



BY THE NUMBERS

IATA: Global air traffic demand slowdown continues

Global traffic results for August show demand for air transport continuing to flatten, reports the International Air Transport Association (IATA), although with significant regional variations. Global air freight volumes are below previous year levels.

Demand for air travel expanded by 5.1% in August compared to the same month in 2011. Adjusting for seasonal fluctuations (including the positive result from the timing of Ramadan) shows passenger demand has been basically flat since June and with only a 1.2% expansion since January, says IATA. Carriers continued to moderate capacity expansion, limiting it to 4.1% growth, taking load factors to 82.1%.

International Passenger Markets

The growth trend for international traffic remains weak, says IATA,

with overall expansion up 5.3%. Asia-Pacific carriers appear particularly affected, as airlines face strong competition and shifting trade flows.

North American airlines saw just 0.5% growth in international demand but their load factor of 86.9% is the highest of the regions. Compared to July demand was up by 0.5%.

Latin American airlines were the second-best performers in August after the Middle East, with demand up 7.3% compared to last year. Growth outpaced capacity expansion of 5.8%.

European airlines recorded strong demand growth in August (+5.6%), ahead of the 4.7% expansion seen in July. Despite recession conditions in Europe, they have continued to expand on international routes, growing capacity by 4.4%.

Asia-Pacific carriers reported a 2.9% growth, among the weakest in terms of demand growth, and showing weakness month-on-month. Demand slipped 0.5% in August compared to July.

Middle East carriers again had the strongest performance, +16.7%, and continue to expand rapidly. The August rate may have been boosted by the impact of Ramadan falling across all of August in 2011. **African demand** rose 3.2%, while capacity rose 6%.

Domestic highlights:

Chinese domestic air travel was up 10.8% vs. last August, the best performer. Brazil's domestic travel was strong in August, +9.4%. US domestic demand grew 2.4%, but load factors are high. India and Japan both saw demand fall compared to the previous August.

Women in Travel meeting in Cannes to raise funds to complete Lotus Flower project for disadvantaged children in India



The traditional TFWA World Exhibition meeting of WiT (Women in Travel) will take place on Tuesday, Oct. 23, 5:30 – 7:00pm in the Foyer of the Grand Auditorium of the Palais des Festivals. Last year, WiT, with the help of many generous donors, raised over £10,000 to fund the building of a school in rural India for 50 children with severe challenges ranging from blindness to leprosy. No other facility existed previously in the area.

The school is now nearing completion thanks to the extraordinary generosity of Wm Grant & Sons, whose Global Travel Retail Managing Director Rita Greenwood is a member of WiT. The challenge this year is to complete the home.

Earlier this year, Wm Grant released 11 bottles of the Glenfiddich Janet Sheed Roberts Reserve to be

auctioned for charity to commemorate the late granddaughter of William Grant, founder of the Glenfiddich Distillery. Rita Greenwood nominated WiT and its school to be the beneficiary of the proceeds from Bottle No 7. Mrs. Roberts, who celebrated her 110th birthday in August 2011 and was the oldest woman in Scotland, passed away in April this year. Bottle No 7, auctioned by the Global Travel Retail division on behalf of the Lotus Flower Trust and the Ramnagar school project, was bought by World Duty Free Group for £42,000, raising nearly £35,000 after tax to contribute to the building of the school and start a fund for a new home (sited next to the school) where the children will live.

WiT founder Sarah Branquinho explains: "Just £10,000 is needed to complete the building of the school/

home complex and if we can raise that sum at the WiT meeting in Cannes this year, that would be absolutely fantastic. Anything we raise over and above that will be used to buy equipment and teaching aids for the school and furniture for the home."

Funds will be raised through sales of tickets for a prize draw with products being donated by participants at TFWA World Exhibition.

"Although the WiT meeting is a women-only event, we do hope that tickets will be purchased by everyone in order to raise as many funds as possible. Prizes will either be drawn or bid for through a silent auction," adds Gerry Munday. *Anyone wishing to donate a prize is asked to let any of the following know by email:*

Please see list on page 4.

