

Special Issue
ASUTIL
CONFERENCE
June 2023

TRAVEL MARKETS INSIDER

ASUTIL Conference addresses a region emerging from crisis



Top Brands International opened a 1,000-square-meter duty free store at Silvio Pettroussi Airport in Asuncion, Paraguay in mid-2022. Featuring innovative design, the latest technology and a range of traditional, luxury and lifestyle brands, the specular store has been well received by travelers. See story beginning on p. 14.

Travel Markets Insider is delighted to once again be presenting this special magazine covering Latin America to coincide with the relaunch of the first ASUTIL Conference since 2017.

It has certainly been a turbulent few years with far-reaching changes in the global and regional business. Travel and travel retail were especially hard hit, and while the Latin America-Caribbean region is forecast to be one of the first to recover to 2019 levels, the industry was at a virtual stand-still for more than two years.

This issue takes a hard look at the prospects for recovery, both in an analysis of trends from ForwardKeys and an in-depth report of a presentation by the ACI leaders from North and South America held during the

IAADFS Summit of the Americas in April.

TMI also examines some of the new airport concessions that have opened in the region recently in Asuncion, Paraguay (Top Brands – Luryx), Bolivia (Duty Fly), as well as the remodeling taking place at Lima airport, and the new duty free tender for the concession at Santiago Airport in Chile, among others.

On the Supply Side, *TMI* had an opportunity to speak with Laura Klingeman of SEVA IBP, a distribution company that has been active in this market for nearly a decade. We also present an in-depth interview with David Rodiek, who now heads up Brown-Forman's travel retail business.

The ASUTIL Conference relaunch comes on the heels of a historic South American

Presidents' Meeting held in Brasilia at the end of June. Hosted by Brazilian President Luiz Inácio Lula da Silva, the meeting brought together 11 regional leaders and served as a platform for leaders to engage in crucial discussions on regional cooperation.

Although not without its controversies, it was a first step addressing the complexities and challenges faced by South American nations. As noted in Mercopress: "The outcome of these discussions will have significant implications for the region's future and the pursuit of regional stability and unity." All of which will, of course, impact future business.

Lois Pasternak,
Editor/Publisher

INSIDE INSIDER



North and South American airport leaders examine the importance of concession partnerships



Bolivian fragrance specialist Distribuidora Aromas expands into full airport retailing with new Duty Fly subsidiary.



Laura Klingeman,
Managing Director, SEVA IBP



David Rodiek,
Vice President, Managing Director,
Brown-Forman Global Travel Retail

**Plus Products-People-Places
The Insider View**

Tito's®

AMERICA'S
ORIGINAL
CRAFT VODKA®



DREAMED UP, DISTILLED & BOTTLED IN AUSTIN, TEXAS

★ TitosVodka.com ★ Crafted to be savored responsibly. DISTILLED & BOTTLED BY FIFTH GENERATION INC. AUSTIN, TEXAS 40% ALC./VOL. © 2023 TITO'S HANDMADE VODKA.

NUMBERS & TRENDS

ForwardKeys Trends Report sees cautious optimism for LATAM international travel recovery Page 4

m1nd-set: gifting purchases decline in travel retail Page 6

AIRPORTS

North and South American ACI airport leaders examine the importance of concession partnerships Page 8

ACI/Skytrax's Best Airports Page 12

RETAIL CONCESSIONS

Top Brands completes ambitious Luryx departure store in Asuncion Page 14

Duty Fly opens new airport retail concession in Bolivia Page 18

Santiago Duty Free tender underway Page 22

Ecuador reduces aviation fees Page 22

Lima Airport renovation on plan to open in early 2025 Page 23

SUPPLY SIDE FEATURE

SEVA IBP sets sights on Latin American expansion Page 24

One on One with Brown-Forman's David Rodiek VP, Managing Director Global Travel Retail Page 28

PEOPLE

Pernod Ricard GTR Chairman and CEO Mohit Lal to retire Page 31

Whyte & Mackay announce new GTR structure Page 31

Remy Cointreau promotes Fida Bou Chabka to CEO of Global Travel Retail Page 31

Veronica Huber new Waldemar Behn Americas Sales Director Page 31



Editor/Publisher: Lois R. Pasternak

In Memoriam: Paul A. Pasternak

Executive Editor: Michael Pasternak

Editorial Contributors: 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

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.

© 2023 by Pasternak Communications, Inc.

ForwardKeys Trends Report sees cautious optimism for Latin American international travel recovery

Latin America is lagging behind most of the world in terms of international travel recovery, reports ForwardKeys.

The travel and tourism sector has suffered great losses in the past three years due to Covid-19 and how governments approached border closures, travel rules and lack of flight connectivity, said the flight tracking agency.

“Unlike many of its neighbors in Central America and the Caribbean, there was no open-door policy for international visitors or easy-to-understand measures put in place around the destination’s reopening or vaccine requirements in many Latin American countries. Consequently, even in 2022 when the world started to see waves of tourists returning, most of the region didn’t see much progress in terms of travel recovery,” said the ForwardKeys Trends Report for Latin America and the Caribbean issued in April.

Nevertheless, ForwardKeys sees the promise of more international arrivals and is cautiously optimistic about the future.

The latest air ticket data by ForwardKeys reveals that Latin America and the Caribbean are just 5% behind 2019 levels in terms of international arrivals in the first six months of 2023, helped by the strong performance of Mexico, Central America, and the Caribbean.

Latin America, on the other hand, is down by 24% in international arrivals compared to the same period in 2019.

Examining the broader picture, international arrivals globally are an average of 27% behind 2019 levels still, therefore Latin America is performing in line with the global average. And some Latin American destinations are close to reaching pre-pandemic international visitor levels.

As in other parts of the world, recovery is also uneven in Latin America.

Colombia may welcome more international arrivals during the first half of 2023 than in the same period pre-pandemic. With 1% more tickets confirmed for international arrivals than in H1 2019, the country is set to be the first Latin American destination to reach full recovery.

Ecuador (-14%), Argentina (-18%) and Brazil (-24%) will all continue below 2019 levels for at least the first half of the year, although they are showing a marked improvement into the year.



Brazil’s capacity bottleneck

Brazil -- the largest country in Latin America and one of Americas’ tourism superpowers -- has had a tough time attracting travelers back since the reopening of international travel, says ForwardKeys.

One problem is that limited air capacity from the most active global source markets is impeding travel recovery in Brazil.

Planned seat capacity for international flights to Latin America during the first half of the year is 11% behind 2019 levels, while for Brazil it is down by 18%. In comparison, Colombia’s capacity for international flights is up by 28% on 2019 figures. Looking at destination cities in the two countries, international capacity to Bogotá is up by 22% on pre-pandemic levels while Sao Paulo (-12%) and Rio de Janeiro (-26%) in Brazil are both down.

High air fares

The lack of connectivity to Brazil is not only limiting the chances of the country attracting more international visitors but also driving airfares higher. Fares from Europe to Colombia are increasing in line with inflation, with air supply above 2019 levels in the first half of the year, for example, while fares from Europe in January and February to Brazil’s major destinations were 34% above the same period in 2019 due to, in part, the lack of air supply.

Despite the limited capacity and

higher fares, travel intent, measured in flight searches to Brazil, shows that demand for the destination is still high. European markets are at the top of the most active markets searching for Brazil in the first two months of the year.

Source markets, premium travel

For international arrivals to Brazil in H1 2023, the top growing market is Portugal - with an increase of 90% compared with 2019 levels. Argentina (the largest origin market) is still yet to recover, at -55% down vs 2019. Overall, international departures from Argentina are down by 37%, with key destinations like the U.S., Brazil, and Mexico all below 2019 levels.

Interestingly, and despite the lack of connectivity, arrivals to Brazil from North America and Europe during this year’s Carnival increased by 6% and 13% compared with 2019’s edition.

Another exciting opportunity for the sector is the resilience of the affluent segment, says ForwardKeys.

Overall international arrivals to Latin America in premium cabin class in the first six months of 2023 are 19% below pre-pandemic arrival levels, but tickets booked for international arrivals in premium cabin to Brazil are only down by 10%.

Canada is Brazil’s top growing origin market for these ‘high-end’ travelers, with the current ticketing situation doubling for arrivals in H1 2023.

ORIS



m1nd-set: self-purchases prevail over gifting among post-pandemic shoppers

Shoppers' tendency to purchase gifts in travel retail has declined consistently over the past three years, especially in the Americas, according to the latest research by travel retail research experts m1nd-set.

The research analyzes shopper behavior when purchasing gifts, comparing the post-pandemic period from 2021 to Q1 2023 with the pre-pandemic era from 2017 until Q1 2020. Gift-purchasing declined, falling 13 points from 40% of shoppers purchasing gifts prior to the pandemic to 27% in Q1 2023, although purchasing for self-consumption has seen an upturn, increasing from 46% pre-pandemic to 53% in Q1 this year.

In both the Americas and Europe, the decline of gift shopping in travel retail has been more severe than in other areas and has not yet revived.

