word for "eight," as a reference to the eight-day power reserve offered by its famed cockpit instruments.

Georges Kern, who was named CEO of Breitling in the summer of 2017 after previous positions as a top executive at the Richemont Group and head of IWC, recounted the brand's rich heritage to the assembled guests at the seated dinner, and committed himself to taking Breitling into what he described as "a legendary future."

He added that he was particularly excited about the newest product line. "I am very proud that tonight we will unveil the new Navitimer 8 collection," he said, "which is a salute to the brand's innovations and accomplishments in the pioneering days of aviation."

While Breitling's aviation theme will stay – especially since it is at the heart

of the new Navitimer collections – new Breitling products will offer more of an "air-sea-land" diversity, which Kern says reflects the success the company's Heritage Superocean II, a vintage-inspired diving watch. Future collections will fall under one of these three families, in fact.

In addition to refining the product offer, Breitling will also be introducing a new image more in tune with the times, said Kern during his presentations, with some major new advertising and marketing campaigns launching soon.

Breitling boutiques, also, will undergo some significant changes, with the pilot/adventure/pin-up girl/Pop Art image of the past giving way to a more sober, luxurious atmosphere. Even the name is changing—going forward boutiques will be known as "Lofts" and reflect a much more refined look, even as the sporty, industrial feel will remain.

Breitling designer Guy Bove pointed out how the new image is being transferred to the point of sale. Keeping the atmosphere a little industrial, Bove said that the new loft shops were using woods, brushed metal, and contemporary Japanese bricks laid out with gaps between them to let in light. The hard edges of the industrialized look were softened with luxurious leather trims. The traditional "Breitling yellow" will still remain, but will be toned down significantly. In the example shown of the Breitling Zermatt Loft, the yellow was actually brushed brass plate, the color coming from the sheen of the brass. More yellow came from the lighted vintage script logo, which was a focal point along with the new stylized "B" logo. Watches were displayed along a bar, adding to the relaxed, "hang-out" feel of "The Loft."

Breitling has developed smaller models adapted for shop-in-shop concepts, and is also planning for "pop-up" versions for use in airports and malls.

Lambretta Watches launches timeless Italian designs as business expands in the Americas

Lambretta Watches, which launched the elegant vintage-inspired Classico 36 & 40 collections as a tribute to the brand's 70th Anniversary in Cannes, will be presenting its line-up of novelties for this spring and summer at the 2018 Summit in Orlando at Booth #831, says Christian Hoffmann, Marketing Director of Capella/Lambretta Watches.

Lambretta Watches, inspired by the iconic Italian scooter with its Italian flair and distinctive, retro feel, have been enjoying good growth in the Americas travel retail channel since teaming up with Int'l Brand Builders, says Jonas Dahlgren, CEO for Capella/Lambretta Watches.

"We have expanded our presence in the Americas market into key locations throughout Canada, USDF, the Caribbean, and Latin America and are now present in all channels, with a focus on airports where we are shipping our new self-select towers," says Dahlgren.

Katherine Sleipnes, President of IBBI, added that "Lambretta Watches have been well received by our retailers, due to their trendy and sleek designs, packaging, and price points. Our team of eight will be



Volta Collection

sharing the new collections in Orlando at the 2018 Summit. Watches retailing for less than \$100 are considered an impulse purchase, and few other brands play in this category. With today's pax mix changing, people are looking more for affordable luxury brands, and this is exactly what Lambretta Watches offers."

Among the new collection is Volta 39, a vintage-inspired men's watch with a slim case, dome-shaped glass and slightly curved dial. A new updated chronograph collection, Imola 44 Racing Edition, is also launching as a tribute to Lambretta's racing heritage back in the 1960s.

On the women's side, a brand new

minimalistic feminine design is introduced, Mia 34, which has an ultra-thin and sleek case, matched with stunning Italian leather straps and elegant Milanese mesh bracelets. Lambretta Watches' best seller for ladies, the chic Cielo 34 collection, will also be released with soft and stylish suede straps.

Revival of the Lambretta Scooter

Last year, Lambretta celebrated its 70th anniversary. However, the last of the Italian cult scooters that rolled out from the Milan factory was in 1972. But this spring, more than 40 years later, the brand new Lambretta V-Special scooters are launching worldwide. The faithful Lambretta fans will recognize the distinctive Italian retro design, but now built with modern technology, like bodywork in aluminum and carbon fiber, LED-lights, smartphone app, etc, and also with a special electric drive version.

"We have really been looking forward to this moment; it will have a great impact and boost for the Lambretta brand all over the globe," comments Hoffmann.

Lambretta Watches are exhibiting in Orlando in Booth #831.



Timeless Desires

Affordable and space-efficient watch concepts with a fashionable Italian retro-feel. Lambretta loves travelling the world on board Airlines & Ferries and hanging out at Airports.



Please visit us in: **Booth #831**

Summit of the Americas • Orlando
March 18-21, 2018

Lambretta
watches™

WWW.LAMBRETTAWATCHES.COM
jd@capellaind.com • +46 701 85 21 00

Cabeau presents revolutionary Evolution S3 pillow with first-of-its kind seat strap system

Travel products company Cabeau will be showcasing its newly launched, first-of-its-kind, Evolution S3 pillow at The Duty Free and Travel Retail Summit of the Americas in Orlando (Stand #835). The state-of-art pillow combines Cabeau's patented ergonomic design with high technology features and fabrics. The pillow also introduces an innovative, patent-pending "seat strap system" (S3) which keeps the user's head from falling forward or sideways by attaching to the airline seat and enhances travelers' comfort level.

Cabeau felt inspired to create the Evolution S3 pillow in response to a very common problem travelers experience - uneasy sleep and discomfort. According to its research, 77% of travelers reported neck pain during a flight and 72% of frequent fliers indicated difficulty staying



asleep. These findings illuminated a need for better head and neck support, a factor accomplished by the introduction of the revolutionary head-rest wings. Every part of the pillow was engineered to provide the best possible experience for a traveler. Cabeau says that the Evolution S3 pillow introduces an ultra-soft solution to in-flight sleep comfort.

"Evolution S3 is a game changer and we are thrilled to introduce it at The Duty Free and Travel Retail Summit of The Americas," said David Sternlight, Founder and CEO of Cabeau. "The event will provide us with a perfect opportunity to present the pillow to retailers and airline representatives, which further helps to establish Cabeau as a world leader in comfortable travel products."

The Evolution S3 pillow is available in five on-trend colors and retails for \$39.99. The pillow can be found at major national airports around the world as well as Cabeau's website, www.cabeau.com.

Cabeau's award-winning travel pillows, comfort products, and accessories are available in over 110 countries worldwide.

Victorinox becomes new supplier for SWISS business class amenity kits

Swiss brand Victorinox and SWISS Airlines have introduced newly refreshed amenity kits for the airline. The kits became available exclusively for SWISS business class passengers on long-haul flights in an agreement that covers the next three years. The new collection consists of six different models that feature Victorinox' high quality, elegant design and multifunctional details.

Victorinox, maker of the popular "Original Swiss Army Knife", has also been producing high-quality travel gear for the past 20 years, and has extended the idea of the multifunctionality of the Original Swiss Army Knife to the design of the new amenity kits for SWISS.

Six different amenity kits have been developed. Victorinox says that the collection stands out by its multifunctionality and surprises with well thought through details. Some of the amenity kits can be combined with each other by snapping them together and creating a new kit entirely. The collection on long-haul flights from Switzerland

includes an elegant passport cover or a toilet bag with convenient inside pockets. On long-haul flights to Switzerland, passengers receive a high quality metal tin inspired by the popular Victorinox Spectra case. The tin can be re-used after the trip as a dopp kit.

Over the next three years Victorinox

amenity kits will be updated periodically to give SWISS business class traveler new amenities. In 2018, passengers have the opportunity to win attractive prizes when taking part in a Fly & Win online promotion. More details on the sweepstakes please visit: <https://flyswiss.victorinox.com>.



Buckley London returns to Orlando with first ever men's collection

Buckley London is returning to the Duty Free & Travel Retail Summit of the Americas, Orlando with an exclusive preview of their latest jewelry collections, including the first 'Buckley London For Him' collection.

This is Buckley London's first ever range designed for men and the company predicts it will be a huge hit with retailers and consumers. Showcasing a striking collection of trend led bracelets, bangles and cufflinks, the collection brings together wrapped leather, stainless steel and polished metals alongside semi-precious beads and intricate skull details.



The Buckley London For Him collection will be displayed in specially designed packaging and retail display material, along with accompanying point of sale imagery.

Buckley London, best known for providing British heritage inspired designs in the style of fine jewelry, without the expensive price tag, will again highlight such best sellers as Royal Celebration collection. The star product this year is a beautiful new ring inspired by the engagement ring given to Meghan Markle by HRH Prince Harry. The Meghan Sparkle ring will come beautifully presented in a commemorative gift box showing the wedding date of HRH Prince Harry and

Meghan Markle, 19.05.2018.

As charm bracelets continue to gain popularity, Buckley London is introducing on trend Mexican themed charms, sea life charms inspired by cruise holidays, plus an update to the bestselling London charm bracelet.

It will also showcase a range of newly designed retail display solutions which Buckley London will bring to market in 2018.

Amy Donlon, Head of Sales for Buckley London said: "With an increased focus on our presence in the Americas, we are very excited to be returning to The Summit of the Americas this year. We will be unveiling a host of never before seen products, offering something different for our customers alongside our newest core collections which stay true to Buckley London's British heritage. There has already been a real buzz around the new collections and we very much look forward to being able to share these with customers for the very first time."

Buckley London is exhibiting in Orlando at stand 1131.



Visit us at The Summit of the Americas, Orlando
Stand 1131

B U C K L E Y
L O N D O N

buckleylondon.com

Furla drives its business in the Americas with men's and women's collections

Furla returns to Orlando this year for the Summit of the Americas with an increased focus on its Men's collection (Booth 923), and innovative new designs for women.

"The Furla Men's Collection has really taken off this past year and we are absolutely delighted to be showcasing it in Orlando. [For the women's collection] I'm always astounded at the sheer innovation and creativity that is implemented with each new season," says Gerry Munday, Furla's Global Travel Retail Director.

Furla says that its Fall/Winter 2018-19 Men Collection tells a story of a journey through the decades of Italian design. Shapes of the collection echo the military motorcycles from the 1940s, 1950s mopeds, the free-wheelin' 1960s and the austere, geometric lines of the 1970s/1980s.

Furla's Mercurio line is inspired by vintage motorcycles designed in the 1940s, reflecting the motorcycle's bodywork morphing into travel/city bags. The Furla



Furla Bomber



Furla Artica

Icaro line is inspired by the power of motorcycles that travel great distances and need the highest degree of reliability. The design is aggressive, especially for the key messenger bag while the nylon satin bag embroidered with a dragon is inspired by flight jackets from the 60s.

The Furla Giove references the Dolce Vita, with its light blue tones and the yellow ochre evoking the slightly dusty facades of Rome's palazzi.

The Furla Marte Line is an all-metallic line inspired by customized Art Bikes. The bags feature clean straight lines for a

functional, formal, businesslike style. The Furla Atlante line references the world of racing with 3-D effects, geometries with different levels of prints and color and the Furla Ulisse line features backpacks and fanny bags personalized by Furla's iconic teddy bear from the Uomo collection.

If Furla's men's collection is all about power, its new women's collection is designed around the themes of freedom, independence and poetry, says the company. The new bags feature technical details created in collaboration with clothing companies, and even the larger-sized bags are lightweight.

The new Furla bags are divided into three styles: the Furla Polar, featuring a zippered top handle; Furla Bomber, an underarm bag featuring a voluminous flap; and Furla Artica, an extra-large bag sporting fuller volumes, a light and simple round design and a leather handle.

Furla is also introducing the light new WonderFurla sneaker with an innovative structure and rainbow sole composed by five colors. WonderFurla plays with the materials used for the bags—the sock can become fur, or a glitter shirt with round lines.

"We are very excited to be showing the new collection in Orlando," says Munday. "Business in the Americas is growing, and the Summit of the Americas show is an ideal platform for us to gain new listings and create new opportunities in the region."

In addition to its new collections, Furla continues to open new downtown and airport duty free locations all over the world at an impressive pace. The company has added 8 new shops since the end of last year, in locations as diverse as Bangkok, Brussels, Moscow, Taiwan, Sharjah, Ukraine, Singapore and Shanghai, plus a new Furla shop last November in Philadelphia International Airport.

Bravo Handbags enters travel retail with unique enameled leather bags in stunning designs

Showing for the first time in travel retail, California-based Bravo Handbags produces a luxury brand of unusual and very unique enamel-coated leather handbags and wallets.

