



BY THE NUMBERS

DF/TR industry forecast to double sales by 2025

Research organization mInd-set Generation is forecasting that the duty free and travel retail industry will double current sales between now and 2025. The Swedish-Swiss joint venture is calculating a compound annual growth rate (CAGR) over the next decade of 6.8%, which it says is 0.5% higher than the average over the previous two decades since the mid-nineties.

Despite a drop in global sales in 2015, mInd-set Generation says that the industry will achieve this growth due to a number of external factors including an acceleration in the growth of travelers from emerging countries and in international travel generally, innovation from within the industry, improved marketing and premiumization of the offer.

The research firm also credits better analytical tools to understand traveler behavior and the means to target travelers at all stages of the journey through technological progress as contributing factors to this projected growth.

In its latest forecast report, mInd-set Generation cites traffic forecasts from IATA and other key sources that estimate annual

traffic to grow at between 4.1% and 4.2%. They forecast that the industry growth will surpass the traveler growth estimates due to price increases, inflation and the above mentioned factors.

Both the Middle East and Asia Pacific are predicted to achieve above average growth with CAGRs of 9.2% and 8.5% respectively, says the report. The Middle East will represent 11.7% of global sales (up from 9.4% in 2015), reaching US\$14 billion in 2025. The Asia Pacific region will grow from current sales of just over US\$25 billion to an estimated US\$57 billion, representing just under 50% of global sales by 2025. Europe, the Americas and Africa will all experience below average growth over the next decade.

In terms of sales channels, "other shops" such as border stores, port and cruise ship stores as well as downtown shops will see the fastest growth with a CAGR of 7.7% ahead of airports at 7.1%.

Ferries and airlines, however, are predicted to experience negative annual growth at -2.0% and -1.5% respectively between now and 2025.

In the years ahead, it is likely that airports and other travel retail outlets will shift their category focus in terms of space allocation as non-core categories such as Fashion & Accessories and Watches & Jewelry are forecast to experience the fastest growth at 8.5% and 7.9% respectively. Confectionery and beauty will also see above average growth while tobacco will only grow by 3.1% per year over the next decade.

Commenting on the forecast Generation CEO Fredrik Lindh says: "We are obviously encouraged to see the trends as it is clearly a high ROI industry and attractive to investors, which is also evident by the consolidation we have seen in the business in recent years. We hope the industry will sit up and take heed and address the areas that we have identified as underperforming."

The full Forecast report with detailed analysis of each sub-section (per category, region and channel) is available to Generation's Best & Most subscribers. For more information, please contact info@generation.se.

Caribbean on course to break 30 million tourist arrivals in 2016

Tourist arrivals to the Caribbean are expected to surpass the 30 million mark for the first time ever this year, following a record 28.7 million arrivals in 2015.

Chairman of the Caribbean Tourism Organization (CTO) Richard Sealy confirmed this morning that the industry got off to a fast start in 2016, registering a 7.3% rise in the first quarter over the corresponding period last year. During this period, the Caribbean

region welcomed approximately 8.5 million international visitors, 580,000 more than during the first quarter of 2015.

"This performance was buttressed by lower oil prices and the strong US dollar, which increased the appeal of the region to potential visitors. The many air service agreements ensured that the region had adequate seats to facilitate the flow of travelers to and within the region," said the CTO chairman.

Nineteen destinations showed improvements upon their 2015 performance, with eight registering double digit growth of between 10.5% and 26.8%.

The growth was led by intra-regional trips which rose by 9% to 12%, followed by the European market, up by 11%.

The CTO has projected growth of between 4.5 - 5.5% in 2016.

The regional organization released details of its Tourism Industry event today.

PEOPLE



Professor Alex Seret

In related news, mInd-set Generation has appointed Business Analytics expert Professor Alex Seret as a consultant specifically on the sales forecasting aspects of the business. A leading expert in his field, Seret has a Ph.D. in Decision Science from KU Leuven University and is a Professor at the University of Los Andes in Santiago, Chile.

Seret's appointment will boost the company's analytics and forecasting capacity, said the mInd-set Generation announcement.

Generation CEO Fredrik Lindh comments: "...we recognize the need to constantly improve and provide excellent service when it comes to data accuracy. The collaboration with Professor Seret brings a wealth of experience in business analytics, data science and quantitative marketing across different industries, including retail. Alex Seret is a recognized expert in analyzing and forecasting data in ultra-complex environments such as ours where data is often missing. We look forward to his proficient perspective on the way we operate."

mInd-set owner and CEO Peter Mohn adds: "We are delighted to welcome Alex on the mInd-set Generation team as he will play a key role in our joint 'Big Data' service. This relationship will enable mInd-set Generation to provide much improved data, enriched by our consumer insights, best in class air traffic forecasting and macro-economic data, which will help put the sales data trends and forecasts into a much clearer perspective."

