

Good business from 2014 Duty Free Show of the Americas



The International Association of Airport Duty Free Stores (IAADFS) paid homage to the global celebration of International Women's Day by inviting members of the industry's Women in Travel (WiT) net-

working organization to help IAADFS President Alberto "Pancho" Motta cut the ceremonial ribbon opening the 46th annual Duty Free Show of the Americas in Orlando on March 10.

While final visitor numbers have not yet been announced, Pancho Motta told the *Daily News* that nearly 200 exhibitors filled more than 75,000 square feet of space on the sold out Trade Market floor. Most companies tell *TMI* that meetings and business at the show were excellent.

As is traditional, social activities provided ample opportunities for meeting with industry customers and colleagues, beginning with Sports Day and the Opening Cocktail on Sunday.

Tuesday night's Gala Evening was "the best in years" said all who attended, with entertainment provided by the 60s rock-n-roll tribute group the Atlantic City Boys, along with classical guitarist Leo Lopez, and singer Fernando Varela, a fantastic, award-winning tenor.

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HKG DF to open first airport concession in Mexico

HKG Duty Free announces that it has finalized the exclusive duty free concession contract for Queretaro International Airport in Queretaro, Mexico.

Scheduled to open its first store in June, 2014, the Queretaro concession is the first HKG Duty Free commercial venture in Mexico – and the company's first airport contract, says Alan Huxtable, Vice President, Business Development & Commercial Director at HK Global Trading Ltd.

HKG Duty Free has been negotiating with the Airport Authorities for over a year, says Huxtable:

"We have successfully finalized a 3-year contract with two 2-year extension options," he tells *TMI*.

"Queretaro, located north of

Mexico City, is the fastest growing city in Mexico, and a major transportation center with the goal of becoming the largest air freight port in Latin America," says Huxtable. Queretaro is connected by major highway to Mexico City, is also the headquarters for a number of international companies, including Samsung, Kellogg's and Bombardier.

As a freight center, Queretaro serves Fed Ex and DHL and Grupo Aeromexico and Delta Airlines have just inaugurated a \$60 million Centre for Maintenance, Repair and Overhaul (MRO) Mexico TechOps, the largest in Latin America.

"After doing extensive research, we determined Queretaro was a logical first opportunity to move

into Mexico and the airport business," says Huxtable. HKG's first entry will be a 300-sqm Duty Free/Duty Paid store located in the departures area, catering to both international and domestic passengers.

"We will carry the full range of categories, including both domestic and international spirits brands, and beauty products, fashion watch brands with Fossil Group, and of course, electronics, in which HKG is especially strong," he says.

The store will be set up like a "typical HKG Duty Free store, in a modern style with good use of visuals and flat screen TVs for advertising and other marketing related activities implemented ongoing."

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BREAKING NEWS **BRITAIN ANNOUNCES** **REFORM OF APD**

In a move that should greatly benefit UK travel to the Caribbean, Britain's Chancellor George Osborne today announced reform of the Air Passenger Duty. In his budget speech, Osborne says that effective April 1, 2015, the reform will remove bands C and D, which unfairly penalized the Caribbean and made it more expensive to travel from the UK to the Caribbean than to travel from the UK to Hawaii, a much further distance.

Currently, APD is calculated according to the distance between London and the destination country's capital city. The Duty has risen 470% since 2007, making those flying from Britain among the most heavily taxed in the world and significantly impacting travel from the UK to many islands in the region.

Under the new criteria, all long-haul flights will now carry the same tax as a flight to the US, a move that is being strongly praised by tourism and aviation officials worldwide.

The Caribbean Tourism Organization (CTO), which has vigorously lobbied against the "unjust" tax, says it is "delighted with today's announcement."

"The Chancellor has announced that from April of 2015, the APD will be simplified into a two band system: Band A for short haul flights of less than 2000 miles from London and Band B for all long haul flights more than 2000 miles from London. The new Band B will be charged at the planned rate in 2015-16 (£71 for reduced rate passengers and £142 for standard rate passengers)," said the CTO statement.

The CTO Chairman, Beverly Nicholson-Doty said: "This is a complete victory for the Caribbean, which, led by the CTO, has been lobbying against the unfair system which charged a higher rate of APD on flights to Barbados than

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CTO “delighted” with reform of Air Passenger Duty

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to Hawaii and placed the United States at a competitive advantage.

“We are delighted that the Chancellor has finally accepted the Caribbean’s proposal made in November 2010 to return to the simpler and fairer two band system.

“We want to thank everyone who has supported our lobby, including Caribbean Governments, our partners, the Caribbean Hotel & Tourism Association, British MPs and peers, the Caribbean High Commissioners in London, Caribbean Ambassadors in Brussels, the Diaspora, the World Tourism Organization (UNWTO), the World Travel and Tourism Council and the airlines and travel companies.