Creator Terry Smith tells *TMI* that he invented a process of enameling lightweight calfskin leather back in the year 2000. During this process the leathers are dyed and embossed with beautiful prints-- many of which are Bravo's own inhouse designs. The leather goods are all handmade in the USA.

Bravo's trademarked enamel process uses high end quality clear coated enamel paints that are used by high-end car and aircraft makers and successfully applies it to the finished leather, says Smith.

The technology prevents the bags from scratching, fading and peeling, he says, and provides RFID Protection of credit cards, passports and other sensitive information.

The company delivers an average of 60-75 new handbag styles a year and every handbag is a limited edition with never more than 1000 pieces per style, per color sold worldwide, says Smith.



The Bravo leather goods are currently sold in the U.S., Canada, China, Korea and Japan.

As of June 2018 the company will also begin to produce new optical quality sunglasses, which will be assembled and designed in New York. The sunglasses are lightweight stainless steel with 3-7 microns of 18 Karat yellow gold etched with lightweight redwood tree beads as used by the Buddhist religion. A test production of 600 sunglasses sold out in one month at small retail trade shows, says Smith.

Bravo Handbags will be exhibiting in Orlando at Booth #1203.

B+D joins forces with IBBI for North American travel retail sales push

Specialist eyewear manufacturer B+D has partnered with International Brand Builders Inc (IBBI) to expand distribution throughout North America. The focus will be on Duty Free channels in the USA, Canada, Central America, and the Caribbean.

B+D will be showcasing its new collections at the Summit of the Americas, including the BRIDGE model that is thin, light weight, and was well received at the Cannes and FDFA shows in 2017.

B+D will also feature its innovative new Blue Ban readers that filter harmful light from electronic mobile devices, which were also exceedingly popular at the TFWA and the FDFA shows.

In addition to the readers, B+D will present additions to the Copenhagen Sunglasses collection. B+D CEO, Roberto Crom says that the new Solskin range was designed bearing in mind the “easy to exhibit, easy to sell” motto.

“In addition to a great assortment of three essential sunglasses styles at very affordable prices, we will be offering retailers a creative packaging solution that makes purchasing easier for the final consumer. The range and the merchandising solutions we offer were specially conceived for high traffic locations,” said Crom.

Katherine Sleipnes, President of IBBI comments: “We are excited to share these innovative readers with our retailers, and add European style and technology to their current reader assortment. The B+D brand is in line with our goal to bring new and affordable luxury products to our customers and add impulse items such as the BRIDGE to their current classic assortment. We will also feature their compact self-select fixtures at the show, helping retailers visualize how B+D can add excitement and color to the category.”

The B+D range can be seen at the IAADFS/ASUTIL Summit of the Americas in Orlando at Booth no. 930



B+D screen blocker glasses filter the harmful effects of the blue light emitted by digital devices.

B+D Readers

Blue Ban
Screen Light Blocker



bplused.com

Reduces the transmittance of blue light from digital devices

Meet us! 2018 Summit of the Americas
March 18th to 21st / Orlando, Florida, USA
Orlando World Center Marriot. **Booth 930**

WEBB Banks strengthens relationships as the Caribbean recovers from hurricanes

Although the two devastating hurricanes in the Caribbean had both personal and financial impacts on WEBB Banks during its first year in business, Andy Consuegra says his company has emerged with stronger relationships with its partners as a result.

Consuegra's WEBB (World Equity Brand Builders) merged with Banks Channel last January to create one of the premier spirits and wine distribution and marketing companies in the Caribbean, North Atlantic Islands and Central America.

"We think we have the best portfolio out there, partnering closely with all the operators, working with over 100 wholesalers in the region. We represent more than 270 brands in 48 different wineries and distilleries.

"We spent a lot of time last year integrating the cultures of WEBB and Banks, creating a new WEBB Banks culture and I think we are in great shape today. We are now seeing the benefits through increased scale, sustainability, leverage and capabilities," WEBB Banks President Andy Consuegra tells *TMI*.

"Then the hurricane hit and we took

a step back. We endured one of the most devastating series of storms in history, but it made us and our partners stronger for the medium and long term.

"We took a hit financially, but the positive is that we came together as a team. We came together with our partners. I think we developed even better relationships than before."

The storm severely impacted WEBB Banks' business in Puerto Rico, the U.S. Virgin Islands, the British Virgin Islands, and Anguilla.

"In the two weeks after the hurricanes we raised \$100,000 and sent the money to our distributors and their families. It was directed to our people who we have been working with for all these years. We are here to help them."

Consuegra says the Caribbean business is starting to improve on the islands that do not entirely rely on tourism.

"Business is probably a little bit better than we originally feared. It depends by market, but the off-trade brands are doing better than the on-trade brands. It is not at the level that we were at before the hurricanes, but it is better than our original expectations were for the next six months.

In markets where we are dependent on tourists we are not there yet. But flights are slowly coming back."

Despite the challenge of the hurricanes, Consuegra says the merger has been a success.

"The merger has delivered a great new company with a great culture and team that give us scale and sustainability. Our goal is to be the number one supplier of spirits and wine to each wholesaler we work with. It is a big goal, but we are already number one in five wholesalers.

"We want to double and triple that."

WEBB Banks has people on the ground located throughout the Caribbean to work closely with its partners.

"We have embedded portfolio managers in nine different markets today with people that represent us inside different distributorships. We can go in and work with key accounts with back bar, with menus, on the wine list. We can partner with them. It is about relationships, about working with them on the details. We know the business. We know the region. We have the right strategy and portfolio. We care about this region. This is what we do."

U.S. Distilled Spirits Council reports record spirits sales

The U.S. Distilled Spirits Council (DISCUS) reported record sales in 2017, up \$1 billion (4%) to reach a total of \$26.2 billion in 2017. Volumes rose 2.6% to 226 million cases, an increase of 5.8 million cases.

DISCUS says the results reflect an "ongoing taste for higher-end distilled spirits" across most categories, with spirits gaining market share versus beer for an eighth consecutive year to reach 36.6% of the total U.S. beverage alcohol market.

The trade association also projected a new export record of \$1.63 billion of U.S. spirits sold around the globe in 2017, up 14.3%.

Consumer tastes for premium American spirits and favorable exchange rates drove global sales, especially to markets where U.S. spirits enjoy duty free access. Volumes were up 5%.

"American spirits, particularly whiskeys, are the toast of the global

cocktail scene," said Council Senior Vice President for International Affairs Christine LoCascio. "International adult consumers are exploring more expensive U.S. spirits driven by their fascination with American whiskey's heritage, as well as its mixability and versatility in cocktails."

The top five growth markets by dollar value included the United Kingdom, up \$55.7 million to \$177.9 million or 45.6%; Germany, up \$22.6 million to \$123.5 million or 22.4%; Brazil, up \$18.9 million to \$29.1 million or 186.5%; France, up \$15.7 million to \$114.1 million or 16%; and Spain, up \$14.5 million to \$117.1 million or 14.1%.

US. growth drivers: High-End and Super Premium Spirits

DISCUS reported the strongest growth in high-end premium and super premium products across most categories. The revenue for those price points increased

7.1% and 6.1%, respectively, and by 7.3% and 4.9% for volume.

Key drivers of growth included American Whiskey, up 8.1% or \$252 million to \$3.4 billion; Tequila, up 9.9% or \$246 million to \$2.7 billion; Cognac, up 13.8% or \$200 million to \$1.6 billion; and Irish Whiskey, up 12.8% or \$114.8 million to \$897 million.

Rye Whiskey was up 16.2% by volume to 900,000 cases, and is now worth \$175 million to suppliers. Mezcal has grown from less than 50,000 cases in 2009 to approximately 360,000 cases in 2017. Super premium Blended Scotch was up 13%, with super premium single malt sales up 8.8%. Volumes in 2017 for super-premium blended Scotch rose 11.8% to 466,000 cases (5.6 million bottles) and for single malts rose 9.3% to 752,000 cases (more than nine million bottles).

Super premium Gin increased 12.9%, and super premium Rum was up 8.3%.

WB Webb Banks



"THE LEADING DISTRIBUTOR FOR WINES & SPIRITS
IN THE CARIBBEAN AND LATIN AMERICA"

Please visit us in the San Antonio Room during the Summit of the Americas

Tito's Handmade Vodka grows on U.S. success as it expands around the world

Tito's Handmade Vodka, which was the top-selling off-trade spirits brand in the United States in 2017, is riding its domestic success to new listings in travel retail markets around the world.

"We had a magnificent year last year," Tito's International Managing Director John McDonnell told *TMI*. "We are just starting to get the traction we deserve in travel retail. There have been some early adopters like International Shoppes, DFA, and DFS, but now we are getting traction from other buyers."

"Duty free is an important channel for Tito's. The brand has performed extremely well in the Americas over the last year, posting high double-digit growth. Our unique promotional programs including the Tito's Red, White and Blue burlap gift bags for the 4th of July, as well as Tito's Ugly Sweater for the holiday season are driving this success. The craft category is exciting and continues to grow, which contrasts markedly with the steep decline in demand for premium and super premium mass produced vodkas in travel retail."

Across the Americas Tito's has posted high double-digit sales growth in duty free over the last year and the company is determined to keep the momentum going. In U.S. airport duty free, Tito's presence will be heightened with a number of installations, including a video wall at the International Shoppes store at JFK International Airport, a storefront takeover at Boston Logan International Airport and a new permanent Tito's display feature at Dallas Fort Worth International Airport.

In December Tito's and DFA partnered on a promotion that donated one



In Orlando Tito's is partnering with Sazerac and re-creating the pop-up craft bar that appeared in Las Vegas McCarran International Airport last summer.

dollar from every bottle sold to United Community Options of South Florida, with business more than doubling versus the previous December, says McDonnell.

Tito's visibility on cruise lines will increase with more branding on back bar displays and the creation of specialty menus, featuring new cocktails and standout retail promotions. Tito's is partnering with a number of cruise lines, including Celebrity, Royal Caribbean Cruises, Norwegian Cruise Line, Carnival Cruise Line and Disney Cruise Line.

In South America, Tito's is set for significant expansion across both domestic and travel retail markets in 2018, in light of sustained economic growth and rapid development in many parts of the region.

In collaboration with regional duty free distributor Edrington Travel Retail Americas, Tito's has agreed to a new partnership with Dufry and is set to launch in Brazil, rolling out later into

Argentina, Chile, Peru and Uruguay. This collaboration builds on existing retail partners, including UETA, DFASS, Bernabel, London Supply and Motta, already operating in seven Latin American markets.

Working with regional distribution partner, WEBB Banks, Tito's has launched in Chile and Peru, collaborating respectively with local distributors, Viña Santa Rita and Perufarma. These initial launches will be followed by other markets as the year progresses.

At IAADFS Tito's is sharing an installation with Sazerac in the hall outside the main exhibition area, re-creating the Tito's pop-up craft bar that appeared in Las Vegas McCarran International Airport last summer.

"This year at IAADFS we are taking an alternative approach to better share our story with customers and letting them experience Tito's for the exceptional craft vodka that it is. Tito's epitomizes the American Dream and it's vital that we communicate its story effectively with customers, encouraging them to recognize the importance of craft spirits, particularly vodka, which is the second-largest spirits category in the channel."

McDonnell says Tito's still has much room to grow in international and travel retail markets.

"I'm enthusiastically optimistic. Dufry has told me they want to focus on craft and Tito's is an important craft brand. We want to expand to Dufry's stores in Europe, Africa, and the Middle East. There is a ton of runway left. We are just getting started."



Left: Tito's at London Supply's Iguazu store in Argentina. Right: Tito's special packaging for the Year of the Dog at JFK with International Shoppes.

WGS experiments with Glenfiddich in Orlando

William Grant & Sons is reporting continuing positive results in the Americas as it presents its latest products in its premium spirits portfolio to the region in Orlando.

“We’re back in Orlando for the new look Summit of the Americas after a really positive year for all our brands in 2017. The team in North and South America has worked amazingly hard against a challenging backdrop and it’s really paid dividends. Now we’re back with an incredibly exciting program for 2018 headed by the launch in the Americas of both the Glenfiddich Experimental Series and Tullamore D.E.W. XO Caribbean Rum Cask Finish, both of which visitors to our stand in Orlando will be able to sample,” says William Grant & Sons GTR Managing Director Ed Cottrell.

Launched initially to selected domestic markets in September 2016, the Glenfiddich Experimental combines the brand’s passion for pushing Scotch whisky boundaries and collaborating with trailblazers beyond the world of whisky, says the company.

Designed to inspire unusual and unexpected variants, the series has launched two initial releases: the Glenfiddich IPA Experiment and Project XX.