PEOPLE & COMPANY NEWS

Susan de Vree has been named Director Travel Retail at Dutch confectionery company **Perfetti Van Melle**, effective Dec. 1. De Vree is replacing **Mark Laros** who will now focus exclusively on the rapidly growing domestic business. "We will now have a team totally dedicated to travel retail which will enable us to continue developing our business in 2013 and onwards," said Laros.

Leslie Khoury, formerly business development manager at jewelry and gift company Swarovski, recently joined **Bulgari** as Sales Manager for Travel Retail for JWA (Jewelry, Watches and Accessories) in the Americas. She is based in Miami.

Erik Thomsen, formerly travel retail regional director Europe for Wm Grant & Sons and a member of the TFWA Management Committee, has joined Scandinavian wine and spirits company **Hans Just Group A/S** as Commercial Director. Thomsen will still be involved with duty free and will be in Cannes for Tax Free WE.

Massachusetts Port Authority has named **Thomas Glynn** to serve as CEO and executive director, overseeing Boston's Logan International Airport, the Port of Boston's public container and cruise terminals, Hanscom Field, Worcester Regional Airport and real estate holdings in the metropolitan area. Glynn will come to his new position after Massport's long-time Port Director **Mike Leone** retires at the end of September.

Dufry Group confirmed this week that it is in advanced negotiations with **Folli Follie Group** (FFG) for the acquisition of a 51% participation of FFG's travel retail business. The company said it will proceed to official announcements according to the law.

Search is on for next Bacardi Bartender of the Year and Chef of the Year

Bacardi Global Travel Retail has announced the opening of its 8th Annual Bacardi Cruise Competition as it searches for the 2013 Bacardi Cruise Chef and Bacardi Bartender of the Year.

The company invites onboard bartenders or chefs who want to join the many legends inspired by Bacardi over the last 150 years by making their mark in the mixology or culinary worlds to go to www.bacardicruisecompetition.com to enter their original recipes. The two winners will each win a prize of US\$5,000.

The deadline for entries for the 8th Bacardi Cruise Competition is November 30, 2012 and the winners will be announced at an awards event in Miami in March 2013.

"To celebrate the 150th Anniversary of Bacardi rum, we are offering more cash prizes than ever before and new categories to give even greater opportunity for onboard bartenders and chefs to express their creativity," said Zachary Sulkes, Regional Manager, Bacardi Travel Retail Americas.

Sulkes says that new cocktail categories give bartenders the opportunity to use any of the premium products in the Bacardi portfolio to create a highball, rocks or martini cocktail, while chefs can also take their pick from the extensive Bacardi portfolio to create an appetizer, entrée or dessert. In addition, the new signature cocktail/dish category features the new Bacardi Oakheart spiced premium rum.

As part of its celebration of 150 years of legendary parties, Bacardi Global Travel Retail is also offering the crew that enters the most cocktail and culinary recipes its own legendary onboard party – a truly memorable prize, which was won last year by the crew of Royal Caribbean International's *Allure of the Seas*.

"Collaborating with our cruise channel partners, the Bacardi Cruise Competition has inspired the industry's talented bartenders and chefs to deliver an increasing level of quality and innovation in their food and drink offering for travelers," added Zachary Sulkes.

"Last year, the competition attracted a record-breaking 1,850 entries and we're hoping to inspire even more talented cruise and ferry line professionals to take part this year."

HMSHost and Aveda open first Experience Center in continental US airport at MSP

Estee Lauder Companies' Aveda brand opened its first ever Experience Center in a U.S. airport at the Minneapolis-St. Paul International Airport in September.

The botanical beauty and professional products brand has partnered with HMSHost for its first mainland US airport Experience Center, located in MSP's Terminal 1-Lindbergh.

According to the company, the Aveda Experience Center retail store is designed as an airport oasis where travelers can both shop and relax by experiencing complimentary signature Aveda rituals specifically designed to melt away stress, and will offer hair-care, skin-care and body-care products, and specially designed travel sets.