“Rest assured that the CTO, with support of our partners, will continue to advocate on behalf of the Caribbean tourism sector. We will now proceed to examine all the implications of this very positive development and advise our members accordingly.”

Also welcoming the announcement, Willie Walsh, chief executive of British Airways’ parent company, IAG; Carolyn McCall, chief executive easyJet; Michael O’Leary, chief executive Ryanair and Craig Kreeger, chief executive of Virgin Atlantic jointly said:

“The PWC report highlights the critical role that aviation plays as an engine of economic growth for both international commerce and tourism. It confirms that abolishing APD would provide the UK economy with a much needed boost creating 0.46% GDP in the first year and at least £16 billion in the first three years and would also result in almost 60,000 new jobs in the UK.”

The A Fair Tax on Flying alliance, which consists of over 30 leading travel organizations, airlines, airports, trade associations and destinations, comments: “Today’s decision is ... a positive first step. Hopefully the reforms announced today will have such a positive impact that they will encourage the Government to undertake further reforms of APD in future.”

The reform also levies a tax on private jets for the first time.

HKG DF to open airport concession in Mexico

The airport serves a range of airlines, with United Airlines to Houston, Chicago, Denver and Los Angeles, as well as Volaris charter flights having a growing presence operating in the airport.

“The airport already serves a significant business-based international community along with a diverse passenger mix offering daily flights to United hubs or connecting onto other flights elsewhere in the US or abroad,” says Huxtable.

“This store is only the first commercial venture at the airport. Subsequently, HKG Duty Free intends to eventually introduce additional locations catering specifically to freight carrier crews, charter flights, and private jet travelers utilizing the adjacent FBO terminal. HKG Duty Free will develop and activate a satellite showroom positioned in the FBO terminal serving high-end business travelers not directly passing through the main terminal facilities for arrival or departures.

“We are looking at other opportunities and long-term growth in Mexico,” he says.

One of HK Global Duty Free’s current stores. The Queretaro store will be similar, says the company.



Westfield releases new Chicago O'Hare Terminal 5 video preview

Chicago O'Hare Terminal 5 Concessions manager Westfield has released a video sneak peek of the New International Terminal 5 (T5) at Chicago O'Hare International Airport which is scheduled to open on April 4, 2014.

The video offers a preview of the massive transformation of T5. The \$26 million redevelopment by Westfield features more than 18 new premier restaurants and luxury retail shops like Salvatore Ferragamo - including 11 local Chicago brands - cutting-edge design and world-class amenities.

Westfield says that the New T5 showcases local airport 'firsts' like modern Italian eatery Tocco, artisanal market Goddess & Grocer and five concepts by Lettuce Entertain You Enterprises, including Hub 51, Big Bowl, and Wow Bao.

Also new, a 10,000-square-foot European-style, duty free shop operated by Dufry, a first of its kind in North America through which all departing passengers pass after clearing the new TSA checkpoint.

Serving as the first and last impression of Chicago to millions of international travelers annually, the new Terminal 5 “revolutionizes the traveler experience,” says Westfield.

Prior to the redevelopment, 95% of the terminal's dining and retail options were located pre-security, making it difficult for travelers to access dining and shopping while waiting for flights. The video can be seen here:

<https://www.youtube.com/watch?v=5g6-IRFdIK4>





2014 Duty Free Show of the Americas



Photo of Opening Reception courtesy of IAADFS



Photos, clockwise from above: The Opening Reception Cocktail at the Marriott World Center in Orlando heralded in three days of spectacular weather and good business opportunities. Essence Corp. held a very special reception at the Ice Bar on Monday evening.

Chase International's Chase Donaldson with a Special Guest at the launch of Three Olives Vodka Elvis Presely Coconut Water. The Trade Market enjoying the calm before the storm, overseen by Batman at the Marmol & Son booth.



Shopping China wins DFNI Americas Travel Retailer of the Year award



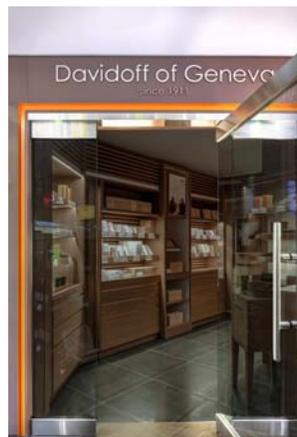
Shopping China's Henry Suarez (second left), Monica Jara and Felix Lugo accept the top DFNI Americas award from Gary Scattergood, far left, and Amanda Felix, far right. Photo courtesy of DFNI

Paraguayan retailer Shopping China won the DFNI 2014 Americas Travel Retailer of the Year award, presented during the Orlando Duty Free Show by DFNI editor Gary Scattergood and publisher Amanda Felix.

In other awards, Best Airport Travel Retailer of the Year went to Dufry America; Best Border/Downtown Travel Retailer was awarded to London Supply; and Best Cruise/ Ferry Travel Retailer went to Starboard Cruise Services.