The Glenfiddich IPA Experiment marks the world’s first single malt Scotch whisky finished in India Pale Ale (IPA)



craft beer casks. Glenfiddich Malt Master, Brian Kinsman created the Glenfiddich IPA Experiment in collaboration with a local Speyside craft brewer, working together to create an IPA that would season the whisky casks. In the process of Glenfiddich crafting a new whisky for the Glenfiddich Experimental Series, the pair also created a brand new IPA craft beer.

Project XX is a collaboration between 20 whisky experts and Kinsman, who developed the whisky by bringing together 20 special single malts. The Glenfiddich IPA Experiment and Glenfiddich Project XX have a Recommended Retail Price of \$55 and \$60 respectively. A GTR exclusive packaging format is planned for later this year.

WGS is also highlighting Tullamore D.E.W. XO Caribbean Rum Cask Finish, a blended Irish whiskey. Bottled at an ABV of 43%, Tullamore D.E.W. XO Rum Cask Finish is a triple distilled, triple blend, triple wood matured, Demerara rum cask finished whiskey, available to purchase in select outlets around the world from an RRP of \$35.00.

The William Grant & Sons booth will include a fun, experiential element with visitors able to enjoy a taste of the brand activations which will be used in key airports this year, as well as discussing strategy for portfolio brands such as The Balvenie, Monkey Shoulder, Sailor Jerry, Hendrick’s Gin and Drambuie.

Says Richard Bush, Regional Marketing Manager: “2017 saw the Americas region continuing on a very positive trajectory for our brands. Sales continued to rebound in Latin America and results in North America were very encouraging. Despite the unexpected challenges in the region posed by the impacts of hurricanes Harvey, Irma and Maria, we managed to increase sales volumes in the region by a full 8% versus 2016. Heading into the new year we are confident that our much-loved brands will continue to outperform their respective categories. In particular, Monkey Shoulder is expected to be a standout in 2018.”

Bacardi to acquire Patrón Tequila for \$5.1 billion

Family-owned Bacardi Limited announced in February it will acquire 100% of Patrón Spirits International AG and its ultra-premium Patrón brand.

The transaction, which is subject to customary closing conditions, follows the successful relationship the companies have had for nearly a decade since Bacardi’s initial acquisition of a significant minority stake in Patrón in 2008. The transaction reflects an enterprise value for Patrón of US\$5.1 billion and is expected to close in the first half of 2018.

According to the most recent IWSR data, this transaction will make Bacardi the number one spirits player in the super-premium segment in the U.S. and the second largest spirits company in market

share by value in the critically important United States market.

The Patrón leadership team, including Chief Executive Officer Edward Brown, Chief Operating Officer David R. Wilson, and Chief Marketing Officer Lee Applbaum, will continue in their roles.

Tequila is one of the fastest-growing and most attractive categories in the spirits industry, with Patrón being the clear market leader in the super-premium segment. Super-premium brands continue to experience the fastest growth, and the trend is expected to continue, says Bacardi in its statement announcing the acquisition.

“We started this business more than a quarter century ago with a singular mission – to create an ultra-premium,

luxury tequila,” said John Paul DeJoria, co-founder of Patrón tequila. “Today, with that continued commitment to quality and several other extraordinary brands in our portfolio, we produce more than three million cases of distilled spirits annually that are enjoyed around the world. I am proud of what our entire organization has accomplished, and the work we do in giving back to the people and communities in which we operate.”

Mike Birch, Managing Director, Bacardi Global Travel Retail said: “While it’s too early to give any details on bringing Patrón in to our portfolio in travel retail, the team is very excited – it’s a fantastic brand in a strong category, with particular appeal in the Americas.”

Edrington TRA sees good initial results after integrating its business into global TR structure

Almost a year after Edrington assumed full ownership of its joint venture with WEBB and integrated its travel retail business in the Americas within its global travel retail structure, Edrington Travel Retail Americas has succeeded in moving closer to its customer base as it grows its premium spirits portfolio in the region, says Juan Gentile, Edrington senior vice president for Latin America and Travel Retail.

The Edrington WEBB Travel Retail Americas joint venture, which was launched in 2015, officially ended last May with the launch of ETRA.

“We entered the market as Edrington Travel Retail Americas on June 1, 2017. Our priority is to be closer to our consumer. We want to accelerate in key markets in America where we see growth opportunity for our brands. Being closer to the trade allows us to make decisions quicker, learn more about our consumers and have access to more insights,” Gentile tells *TMI*.

The results so far have been very good. The travel retail business unit continues to grow at double digits driven by its premium brands The Macallan and Highland Park, and its third party brands like Tito’s Vodka and the Sazerac portfolio.

Gentile says that the creation of ETRA has allowed Edrington to build greater synergies with its domestic operations.

“We are now able to build integrated plans for both our travel retail and domestic business. We have ten domestic brand ambassadors in key focus cities who are trained in our travel retail range so they are able to speak to our customers and consumers in the airports, the border shops and cruise lines. We try to emulate how we activate the on-trade and take that experience from New York and Miami into the cruise ships on trade.”

The transition to Edrington’s own distribution company has been smooth, because his high performance team came over from EWTRA.

“There hasn’t been a big change on that side, which is good news because we didn’t want to interfere with what was working right. Before the purchase Andy had put together a strong and high performance team.”

Edrington Travel Retail Americas is moving into a new office in Miami in May that will also house the Latam team and the South Division domestic team.

“With the focus on the consumer as mentioned before, in May 2018 we are going to be combining under the same

roof our Latam team, our Americas Travel Retail team, and also our South Division domestic team that covers ten states from Texas up to North Carolina. We are integrating our business, and the Miami office will act as an important hub for the Americas.”

Creating ETRA and integrating the offices into one main location are part of Edrington’s ambitious goals for the region.

“Our vision for the Americas is to become a leading premium portfolio company and our objective is to drive equity for our brands through premiumization. That’s our goal. We are on the right path working closely with our customers to deliver our premium brands to consumers. We have started to invest in our own route to market which allows us to better control our destiny.”

Gentile stresses that Edrington is investing in its brands in the region. “Our ambition in the Americas is big and our journey has just started. Macallan is showing us the way, but other great brands in our portfolio also have potential. I like to call Latin America ‘the new Asia.’ There are huge opportunities in Latin America.”



The Macallan flight program has been highly successful on the cruise ships for Edrington Travel Retail Americas.

New Macallan range

After launching The Macallan's Quest Collection in Cannes last year, the new travel retail exclusive range of whiskies will make its Americas debut this month in the region.

The Macallan Quest Collection tells the story of the pursuit of sherry seasoned oak casks through a series of four newly created single malt whiskies, each of which showcases their own distinctive casks with their own distinctive characters.

They consist of The Macallan Quest (40% ABV) made using four different cask types – European and American oak sherry seasoned, American ex bourbon and hogshead casks; The Macallan Lumina (41.3% ABV) using European and American oak sherry seasoned and hogshead casks; The Macallan Terra (43.8%), aged exclusively in first fill oak sherry seasoned casks, and The Macallan Enigma (44.9%), which uses exclusive maturation in first fill sherry seasoned butts.

“The new range will be on-shelf in key airports in March with activations in April with the majority of the operators. By May we expect to have the new range throughout the Americas including Canada,” says Gentile.

“We are training the trainers, and the staff of the ground stores. It is crucial that people get the story of Quest right. During the activation and HPPs we will have promoters available to explain the story along with a digital campaign to communicate the new range to consumers.”

Edrington launched the range at Singapore Changi airport in January, where it reached double digit results versus January 2017.

Cruise

The cruise segment is increasingly important for Edrington, says Gentile.

“The power of the Edrington portfolio allows us to offer retailers a more complete selection, especially to the cruise ships. The brands that are hot

and successful in the domestic market are going to be demanded on cruise,” says Gentile.

“We have brands to fit most of the drinking opportunities and occasions on cruise lines. We offer a leading whiskey portfolio, including Macallan, Highland Park, and Sazerac bourbons. In the vodka category we have Tito's, a really hot brand, and our Dominican rum Brugal, amongst other brands. All these brands are working really well on premise. Our ambition is to become the preferred premium brands supplier for cruise lines.”

The Macallan flight offer is another best practice Edrington has taken from the domestic market. The program has been an overwhelming success since it was launched, says Gentile. Celebrity sold 2,375 Macallan flights in 2017 and the program is now rolling out to 25 ships on Norwegian.

“Today cruise passengers can try the Select Oak, the Whisky Makers, and the Estate Reserve. It's about adapting the practice to our travel retail channel.”

The Macallan Quest Collection launched on March 1 at DFS stores across the Americas including LAX (TBIT shown here), SFO, JFK and soon to be launched in Hawaii. A giant 'rotating bottle' cut-out display highlighting the four expressions in a diamond-shaped glass showcase forms the centerpiece of the promotion. Guided by sales advisors, travelers can also engage in a sensorial experience of the range at the ingredient turntable/scent bar. Complimentary postcards are also offered to shoppers as part of the experience.



DANZKA Vodka makes inroads in Latin America TR with Dufry, prepares to launch DANZKA THE SPIRIT in U.S. duty free

Waldemar Behn reports great success with the rollout of its DANZKA Vodka in South America, where the company has been running high-profile promotions with Dufry since the start of the year.

“We have achieved excellent results from our exciting and high-profile POS activations with Dufry in Uruguay in January, in Rio de Janeiro and Sao Paulo, Brazil during January and March, and in Ezeiza and Aeroparque airports in Buenos Aires, Argentina in February,” says Tito Gonzalez, Regional Director Americas. “We are looking forward to similar success in May when we launch activations with Dufry in Lima, Peru and Santiago, Chile,” he adds.

The company is also preparing for the launch of its premium superior vodka DANZKA THE SPIRIT in the region at the Summit of the Americas, where it is exhibiting its full portfolio of premium spirits (Booth 223). Since its introduction at the TFWA World Exhibition in Cannes in 2016, DANZKA THE SPIRIT has rolled out to markets in Europe, Russia, the Middle East, and Asia and had a great start in Australia with Sydney Heinemann last November, says the company.

DANZKA THE SPIRIT will launch first in the U.S. duty free market, as the



Danzka in Rio de Janeiro with Dufry.

brand kicks off with Dufry US in the second quarter of the year. Behn will also be working with Chase International to support the launch of DANZKA THE SPIRIT in the U.S. travel retail channel.

Tito Gonzalez will resume responsibility of North America Duty Free in addition to his Latin and Caribbean role as Global Sales Director Torben Vedel Andersen will shift his focus to the Middle East and Asia (See page 102).

Waldemar Behn will also be featuring its alliance partner Pallini Limoncello at

the stand. The alliance -- named Family Brands Alliance -- was unveiled in Cannes. Waldemar Behn is working with Pallini Limoncello, the Italian family-owned company producing Pallini Limoncello, the N° 1 Limoncello brand in Duty Free & Travel Retail, to strengthen both companies in the changing travel retail world, and help them optimize logistics, marketing and service. said Rüdiger Behn, Waldemar Behn owner and Managing Director.

Wild Tiger Rum hopes to roar in Americas travel retail

India's Wild Tiger Rum will feature its stand-out packaging and one liter size bottle at the Haleybrooke International booth.

Wild Tiger's Gautom Menon says his company signed with Haleybrooke to increase its footprint in travel retail markets of North America, LATAM and the Caribbean.

Wild Tiger Rum was launched in travel retail less than two years ago, and has gained listings with ARI-operated shops in Barbados, Auckland and Muscat, Lagardere in Paris and Auckland with Viking Line, DFS Singapore and King Power Thailand in the pipeline.

“We are currently shipping orders

to the Duty Free operators in Ontario, Canada after getting favorable responses from Canadian buyers at the FDFA show in Montreal. We are also pleased with the performance of Wild Tiger at Neutral Duty Free in the Uruguay/Brazil borders and JPT Chile where it were launched just before the Christmas period,” says Menon.

Prakash Thadani, CEO of JPT, Chile remarked, “Wild Tiger Rum has been an exciting addition to our liquor range at our Iquique store. We launched during festive period and the response has been promising. Store visitors particularly love the catchy tactile packaging and flavor of the rum. We are confident the brand will grow in Chile.”

Wild Tiger will show buyers its new liter variants of the Special Reserve Dark Rum and Indian Spiced Rum.

“We also now have the Cubs Twin pack in a cute gifting format of 2 x 35cl bottles of each variant retailing at \$25,” says Menon.

Wild Tiger will also be showing the Rumtastic Rum Box, an advent style calendar consisting of 20 rums in miniatures from 20 great rum producing countries around the world.

Wild Tiger, which is produced in Kerala state of Southern India, donates 10% of its profits towards Tiger Conservation in South India via their non-profit Wild Tiger Foundation (W.T.F).