In the Americas, the percentage of shoppers purchasing gifts in travel retail has fallen 15% since the pre-pandemic period when 41% of shoppers in the Americas purchased gifts in travel retail, to 26% in Q1 2023. In Europe, the impact of the pandemic on gift shopping in travel retail has been the most severe with a 20% decline, from 40% pre-pandemic, between 2017 and Q1 2020, to 20% in Q1 this year.

Shoppers in the Middle East and Africa and in Asia Pacific reduced their gift-shopping after the pandemic in 2021 and 2022 but the trend has now reversed. Prior to the pandemic 38% of Middle East and Africa shoppers and 39% of Asia Pacific shoppers purchased items for gifting. Gift-shopping in the Middle East fell 11 points to 27% in 2022. In Q1 this year, however, the percentage of shoppers purchasing gifts in travel retail rose to 34%. In Asia Pacific, where gift shopping fell 8 points to 31% in 2022, gift-purchasing is on an upward trend, with 34% of Asia Pacific shoppers purchasing for gifts in Q1 2023.

Age & gender differentiation

The research also highlights the changes in gift shopping behavior across demographic segments, looking at age, gender and travel type. According to m1nd-set, the strongest decline in gift shopping by age segment is among middle-aged shoppers. The Millennials segment is the only one that has yet to see a revival in the number of shoppers purchasing gifts. All



other age segments have seen a reversal of the downward trend since the pandemic and an upturn since Q1 this year.

By gender, the research highlights a sharper decline in gift shopping among male shoppers than female shoppers, but male shoppers are trending upward since Q1 2023. The downward trend has yet to be reversed for female shoppers.

The sharpest decline among all segments is among Business travelers: 47% of business travelers shopped for gifts prior to the pandemic; this fell 27 points to only 20% in 2022, but has since picked up with 27% of business travelers shopping for gifts in Q1 2023. Among leisure travelers, the downward trend that has yet to be reversed.

Category impact

Toys shopping saw the steepest fall in gift-shopping, reports m1nd-set. Toys was the leading category for gift purchasing in travel retail prior to the pandemic, but experienced a 50% drop in purchases as gifts, falling from 80% pre-pandemic to 41% in 2021. This has since improved to 68% in Q1 2023 for gifting.

The second largest category for gifting, Souvenirs & Gifts, has nearly recovered after falling from 73% to 59% in 2021; in Q1 2023, 69% of purchases in the category were made for gifting.

Confectionery experienced a significant loss in gift purchasing with less than half of the number of purchases made for gifting in Q1 2023, compared to before the pandemic.

On the other hand, gift purchases in the Electronics category have more

than doubled since the pre-pandemic period. Health food and Vitamins has seen exponential growth for gifting, increasing more than four-fold from the pre-pandemic period and Q1 2023 and Travel Accessory gifting purchases have doubled over the years since the pandemic, according to m1nd-set.

Rework the message

Peter Mohn, Owner and CEO of m1nd-set, said a serious rethink is required to reposition duty free and travel retail as a source for ideal gifts.

"Consumer communications need to focus on reworking the message to capture shoppers' attention with other more impactful and motivating incentives to drive them into the duty free stores. The role of gifting as a driver both to visit the duty free and travel retail shops and purchase in store, has declined significantly," Mohn said.

"Value for money, convenience, brand loyalty, price advantage and differentiation remain the key purchase drivers in travel retail today," he added. "Travel Retail needs to rethink its positioning around the gift-purchasing opportunities. The pandemic has brought about a shift towards altruism and greater attention to people and the planet. Consumers now tend to look how to give back more, and many new ideas for more meaningful long-distance gifting have emerged," Mohn concluded.

More information on m1nd-set's research and consultancy services can be obtained from m1nd-set by writing to info@m1nd-set.com.



TFWA

WORLD
EXHIBITION &
CONFERENCE

THE DUTY FREE & TRAVEL RETAIL GLOBAL SUMMIT

01 - 05 OCTOBER 2023
CANNES

OPEN
WORLD



Left to right: IAADEF Chairman (Dufry) Rene Riedi, ACI-North America President and CEO Kevin Burke and ACI- Latin America & the Caribbean Director General Rafael Echevarne.

North and South American airport leaders examine the importance of concession partnerships

In one of the critical information sessions held during the Summit of the Americas in April, two influential regional aviation leaders shared their insights on the dynamics and changing developments facing airports across North America, Mexico, Central and South America and the Caribbean.

Kevin Burke, President and CEO of Airports Council International – North America, and Rafael Echevarne, Director General of Airports Council International – Latin America and the Caribbean, discussed a range of topics including how infrastructure demands, labor challenges, security requirements, and regulatory hurdles are being addressed to help advance the airport concessions business.

The session was moderated by Rene Riedi in his role as Chair of the International Association of Airport & Duty Free Stores, starting from the premise that duty free and travel retail concessions are crucial to the airports' success.

Both Burke and Echevarne agreed that duty free concessions are an essential part of the airport business model in this part of

the world, which has seen some of the best air travel recovery since the pandemic.

Burke, discussing how the entire U.S. air system was essentially shut down on April 20, 2022, said: "Fast forward to today and we have almost recovered."

Echevarne agreed about the "spectacular" aviation recovery in Latin America and the Caribbean, which closed last year at 7% below 2019 figures. He highlighted Mexico, where most of the airports are run by the private sector, and some of which are currently 25% above 2019 levels.

Echevarne is very positive about the potential for retail and duty free. Explaining that most Latin American airports are at levels below the world average in terms of sales per passenger and penetration (and were at lower levels even before the pandemic struck), he said: "I think there's a huge potential for the industry in Latin America."

One reason why Latin America air traffic is recovering so fast was that the region was isolated from some international and global trends, he noted.

"Asian traffic in Latin America is practically non-existent. We have no flights to China, so we are very much sheltered from whatever was happening in Asia."

On the other hand, Latin America has "an incredible air network with the U.S. and Canada. The flows are tremendous and traffic flows keep on going up."

In North America on the other hand, air traffic is 9% below the 2019 levels, with "the big hit" coming from the lack of international traffic, particularly from Asia, at both the East and West coast airports in the U.S. and Canada, said Burke.

"This was a severe decrease from that part of the world but we are seeing almost a total recovery by 2024," he said.

"If the numbers that we see coming through the summer are what they are supposed to be, we should be doing fine. What happens in the fall and beyond that, we're not quite sure. But compared to where we were in 2021, when the industry was at rock bottom, we went up pretty quickly."

Rene Riedi, reiterating his opening remarks, said that up to 44% of airports'

A woman with short brown hair and bangs, wearing a shiny red trench coat, is shown from the waist up, looking back over her shoulder. She is holding a bouquet of pink tulips. The background is a cobblestone street with a stone wall and a blue sky.

Chérie

kate spade

NEW YORK

THE NEW FRAGRANCE



revenue are coming from non-aeronautical sources, and retail concessions contribute 30% of this figure.

“How important is duty free revenues to the airport’s bottom line?” he asked.

“They are absolutely essential in Latin America, and that’s why I was saying that the potential is huge,” responded Echevarne.

“In Latin America, only 28% of the revenue comes from non-aeronautical activities, and duty free is probably the majority of this. That’s why I say very firmly that the potential is tremendous to increase non-aeronautical activities. Duty free, as a percentage of non-aeronautical revenue, is more important than in the U.S.--it is about 50%, so the bottom line of the airport operators in Latin America depends absolutely on the performance of retail,” he said.

Echevarne added: “The majority of airports in Latin America are actually run by private companies through concessions. And that is very important, because they are very much aware of the importance of the bottom line, and the importance of retail.”

The situation in North America is nearly the exact opposite of that in Latin America, said Burke.

“The majority of the airports in the United States are owned by a city government or state government, and authorities, and they are very challenging. But revenues is a key component to the success of any business,” he said.

Breaking down the revenue stream in North American airports, Burke reported that aeronautical revenue accounts for about 49%; non-aeronautical and commercial revenue is about 25%. And non-operating, or grants from the federal government, accounts for 26%.