In conjunction with the opening, Aveda will launch an iPad travel application available for use at the Aveda locations at the Minneapolis-St. Paul International Airport and DFS Waikiki Galleria. The iPad application will be available in-store only and will help guests find Aveda salons in travel destinations around the world. It will be available in English and Japanese. How-to videos, travel wellness tips, and other features will be added late fall 2012.

"We are proud to open the first Aveda Experience Center in a U.S. airport in our hometown of Minneapolis," says Catherine Culotta, Vice President Retail for Aveda. "Our goal is to create a truly unique, immersive brand experience for the traveler, and to transport guests to an oasis of relaxation in what can sometimes be a stressful environment."

Canadian land border sales soar 13% as summer comes to an end

Canadian duty free stores ended the summer on a positive note with sales at both the airport and land border up in August, according to the latest numbers from the Canadian Border Services Agency (CBSA).

Canadian airport sales grew 2.8% versus sales from August 2011 and are up 8% for the year versus 2011.

At the land border, sales increased 13% in August 2012 versus the same month last year, with sales up a slight .3% for the year.

All Canadian regions report good sales results for August 2012. The Prairie Region's sales increased 16.27% versus last August. In the Pacific region, August sales rose 16% against August 2011. Ontario sales were up 13.47% in August, while the Atlantic/Quebec region grew .9%.

All three of the major categories showed growth in August at the land border. Alcohol sales grew 15.77%. Perfume, Cosmetics, and Skincare sales grew 17.62%. Tobacco sales were up 8.25% in August.

Last month's 6.8% drop in land border sales was described as an anomaly by Frontier Duty Free Association Executive Director Laurie Karson, who pointed out that the lower sales reflected four weekends in the month compared to five weekends in July 2011. "By far, the most duty free sales take place during the weekend, so one less weekend does make a difference," Karson told *TMI*.

See the FDFA's newly revamped national duty free website at www.dutyfreecanada.com



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HMSHost opens Chicago Cubs Bar and Grill at O'Hare

Travelers at O'Hare International Airport can now get a taste of the city's famous Wrigley Field baseball park, and take a piece of Chicago Cubs history home to share with family and friends.

The grand opening of Cubs Bar & Grill was celebrated Sept. 25 at O'Hare with a live Dixieland band and remarks by representatives from the Chicago Department of Aviation (CDA), Chicago Cubs and HMSHost. The new sports bar is located in Terminal 3 in the rotunda area near the entrance to Concourse G.

The Cubs Bar & Grill is a customized sports bar with a Cubs-themed breakfast menu served from 6-11 a.m. and a lunch and dinner menu served until 9 p.m.

Patrons may order items actually served at Wrigley Field, such as Vienna Beef Hot Dogs and the Stanley Burger, or choose from a variety of newly-created items. More than 20 beer selections are offered at

the bar, as well as a selection of cocktails and wines.

Travelers will easily identify the Cubs Bar & Grill with its replica Wrigley Field Marquee, Cubs memorabilia, framed autographed jerseys, photos of celebrity seventh inning stretch performers, classic magazine covers and other historic Cubs marks and logos.

"HMSHost is very pleased to be joining our DBE partner and operator Effe's Canteen Inc. to bring the Cubs Bar & Grill to travelers on their way through Chicago O'Hare International Airport, and to share with them such a popular local icon," said HMSHost Vice President of Business Development Stephen Douglas.

Guests will soon be able to purchase Cubs souvenirs at the restaurant's retail kiosk, including authenticated game-used and autographed Cubs Authentics memorabilia.



Ribbon-cutting for the official opening of the Cubs Bar & Grill - (left to right) Steve Johnson, Executive Vice President, Business Development, HMSHost; Effe Spyropoulos, President, Effe's Canteen; Commissioner Rosemarie S. Andolino, Chicago Department of Aviation (CDA); Wally Hayward, Executive Vice President, Chief Sales and Marketing Officer Chicago Cubs and former Cubs great Randy Hundley. Chicago Cubs public address announcer Andrew Belleson introduced the speakers and special guests, adding another distinct element of Wrigley Field to the event.