THE DESIGN EXPERIENCE

MONARQ Group adds more specialty to its portfolio

Despite a troubling year of external forces impacting travel in the region, MONARQ Group continued to maintain its growth last year, says MONARQ managing director/owner Robert de Monchy.

“During 2017 our business grew again double digits, despite the political implications and the two devastating hurricanes in the Caribbean. The year 2018 started similarly well with continued strong growth,” he told *TMI*.

“My motto is ‘the best way to predict the future is to create it,’ so quite obviously, from my perspective, 2018 will be better than 2017. As a company we are ready for 2018, which has already started really well, so there is no reason at all to believe it should be worse.”

MONARQ had a positive year in USA Duty Free, Mexico, the South Cone of South America, Central America and even with the two hurricanes, the Caribbean, says de Monchy.

“The hurricane impact has been more on a personal level than the 2017 business results. However, for the north-eastern Caribbean, the devastations will certainly impact the 2018 trade.”

MONARQ’s existing portfolio excelled in 2017, but the company also brought in some new brands to round out the portfolio.

“We are very pleased with the development of the portfolio, it’s in our DNA to be ahead of the curve and recognize trends in their very early stages. We have therefore been able to secure some

excellent new brands. At the same time, we keep refreshing and upgrading our portfolio, forcing us to release some brands that were no longer a focus,” he says. “We recently added Brooklyn Beer, Anderson Valley Brewing Company, Passoa and St George Spirits to our portfolio. We have a few others in the works but these are still under embargo.”

“There are a few categories that perform particularly well: gin, specialty - and single malt whisk(e)y, bourbon, (craft) beer, some liqueur brands and Provence Rose. Our portfolio is in pole position and carries many star performers, for instance, our Japanese Whisky collection with Iwai, Mars Cosmo, Komogatake Single Malt, Akashi and Togouchi is performing very well.”

The company gained new listings at RCCL, HAL, DFA, London Supply and several in Iquique, Punta Arenas and in the Uruguay and Paraguay borders last year.

MONARQ Group has maintained its growth by investing in its brands and back into the company. “People are always the greatest factor impacting any business and we are no exception to that. Hence we constantly invest in our organization, expanding and enforcing our teams in Miami, Mexico and South America,” he says.

De Monchy adds that further



consolidation may have a negative impact on the duty free industry going forward.

“A challenge is the continuous consolidation at the Duty Free retail level and, as a result, the increasing pressure on margins at the supplier’s side. In my opinion, this is not going to help duty free retail in the medium-long term, since the suppliers are starting to look for alternatives to build brands. From a consumer perspective, especially for millennials, a duty free retail store does not have the same aspiration level as ‘show window,’ as, let’s say, in the 80’s of last century. In our industry, I see a tendency towards the upscale bar-scene gradually taking over a part of this position.”

Crystal Head Vodka releases John Alexander Artist Series

Crystal Head Vodka has launched John Alexander Artist Series Number One, a limited edition keepsake bottle decorated with art from American artist John Alexander, who also designed the original award-winning Crystal Head bottle.

The limited edition artist series bottle, which is presented in a display case with magnetic door closures, launched in travel retail for a six month exclusive beginning in January 2018, before it will be available to domestic markets.

The images on the bottle are based on Alexander’s painting *Dancing on the Water Lilies of Life*, which is on display at the Dallas Museum of Art.

Alexander’s work has been widely exhibited at such prestigious institutions as the Corcoran Gallery of Art and the Smithsonian American Art Museum, both

in Washington, D.C., and the Museum of Fine Arts, in Houston. Alexander was a 2013 recipient of the Guild Hall Lifetime Achievement Award.



UN GRANDE CLASSICO REINTERPRETATO



“Drinking too much makes you poorly,
drinking poorly is even worse,
drink a little, drink in style,
drink Molinari”.

Angelo Molinari, 1968

Discover more on www.molinari.it

MOLINARI

Halewood brings Whitney Neill Gin flavors to the Americas, adds Dead Man's Rum to portfolio

Halewood Wines & Spirits will introduce the latest flavors of Whitley Neill Handcrafted Dry Gin to the region at the inaugural Summit of the Americas.

Whitley Neill Blood Orange Gin and Whitley Neill Raspberry Gin will be showcased alongside the full-strength Rhubarb & Ginger and Quince gins.

Launched in 2015, Whitley Neill Gin is now sold in over 80 countries and is already the second best-selling premium gin in the UK off-trade. In duty free it was ranked among the fastest growing gin brands of 2017.

Simon Roffe, Managing Director Global Travel Retail, Halewood Wines & Spirits said: "In the two years since Whitley Neill Gin was launched in global travel retail, it has achieved a stellar performance with successful launches in Canadian border stores and elsewhere in North America as well as major listings in airports, airlines, cruise and border



operators across Europe, Africa and Asia.

"We are now intent on building the brand worldwide with an innovative range of flavored gins, each of which has a distinct character derived from its natural ingredients from Scottish raspberries to Sicilian blood oranges. Given the vibrant bar and cocktail culture in North America, we see a bright and flavorful future for Whitley Neill Gin."

Dead Man's Fingers Rum

Halewood Wines & Spirits has added small batch spiced rum brand Dead Man's Fingers to its premium portfolio.

The founders of the Rum & Crab Shack in the British seaside town of St. Ives, Cornwall created the Dead Man's Fingers Spiced Cornish Rum in 2015 and immediately began to build a cult following.

Neythan Hayes, the founder of Dead Man's Fingers, said: "While we have achieved success to date through a handful of on and off-trade listings, Halewood's distribution structure will drive growth and allow more people to enjoy it as much as we do – this is what we're really excited about."

With the modern Tiki cocktail trend flourishing in the global bar scene and consumers experimenting with higher quality rums, Halewood says the acquisition of Dead Man's Fingers is a timely move by the company.

Dead Man's Fingers (ABV 37.5%) becomes the fourth brand in Halewood's premium rum portfolio, which also includes the award-winning Rum Sixty-Six, Liverpool Rum and Sadler's Peaky Blinder Spiced Rum.

"If the duty free and travel retail operators can find a way to incorporate new brands such as these and work with smaller suppliers, then they will surely be the drivers of innovative travel retailing. New pack formats of Dead Man's Fingers Rum, including 5cl minis and 100cl versions, are being developed and will be made available to the travel retail business in the coming months," says Roffe.

Haleybrooke to represent Snow Queen organic vodka in travel retail

Haleybrooke International has signed an agreement with Ellustria Ltd. to represent Snow Queen Organic vodka in travel retail worldwide

Ellustria's super-premium Snow Queen vodka is fully organic, based on organic wheat and is bottled in France. Snow Queen has won over 35 international awards and most recently the Spirits Business Gold award in the Global Luxury Masters.

Roman E. Park, Managing Director for Ellustria Ltd, said: "We are looking forward to working with Haleybrooke International and introducing Snow Queen in duty free. Snow Queen has undergone a substantial rebranding in the last year, where not only the bottle design but also the country of production has been changed. The time has now come to continue Snow Queen's legacy into unexplored territory and to further make our products available for the duty free consumer."

Patrick Nilson, President of Haleybrooke International stated: "We are excited about launching the new re-positioned Snow Queen Organic Vodka in the Travel Retail channel which is the perfect place for super premium products."

Snow Queen Organic Vodka will be selling in duty free at US\$39 for the 1 liter size.

For more information please contact Patrick Nilson p.nilson@haleybrooke.com, or Roger Thompson r.thompson@haleybrooke.com, or visit <http://www.ellustria.com>



HALEYBROOKE INTERNATIONAL

Duty Free & Travel Retail Summit of the Americas

March 18-21, 2018 – Orlando, Florida

B
BOTTEGA
S.p.A.


LOUIS ROYER
COGNAC

MAISON FONDÉE EN 1825

LABOURÉ-ROI


WHITLEY NEILL
HANDCRAFTED BAY GIN


SNOW QUEEN
Organic
VODKA


WILD
TIGER
VODKA

Freixenet

MOZART
CHOCOLATE LIQUEUR

THE POGUES
THE OFFICIAL
IRISH WHISKEY
BY THE LEGENDARY BAND


PAUL SAPIN
A NEW EXPRESSION IN WINE


CRABBIE'S


ALEXANDER
AQVA DI VITA

AGWA
DE BOLIVIA

Schröder
&
Schöler
Since 1739


JIMMY CRYSTAL
New York

Patrick Nilson +1 845 981 7240 p.nilson@haleybrooke.com
Roger Thompson + 1 203 322 9691 r.thompson@haleybrooke.com

**Visit us at booth # 207
Summit of the Americas**



ABCD: Torben V Andersen – “Mr. DANZKA” – attends his final Orlando show and bids the Americas a fond farewell

The Summit of the Americas in Orlando, March 2018 will be my good-bye to the Americas Duty Free and Domestic trade after many years of fantastic events and experiences. My debut was back in 1989 at the last IAADFS show held at the Diplomat Hotel in Hollywood, Florida. Those days I worked with Hiram Walker together with business icons like Lars Johansson, Don Coe, Evan Sharp, Deborah Golden, Alberto de la Iglesia, Salvador Carvalho and Bill Richards.

I was – as always - based in Copenhagen, Denmark and was globally responsible for Weitnauer, which was the reason why I attended the show since Weitnauer at that time had the SunCoast operation in Florida and the Newark Duty Free concession.

At that time of my business life, the “B” was the dominant letter – Ballantine’s, being the #1 core brand and a serious contender to Johnnie Walker to be the #1 Scotch worldwide.

My career did not start with “A” but with “C”. The C was for Carlsberg. I joined the company as a 17-year-old apprentice in 1973 and received a good all-around education combining day school, evening school and work in 8 different departments. This apprenticeship led eventually to permanent employment in the International Division, Carlsberg International A/S, where I joined the area covering Nordic and Duty Free.

I attended the first ISSA convention in the late seventies and first Tax Free Symposium in 1980 in Monte Carlo. These

years gave me basic fantastic experience in most ways – working in established markets like the Scandinavian market with agents/brokers, canvassing ship chandlers in South Europe, working with Heinemann in Germany (actually since 1979); and working in Greenland and Iceland both with the markets and the American Bases there. I brought Draft beer to Thule in the extreme North -- those were funny days.

Lars Johansson contacted me in 1984 to see if I would be interested in joining Hiram Walker. After a good year we agreed on the details and I joined him in 1986. What a change!! It was very dramatic to come from a big but very Danish company with international business, into a streamlined global organization consisting of a brilliant line up of super people (I



Torben with “C,” Carlsberg.

really felt like a country boy initially). But the following 12 and a half years provided a world of brutal experience, because there was drama at all times. Hiram Walker was sold a few months after I joined, and then began the endless period with mergers and buy outs. We did not get new business cards every week – but close!

These years provided me with deep experience in all European business, especially Travel Retail but also home markets and global key account management; I held board positions within Allied Domecq in periods and worked with almost all types of alcohol products (except Vodka!). My experience ranged from the

wine estate of France’s Château Latour to China’s Hua Dong Winery and from Kahlua to Laphroaig. But all good things come to an end. Duty Free was abolished within the EU resulting in several of Allied Domecq employees being asked to leave – including me.

I left at the end of 1998 and was unemployed for seven months in 1999 – a lovely break after a not too pleasant departure from AD. At that time, Lars had also left Allied and we seriously discussed a partnership for Europe for IUI brands, Lars Johansson and his wife Beverly’s upcoming very successful company. But then suddenly Erik Juul-Mortensen contacted me and asked if I could take a temporary position with Danish Distillers as DD was up for sale and some of their young hopeful area managers had left the company.

I did not think I was mentally ready to start up my own operation, so I accepted Erik’s offer of this 3-6 month temporary position. However, luckily, it was made permanent after a few months – where after Danish Distillers was acquired by Swedish monopoly Vin and Sprit.

And so my “D” for Danzka began a few months later, enriched with an “A” for Absolut, kicking off approximately six great years with me in charge of both brands. Not long after the takeover, Vin and Sprit’s Claes Fick founded V&S International Brands, with me reporting to Erik. I was given DF/TR responsibility

for the Americas duty free from North to South. This is when my close relations with the Americas really began, with intensive traveling from Canada to Tierra Del Fuego. North America was really an Absolut Powerhouse and Central /South America was a very important Danzka Vodka region. Eventually both brands did well all over the Americas Duty Free market; and with the addition of Cruzan Rum to the portfolio, we were really dominating white spirits in all segments, Cruises, Borders, Airports, Inflight, and Caribbean.

Then Danzka Vodka was sold in 2006 when Sweden started to privatize V&S. Both Danzka and I landed with French Belvedere Group for 7 years, where a Danish-based subsidiary managed Danzka with mixed successes. In 2013 we (Danzka and I) were sold again, now to wonderful Waldemar Behn GmbH in North Germany, and I really believe that Danzka Vodka has found its final home.