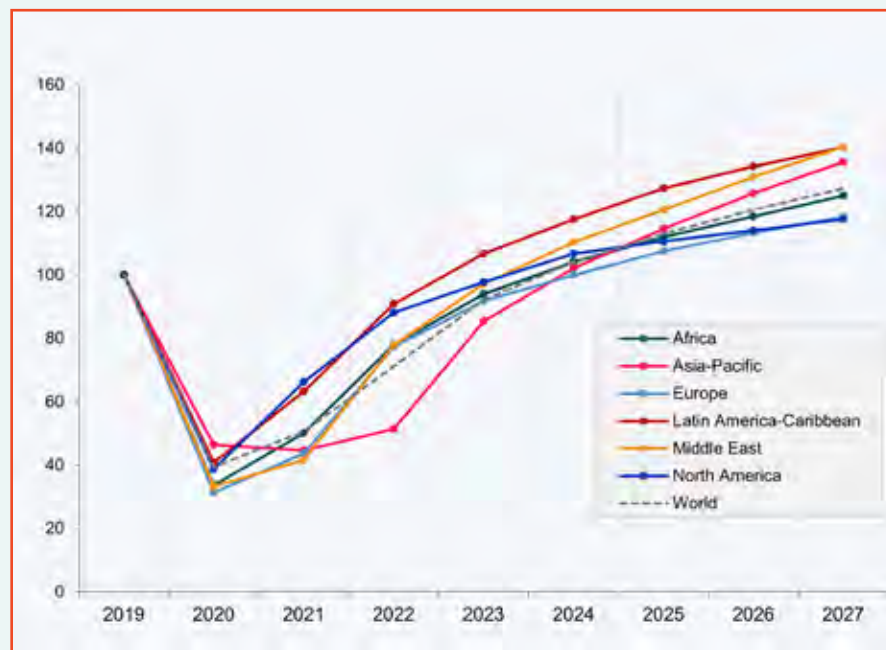
Among the non-aeronautical revenue, Burke said that car parking is number one at 37%, rental car concessions account for 21%, food and beverage generate 7%, and retail concessions bring in 5%.

“Which is very different for [us in Latin America],” said Echevarne. “In our case, retail concessions generate 26%.”

Discussing the disparity between the duty free and travel retail revenues between North and South America, Burke analyzed it as due to a mixture of reasons: the popularity of big box retailers and discount liquor and wine stores eliminate the need to purchase those things in an airport duty free store in the U.S.

Regulatory hurdles, like gate delivery,

ACI Regional passenger traffic forecast 2019-2027 (indexed, 2019 Level = 100%)



Source: ACI World

Latin America-Caribbean

The Latin America-Caribbean region had the strongest recovery trend in the year 2022, with 624.4 million passengers (90.9% of 2019 level). Some countries indicate that their market has already surpassed the 2019

The current projection expects that the Latin America-Caribbean market might continue its recovery trend, reaching 2019 levels in late 2023.

North America

North America has continued its recovery trend, marking 1.8 billion passengers (88.1% of 2019 level) in 2022, from 1.3 billion passengers (66.2% of 2019 level) in 2021.

However, it is expected that the recovery in the region may slow down due to economic risks, with expected full-year recovery in the year 2024.

also limit airport sales, Burke agreed, as does the time needed to get through security.

“Worrying about whether you will make your gate on time, to some degree, inhibits the purchase of concession products, whether it be a newspaper from Hudson or a meal in one of our restaurants.”

He adds “you go through multiple steps before you actually get to the duty free shop. And once you buy an item, can you take it with you or does it have to be delivered to you at the gate, which is an inconvenience as well.

“So I think it’s a cultural difference as to why people don’t buy at duty free as much as they do in other regions in the world. I would love to see that number

go up but I think certain things have to change to make it easier for the customer. I think the rules and regulations in the U.S. sometimes inhibit that growth.”

Buying duty free in Latin America is much more along the lines of the rest of the world, Europe, Asia and so on, said Echevarne.

“That is part of the experience of traveling internationally, to buy in the duty free shop. Also, in Brazil, you can actually buy duty free upon arrivals. And as you well know, in Brazil, the sales generated in arrivals is more important than at departures, which is very sweet for us.

“Of course, we also face the issue of the security lines, and then the passport lines. But we are working very seriously to eliminate those lines to reduce them as

We know travel retail.



We transform untapped potential into limitless opportunity.

From airports to stations, from airlines to cruise ships, we provide the best, professional advice you need to expand within the travel retail sector.

Working internationally, our extensive global knowledge of travel retail spans over 30 years.

We pride ourselves on our detailed understanding and first-hand experience of airport, train station, airline and cruise-ship retailing; to provide invaluable support to start-ups to leading retailers to grow their brand and business in the travel retail sector.

NEWMARK

Nadine Heubel

Senior Managing Director North America & Global Wholesale

nadine.heubel@nmrk.com

much as possible in the region,” he said.

Echevarne is also very enthusiastic about the potential of technology to improve the airport travel experience.

“We had a very good session a few weeks ago in Costa Rica, where the airport operator requested that we explain to the government the advantages of introducing technology to reduce security lines and passport runs with facial recognition technology. Because not only do we want to expedite the process, and maximize the use of the infrastructure, we want to provide a very pleasurable experience for the passengers. We also want to maximize the dwell time that is gained on the air side. All of these can be achieved through the use of technology,” said Echevarne.

Burke agreed that the biggest challenge to developing more non-aeronautical revenue in North American airports are the long lines that people have to endure to get through ticketing and security.

“The goal of this is to speed up the process by which passengers get on the plane. So by the time they get into the terminal, they are not all stressed out.

“... if we have the technology where people can get through the airport and on the plane safely, then the concession side of the airport --both duty free or just regular concessions-- that number will go up. We’ll see a change as that technology gets better,” he said

The very structure of North American airports versus those in Latin America is also a factor in concession revenues, said the speakers.

According to Burke, the majority of airports in the United States and Canada are not considered international airports. Most international traffic goes through the large hubs, the coastal airports, the JFKs, Chicago, Atlanta, etc.

“But when it comes to the larger airports, we have an issue in the United States which I describe as: ‘we have a bunch of really great 20th century airports, but we have very few really good 21st century airports.’”

And most of these “20th century” airports were not planned with today’s concessions in mind, he said, and weren’t designed with space for a lot of things we need today.

While a number of new airports now going up in the U.S., such as Louis Armstrong in New Orleans, and Terminal C in Orlando, are taking a look at the

longer picture and planning space for future needs, Burke says the way in which we finance airports in the United States makes it very difficult.

The bottom line is that U.S. airports need more money to modernize than they have.

“We need about \$150 billion over the next five years to modernize our airports into the 21st century, which comes down to about \$30 billion a year, and we’re only bringing in about half of that,” said Burke. “This means that the debt level carried by U.S. airports is about \$114 billion right now. Our airports are not privatized, like those in Latin America are.”

“We have retailers that want to modernize their retail facilities, but we have a footprint that’s not modernized. And that’s the challenge. Where do we get more money to modernize? And unlike most of my colleagues around the world, our Congress determines how much money we get per passenger on a flight, and this determines the grant money to get from the FAA. Very few U.S. airports, I can look at LaGuardia, Newark, and one or two others, have been privatized. We are the laggards globally in terms of privatization. And that’s mostly a political problem.”

In Latin America, Echevarne admits that the major issue is capacity.

“The problem that we face in Latin America is, on the one hand, using technology to run the airports more efficiently. That’s why we are focusing so much on maximizing the infrastructure.

“And the other problem is that the contracts are extremely complex. The governments are very wary of allowing changes to be made to the concession contracts. In some airports in Latin America, you cannot move a wall an inch, and that contract was written 10 years ago. So much has changed since then.”

Looking ahead, Echevarne sees opportunities to introduce more professional management of airports.

“I think that there is a huge opportunity to really inject know how, but for that to happen, you also have to provide that flexibility I was referring to. Other than that it’s just letting the traffic flourish.”

Another objective is to liberalize air traffic agreements. “In our region we still operate in a very restrictive bilateral situation. We strongly believe that if traffic in Latin America were to liberalize and any airline could fly anywhere they wanted, the opportunity for growth would be fantastic.”

Best airports in Latin America and the Caribbean

Punta Cana International Airport in the Dominican Republic and Quito International Airport in Ecuador were named the Best airport 5-15 million passengers in Latin America and the Caribbean at the ACI-LAC Airport Services Quality Awards (ASQ) earlier this year.

Among smaller airports in the region, Guayaquil International Airport in Ecuador was awarded Best airport 2-5 million passengers, and Gregorio Luperon International Airport in Puerto Plata, Dominican Republic and Guanacaste Airport in Costa Rica were named Best airport with less than 2 million passengers.

The ASQ airport customer experience benchmarking and measurement program is based on live research through surveys collected at the airport - direct from the traveler - that rate their satisfaction on the day of travel.

Skytrax Best Airports

In March, Skytrax named its best airports in the world.

In South America, Bogota’s El Dorado International Airport won the Best Airport in South America award.

Quito International Airport received the awards as the Best Regional Airport in South America and the Best Airport Staff in South America.

San José’s Juan Santamaría International Airport took top honors by winning the awards as the Best Regional Airport in Central America & Caribbean and the Best Airport Staff in Central America & Caribbean.

According to Skytrax, the Top 10 Airports in South America 2023 are: Bogotá, Quito, Lima, Guayaquil, Santiago, São Paulo GRU, Rio de Janeiro GIG, Medellin, Buenos Aires EZE, and Buenos Aires Airpark.

The Top 10 Airports in Central America and the Caribbean 2023 are: Panama Tocumen, San Jose Juan Santamaría, Port of Spain, Bermuda, Punta Cana, Bridgetown, Kingston, El Salvador, Montego Bay, and Saint Martin.