Glazer's and Premier Wines and Spirits form Glazer's Premier Distributors in USVI

Glazer's, Inc. and USVI-based Premier Wines and Spirits have signed a definitive agreement to create a new company to distribute beer, wine and spirits in the US Virgin Islands. The company, to be called Glazer's Premier Distributors, LLC, will result from the contribution by Premier Wines and Spirits of its operations and assets in the US Virgin Islands and a financial investment by Glazer's.

Premier Wines and Spirits is a leading spirits, wine and beer distributor in the US Virgin Islands, representing many international suppliers, including Pernod Ricard, Miller, Beam Global, Campari, Patron, Imperial Brands, Serralles, Sidney Frank, Constellation, and Red Bull. Premier has operations in St. Thomas and St. Croix. Glazer's Premier expects to continue with its core suppliers and expand the business with the resources of Glazer's.

Glazer's President and CEO, Sheldon "Shelly" Stein, commented, "With today's announcement, we have taken the first step of Glazer's long term strategy to grow internationally, which we believe will create new value for our strategic suppliers. We are extremely excited by this new opportunity, and are looking forward to growing our Caribbean footprint with our new partners."

Premier CEO Albert Paiewonsky, who will continue that role in Glazer's Premier, said, "I am very pleased to be partnering with Glazer's. Glazer's brings a wealth of knowledge, relationships, and experience in the distribution business, and we look forward to enhancing our performance with our strategic vendors, and our service platform with our customers."

Premier Owner Ed McDonnell added, "We believe that we have picked the right partner in Glazer's to help us grow our business. Our core leadership of Premier will be staying in place to manage the company, and we are energized by the advantages that Glazer's brings to our operations."

About Glazer's, Inc.

Glazer's, one of the country's largest privately held companies, currently operates in 14 states and the Caribbean, and is one of the nation's largest distributors of wine, spirits and malt beverage products. The company has operations in Alabama, Arizona, Arkansas, Indiana, Iowa, Kansas, Kentucky, Louisiana, Mississippi, Missouri, Ohio, Oklahoma, Tennessee, and Texas. The third-generation family business was founded in Dallas in 1933.



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International news roundup: from Dubai to Rome

National Geographic films DDF
National Geographic Channels International, in conjunction with award-winning production company Arrow Media, has commissioned a ten-part documentary series about the day-to-day working of Dubai International Airport that will be broadcast to over 440 million households in 171 countries when it airs in 2013.

With the working title 'Dubai: Ultimate Airport,' the series will follow the daily operation of the world's fourth busiest airport for international passenger traffic and will involve staff across Dubai's aviation community including Dubai Duty Free. Filming kicked off on September 24.

LS travel retail completes acquisition of ADR Retail business in Rome

LS travel retail announced that it has received regulatory approval to complete the acquisition of the businesses of ADR Retail and will operate 8 duty free / duty paid stores in Rome's Fiumicino and Ciampino airports.

ADR Retail will change its name on November 1 to LS travel retail ROMA.

The stores, which sell alcohol, tobacco, perfumes & cosmetics, gourmet food and souvenirs, cover more than 3,100 sqm of retail space. In 2013, LS travel retail ROMA selling space will increase by 50% to 4,800sqm, and the stores will be rebranded Aelia Duty Free, the multi-categories travel retail

concept developed by LS travel retail.

"Thanks to [LS travel retail's] expertise and the international network of the Lagardère Services Group which it is part of, we will be able to upgrade our retail spaces to the highest European standards, bringing us up to the same level as airports like London, Madrid and Amsterdam, both in terms of the number of square meters offered per passenger and in the quality of what we offer," commented Lorenzo Lo Presti, CEO of Aeroporti di Roma.

He adds that the ambitious investment plan calls for 12.1b euro from now until 2044, of which 2.5 billion will be invested in the next ten years.