Now, 5 years later I say good bye to business and friends in the Americas duty free by attending the Orlando Summit – as always with Helle, my lovely wife though 40 years this summer. I will continue working with Waldemar Behn in other parts of the world for three more years though.

Thank you for all the great moments in the Americas to each and every one that I have had the honor and pleasure of working with these many years and in 91 countries. My Life’s ABCD ends with a fond Farewell.

Torben Vedel Andersen

Torben’s constant throughout his entire career has been “H,” his wife Helle.





Diageo opened a new luxury store at DFW with DFASS (left) and the first Johnnie Walker boutique in the Americas at MIA with DFA (right).

Diageo opens three branded stores in U.S. duty free to educate and engage consumers

From Dallas to Miami to San Ysidro this past year Diageo Global Travel has opened branded boutiques and store-within-a-stores throughout the United States, all designed by Miami-based design agency Bloommmiami.

Dallas with DFASS

Its latest opening, the 400 sq. ft luxury store at Dallas Fort Worth International Airport, opened in partnership with DFASS Group and its partners CBI Retail Venture (CBIRV), MDT Strategic Ventures and Charles Bush Consulting in February. Located in Terminal D between gates D22 and D23, the store features a central sampling station, interactive video screens and wall displays. For the whisk(e)y drinkers, a feature wall displays a range of exciting variants from the Scotch and American whiskey categories.

Marcos Bibas, Commercial Director, Diageo Global Travel Americas, said: “We are delighted to offer travelers in Dallas an interactive shopping experience that

explores the rich history and pioneering spirit behind our much-loved brands. I would like to thank our partners at DFASS Group, CBI Retail Venture (CBIRV), MDT Strategic Ventures and Charles Bush Consulting for their help in making this collaboration a reality. Dallas Fort Worth is an integral international travel hub in North America with 67 million passengers traveling through the airport last year alone. This demand of passengers has welcomed new investment in the airport’s systems and construction, making it a prime location for the first Diageo airport retail experience in North America. The store’s luxury features are designed to offer new and existing passengers the opportunity to discover and try our award-winning spirits, so they have all of the information they need to purchase the right brand for them.”

The luxury store offers key variants from Johnnie Walker, as well as a range of Single Malts and spirits from Bulleit, Baileys, Ciroc, Tanqueray and Zacapa.

Miami with DFA

The Dallas store follows the opening of the first Johnnie Walker boutique in the Americas in partnership with Duty Free Americas which opened at Miami International Airport North Terminal, concourse D in December.

The 1,145 sqf luxury boutique showcases the latest products from the brand and offers shoppers special personalization and gifting opportunities through unique gifts, customized labeling and engraving services. Shoppers can also sample the Johnnie Walker blends and Diageo malt whiskies at the store’s elegantly designed bar.

Education and engagement

Diageo Global Travel Managing Director Dayalan Nayager told *TMI* that the Miami boutique will offer consumers much more than they would be able to get in a typical duty free store location.

“A lot of what will happen in the store is education. Where the scotch is from, which part of Scotland. How it is made. It is about being engaging, showcasing the brands, and bringing people into the category.

“The people who work here will be highly educated brand ambassadors who know the liquids. Visitors will have more access to malts. The store is not about packing the products on the shelves; it is about the engagement with the consumer. There is the bar where you can do tastings and trials. It is about scotch and building the scotch category,” he explained.



ARE YOU LIQUEURIOUS

MARIE ZEST

INGREDIENTS :

- ◆ 1 part Marie Brizard® Anisette
- ◆ 1 part lime juice
- ◆ 3 parts premium tonic water



MBW S France - RCS Paris 454 200 064.

Come and visit us
at Chase International
Booth #1215

MARIE BRIZARD

Sensationnelle since 1755

PLEASE ENJOY RESPONSIBLY.

Brown-Forman highlights whisk(e)y portfolio in Orlando

Brown-Forman GTR is showcasing its channel-leading whisk(e)y portfolio at the Summit of the Americas, featuring Jack Daniel's Tennessee Whiskey, Woodford Reserve Bourbon Whiskey, Slane Irish Whiskey and the BenRiach and The GlenDronach Single Malt Scotch collection.

"We are enjoying a remarkable period of global macro-economic and geopolitical health right now that promises to fuel steady growth in travel retail into the foreseeable future barring unforeseen circumstance. Brown-Forman is poised to benefit from this period of stability thanks to the channel-leading strength and popularity of our whisk(e)y portfolio," explained Eric Helms, marketing director for Brown-Forman global travel retail.

Helms cited the rapidly growing popularity and momentum of Jack Daniel's Old No. 7 and Tennessee Honey as well as double digit growth for Gentleman Jack and Jack Daniel's Single Barrel in both



established travel retail markets as well as new emerging markets.

"We are rounding out the Jack Daniel's portfolio in travel retail with the

addition of Jack Daniel's Tennessee Rye and Jack Daniel's Bottled-in-Bond both of which will be making their presence felt in 2018 and in Orlando," Helms said.

Woodford Reserve Rye will also be joining Woodford Reserve Kentucky Straight Bourbon Whiskey and Double Oaked in travel retail this year and will be featured in Orlando.

BenRiach and The GlenDronach will be launching new malts in the coming months.

"Our malts are being remarkably well received particularly in Asia and we are pleased to be adding several travel retail exclusives to the portfolio," he said.

The new single malts include the BenRiach ¼ Cask and the BenRiach ¼ Cask Peated as well as The GlenDronach Kingsman. The forthcoming travel retail exclusives include the BenRiach 10-Year-Old Triple Distilled, The GlenDronach The Fogue 10-Year-Old and The GlenDronach 16-Year-Old.

To commemorate the new store, Diageo has created a special cask strength limited edition that will be available only at the Miami International Airport Johnnie Walker store: The Johnnie Walker Blue Label Miami Edition. Inspired by the location and with a design created by local Miami illustrator Ernesto Miranje, the Johnnie Walker Blue Label Miami Edition celebrates the Miami culture by picturing hand-crafted designs of well-known landmarks together with the brand's journey from the agricultural lands of Kilmarnock in Scotland to the glistening shores of Miami.

This limited edition is currently on display inside the store and only 500 bottles will be available for purchase from March 2018.

San Ysidro with Baja Duty Free

In August, Diageo and Baja Duty Free opened a Diageo store-within-a-store for Baja Duty Free's San Ysidro location.

The permanent store, the first Diageo store-within-a-store on the southern border, features Diageo's popular brands including Johnnie Walker, Buchanan's, Bailey's and Captain Morgan, as well as the brand's luxury division, World Class. The unique

store design boasts attention-grabbing, disruptive design elements that were strategically incorporated to guide the consumer towards Diageo's multi-award winning portfolio of fine spirits like Ciroc, Ketel One, Don Julio and Ron Zacapa.

Key design features include a ceiling treatment made from slatted hardwood that was intentionally installed to attract consumers to the Diageo store and set it apart from the rest of the facility. In another effort to attract consumers into the design-forward section, several recessed LED strip lights were installed in an irregular pattern to disrupt the adjacent store lighting and create interference.

In order to provide consumers with a tangible, memorable experience, the store's main counter serves multiple purposes operating as a tasting bar, a multi-teared



Diageo and Baja Duty Free opened a Diageo store-within-a-store in San Ysidro in August.

product display, and a digital media learning center using interactive iPads where customers can review drink recipes, flavor profiles and learn about the different brands through its World Class Reserve application.

Diageo previously opened its first exclusive Diageo store in the region in the International Arrivals concourse of El Dorado International Airport in Bogota, Colombia, in partnership with DFA in 2014.

ENJOY DISARONNO® SOUR



ENJOY DISARONNO RESPONSIBLY

DISARONNO
BE ORIGINALE

Jägermeister to prioritize GTR in 2018



Following a strong performance in global travel retail in 2017, family-owned Mast-Jägermeister SE is increasing its TR activity in 2018, focusing on key European markets and the Americas.

Jägermeister will increase its in-store presence in airports, including permanent visibility, such as shelf branding and advertising at point of purchase. More airport activations are planned to create unique brand experiences for traveling

consumers and support key sales periods, including Halloween and Oktoberfest.

The company is also rolling out Jägermeister Manifest, the first super premium herbal liqueur to be introduced on the market. Jägermeister Manifest was launched exclusively with Gebr Heinemann at selected airports in 2017 and will be introduced into other selected international airports later this year.

During 2018, a line of travel retail exclusives will be introduced, as well as a range of four newly designed gift packs, exclusive to the duty free channel. Available across all markets, the packs offer a gift with purchase and feature 2 x 50cl bottles with shot glasses, a 1.75l bottle with 2 shot glasses, a 1l bottle with 2 metal shot cups and a 1l bottle in a silver tin box.

Jägermeister is the world's top liqueur brand and the #8 international premium

spirits brand (IWSR). As the #16 premium spirits brand in global travel retail, the company sees the channel as a huge opportunity for growth.

"Jägermeister demonstrated a strong performance in global travel retail in 2017, thanks to a growing distribution base and strong sales with existing customers. We also rolled out a new brand identity, highlighting Jägermeister's heritage, quality and pursuit of perfection, which is instrumental in driving brand premiumization," says Mast-Jägermeister SE Director of GTR, Dietmar Franke.

"This year we continue to build on momentum, with an increasing level of activity and customized in-store presence, amplifying visibility in airports, particularly in Europe and the Americas. We are excited to work with the support of customers as we focus on brand building and engaging with consumers with unique and ownable promotions around the world."

WTDC evolves to better serve Free Trade Zone inventory management

WTDC, a Foreign Trade Zone and Logistics company specializing in inventory management for the duty free and travel retail industry, now oversees FTZ inventory management for some of the largest portfolios in the Spirits industry.

When WTDC president and CEO Sean P. Gazitua first visited the IAADFS Duty Free show in 2013, he was focused on meeting with his existing customers to review their operations. "It seemed that everywhere we went, our current customers were introducing us to other suppliers," Gazitua said. "Almost all of them were having the same logistics obstacles that we were resolving on a day to day basis."

The company began restructuring to better suit its spirits customers and their client base. WTDC developed spirits-specific standard procedures while considering distinct requirements for each customer. Technology and personnel would become the focus of WTDC's culture shift.

Understanding the buying cycles of the duty free market and their need to consolidate orders was also critical. WTDC became a duty free marketplace of sorts, a location where buyers could purchase from multiple suppliers and consolidate under one roof.

From COLA waivers and spirits

samples to navigating intricate customs regulations for each country, it has been the challenges of its customers that have now become opportunities for the company.

WTDC has evolved to provide complete global logistics solutions, elevating itself from a bonded warehouse to include Foreign Trade Zone, Air and Ocean Transportation, and Customs Brokerage services. A temperature control area was also built within the warehouse so customers could warehouse their liqueurs, cognacs, and champagnes alongside their other spirits inventory.

Gazitua maintains a longstanding relationship with the developers of their warehouse management system. With his assistance, they built out new platforms and inventory control tools to manage spirits in a Foreign Trade Zone environment. Numerous EDI integrations added to his growing knowledge of systems and the importance of automated processes to facilitate orders and documentation. WTDC also invested in new servers, closed Wi-Fi networks, RFID scan guns, cloud server backups, and firewall technology.

As WTDC maintains a robust Internship program with local universities, there were willing and able educated personnel ready to tackle new challenges.



Sean Gazitua

Among the processes introduced for the spirits market were KPIs and cargo verification, many of which were completed by the student Interns. Many of these interns that began with the company learning the ins and outs of cargo verification have now become valuable assets as part-time and later full-time employees. The company recently expanded its customer service department and continues to make efforts to streamline all logistics processes for its customers.

"Last March we kicked off our 40th year in business and we've significantly grown our spirits customer base this year," WTDC president and CEO Sean P. Gazitua said. "We are excited about what the future holds for our company."

Grey Goose shares a touch of winter magic at Toronto Pearson

Bacardi Global Travel Retail created a magical seasonal campaign for Grey Goose vodka at Toronto Pearson International Airport Terminal 3 that ran from December 1, 2017 – January 6, 2018, and set a new standard for shopper engagement, says the company.

The campaign offered travelers the surreal opportunity to step into a giant snow globe for a unique, premium experience at the airport.

The Grey Goose snow globe installation was the centerpiece of a French Alps-themed space, featuring a mountain chalet-styled ambience where shoppers could unwind and sample a seasonal Grey Goose cocktail.

The themed area was furnished with a range of branded fittings and theatrical props, including chalet-style seating, ‘log’ tables, mountain signage and flickering lanterns that enhanced the atmosphere.