MONTBLANC
LEGEND
RED



THE FRAGRANCE FOR MEN



Top Brands International opened a 1,000-square-meter duty free store at Silvio Pettirossi Airport in Asuncion, Paraguay in mid-2022.

Top Brands completes ambitious Luryx departure store in Asuncion

John Gallagher reports

It's now more than three and a half years since Top Brands International won the Asuncion tender to operate duty free in Paraguay's biggest airport in December 2019. After beating off competition from La Petisquera (Mannah) and Golden Duty Free, the company was looking forward to being the exclusive retailer at Silvio Pettirossi Airport – and then COVID derailed the plans.

Top Brands had taken over the Bright Star concession in 2017 and with the new win had planned to open a 1,000 sq. meter walk-through store in the departures area, just after the immigration and security checkpoints.

Yeison Betancur, Latin America and Caribbean Retail Director for Top Brands International, spoke with *TMI* about how the company was finally able to complete one of its most ambitious projects in Latin America.

"When the COVID-19 pandemic hit South America, we had already started construction work at the airport. Obviously, the closure of the airport put a stop to any construction work that was happening, and we had to stop our immediate plans," Betancur explains.

When the Paraguayan government began to relax restrictions and reopened the airport, Top Brands was able to restart the project, but was faced with myriad challenges.

The project was badly affected by

delays in the arrival of shop furniture, fittings, and fixtures, including the huge upturn in the logistical cost of getting the new furniture to Paraguay.

"But we had to pay these costs so that we could finish the whole operation. Our objective to build a great Luryx store in Paraguay was clear and we followed our timetable to have the shop ready for the day that flights restarted, and the airport became operational once again," says Betancur.

The company had a soft opening in May 2022 when the airport restarted normal operations and by November, the shop was complete with all the latest technology and the personalized furniture from its strategic customers like MAC, Pandora, and Chanel among others, according to Betancur.

"We were pleased to see that all the shoppers loved the new store from the beginning. The Luryx store in Silvio Pettirossi airport is one of the most modern duty free stores in the region. The store has a very innovative design, the very latest technology, great screens, and a great sound system. It has everything that creates a unique shopping experience for the customer," he says.

The walk-through store has been designed with personalized attention in each zone and with a unique experience in each category area.

"We want the walk through the store to be enjoyable and different. There are

plenty of wide spaces where shoppers can combine the emotion of traveling and shopping in comfort and can move around the store with carry-on bags without banging into the displays. Apart from this, we have very well qualified shop personnel who are able to offer exceptional service to ensure the very best shopping experience," assures Betancur.

Categories beyond perfumes and liquor

Fragrances and alcohol are the two most important categories throughout the region but Betancur says that the Luryx store in Asuncion offers the traveler "a whole lot more."

"We have a superb offer in makeup and skin care – we have a great range of accessories, and we have a huge selection of chocolate and sweets," he says. "These categories are showing impressive growth and are in high demand from our travelers. We also have a growing range of luxury and lifestyle brands, and this makes us stand out from other retailers in the region."

The store's most important customers from outside the country are travelers from Brazil, Uruguay and Argentina.

"Clearly, Paraguayans are the biggest single group. However, it is fair to say that our whole selection of products and categories are targeted to these four nationalities," says Betancur.

RUM
Flor de Caña

V

GENERACIONES

THE FAMILY JEWEL



30
YEARS | SINGLE
BARREL
RUM
REAL VOLCANIC CROWN

CARBON NEUTRAL
& FAIR TRADE
CERTIFIED



PLEASE ENJOY RESPONSIBLY



Slow but optimistic recovery underway in Paraguay

The recovery has been slow in the southern part of Latin America. In Paraguay the recovery has been slower than in other countries as the return of its main travel partners has also been slow. International traffic numbers are still more than 20% below 2019.

“We are optimistic with regard to the short-term future. We have new airlines, other airlines who operated before have returned and we have seen that some airlines already operating are looking to increase frequencies. We are happy to report that consumption is increasing and demand is growing in line with, and sometimes in excess of, our expectations,” he says.

Looking ahead – arrivals store and a new brand

Luryx is continuing to grow where it is already present, and is continually looking for new opportunities, says Betancur.

“Only this month DINAC, the Paraguayan airport authority, has confirmed to us the exact location of the arrivals store at Silvio Pettirossi, and we have our team working on the final designs and plans and we hope to commence construction shortly.”

Top Brands also says that it is developing some new projects and will continue to expand throughout the region. It also has plans to open new single brand and multi-brand stores in the Caribbean and in South America as it looks to consolidate its position as one of the leading retailers in Latin America.



The new Luryx store in Asuncion airport features “a superb offer in make-up and skincare, as well as a great range of accessories and a huge selection of chocolates and sweets, alongside a growing range of luxury and lifestyle brands.”



GUESS

TRAVEL RETAIL EXCLUSIVE



Duty Fly new airport concessionaire in Bolivia

Bolivian fragrance specialist Distribuidora Aromas expands into full airport retailing with new Duty Fly subsidiary. John Gallagher reports.

Duty Fly, a wholly owned subsidiary of Distribuidora Aromas, Bolivia's leading perfumes and cosmetic distributor, is the new duty free concession holder at the El Alto International Airport in La Paz and Viru Viru International Airport in Santa Cruz, Bolivia.

Duty Fly is currently operating a 500 sq. meters departures store in Santa Cruz and a 350 sq. meters departures store in La Paz.

According to company CEO, Remer Antelo, the company took over the duty free concessions on January 1 of this year, following a lengthy [bidding] process.

Adding duty free to domestic market

"We are always looking at ways of increasing our business activities and adding to our perfumes and fragrances operation. Traveling through our home airports on a regular basis, we thought that we could do a very good job in the duty free stores in Santa Cruz and La Paz," Antelo tells *TMI*.

"We let the government and airport managers know that when the contract of the incumbent concessionaire was about to

end, we would be interested in presenting them with proposals to take the retail operations at the airport to a new level."

When their contract commenced, the Aromas group started to renovate both stores through its own retail architect, Tito Chajtur.

"We are pleased to say that the shops are now operating with the furniture and fixtures that we planned, and that sales are in line with our initial targets," says Antelo.

"Our corporate objective is to consolidate these stores over the next few months, but we will be looking to develop the Duty Fly brand in other places if the right opportunities were to appear."

While arrivals duty free is a major factor in many Latin American airports, especially Brazil, there is currently no arrivals duty free in Bolivia.

"But we are talking to the government about the possibility of Arrivals Duty Free. We know that many passengers who use our airports have that opportunity when they travel and we would like to offer this to them," noted Antelo.

Although specialists in selling perfumes and cosmetics, the new Duty

Fly operations will offer the full range of traditional duty free categories in the Bolivian airport stores.

Antelo says: "We will be selling all normal duty free categories that are sold in Latin America. Apart from fragrances, which is clearly a category we know, we will be selling the leading brands of liquor, tobacco, confectionery, accessories, and technology. These categories are new for the company but both the team and I have a fair bit of knowledge of these newer products and the brands that the travelers using our airports are looking for."

Nearly 30-year history in prestige fragrance business

Founded in May 1996, Distribuidora Aromas has extensive experience in fragrance distribution and pioneered the growth of prestige brands in the country's domestic market.

"Initially, we worked with Motta Internacional to ensure the best logistics performance. Up until the mid-nineties, high end perfumes and fragrances were sold in Bolivia alongside massively distributed personal care products. But the



VALAYA
PARFUMS de MARLY
PARIS

parfums-de-marly.com



Remer Antelo, CEO of Distribuidora Aromas and operator of Duty Fly Duty Free in Bolivia.

market was beginning to demand changes as the country's economic situation improved – along with our partners we decided that the conditions were right to begin the distribution of new and prestigious brands that were not arriving in the country," explained Antelo.

"We saw that there were clear opportunities for international brands such as Christian Dior, Carolina Herrera, Yves Saint Laurent, Cartier, etc., to name just a few. We took the decision to import new brands and sell them in a different way.

"The objective was to take the high-end brands out of traditional distribution and sell them in new stores specially

designed for prestigious brands. We wanted to be the pioneers of a new style of retailing in Bolivia and we built new stores with the correct merchandising opportunities and specially designed furniture to project the right image for each brand."

The introduction some eight years ago of the first shopping malls in Santa Cruz –centers built to the very highest international standards, says Antelo -- contributed to the consolidation of high-end perfumes and fragrances in the market as well as a general increase in the standard of retail of all categories.

The company currently operates six retail points in Santa Cruz, three located

in the best shopping malls in the city and the other three well located in the best commercial areas.

"This has allowed our company to become the leader of the luxury perfumes and cosmetics category in the country," notes Antelo.

A leader in e-commerce

As well as traditional retail, the Aromas group has also expanded into e-commerce.

"Our company has been the pioneer of e-commerce retailing in Bolivia with the first virtual perfume store in the country. Our 'Perfumeria First' brand is one of the sector leaders and an important reference point in high-end perfumery e-commerce in Latin America," says Antelo.