To donate a prize for the draw to benefit the Lotus Flower fund

Please contact one of the below:

Sarah Branquinho – sarah.branquinho@worlddutyfree.com

Gerry Munday – gerry.munday@furla.com

Catherine Bonelli – cbonelli@devanlay.fr

Tina Tam – tina.tam@laprairiegroup.ch

Amanda Felix – amanda.felix@dfnionline.com

Lois Pasternak – parsnip5@aol.com
Deliver Prizes to: Furla, Bay Village B15 by Tues., Oct. 23, at 3 pm

The Lotus Flower Trust is working with local NGO U.S.R Indu Samiti who have employed local builders and will provide staff to look after the students. The school is being built in Ramnagar in the state of Uttarakhand, and will open on Nov. 29 with 75 students – 50% more than the original target. A further 200 children are on a waiting list.

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Has an immediate opening for an **Area Manager**

Candidate must be based in **South America.**

Candidate must be willing to travel 40%

Must have experience

Candidate must be organized, dynamic and self-motivated

With strong skills of Excel, Word, PowerPoint (MS Office)

Mandatory Bilingual

English/Spanish

Portuguese is a plus

ESSENCE CORP.

Has an immediate opening for a

Commercial Assistant

Candidate must be organized, dynamic and self-motivated

With strong skills of Excel, Word, PowerPoint (MS Office)

Must speak English and Spanish.

ESSENCE CORP.

Has an immediate opening for an

Area Manager Caribbean

Candidate will be based out of Miami and willing to travel 55% of the time. Must have

experience. Candidate must be organized, dynamic and self-motivated with strong sales skills

and proficiency in Excel, Word, PowerPoint (MS Office)

Mandatory Bilingual: English/Spanish

Please send all resumes to

musallan@essence-corp.com

HK Global to expand distribution and product development businesses Company brings in Jose Chao to develop new vision

HK Global Trading Ltd, a leading player in the North America DF/TR business operating stores along the U.S. Southern Border, is expanding its business to include a full service distribution network and development of a range of wholly owned products.

To support this vision, HK Global is working with well-known industry veteran Jose Chao who has over 27 years of experience launching and building brands in global travel and domestic markets.

HK Global Trading owners Ross Khaledi and his brother Shahram Khaledi are investing in the company's internal infrastructure with highly experienced executives to develop and implement its strategies and are very pleased to announce that Chao has joined the group as VP, Commercial Director.

"Jose Chao will now begin developing a team of highly qualified sales and marketing managers who have a proven track record of building brands," says HK Global Trading CEO Ross Khaledi.

To further implement the new strategy, Alan Huxtable, currently Vice President of Commercial and Business Development, will have a new title: Vice President, Business Development & Merchandising Director.

"Alan has been instrumental in developing our internal buying teams, implementing best in class merchandising initiatives, and overall helping us to improve the operational efficiencies of the group," says HK Global Trading COO Shahram Khaledi.

HK Global has built a strong niche and company identity by focusing on Mexican national consumers crossing the border into Texas, Arizona, and California. The primary vehicle, HK, has established a strong retail commercial footprint in the market.

In addition to its retail stores, HK Global Trading, Ltd has extensive experience in home electronic distribution as an authorized dealer for many world renowned international brands. As part of the new strategy, the company plans to expand its reach into multiple markets and product categories. HK Global's vision is to build its distribution infrastructure and provide suppliers of high image brands a network with world class brand-building capabilities in both the domestic and duty free markets of the Americas.

"We are going to be recruiting qualified sales and marketing personnel with local market expertise in order to provide a high quality service for all our supplier partners. We will be bringing product to market," Chao tells *TMI*.

HK Global Trading's vision is composed of a three prong strategy:

- Expand current DF retail format universe
- Establish full service distribution network
- Launch wholly owned brands in various leading categories

"With Jose Chao's extensive experience, we now have the beginnings of a core nucleus that will deliver powerful and immediate results to our growing group. Our aim is to dramatically expand the HK Global business portfolio in the next two years and we are extremely optimistic that our strategy will deliver and exceed all expectations," says Ross Khaledi.