Shoppers were invited to select from a range of ‘snow-ready’ props and strike a winter pose in the giant snow globe experience. Using Sharingbox, an automated digital photobooth, photos were printed instantly as a seasonal greeting card or shared electronically as an animated GIF.

Travelers were able to sample Grey Goose Le Fizz cocktails at the Alpine Chalet themed bar, which encouraged trial among travelers, delivering a double digit conversion uplift in sales of the Grey Goose range versus the same period in 2016. The activity reached over 340,000 travelers, delivered over 100,000 Snapchat impressions via a personalized Grey Goose Snapchat filter, sampled over 15,000 Grey Goose Le Fizz cocktails with almost 5000 selfies taken in the giant Grey Goose snow globe with Sharingbox.

The activation targeted seasonal purchasing through an extensive display of House of Grey Goose products, including Grey Goose Original available in the new 2017 seasonal Alpine gift pack, Grey Goose VX, Grey Goose Interpreted by Ducasse, Grey Goose flavors - L’Orange, Melon, Le Citron, Cherry Noir and La Poire.

Geoff Biggs, Regional Director Americas, Bacardi Global Travel Retail comments: “We’re really pleased with the results from Toronto Pearson Airport; we



set the bar high, challenging ourselves to create something to go beyond brilliant engagement and entertainment for travelers that would drive a noticeable upturn in conversion. The strong visual impact of the Grey Goose Winter Wonderland caught people’s eye to come and explore the distinct seasonal atmosphere, enjoy a cocktail in the Alpine bar and create their own photo moment in the snow globe.

“Achieving a double digit sales uplift on the category-leading brand proves that traveler conversion is achievable when the essential ingredients for engagement are brought together – a relevant, appealing brand, creativity, sampling and optimal space. The Partnerships and Advertising Team at Toronto Pearson Airport shared our ambitions and these results are a credit to their co-operation.”

The Grey Goose holiday campaign in Toronto is just one of Bacardi’s large scale brand campaigns from last year that the company will be building on in 2018. Bacardi created a Dewar’s Fine Whisky Emporium at Frankfurt, which it will be developing for Miami Airport this summer.

“These campaigns delivered tremendous engagement with existing brand lovers and recruited new interest; they drove footfall and double-digit sales uplift with travelers who were intending to shop the spirits category and, significantly,

converting those whose curiosity with the campaign instigated them to make a purchase,” says Biggs.

“We will be delivering more of this type of shopper engagement as the importance of driving interest and conversion in areas of high footfall, both inside and outside store on the airport concourse, will be increasingly important in 2018 as the USA continues to see a drop in incoming passenger numbers, largely thought to be connected to the strong U.S. dollar versus other key currencies like UK Sterling and the Euro.

“In cruise there’s good organic growth as a result of increased U.S. consumer confidence around the U.S. economy. Advance bookings are strong and there’s increased capacity, so we will be continuing our support and investment in the channel.

“In Latin America, there’s slow recovery from the 2017 hurricane season, but economically there are some general signs of improvement versus a year ago. Colombia is showing especially good growth, boosted by the opening of additional terminal space at Bogota shared by DFASS and Dufry and in the existing Motta space. We are also seeing improvements in demand from Brazil around our whisky, vodka and gin portfolio.”

Intrepid Spirits debut three fun spirits brands with storied pasts

Ireland's Intrepid Spirits has the perfect brands to round out the spirits sections of duty free stores throughout the Americas, says Jeremy Toettcher, Intrepid's Regional Director Latin America.

Intrepid's premium to ultra-premium spirits portfolio consists of three unique and authentic brands: Cocalero, a South American herbal spirit that is one of the fastest-growing spirit brands in Asia-Pacific; Mad March Hare Poitín, a previously outlawed Irish spirit that Intrepid is bringing back to life in craft cocktail bars across the U.S. and Europe; and Egan's Irish Whiskey, which is popular within the Irish Whiskey scene in the U.S.

"In Orlando I am hoping to introduce our brands to the Latin American and Caribbean duty free operators. They can try something truly unique and set apart their company and portfolio," Toettcher tells *TMI*.

Cocalero, Intrepid's most successful spirits brand since it was launched five years ago, is a range of South American herbal spirits crafted from coca leaves, which are grown in the valleys and jungle regions of the Andes. The leaves are harvested by hand, slow-dried and distilled, before being mixed with select botanicals, including guarana, ginseng and juniper.

"We launched Cocalero in Asia to moderate success in China, Hong Kong, and Korea. But Japan embraced the brand and it took off to become globally our number one market," says Toettcher.

The Cocalero range includes Cocalero Clásico, 29% Alc. Vol, and Cocalero de Altura, ABV (40%).

After its success in Asia, Intrepid is gaining listings in the Americas.

"We just started to make inroads. Cocalero is in Bolivian duty free now and we have a deal with UETA for the Panamanian region. We are trying to get a foothold in the region here, which is one of the main reason we are doing the show this year," he says, adding that the brand launched in Canada in the domestic market and border stores.

"We are giving bartenders and mixologists the chance to make something quite unique. It's not another tequila, another vodka, another rum. It is something a little bit fun. We are definitely looking forward to the launch this year in the U.S.,

where we will be focusing on some college towns initially."

In duty free, the company sees huge opportunity for Egan's Irish Whiskey in the region, especially in the U.S.

"The family has a long history in Ireland being premium bonders and bottlers of Irish whiskey since 1852. They had Egan's Number One, but let the whiskey brand fall by the wayside and concentrated on the bonding, aging, and sourcing for other brands. Eventually they decided to go more into the wine business, which they have had for the last 30-40 years," says Toettcher.

Now six generations later, Jonathan Egan has brought back his family's Irish whiskey.

"Jonathan always had the dream of bringing Egan's Number One whiskey back to life so we decided to get the brand up and running again. Egan's has a genuine offering, because the family has been in the business for six generations and not many other Irish whiskey brands can claim to have that level of family heritage."

Jonathan and his wife Allison will be on the Intrepid stand in Orlando for two days where they will be launching Egan's 15 Year Old Single Malt Legacy Reserve. The Egan's whiskey portfolio also includes a Single Grain and a 10 Year Old.

"We may be able to have a world debut for the Egan's 15 Year Old Single Malt, a limited release with beautiful packaging.

We think it will work extremely well in duty free globally," says Toettcher.

Intrepid's third brand is Mad March Hare Irish Poitín, Ireland's oldest spirit that Toettcher compares to moonshine.

Poitín, Irish for 'small pot,' was forced

underground in 1661 when the British Crown attempted to tax it into extinction, and was subsequently outlawed across the country. Poitín was only legalized in 1997.

"Mad March Hare Irish Irish Poitín is an interesting proposition. It is a spirit that pre-dates anything you've tasted including whiskey. It was first distilled by monks in the sixth century and has played an essential role in Irish drinking culture for many centuries. We wanted to resurrect this amazing brand and make it slightly more refined and palatable to the masses."

Mad March Hare won a Double Gold medal at the San Francisco International Spirits Competition.

Intrepid, which has offices in Asia, the U.S., and Latin America, is ready for its brands to grow in the Americas.

"We are a relatively small team but we are already making a large global footprint. We are punching above our weight. We react very quickly to situations, which has helped us grow the company quickly," says Toettcher.

"We focus on authenticity, heritage, and craft, which are critical attributes in a world where consumers are always connected, well-traveled, and brand savvy."



EXPLORE

THE WORLD OF INTREPID SPIRITS



SAN FRANCISCO • NEW YORK • LA PAZ • DUBLIN • AMSTERDAM • SHANGHAI
EXPLORING THE BRAVE NEW FRONTIER OF CURIOUS LIBATIONS
PHONE: +1 415 481 7320 MAIL: JTOETTCHER@INTREPID-SPIRITS.COM WEB: INTREPID-SPIRITS.COM

Marie Brizard brands continue to build Americas business

Marie Brizard Wines & Spirits reports strong sales and business across the Americas in 2017, both in domestic and duty free markets. Now represented in U.S. and Caribbean Duty Free markets by Chase International, MBWS is poised for major expansion during 2017 for all its brands, including Marie Brizard liqueurs, Gautier Cognac, Sobieski Vodka, William Peel Blended Scotch Whisky and, new to travel retail, Fruits & Wine by Moncigale.

“As Marie Brizard Wines & Spirits brands continue to strengthen their market position in the Americas – both North and South – so the portfolio becomes strategically more and more interesting to the travel retail sector,” says MBWS Global Travel Retail Director Kevin Baker.

“Now that we are in the hands of the very experienced and knowledgeable team at Chase International, I am even more convinced that 2018 will see us making significant inroads into the region’s airport and border shop businesses.”

Marie Brizard liqueurs relaunched in the U.S. in 2017 with a totally new brand identity; more contemporary and bold packaging supported by a new “Are you liqueurous?” activation campaign. At the end of 2017, six new flavors were added, including Elderflower, Yuzu, Jolie Cherry, Pink Grapefruit, followed by Finesse Orange and Banana (in early 2018).

To take advantage of the growing popularity of the cocktail trend in the U.S., Marie Brizard is teaming up with the U.S. Bartenders Guild to educate bartenders on the brand in eight key states throughout 2018.

MBWS brands grew strongly with



Shopping China in Paraguay. William Peel Scotch Whisky has seen substantial growth of 80% in sales, while Sobieski Vodka and Marie Brizard liqueurs are both up by 20%. William Peel Double maturation, William Peel Honey and William Peel Spicy Shot all launched in 2017 and are enjoying great momentum on the borders.

“William Peel is proving to be rather a star performer,” says Baker. “It’s really finding a niche; as well as its excellent performance with Shopping China, the brand is performing very well in Iquique Chile with Vierci, which has listed both Double Maturation and Honey expressions. This year will see us launch William Peel into Mexico, along with Sobieski Vodka and Fruits & Wine, plus several other South American countries including Colombia, Honduras, Nicaragua and Dominican Republic. We’re very hopeful that this will lead into some key airport listings for the

brand within the region.”

Fruits & Wine by Moncigale is a new line for MBWS in the Americas. This 11 flavor range of fruit infused wines sells over a million cases in France and, with fewer calories and a lower alcohol content than Rosé Champagne or traditional wines, is carving a niche as an anywhere, “anytime refreshing drink,” says the company.

Fruits & Wine is launching this year with Compania de Indias on the Uruguay/ Brazil border at Rivera.

The whole MBWS portfolio has been growing strongly in Trinidad & Tobago with a 152% jump. Marques Del Puerto Rioja Wines were launched in January 2018 and first results are already encouraging, says MBWS.

In Canada MBWS has been focusing on building brands in the domestic market which creates a strong base from which to approach Canadian travel retail outlets – both at airports and on the U.S. border.

The LCBO (Liquor Control Board of Ontario) listed Gautier Cognac XO and VSOP in 2017 and is adding Marie Brizard liqueurs and Gautier Cognac XO Pinar del Rio for the 2018 Christmas season.

Now the 4th leading Cognac brand in Canada with over 6% market share and 14% growth last year, Gautier continues to perform well in the country. The new look Sobieski Vodka will be launched during the second half of 2018 while MBWS is working hard to build the presence of Marie Brizard liqueurs in the ontrade throughout Canada.

MBWS brands can be seen on the Chase International Booth #1215.

ALFA Brands to represent Compagnie des Produits de Gascogne

ALFA Brands has been appointed as the exclusive agent to represent C.P.G.’s products: Armagnac de MONTAL, Gascony and Côtes de Gascogne Rieurtort Wines, in the North American Duty Free markets.

Armagnac is the oldest French Spirit dating back to the 14th century, 150 years before cognac, born of the convergence of three cultures: the Romans introduced

wine, the Arabs invented the alembic and the Celts brought barrels.

The Côtes de Gascogne Rieurtort wines selection, comprises of Dry whites: Chardonnay, Colombard-Sauvignon and Colombard-Chardonnay; Off dry: Gros Manseng and Petit Manseng, as well as Reds and Rosés.

ALFA Brands has also announced it will represent Newby Teas.



Mazaya brings “Out of World Flavors” to Summit of the Americas as it exhibits for the first time

Is there a Shisha in your future?
Jordanian-based Alzawrae --pioneers in the production and supply of high-end tobacco-molasses and innovators in hookah technology to international quality standards – is bringing its Mazaya brand of flavored Shisha tobacco to the Summit of the Americas, as it strives to expand the base of its success globally.

Founded in 2010, Mazaya has grown from three markets to 30 markets in just the past few years.

“We see huge opportunities for Mazaya in the Americas and are keen to bring the shisha experience to delegates from this part of the world,” says Mazaya brand manager Rawan Elayyan, who plans to exhibit the brand here for the first time.

“We always look for openings where we can offer an added value experience to consumers; one that makes their journey comfortable and entertaining – as well as introducing them to Mazaya of course, in whatever way is permissible,” she explains.