The company marketing team is now completing a new e-commerce project for Duty Fly, using Aromas' experience with "Perfumeria First."

"We are planning to launch this for travelers to our airports very shortly," Antelo comments.

Traffic figures

The Aromas group's expansion into duty free retail comes just as the region's airports are recovering from the pandemic and could promise some significant growth prospects, says Antelo.

Passenger traffic is around 1.5 million travelers in Santa Cruz/ Viru Viru and 600,000 at La Paz / El Alto. But as both airports recover from the COVID-19 pandemic and reach 2019 traffic levels, Antelo feels there might be room for further growth, especially at Viru Viru.

"The hubs at Panama and Lima in Peru are operating at very close to the maximum of their operational possibilities. There is no reason that prevents Viru Viru being an alternative for some airlines. Costs at Sant Cruz are considerably lower than competing hubs and this will be of interest to some airlines."



TRAVEL MARKETS INSIDER

Summer of the Americas
2019

North American airport modernizations place focus on optimizing concessions

INSIDE INSIDER

There is no denying that the summer months are a busy time for airports. With the influx of tourists and business travelers, airports are looking for ways to optimize their concessions to maximize revenue. This is especially true for North American airports, which are facing increased competition from international destinations. In this issue, we explore the latest trends in airport concessions and how airports are using technology and data to optimize their offerings.

Photo: Michael Pappas/The Insider View

TRAVEL MARKETS INSIDER

Summer of the Americas
2019

Travel rebound in North America bodes well for Travel Retail recovery

INSIDE INSIDER

There is no denying that the travel industry in North America is experiencing a strong rebound. With the easing of travel restrictions and the return of tourists, travel retailers are seeing a surge in demand. This is a positive sign for the travel retail industry, which has been struggling for some time. In this issue, we explore the factors driving the travel rebound and how travel retailers are positioning themselves to capitalize on the recovery.

Photo: Michael Pappas/The Insider View

TRAVEL MARKETS INSIDER

Summer of the Americas
2019

Is recovery ahead as travel markets begin to open?

INSIDE INSIDER

As travel markets begin to open, there is a sense of optimism that a recovery is ahead. However, the recovery is not without challenges. Travelers are still hesitant to travel, and travel retailers are still facing financial difficulties. In this issue, we explore the challenges facing the travel industry and the steps being taken to overcome them.

Photo: Michael Pappas/The Insider View

TRAVEL MARKETS INSIDER

Summer of the Americas
2019

U.S. recovery could be on the horizon, but contradictions abound

INSIDE INSIDER

The U.S. recovery could be on the horizon, but there are still many contradictions. While some sectors are showing signs of recovery, others are still in a state of decline. In this issue, we explore the contradictions of the U.S. recovery and the steps being taken to address them.

Photo: Michael Pappas/The Insider View

TRAVEL MARKETS INSIDER

Summer of the Americas
2019

Pivoting to virtual in 2020

INSIDE INSIDER

As the travel industry pivots to virtual in 2020, travel retailers are looking for ways to stay connected with their customers. Virtual reality, live streaming, and social media are all being used to create virtual travel experiences. In this issue, we explore the latest trends in virtual travel and how travel retailers are using technology to enhance the customer experience.

Photo: Michael Pappas/The Insider View

TRAVEL MARKETS INSIDER

April 2020

Global health pandemic halts travel worldwide

INSIDE INSIDER

The global health pandemic has halted travel worldwide, leaving travel retailers in a state of crisis. With no travel, there is no revenue. In this issue, we explore the impact of the pandemic on the travel industry and the steps being taken to survive.

Photo: Michael Pappas/The Insider View

TRAVEL MARKETS INSIDER

April 2020

Latin America recovery continues to stall but some signs of improvement ahead

INSIDE INSIDER

The recovery in Latin America continues to stall, but there are some signs of improvement ahead. As the pandemic subsides, travel is slowly returning to normal. In this issue, we explore the recovery in Latin America and the challenges still facing the industry.

Photo: Michael Pappas/The Insider View

TRAVEL MARKETS INSIDER

April 2020

Travel Retail turns to Luxury to combat regional and global challenges

INSIDE INSIDER

Travel Retail is turning to luxury to combat regional and global challenges. As the industry struggles, luxury travel is becoming a more attractive option for travelers. In this issue, we explore the luxury travel market and how travel retailers are positioning themselves to compete.

Photo: Michael Pappas/The Insider View

TRAVEL MARKETS INSIDER

April 2020

Travel Retail expands its vision

INSIDE INSIDER

Travel Retail is expanding its vision to include more than just travel. They are now offering a wide range of services, from hotel bookings to car rentals. In this issue, we explore the expansion of Travel Retail and the challenges it faces.

Photo: Michael Pappas/The Insider View

TRAVEL MARKETS INSIDER

April 2020

Political pressures temper business prospects in the Americas

INSIDE INSIDER

Political pressures are tempering business prospects in the Americas. With the upcoming elections, there is a sense of uncertainty about the future of the region. In this issue, we explore the political situation in the Americas and its impact on the travel industry.

Photo: Michael Pappas/The Insider View

TRAVEL MARKETS INSIDER

April 2020

Travel Retail digitalizes to compete in the wider world

INSIDE INSIDER

Travel Retail is digitalizing to compete in the wider world. With the use of technology, they are able to reach a larger audience and offer more personalized services. In this issue, we explore the digitalization of Travel Retail and the challenges it faces.

Photo: Michael Pappas/The Insider View

TRAVEL MARKETS INSIDER

April 2020

Currency fluctuations, political fears slow economic recovery in South America, but industry investment remains strong

INSIDE INSIDER

Currency fluctuations and political fears are slowing economic recovery in South America, but industry investment remains strong. Despite the challenges, travel retailers are still investing in the region. In this issue, we explore the economic situation in South America and the role of travel retailers.

Photo: Michael Pappas/The Insider View

TRAVEL MARKETS INSIDER

April 2020

Uncertainty clouds year ahead in Travel Retail Americas

INSIDE INSIDER

Uncertainty clouds the year ahead in Travel Retail Americas. With the ongoing pandemic and economic challenges, the future is uncertain. In this issue, we explore the uncertainty in the travel retail industry and the steps being taken to address it.

Photo: Michael Pappas/The Insider View

TRAVEL MARKETS INSIDER

April 2020

A nostalgic ASUTL looks back and ahead as it concludes two decades of stand-alone conferences

INSIDE INSIDER

ASUTL looks back and ahead as it concludes two decades of stand-alone conferences. The organization has played a significant role in the travel industry for 20 years. In this issue, we explore the history of ASUTL and its future plans.

Photo: Michael Pappas/The Insider View

TRAVEL MARKETS INSIDER

April 2020

How much will natural disasters impact Americas travel retail?

INSIDE INSIDER

Natural disasters could have a significant impact on Americas travel retail. With the increasing frequency of hurricanes and other disasters, travel retailers are looking for ways to protect their customers and their businesses. In this issue, we explore the impact of natural disasters on the travel retail industry.

Photo: Michael Pappas/The Insider View

TRAVEL MARKETS INSIDER

April 2020

Will Cuba's opportunities help Travel Retail combat a tough year?

INSIDE INSIDER

Cuba's opportunities could help Travel Retail combat a tough year. With the easing of travel restrictions, Cuba is becoming a more attractive destination. In this issue, we explore the opportunities in Cuba and how Travel Retail is positioning itself to capitalize on them.

Photo: Michael Pappas/The Insider View

TRAVEL MARKETS INSIDER

April 2020

Hints of recovery in Travel Retail Americas

INSIDE INSIDER

There are hints of recovery in Travel Retail Americas. As the pandemic subsides, travel is slowly returning to normal. In this issue, we explore the hints of recovery and the challenges still facing the industry.

Photo: Michael Pappas/The Insider View

TRAVEL MARKETS INSIDER

April 2020

Can travel retail survive today's aggressive market competition?

INSIDE INSIDER

Travel retail may struggle to survive today's aggressive market competition. With the rise of online travel agencies, travel retailers are facing increased competition. In this issue, we explore the challenges of competition and the steps being taken to survive.

Photo: Michael Pappas/The Insider View

TRAVEL MARKETS INSIDER

April 2020

Record passenger traffic challenged by margin and currency issues and growing competition from internet sales

INSIDE INSIDER

Record passenger traffic is challenged by margin and currency issues and growing competition from internet sales. Travel retailers are finding it difficult to maintain their margins in the face of these challenges. In this issue, we explore the challenges of record passenger traffic and the steps being taken to address them.

Photo: Michael Pappas/The Insider View

TRAVEL MARKETS INSIDER

April 2020

Americas Travel Retail emerges from crisis, resumes growth throughout the region

INSIDE INSIDER

Americas Travel Retail has emerged from crisis and resumed growth throughout the region. Despite the challenges, the company is showing signs of recovery. In this issue, we explore the recovery of Americas Travel Retail and the challenges it faces.