DFASS (Duty Free Air & Ship Supply) was named Best Inflight Travel Retailer of the Year. On the Supply Side, Puig Panama won The DFNI Americas Supplier of the Year award. Best New Product

Launch for 2013 was awarded to Oettinger Davidoff for Davidoff Cigars.



Davidoff Humidor at New York JFK T4 with DFS, built by Artco Group.



TFWA Asia Pacific Exhibition & Conference Opens additional exhibition space for 2014

TFWA has announced that it is expanding the exhibition space at the 2014 Asia Pacific Exhibition & Conference, which takes place in Singapore from May 11-15, in the Marina Bay Sands Expo & Convention Centre.

The Trade Market will now occupy Hall A of the street level (L1) at Marina Bay Sands in addition to the underground level B2, as last year. This increases the total floor surface by +18.5% from some 8,000sqm last year to 9,500sqm.

"TFWA's event last year broke all records for stands, visitors and conference delegates and also for the quality of the exhibition. This year we are doing our utmost to raise the bar again," commented Patrick Bouchard, TFWA Vice-President Commercial.

"Sales in this region continue to grow faster than anywhere else in the world and the mood here is buoyant. According to Generation's preliminary sales data for January to October 2013, Asia Pacific sales were up by 12% on 2012 which has driven its market share to 37% and confirmed its position as leading region in the industry after Europe.

"After listening to both visitors and exhibitors, we have chosen to open a new exhibition hall. Now delegates arriving at the event will collect their badge directly at street level, thanks to a dedicated registration area located inside the exhibition. Lifts operate inside the halls so there is no time lost in commuting between the levels," said Bouchard.

To date nearly 250 exhibiting companies have confirmed their presence at the TFWA Asia Pacific event, including new and returning companies such as Calvin Klein Jeans, Cross Accessories, Delsey, Freixenet, Lindt, Nuxe and Yunnan Tobacco, with several others in the pipeline.

The popular ONE2ONE pre-arranged meetings service, which facilitated 300 meetings last year between airports, airlines, retailers and brands, is now open to registered delegates.

TFWA Asia Pacific Exhibition & Conference will kick off with a golf tournament on Sentosa Island and a Welcoming Cocktail at Raffles on Sunday May 11, followed by the Conference and Workshops on May 12.

Further details and registration information can be found at www.tfwa.com.

Duty Free World Council relaunched; holds inaugural meeting in Orlando

The Duty Free World Council (DFWC) met for the first time on March 11, 2014 during the Duty Free Show of the Americas in Orlando, Florida, in order to elect the Board and Executive Committee who will oversee the activities of the DFWC in its formative phase.

The DFWC's Board members are drawn from the key global and regional duty free associations namely IAADFS, ASUTIL, ETRC, TFWA, MEADFA, APTRA and FDFA. Representatives of each of the member organizations were present at the meeting.

At the meeting, Frank O'Connell, ETRC Vice President and Special Advisor to the Board, was elected as DFWC President. Alberto Motta, President IAADFS, and Erik Juul-Mortensen, President TFWA, join O'Connell on the DFWC Executive Committee as Vice-Presidents.

"We are delighted that after months of discussions, the DFWC is now up and running with a Board that reflects the widespread support we've received for the project," said Alberto Motta.

"The DFWC will play an important role in supporting and strengthening the work that is being done by the regional associations and we are confident it will help our industry speak with one voice.

"We are very grateful to the founder members of the DFWC for their support and look forward to working together to meet the various challenges we face."

The organization has drafted a very clear cut set of objectives to guide it, beginning with "Represent, protect and promote the global duty free and travel retail industry, by providing appropriate support to all regional industry associations when and where relevant."

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For full set of DFWC objectives, please
click on link on cover html letter

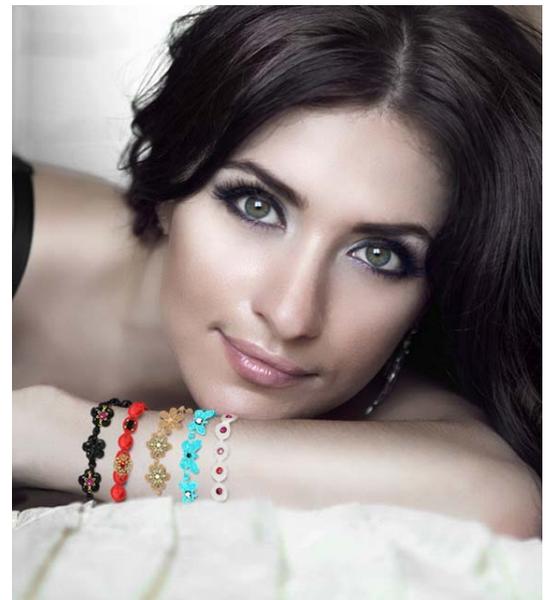
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