“We know that high profile promotions such as those we run in Dubai and Jordan will not be possible in many airports due to tobacco restrictions but wherever it is possible we plan to create as much theater and excitement as we can to capture the attention of travelers, introduce the world of shisha, and offer a value shopping incentive,” continues Rawan.

Mazaya has been working diligently to spread awareness of its brand and products.

The company has sponsored numerous high-profile events throughout travel retail over the past few years, and most recently hosted both lunches at the rescheduled MEADFA Conference that took place in Dubai at the end of January. The lunches gave delegates the opportunity to experience the brand’s ‘100 out of this world flavors’ in a relaxed networking environment, said Elayyan

At the heart of the Emirates, Dubai and its neighboring states are one of the most important regions for Mazaya as it seeks to bring shisha tobacco to travel retail markets globally.



Mazaya uses high-profile activations in airports in the Middle East to create theater and generate excitement for its products. Will airports in the Americas follow suit?

“The Emirates acts very much as a trend setter for many Middle Eastern countries,” explains Elayyan. “Dubai is a particularly important focus for us and we have invested heavily in promotions both with Dubai Duty Free and via JC Decaux over the past year.

“Our ‘Step Out of this World with Mazaya’ and ‘Wish I Could Shisha in the Sky’ promotions were both very successful and very well received resulting in tangible sales growth, while our sponsorship of DDF shopping bags and JCD monthly advertising spots have significantly raised brand awareness.”

Elayyan says Mazaya’s investment into high profile activations along with considerable brand building at travel retail trade exhibitions and events is now seeing solid results.

“Business is doing fantastically well,” she continues. “We’ve seen triple digit sales growth in a number of markets including almost 122% year on year in Aldeasa Jordan Airports Duty Free Shops through Dufry. Not only are we seeing sales growth through existing channels but

we are also now completing negotiations for new airport listings with a number of retailers both in the region and beyond. We’ve recently added Sharjah and other new business will be announced very soon. The interest from outside the Middle East is really very exciting, although this will remain our core sales channel of course.”

In Dubai, delegates were able to view the many different flavors of shisha available via a number of displays, all available in various pack sizes.

“We are now developing exclusive pack sizes and mixes for retailers which we will be happy to discuss in Orlando,” Elayyan adds.

The Mazaya brand was launched in 2010 by the fast-growing Jordanian tobacco company Alzawrae. Through Mazaya, Alzawrae aims at revolutionizing the production of tobacco-molasses, presenting to their customers a diverse and innovative selection of high quality products, distinguished by their unique ingredients that include pure honey, natural food grade flavors and premium quality French tobacco.

Tea Forte introduces exotic gift collections and first TR exclusive

Global luxury tea brand Tea Forte is upping the excitement factor for its giftable teas with the introduction of exotic new collections for Matcha and Chakra teas, as well as for its first travel retail exclusive Tea Tasting Assortment.

The Chakra Collection is made up of five different blends in the Indian tradition of Masala Chai. Each blend – three made from herbal teas and two from black teas -- is created with aromatic spices that encourage well-being and mental clarity. All blends in this collection are organic.

The herbal selections include a fruity Ginger Guru Chai; Rooibos Raja Chai, a red chai tea with apple and pink pepper; and Tumeric Tantra Chai, a blend of spices and licorice. Maté Mantra Chai is a black tea with top notes of cocoa and spice and Vanilla Veda is enhanced with classic spices and vanilla.

Gift boxes are available with either 10 or 20 pyramid infusers, or in 15 Single Steep pouches.



Brand new for Travel Retail, Tea

Forte is introducing an exclusive Tea Tasting Assortment presented in a distinctive pyramid-shaped package that exactly echoes the pyramid shape of Tea Forte's iconic diffusers. The assortment contains a mixture of black, green and herbal teas in six best-selling flavors.

Tea Forte's Ceremonial Matcha Bowl Set and Matcha Single Steep collections come in pure matcha and four additional flavors, including ginger, coconut, chocolate and chai.

The high quality organic matcha teas —shade grown, spring harvested and stone ground—are prized for their health benefits. Steeped green tea contains only

the antioxidants that can be extracted in water, while with matcha, the whole leaf is consumed. Tea Forte's high-grade matcha is shaded in the weeks prior to harvest, increasing chlorophyll and encouraging the deep emerald hue. They are also Kosher and gluten-free.

“The launch of Tea Forte's Matcha and Chakra collections represent our continued commitment to wellness and cultivating all the potential mental and physical health benefits of tea,” says Tea Forte CEO Michael Gebrael. “In addition to our high quality Pure Matcha, we've also blended four distinct flavored matcha varieties, and five exotic chais. Prepackaged in pouches measured out for a single serving, our Single Steeps Matcha and Chakras are ideal for the office, travel, or to keep with you for a boost anytime.”

For Matcha enthusiasts, Tea Forte also offers a Ceremonial Bowl Set that includes a handcrafted ceremonial tea bowl, handmade bamboo whisk and measuring ladle, which allows users to prepare the premium matcha blends much like they were prepared in the centuries-old Japanese tea ceremony called chanoyu: a preparation technique known for its centering meditative qualities.

The Single Steeps comes in 15 single serving packages ideal for travel, three of each of the five varieties.

In travel retail, Tea Forte's Matcha collections launched with Lotte, DFS, International Shoppes at JFK and BOS airports and with NewsLink at MIA; with Chakra launching in April, reports Zack Boiko of Actium, the agency which is exclusively representing the brand in Travel Retail worldwide and in Latin American and Caribbean domestic markets.



Mars to focus on bite-size pouches

Mars International Travel Retail is focusing on long-term consumer favorites in bite-size pouch packs in Orlando. Shareable formats play a key role in appealing to the needs of the traveling consumer and growing the confectionery category, says the company.

Three new variants will be introduced to travel retail, based on top-selling brands: Mars, Twix, and Snickers. Bars Bites will sit alongside its existing range of stand up pouches including M&M, Maltesers, and Skittles, offering consumers bite-sized portions of global favorites.

“It’s vital to innovate based on what’s working. We’ve come up with Bitesize Pouch Packs because we know that they’ll both appeal to travelers and deliver a strong return on space for retailers,” explains MITR Category Manager Robert Posthumus.

To promote the new lines MITR is recommending retailers co-locate new



products with current best-sellers within the category.

“Confectionery is a huge growth opportunity in travel retail but to unlock this – changes are still needed,” says Posthumus. “The first important step is to better meet the needs of travelers. To make this happen, we are presenting a total confectionery offer that delivers across all segments and need states in 2018. The second important step is to make it easy for the shopper to make a purchase. We

have been developing a simple strategy to work in partnership with retailers to drive impulse purchase and to maximise conversion on a store by store basis. The final step is to bring new news to the category and to leverage the impact of this when doing so.”

In Orlando, MITR is looking forward to discussing its category vision with retailers from throughout the continent.

“The last 12 months has shown that the total category

is up in the Americas,” says Posthumus.

“MITR is one of the key drivers of this growth, due to the focus on leading brands and bestsellers, with increased in-store visibility across the region subsequently driving category conversion. I am also proud to report that MITR is the only supplier in the top 3 of all different confectionery segments (chocolate, confections and gum), so is the number one choice to lead total confectionery growth.”

Godiva to showcase Wonderful City Dreams in Orlando

Godiva’s attraction in Orlando will be Wonderful City Dreams, an innovative collection of chocolate pieces created by Godiva’s five Chef Chocolatiers to honor the cities in which they live.

The Wonderful City Dreams 9-piece and 18-piece collections take consumers on a culinary journey around five of the most famous cities in the world.

Chef Thierry Muret has chosen a slice of caramel cheesecake to represent New York - a smooth cheesecake mousse with a fine crumble in a blond chocolate couverture - and decorated it with a graphic of the Statue of Liberty.

Chef Philippe Daue has created a pure white chocolate ganache with lychee and roasted hazelnut nibs to represent Shanghai.

To denote Tokyo, Chef Yannick Chevolleau has created a complex caramel, orange and Yuzu milk chocolate ganache,

which is slightly sour, and decorated it with an illustration of Japan’s iconic parliament building.

Chef Jean Apostolou has selected the iconic red double-decker bus as the decoration for his white chocolate piece filled with strawberry and violet ganache which represents London.

For Brussels, Chef Ilse Wilmots has

reinterpreted the classic Godiva heart in dark chocolate filled with a robust caramel-flavored hazelnut praliné ganache, refined with crunchy Bresilienne caramelized nuts.

For the Wonderful City Dreams gift box, Godiva collaborated with Pénélope Bagieu, a renowned French illustrator and comic artist, who has created a colorful skyline of famous global landmarks.



PVM takes suitcase to the Americas, tailors POS displays to partner needs

Perfetti Van Melle is bringing new displays to support its 'must have' products, plus onstand activations to



reinforce the launch of new lines to the Americas market.

PVM developed a new display with 360 degrees of visibility to guarantee prominence to customers approaching the store from every angle. All of its best performing 'must have' items and new products will fit into this new Mentos and Chupa Chups branded Suitcase Display, which measures 80cm x 80cm.

"Mentos and Chupa Chups products are fun and eye-catching, and therefore deserve to be displayed in exciting and high visibility locations. This is something that we as a company always try to improve – we always make sure that we have something that suits not only our products, but our business partners too," says Femke Van Veen, PVM's GTR Marketing Manager.

"Besides the Suitcase display, we also have the possibility to develop bespoke displays that will meet all the specifications given to us by our business partners. Examples of two past projects that we have had include a Dhow Boat display for the new airport in Muscat – a very fun and attractive looking display that is a real eye-catcher. Another request we received was for several stores at Charles de Gaulle airport. The request was for a display that could be used in multiple locations: against the wall, in corners, but also as a round free-standing unit. We came up with the Carousel Display which could be split up and used for all three placement occasions. The wheels underneath the display make it very portable so it can easily be moved throughout the store."

Haribo back in Orlando with own stand to enhance brand awareness

Haribo will, for the first time after many years, have its own booth in the exhibition hall (#1031), showcasing its wide range of jelly treats and candies.

The company will be displaying celebrated Haribo party packs and sharing bags, premium gifts and little treats, many of them exclusive to travelers. Included in the assortment will be items produced specifically to suit the tastes and Food and Drug Administration (FDA) requirements of the United States and a collection designed for the wider Americas market.

Highlights include the iconic, collectable, bear-shaped Haribo Goldbear Candy Tin in a choice of bright colors - red, green and yellow - and the Haribo Travel Bag, which is packed with bags of Haribo bestsellers - Goldbears, Happy Cola, Starmix and Tropifrutti.

The pouch assortment remains the core of the sharing category for both



regions, with the South American range extended to seven flavor combinations with the addition of the new Phantasia, Tropifrutti and the latest Peaches assortments.

Elisa Fontana, Travel Retail Marketing Manager Haribo, commented: "The aim of the show is for us to understand better the needs and taste preferences of customers and consumers in the Americas continent.

The Haribo brand is experiencing very strong growth in domestic but so far has been under-represented in travel retail. By mounting our own stand, besides being represented by our distributor, we aim to trigger greater awareness of the Haribo brand and drive growth in sales of our own products as well as extending the market share of the sugar confectionery sub-category."

unlock OCCASIONS.
unwrap SALES.



Gift purchasers
are more likely to
SPEND MORE
and
TRADE UP.*

Contact your Hershey
business partner today for details.

Sweet World of **HERSHEY**

43%
of Confectionery
purchases are
for a gift.*

HersheysTravelRetail.com

*Source: 2016 CIR Global Study





PGT is enhancing its product portfolio with Dolceraro's Baci di Dama gourmet biscuits and Lusso Artigiano's diamond-encrusted sunglasses.

From diamond-encrusted sunglasses to gourmet Italian patisserie, PGT adds new brands for travel retail sales

Travel retail specialist Premier Global Trading recently added a number of exciting new brands to its portfolio, which it will be showing in Orlando for the first time, says PGT president, Elizabeth Taylor.

Sure to attract attention at the point of sale, PGT is introducing Lusso Artigiano Jewelry Sunglasses. The new Italian eyewear company has collaborated with WDG (World Diamond Group), a leading manufacturer of high-quality jewelry, to create an exclusive Jewelry-Sunglass collection. The signature element in all Lusso Artigiano pieces is a certified diamond, a precious detail that elevates all the glasses from accessory to jewelry. The diamond is a brilliant cut white diamond color G, pure to the naked eye, set in white Gold 750/1000, which embellishes the UV400 polarized high quality lenses sunglasses line. Lusso Artigiano produces its glasses entirely in Italy.