Photo: Michael Pappas/The Insider View

TRAVEL MARKETS INSIDER

April 2020

Global economic uncertainties ahead, but travel retail invests in the future

INSIDE INSIDER

Global economic uncertainties are ahead, but travel retail is investing in the future. Despite the challenges, travel retailers are still investing in technology and other areas to improve their services. In this issue, we explore the investment in the future of travel retail and the challenges it faces.

Photo: Michael Pappas/The Insider View

TRAVEL MARKETS INSIDER

April 2020

Will latest oil crisis halt 2010's strong recovery in Americas travel retail business?

INSIDE INSIDER

The latest oil crisis could halt 2010's strong recovery in the Americas travel retail business. With the rise in oil prices, travel is becoming more expensive. In this issue, we explore the impact of the oil crisis on the travel retail industry and the steps being taken to address it.

Photo: Michael Pappas/The Insider View

TRAVEL MARKETS INSIDER

The Voice of the Americas for more than 25 years

Ecuador reduces fees to promote aviation connectivity to the country and region

The country is expanding its international routes and frequencies by implementing economic decrees and hosting influential airline events

The Ministry of Tourism of Ecuador announced that it has reduced its Eco Delta (ED) and Tourist Power (PT) rates in order to strengthen the competitiveness of the country's air connectivity. This decree will reduce the costs of air tickets to boost the reactivation of air connectivity and the arrival of new air service providers in the country.

This new rule signals the second phase planned for the reduction of tourism taxes. In the first phase, the Ministry established a rule to lower the contributions in all airports administered by the General Directorate of Civil Aviation (DGAC). The application of this second phase reduction will be effective as of June 1, 2023.

Alongside these new decrees, Ecuador will also host a series of events this year for the airline industry to welcome and promote their businesses in the country.

Aviation Day Ecuador 2023

IATA (The International Air Transport Association) will host the "Aviation Day Ecuador 2023" event set to take place June 21, 2023, in Guayaquil. Guayaquil is the second largest city in Ecuador and the nation's economic capital and an important coastal port.

The event will serve as an opportunity for worldwide industry experts, senior executives, tourism, and government authorities of the airline industry, to come together and discuss the challenges and opportunities facing the aviation sector. Their agenda will also include discussions about the role of the aviation industry in the socio-economic recovery of Ecuador and the region after the pandemic paralyzed the industry in the region.

ALTA Aviation Law Americas Conference

ALTA (The Latin American and Caribbean Air Transport Association) is a private, non-profit organization made up of over 150 member companies that make up more than 80% of passenger traffic in the continent. ALTA's efforts aim to facilitate the development of safer, more efficient, and environmentally friendly air transportation in Latin America and the Caribbean.

The association hosts six conferences annually. This year one of their major conferences, the ALTA Aviation Law Americas Conference, will be held in Ecuador's capital city of Quito from September 20-22. This conference serves as a crucial platform for airlines and law firms collaborating with operators to come together and discuss the legal divisions of the parties. The conference's agenda will focus on exchanging views, ideas and best practices on legal, financial, and political issues affecting the aviation industry in Latin America and the Caribbean. The event will also host tourism agencies and the media to bring visibility to the tourism business in the region.

Santiago duty free tender under way

After almost four years of delays, Chile's Ministry of Defense and the Finance Ministry published details of the long-awaited tender for the duty free shops at Arturo Merino Benítez International Airport (SCL) at the end of April.

Located in Pudahuel just over 20 kms from the center of Santiago, the airport is Chile's biggest international gateway.

Although SCL has been managed by the Nuevo Pudahuel consortium (Groupe ADP (45%), VINCI Airports (40%) and Astaldi Concessioni (15%)) since April 2015, the duty free concession is still controlled by the Chilean government.

The tender evaluation committee is presided by the Ministry of Defense and is composed by civil servants from the Defense Ministry, the Finance Ministry, the Chilean Civil Aviation Authority and Chilean Customs.

The committee will look at a number of technical aspects including total sales, years of experience as a duty free shop operator, number and size of duty free concessions currently being managed. Interested parties will also be asked to present sales indicators from their current concession contracts including sales per sqm, average sales over the last three

years and market penetration (number of sales tickets divided by total international passengers).

These technical factors will account for 20% of the total evaluation.

The remaining 80% of the evaluation will be given to the economic offer. The tender documents point out that the offer must be for a minimum of \$2m per month and a minimum of 8% of total sales.

Potential bidders were invited to visit the airport from the end of April until the end of May. Doubts and questions from interested operators had to be submitted within 49 days from publication of the tender details and these will be answered within 70 days from the tender publication. Full offers must be submitted by day 90 of the tender process. The evaluation committee will meet, and study proposals and announce a winner within 30 days of the submission of offers.

It is still not clear how many duty free operators have visited the airport nor how many have submitted questions to the evaluation committee. However, independent observers expect that the award will be announced in the second half of the year and the winner should start operations at the beginning of 2024. The

new concession contract is for a period of 12 years with a possible extension of three years.

Duty free stores at Santiago have been managed by Aldeasa Chile / Dufry since 1994. As one of Latin America's biggest concessions, Dufry will want to hold on to this concession. However, for the first time they will experience fierce competition. Lagardère, which already operates food & beverage concessions at the airport and took over the duty free operation at Lima in Peru in January 2021, has made no secret of its interest in competing in the tender.

Total sales in SCL duty free reported by Aldeasa Chile

2012 - \$80.3m	2018 - \$81.8m
2013 - \$78.6m	2019 - \$69.9m
2014 - \$76.8m	2020 - \$18.1m
2015 - \$74.5m	2021 - \$18.1m
2016 - \$77.4m	2022 - \$31.6m
2017 - \$90.9m	(sales Jan-Nov)

JG

Lima Airport renovation on plan to open in early 2025

Following the April completion of the airport's second runway and the new aircraft control tower, Lima Airport Partners (LAP- 80% controlled by German airport manager Fraport AG) confirmed that the new passenger terminal, the final element in the airport's expansion project, is now 33% completed and is scheduled to

open according to plan in Q1 of 2025.

Fraport CEO Stefan Schulte said: "We've once again proven that we can deliver complex infrastructure projects on a narrow time frame. One thing is clear for us: even during these challenging times, we remain committed to our investment in Peru."

The new terminal will have capacity for 35m passengers. In 2022, 18.6m travelers used the current terminal and LAP estimates that 23m will use the airport this year, close to the 26.2m passenger figure reported in 2019.

Construction work at the new terminal is being carried out by the Inti Punku consortium, a joint venture between Spanish based contractor Sacyr and its Peruvian partner Cumbra. Inti Punku was the principal contractor for the runway and control tower completed earlier this year.

LAP is financing this US\$1,250m infrastructure project via a loan from seven banks: BBVA, IDB Invest, KfW IPEX Bank, Mitsubishi UFJ Financial Group (MUFG), The Bank of Nova Scotia, Société Générale, Sumitomo Mitsui Banking Corporation (SMBC).

Duty free retail and food and beverage will also be a major part of the new terminal. French multinational Lagardere Travel Retail has been operating the duty free concession in Lima since January 2022. Lagardere South America CEO Cyril Letocart told *TMI* that plans for the duty free stores in the new terminal are already underway and they will be ready to go when the airport manager informs them of the exact opening date. According to Letocart, the company will control just over 3,500 sqm of retail space.

"We will have four stores, three duty free (one in arrivals) and one duty paid. We will be working closely with our partners in LAP, but we fully intend to carry on with the solid work we have carried out up until now in the current terminal."

Food and beverage tender proposals for the new Terminal have already been posted by the airport manager. LAP is projecting more than 8,000sqm of bars and restaurants in the new building, up from 2,500sqm in the current terminal. LAP is looking to attract some of the big players in the vibrant Lima restaurant scene, but *TMI* understands they are also talking to the big F&B operators in Europe and the USA. Lagardere, the duty free incumbent is already successfully operating restaurants in the new Terminal in Santiago de Chile, and they will be looking at the tender documents with great interest. LAP hopes to complete the F&B tender process by September this year.

JG



SEVA IBP sets sights on Latin American expansion

SEVA IBP is the epitome of today's travel retail company. Family-owned, it was first established in 1997 by Severino Pušić, and today SEVA has a true global footprint. Its duty free operations, under the name of SEVA IBP, are headquartered in The Netherlands, managed by Laura Klingeman, with other offices in Athens, Greece; Panama City, Panama; Jebel Ali Dubai in the UAE; and Mostar, in Bosnia and Herzegovina. Domestic market operations are managed out of Serbia.

In addition to its duty free and travel retail business, the SEVA Group umbrella also encompasses real estate, distribution and an award-winning winery.

The duty free business is officially known as SEVA IBP, standing for Integrated Brand Positioning. The focus of this business is squarely on Europe and Latin America, Klingeman tells *TMI*. Another company in the group, Organico Solutions, under Roger Jackson in Dubai, is responsible for duty free and distribution in the Middle East and Africa.

The Group SEVA IBP also operates a retail entity, Seva Duty Free, in Croatia on the border with Bosnia and Herzegovina, as well as a sister company in Panama, which also serves IBP, says Klingeman.

With her background in international business, languages and anthropology, plus a masters in Latin American and Caribbean studies, Klingeman was in the perfect position to expand the SEVA business to Latin America when she met Severino



Laura Klingeman, Managing Director, SEVA IBP

Pušić about 10 years ago.

"This is where the SEVA IBP Latin story begins," says Klingeman. "I met Severino, and he is very visionary, and very strategic. Originally from the former Yugoslavian countries, it was a turbulent time, which is how he came to The Netherlands. When I joined the company more than ten years ago, the domestic market distribution was all set up. From the base in the Balkans and the former Yugoslavian countries, the company had expanded to Eastern Europe and then to full European distribution for the brand owners, which included most of the top spirits companies in the world."

Today, some 95% of the SEVA business continues to be in Wines and Spirits. The company even owns its own award-winning winery in Herzegovina,

called Rubis Wines, from which it is just now beginning to export its products in the global travel retail channel. Spirits makes up the bulk of the business.

After deciding to enter the Latin America market, SEVA set up an office in Panama: "I lived in Panama, and knew the customers there. Envisioning the growth in the Latin markets, we organized an operation in the Colon Free Zone, which is important, especially for spirits and tobacco. This allowed us to operate under our name."

In terms of logistics, nearly all of SEVA IBP's distribution to Latin America goes through its own bonded warehouse in Ploče, Croatia, from where it ships full container loads, or from regional 3rd party logistics.

Among the brands that SEVA IBP represents in Latin America are Jägermeister, Bacardi, and brands from the Duty Free Global portfolio including Gunpowder Gin, Silent Pool Gin, and many Sazerac brands. The company has begun representing two brands from Young Spirits (Garry Maxwell and Tim Young), Au Vodka and Equiano Rum and is just starting with Loch Lomond. It is now launching the Rubis wines into Latin America, as well.

"We also see some opportunities to expand our business with some brands in Europe to Latin America," noted Klingeman.

The company is also now venturing into tobacco, representing premium GURKHA Cigars in the region after sister company Organico Solutions out of Dubai secured the exclusive global duty free and travel retail distribution for the brand.

"Gurkha is a luxury, artisanal cigar. Made from the finest tobacco, the cigars are hand rolled in Nicaragua and the Dominican Republic. Gurkha has curated a core range of travel retail products, including sampler packs and infused collections," says Klingeman. "But they are most famous for – and the reason behind their huge success over the past two years—their 'Baggies' packaging, which eliminates the need for a humidor. We showed the Gurkha cigars in Cannes and have just started rolling these out now."

This year, Gurkha plans to launch its



Jägermeister

DRINK IT ICE COLD



Seit 1878
WOLFENBÜTTEL
GERMANY



DRINK RESPONSIBLY

Travel Retail Exclusives line of cigars. These will be showcased in Cannes in October.

Customers

SEVA IBP services over 60 points of sale in Europe and 30 points of sale in Latin America across all DFTR channels. The company supplies points of sale in 14 countries in South and Central America. Among its largest customers in Latin America, SEVA works with London Supply, Cell Shop, with Top Brands International through both Neutral and its Luryx divisions, Premium Brands Group – PBG – in Panama, and Aeroboutiques.

As brand builders, SEVA IBP's role goes beyond simply delivering product. Particularly for Jägermeister, SEVA provides custom furniture for the brand and helps stage activations. In addition to gwps and gift packs, the brand has had great success with on-site tastings using its bottle tap machine that delivers a shot at exactly the right cool temperature.

SEVA also ran some very impactful tastings for Gunpowder Gin with London Supply pre-COVID, which they are hoping to re-introduce again at this very moment.

If Klingeman had to pick one key target market, she admits it would have to be the Brazilian customer, wherever he or she travels.

"The Brazilians are great duty free customers—they have money and the taxation is very high in the country. The business in the Brazilian border stores



Severino Pušić, SEVA founder

is also expanding," she says. The border stores in Panama and Colombia are also good markets.

Klingeman is optimistic that the business will continue to grow in Latin America—through both the new brands launching and new customers coming into the portfolio.

In fact, Klingeman is being joined by George Koropoulos to manage the business in the region. Koropoulos had been Senior Sales Manager DFTR for Europe, Asia, Africa and the Middle East for nearly five years up until last December, when he became sales director for SEVA IBP. Both of them will be in Buenos Aires to meet new and existing customers at the ASUTIL Conference.

Looking back over the last 10 years, Klingeman credits the success of the

company so far to three pillars.

"Opening our own warehouse and opening our own store—these really helped us develop into a team. And of course, getting the contracts with the companies that work with us is something to be proud of: working with Bacardi, and LVMH, and Diageo (among others). And that is what we have been building over the years."

But most importantly, she points to the DNA of SEVA Group for its success.

"What I want people to understand is that, although we have a big group behind us, it's still a family company. And I see this in every aspect of our company. It's the way all the colleagues act with each other. It's the way that we work with both the customer and the brand owner. Especially during these turbulent and difficult times, we were all there for each other.

"We're actually quite a small team, and we don't have a corporate attitude or mentality. We're dynamic, we're enthusiastic in whatever we do. And I truly believe we see this attitude with the people we partner with, companies like Jägermeister and Bacardi.

"I think we work hard and we have fun with each other. And that's the only way, in my opinion, of doing business because it means if everything goes well, everybody's happy. And in those times where it might not go well, you still need to enjoy yourself and make it work. And this is an attitude that comes from the top of our company."



Jägermeister custom furniture and on-site bottle tap machine activation in Luryx stores in Panama and (right) Neutral by Luryx in Uruguay.

DANZKA®

EST. IN COPENHAGEN

DANZKA®
VODKA

THE DESIGN EXPERIENCE

PREMIUM DISTILLED
MADE OF THE FINEST GOLDEN WHOLE GRAIN
40%vol IMPORTED 100 cl

FOR INFORMATION CONTACT OUR OFFICE:

📞 +1 561-758-8398 ✉ veronica@huberbrands.com 🌐 DANZKA.com

Brown-Forman: preparing for opportunities

It has been a year of restructuring and growth for Brown-Forman Global Travel Retail as it recovers from the impact of the pandemic on its business.

In June 2022 David Rodiek took over as Vice President, Managing Director, Global Travel Retail, replacing Aude Bourdier, who was named Vice President, Managing Director, Brown-Forman France/BeLux.

In April at the IAADFS Summit of the Americas, Rodiek sat down with *Travel Markets Insider* to discuss how B-F's GTR structure is now set up to better cover all of its markets and its continued journey of premiumization.

Rodiek, who is based in Hamburg and has been with the company for almost 18 years, has had stints working in travel retail before his current role. He says it is an exciting time for B-F.

"It was a wonderful time to rejoin the GTR market as the industry was just coming out of a very hard time. Since then it has been very positive, not just the recovery of the sector, but also in Brown-Forman as there were a lot of things happening with new products," says Rodiek.

"We are approaching 2019 levels and are close to exceeding them. We have seen that the Americas and Europe have recovered faster in the last twelve months. Regional travel and domestic travel are better in the U.S. and Europe, while we want to see more recovery in long haul."

New Global Travel Retail Structure

One key change that led to the restructuring of B-F's GTR business was the retirement of Montgomery (Monte) E. Wilson at the end of 2022.

Wilson was with Brown-Forman



David Rodiek, Vice President, Managing Director, B-F Global Travel Retail

Corporation for nearly 30 years, most recently holding the position of Vice President, Director GTR Americas, APAC, and IMENA.

Rodiek, announcing Wilson's retirement in February, spoke about the impact that Wilson has had on the growth of Brown Forman's travel retail business.

"Monte was part of the Brown-Forman team for nearly 30 years and was instrumental in the successful development of our GTR business. We sincerely thank him for his dedication and engagement and wish him the best in this new chapter of his life."

Rodiek tells *TMI* that Wilson's retirement gave B-F the opportunity to look at the organization and structure it according to the opportunities.

"As a result we decided to consolidate into three regions: Americas; EMEAI (Europe, Middle East, Africa and India); and APAC (Asia, Australia, New Zealand, Pacific Islands). Monte's role won't be directly replaced. We are focusing now on the recruitment for the director for the Americas based in South Florida," says Rodiek.

"We have big plans for global travel retail to grow more internationally. The company has big hopes and big expectations."

The role of GTR Director EMEAI was taken over by Oscar Camargo, who previously held the position of Director GTR Europe and whose responsibilities are now expanding. Oscar has been part of the Brown-Forman GTR team for over 5 years. EMEAI is the second strongest region for B-F GTR in terms of revenue after the Americas.

Dreamy Zhou, who has been on board with Brown-Forman for over 7 years, moved from Manager - GTR Southeast Asia & ANZPI to Senior Manager GTR APAC.