The Lusso Artigiano Jewelry Sunglasses are the perfect complement to PGT's beautiful line of Stumento Marino Italian dive watches that combine functionality and Italian design at very attractive prices. Made with high quality components and reliable Japanese

movements in an array of premium features and details specific to the diving pro or someone who wants to look like one. New styles will be showcased at the Summit of the Americas Show, says Taylor.

PGT is also expanding its portfolio of confectionery and gourmet offerings with a selection of tempting baked treats from Italian Artisan Patisserie Dolceraro. A family business since 1898, the Dolceraro biscuit recipes have been passed down over 5 generations. Among the specialties are traditionally made Krumiri biscuits, whose shape was inspired by the notorious handlebar moustache sported by Vittorio Emanuele II, the first king of Italy. Another specialty, Baci di Dama, are delicate hazelnut and chocolate biscuits molded and packaged by hand in respect of the ancient tradition of pastry. The name is due to the shape which resembles a lady's lips pressing the chocolate in a kiss.

In more sweet new offerings, PGT has added Raindrops Gummy Candy, an entertaining fun novelty, with food-shaped gummy candy presented in attention grabbing packaging, such as Gummy Pizza in a traditional take-away

pizza box; and gummy mini sushi on a sushi tray.

"The Gummy Category is emerging as a real growth driver," reports Taylor.

Dolceraro and Raindrops join PGT's top selling CandyRific lines of toy/candy combinations in licensed characters from Star Wars, Trolls, Frozen, and more.

The final new addition to the portfolio is Les Krews Italian FlipFlops. The patented products allow shoppers to choose from many collections and colors and create their unique style.

"The Les Krews flip flops are sustainably and ethically made. All the models are made out of non-toxic products and colorants: no DEHP, DBP, colorants, phthalates or plasticizers are used. They are really different from the rest; and that uniqueness is what makes them valuable," says Taylor.

The new additions to the PGT line up join core products from Zwilling Beauty Group/ Tweezerman; Myme electronic accessories; BioMiracle Koran-made skincare; and travel smart products like Aquinelle Toilet Tissue Mist.

See all of the PGT brands at the 2018 Summit of the Americas DF Show, Booth 429. www.PremierGlobalTrading.com

Thank you to our Media Partners

Artco Group	46	Glenfiddich Experimental Series	6-7	Premier Global Trading	122
ASUTIL	67	Godiva	11	Printers Printer	120
B+D Readers	89	Haleybrooke International	101	Rituals	77
Braun	121	Hersheys	117	Rouge	57
Brugal 1888	45	Infinity and Co	43	Santa Teresa Rum	21
Buckley London	87	Intrepid Spirits	111	Summit of the Americas	19
Cabeau	71	Jack Daniel's Rye	29	TFWA Asia Pacific	17
Chris Hetzer Photography	118	Lambretta Watches	85	Tito's Handmade Vodka	13
Costa del Mar	41	Loewe	75	Top Brands International	53
DANZKA THE SPIRIT	23	Macallan Quest Collection	IFC	Travel Markets Insider	81
DANZKA Vodka	97	Marie Brizard	105	WEBB Banks	91
Disaronno	107	Misaki Monaco	83	worldclassbrands	49
Duty Free Americas	25	Mazaya	IBC	WTDC	8
FDDA 2018	33	Molinari Sambuca	99	Zippo	65
Furla	4-5	Moschino	9		
Flor de Cana	31	Natural American Spirit	15		

It's About Time

p r o d u c t i o n s

www.iatpstudios.com

chris@iatpstudios.com

860.373.0608 • 954.536.9409

PEOPLE NEWS

Godiva restructures Travel Retail Division to drive growth

Belgian chocolatier Godiva has restructured its global travel retail division to take advantage of the growth opportunities in alternative retail channels.

A new Channels Department has been created to focus on the multiple retail channels which today augment the traditional travel retail business, including airport cafés, cruise ship cafés and stores, inflight service and sales, and the global hospitality industry.

Leen Baeten, who has been leading Godiva's domestic marketing team in the Americas, returns to Europe to lead the new department under the title of Channel Marketing Director, reporting to Matthew

Hodges, General Manager Global Travel Retail.

Baeten will work alongside Ramon Iglesias, Commercial Director, who will focus on the commercial management aspects across the division.

Lynsey Eades has been promoted to the role of Global Travel Retail Director Europe, with continued responsibility for Global Key Accounts, also reporting to Matthew Hodges.

The Middle East and Retail teams, led respectively by Maher El-Tabchy, Area Manager Middle East & Indian Subcontinent, and Bettina Van Buynder, Senior Sales Manager Retail, Franchise & E-commerce Europe & GTR, will report to Ramon Iglesias as before.

Matthew Hodges, GM Global Travel Retail commented: "Godiva has a vision which includes the seamless supply and

service of our superb confectionery and refreshments through multiple channels across the world. Our first ventures into this domain, including the hugely successful Godiva Café that was launched on board Cunard's Queen Mary II in 2016, have encouraged us to focus on this burgeoning segment.

"Our new Channels Department covers both domestic and travel retail business with a focus on Food and Beverages opportunities globally in GTR and across continental Europe. These opportunities will be pursued with existing retail customers as well as with third-party specialists who are new to our business and with whom to date there has been little or no developed relationship. We wish our colleagues well in their exciting new roles."

Printer's Printer AD

BRAUN

Break free
from category restrictions.
Compact products for travel convenience.



PEOPLE NEWS

Andreas Fehr retires from Mondelez World Travel Retail, Jaya Singh promoted to Managing Director

Andreas Fehr will retire at the end of March after 24 years with Mondelez International and predecessor companies. He will be succeeded by Jaya Singh in the position of Managing Director World Travel Retail (WTR), European Export (EE) and Business Unit Switzerland (BUCH), as of April 1, 2018. Singh will report to Jürgen Leisse, Area President Central Europe & EU Central Sales, Mondelez International.

Jürgen Leisse commented, “Andreas Fehr’s contribution to Mondelez International for over two decades cannot be understated. He established and grew our presence in the travel retail channel to a position of clear category leadership, and delivered many award-winning campaigns and remarkable new initiatives along the way. Andreas has been a trusted and

highly respected partner to retailers and airport authorities worldwide. On behalf of Mondelez International, I wish Andreas the very best in his extremely well-deserved retirement.”

Andreas Fehr commented, “The decision to retire is not one I have taken lightly, after what has been an extremely enjoyable and rewarding career with Mondelez. It’s been an honor to work with so many talented partners and friends in the travel retail channel and within Mondelez International, and I’m very proud of the achievements we’ve all witnessed together. 2017 was a record year for our business unit and I am confident that we have appointed the right successor to continue this momentum going forward. I feel that now is the right time for me to step aside, and I now look forward to spending more time with my family, taking up some new hobbies and admiring the development of the amazing travel retail sector from the outside.”

Jaya Singh has been with the company for over 25 years, spanning both domestic

and travel retail markets. Prior to his current role as Global Sales Director WTR, he was Head of Global Key Accounts and before that Region Director Middle East & Asia Pacific. Singh’s successor will be announced in due course.

Singh has been a Board Member of the Asia Pacific Travel Retail Association (APTRA) since 2009, and held the position of President of APTRA between 2013 and 2017. He also sat on the board of the Duty Free World Council from 2013 to 2017.

Mondelez World Travel Retail, European Export and Swiss domestic businesses were combined under one leadership in February 2017. This move was taken in order to leverage valuable synergies between two key Toblerone markets. Toblerone is the number one chocolate brand in travel retail, and has been produced exclusively in Bern, Switzerland, from the very origins of the brand. This strategic move is designed to increase efficiency and improve speed-to-market, further strengthening Mondelez’ position as the leading confectionery supplier.

 <p>TWEEZERMAN® STUDIO COLLECTION</p>	 <p>BioMiracle®</p>	 <p>PREMIER GLOBAL TRADING</p> <p>LUSSOARTIGIANO</p> <p>DOLCERARO</p> <p>Raindrops®</p> <p>Disney MIKEY MOUSE & Friends</p> <p>INSECT REPELLING SUPERBAND</p>  <p>LES KREUS</p> <p>B-YOU-NIQUE</p> <p>AND MORE... NOT ALL BRANDS ARE AVAILABLE FOR ALL TERRITORIES.</p>
 <p>myme</p>	 <p>STRUMENTO MARINO</p> <p>REGATTA VIP COLLECTION</p>	
<p>SUMMIT OF THE AMERICAS BOOTH 429</p> <p>PREMIER GLOBAL TRADING +1 786 752 4150 / +1 786 282 4577 LIZT@PREMIERGLOBALTRADING.COM</p>		



**COME VISIT
OUR BOOTH #800**

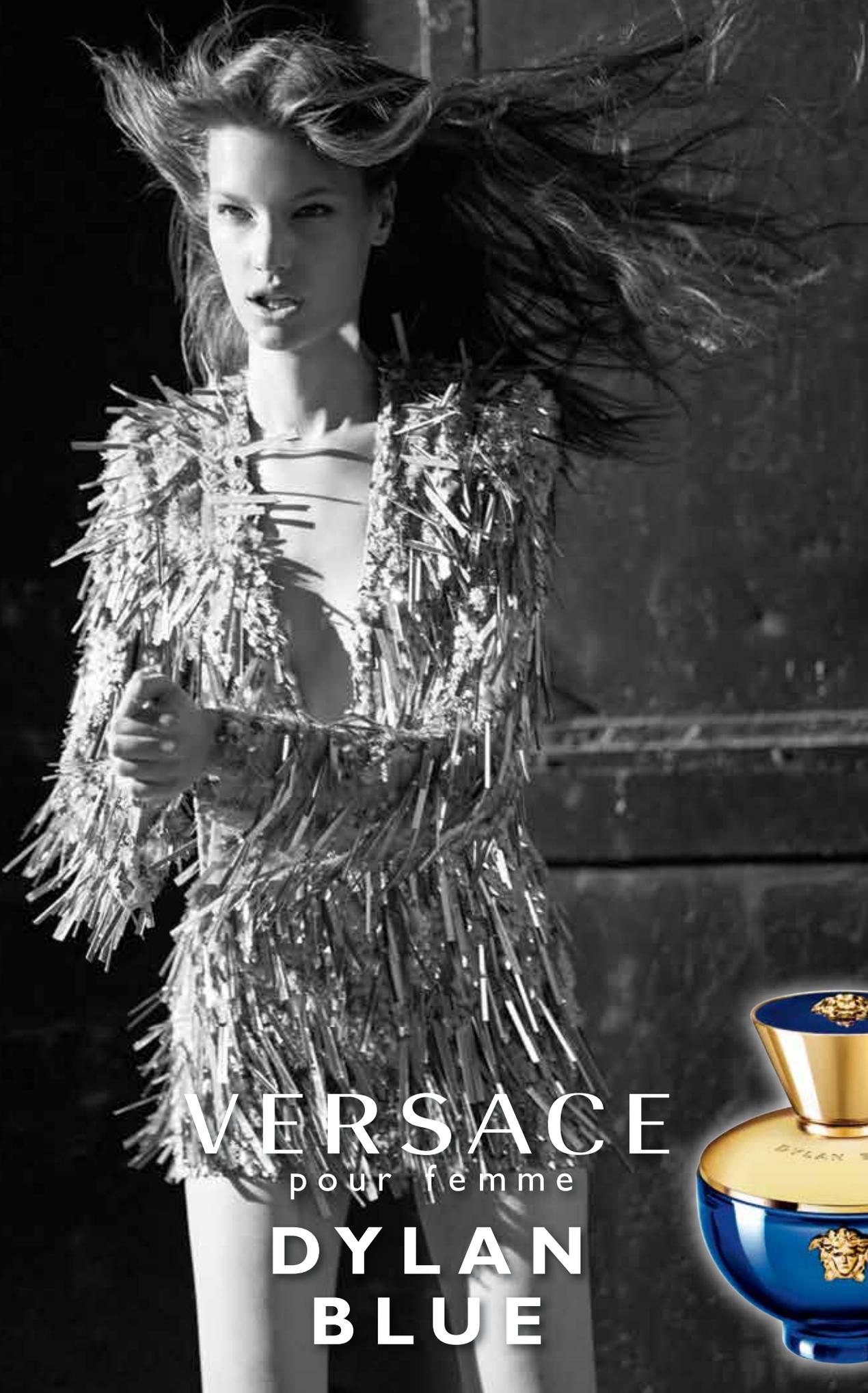
AND HEAD TO OUR HOOKAH LOUNGE

**LOCATED ON PATIO #2 OF THE
ORLANDO WORLD CENTER MARRIOTT, FLORIDA**

**WE WILL BE WELCOMING YOU
FROM THE 18TH TO THE 21ST OF MARCH**

Out of This World Flavours await you!





VERSACE
pour femme
DYLAN
BLUE