New brands and categories in portfolio

In the past year B-F has added two new brands to its portfolio: Gin Mare and Diplomático Rum.

In September the company announced the acquisition of Ultra Premium Gin Mare. Then in October it announced the purchase of the Diplomático Rum brand and related assets from Destillers United Group S.L. (Spain). The Diplomático Rum family of brands is the No. 1 super- and ultra-premium rum and the No. 2 super-premium+ rum worldwide (IWSR, 2021).

Rodiek says these two new acquisitions perfectly fit into B-F's spirits and wine portfolio and add more premium products into the mix.

"We believe that premiumization is here to stay. The luxury market is also developing. People are looking for premium and super premium goods," he says.

"The two new acquisitions fit nicely into our portfolio with a stronger super



Dreamy Zhou, Senior Manager GTR APAC (left) and Oscar Camargo, GTR Director EMEAI

Amázzoni
Distillery
Rio de Janeiro
Brasil



A taste of Forest

Amázzoni
GIN

Represented in Duty Free by **DUTY FREE GLOBAL**

Amázzoni supports
the NGO Vem do Xingu,
actively engaged in the
preservation of the
Amazon Rainforest

Drink Responsibly. Share with those of legal drinking age only.

premium and ultra premium focus. We are very excited about having those two brands in the portfolio. We believe we can do a lot with those two and are integrating those two brands as we speak.”

These new acquisitions allow B-F to play in more spirits categories, confirms Rodiek.

“It is exciting to see us moving from first a Jack Daniel’s company, then an American whiskey company, now to a multiple portfolio play, and internationalizing the business,” he says.

Even as the company internationalizes, Rodiek insists it will always remain true to its roots.

“We are an American company, we are rooted in Kentucky, but also in Tennessee with Jack. Woodford Reserve is a fast growing brand. We want to bring Woodford more to the rest of the world. American whiskey will always be the root for the company. That won’t change. What has changed is the multi-portfolio category play and the stronger proliferation towards super premium,” he explains.

Organic growth

Along with the new brands being added into the portfolio, B-F GTR has also enjoyed strong organic growth, says Rodiek.

“In Cannes we provided a sneak peak of Jack Daniel’s American Single Malt which we are launching this summer. That is something that is happening within the portfolio itself. Tennessee Travelers was another one that we developed as a GTR exclusive. We also introduced new Benriach editions with a focus on global travel retail exclusives. There is a lot of organic development that is happening. We will look to super premium innovations in travel retail.”

The Consumer Experience

B-F is more and more looking to give its consumers experiences at the point of sale, says Rodiek. The company featured two high profile activations at JFK Terminal 4 this spring for Jack Daniel’s and Woodford Reserve.

In April B-F created a sensorial experience at John F. Kennedy’s International Airport to bring the flavors of its Woodford Reserve to traveling consumers with a pop-up lounge ahead of the Kentucky Derby.

Woodford Reserve partnered with



Brown-Forman has been focusing on the consumer experience with its recent activations. Top: Woodford Reserve pop-up lounge ahead of the Kentucky Derby at JFK Terminal 4.

Bottom: Jack Daniel's Single Barrel activation at London Heathrow last year. The activation traveled to JFK Terminal 4 this spring.

some of New York City’s best bars – Eleven Madison Park, Employees Only, and Pebble Bar – for the cocktail menu available at the pop-up. Chocolate authority Jacques Torres crafted a special bonbon to pair with Woodford Reserve Double Oaked Bourbon.

In the same terminal in April B-F showcased the Jack Daniel’s Single Barrel Collection, offering a taste

experience to those traveling through JFK Terminal 4.

“Consumers are looking more and more for consumer experiences and with the Sensory Lounge and what we did with Single Barrel in March, those are certainly activities that are focusing on providing consumers with a different experience. It is something we want to pursue more going forward,” says Rodiek.

Whyte & Mackay announces new GTR structure

Whyte & Mackay has announced a new structure and leadership for its Global Travel Retail team.

The new structure will allow Whyte & Mackay to continue its rapid growth trajectory by creating greater synergies, with stronger connections between the domestic and travel retail teams, says the company.

As part of the revamped structure, Whyte & Mackay has created the new position of Managing Director UK, Europe & Global Travel Retail. Mike Greggs has been appointed to this role, following a

successful period building the Whyte & Mackay UK and Europe business. Richard Trimby will leave the company after a seven-year period during which he helped to treble the size of Whyte & Mackay's travel retail business as well as navigating the impact of the pandemic.

Clarisse Daniels has been promoted to the newly-created role of Regional Director Global Travel Retail – EMEI & Americas. A successor for Clarisse's responsibilities as Head of Marketing GTR will be announced in due course, and that role will now report into Janice McIntosh, who has

been promoted as Marketing Director (UK, Europe & Global Travel Retail).

Asia has been the fastest growing region for W&M. Micheline Wong's position as Regional Director of Asia Travel Retail has been elevated, and she will continue to lead the regional team, reporting directly into Mike Greggs.

Within her team Richard Wan has been promoted to the role of Global Account Manager China & Taiwan Travel Retail. Ashish Monga will leave the Global Travel Retail team to focus on the fast-growing Middle East and India domestic markets.

Snehanshu Verma will take over responsibility for India travel retail, along with his current role, and is appointed Business Manager Middle East & India Travel Retail.

Remy Cointreau promotes Fida Bou Chabke to CEO of Global TR

Rémy Cointreau has appointed Fida Bou Chabke to the position of CEO, Global Travel Retail, effective July 1, 2023. Bou Chabke is based in Singapore.

In her six years with Rémy Cointreau, Bou Chabke has held various General Management positions in Asia and Europe, and most recently as the General Manager of Louis XIII in the Americas region.

In her new role, she will assume the responsibility for Rémy Cointreau's brand portfolio within the Global Travel Retail channel. In addition, she will continue to lead on Diversity, Equity & Inclusion in conjunction with the Committee worldwide.

"Please join me in congratulating Fida on her new role and wishing her continued success within the group. With Fida joining our leadership team, we eagerly

anticipate further growth of our brands in the strategically significant Global Travel Retail channel," said Ian McLernon, CEO – EMEA, Asia Pacific & Global Travel Retail.

Rémy Cointreau expressed its gratitude to Adam Hamzah, who held the position for the past four years, but has decided to pursue other personal interests.

In more people news, Rémy Cointreau has appointed Alice Hoffman as Marketing Director for Global Travel Retail. She will be based in Singapore and report to Fida Bou Chabke. In her 14 years with Rémy Cointreau, Hoffman held various Brand Management roles across the brand portfolio. Most recently, she served as the Global Brand Director for Cointreau, based in Paris.

Pernod Ricard GTR Chairman and CEO Mohit Lal to retire

Pernod Ricard Global Travel Retail has announced the retirement this September of longstanding Chairman and CEO of Global Travel Retail Mohit Lal, marking the end of a distinguished career spanning 37 years in the corporate world.

Laurent Pillet, currently Managing Director Pernod Ricard Eastern Europe will succeed Lal as CEO, Pernod Ricard Global Travel Retail.

Joining Pernod Ricard in 1999, Lal was appointed Managing Director of Asia Travel Retail in 2015 before ascending to Chairman and CEO of Pernod Ricard Global Travel Retail in 2016.

Mohit Lal commented: "My 23 years at Pernod Ricard have been the most fulfilling and rewarding of my career, and a true highlight of my four decades in the corporate world. I have now chosen to step back from full-time employment to enter a new phase of my life that allows me to fulfil my bucket list that has had to stay dormant for a long time and be able to spend more time with family.

"I am confident I leave Global Travel Retail with a vibrant and secure future, and my successor Laurent Pillet will be supported by a truly exceptional team that will continue to drive success."

Veronica Huber – Waldemar Behn's Americas Sales Director

Veronica Huber joined German spirits company Waldemar Behn as Sales Director Americas earlier this year. She is responsible for Waldemar Behn's travel retail flagship Danzka Vodka, along with the Family Brands Alliance portfolio. In addition to Danzka Vodka, the portfolio includes Pallini Limoncello (Pallini), Bache-Gabrielsen Cognac (Maison Bache-Gabrielsen), and G'Vine Gin and Talbert Celtic Malt Whisky (both from Maison Villevert).

All of these brands are managed by Waldemar Behn in travel retail.

Huber has diverse, extensive experience in travel retail in the Americas. Since starting in the channel in 1997, she has worked with such well-known companies as Diageo, Cartier, Longines (The Swatch Group) and Chase International, among others.

For more information, Huber can be reached at 561-758-8398 or email: veronica@huberbrands.com

ASUTIL CONFERENCE



YOU'LL BE BACK HOME!

**REGISTRATIONS
ARE NOW OPEN**



Wednesday 7
and Thursday 8
JUNE 2023

HOTEL HILTON
BUENOS AIRES
ARGENTINA



asutil

Asociación Sudamericana
de Tiendas Libres

MANAGED BY

TFWA