Royal Caribbean signs agreement to build world-class cruise terminal in Miami



Royal Caribbean Cruises Ltd. has signed an agreement with Miami-Dade County to construct and operate a dramatic new cruise terminal at PortMiami. The new terminal, on land leased from the County, will serve as homeport to Royal Caribbean International ships, including a 5,400-passenger Oasis-class ship, the world's largest cruise ships. The agreement will come before the Miami-Dade County Board of County Commis-

sioners for approval July 6, 2016.

The 170,000-square-foot terminal is nicknamed the 'Crown of Miami' because of its distinct shape. The design evokes the points of the symbolic headgear when viewed from the water; the 'M' of Miami when viewed from the east or western approaches; and a sense of waves rising or ships passing when viewed from the terminal side. At night, the terminal's facade will be lit to make a striking

impression and provide a dynamic addition to the PortMiami landscape.

Royal Caribbean has also committed to add a 20,000-sqft Innovation Lab to its corporate headquarters located at PortMiami. The Innovation Lab will continue to generate Royal Caribbean's innovative vessels.

Currently, PortMiami welcomes approximately 750,000 Royal Caribbean passengers annually, representing about 15% of its overall passenger traffic.

Once the new cruise terminal is completed, it is anticipated that Royal Caribbean will generate at least 1.8 million passengers at PortMiami – representing no less than 30% of the port's projected passenger traffic.

"We are truly excited to be working with Miami-Dade County and PortMiami to create not just another cruise terminal, but a truly iconic building," said Richard D. Fain, chairman and CEO for Royal Caribbean Cruises Ltd. "This new terminal is a symbol of our commitment to Miami, the city where our

company first started almost 50 years ago. We can't wait to bring an Oasis-class ship to PortMiami."

"Miami-Dade County is happy to welcome Royal Caribbean's expansion at PortMiami, and all the economic benefits that come along with it," said Carlos Gimenez, Miami-Dade County Mayor. "This public-private partnership will have an estimated economic impact of \$500 million and generate approximately 4,000 jobs. Royal Caribbean has been an important part of our world-class community for almost 50 years, and this expansion will once again make PortMiami Royal Caribbean's largest cruise port in the world. I thank them for their continued investment in and commitment to Miami-Dade."

Broadway Malyan is designing the new terminal, after a global competition was held between five of the world's leading architectural firms. The firm was selected because of their creative thinking and cutting-edge design, says RCL.

L'Oréal to acquire Atelier Cologne

L'Oréal is adding to its high-end, niche fragrance business with its agreement to acquire Atelier Cologne, announced on June 30.

Launched in 2009 by Sylvie Ganter and Christophe Cervasel, Atelier Cologne specializes in niche perfumery sold in selected retailers. Atelier Cologne creates and manufactures in France "Colognes Absolues," pure perfumes for women and men blending citrus notes with the finest natural raw materials, which are also available in perfumed soaps, shower gels, body lotions and candles for the home.

"Alternative perfumery is currently a high-growth segment. We are delighted to welcome the perfume House Atelier Cologne within L'Oréal Luxe. Thanks to its expertise in niche perfumery, this brand will perfectly complement the L'Oréal Luxe's brand portfolio which includes exclusive perfume collections from its biggest brands: Armani Privé, Le Vestiaire des parfums by Yves Saint Laurent, Maison Lancôme, Replica by Maison Margiela as well as the Ralph Lauren Collection," explained Nicolas Hieronimus, President L'Oréal Selective Divisions.

Building on its success, Atelier Cologne is now present in over 800 points of sale, in the most prestigious stores and perfumeries in 40 countries and on e-commerce sites. The brand has 6 stand-alone stores, with 3 in France, 2 in the United States and 1 in Hong Kong.

"Our encounter and love story led to the creation of Atelier Cologne. Today, another dream comes true as we join the L'Oréal Group with a shared ambition to reach new heights keeping the entrepreneurial spirit of our Maison. We are delighted to benefit from the Group's retail and digital expertise and L'Oréal Luxe's olfactory expertise to make the brand even more successful," said Sylvie Ganter and Christophe Cervasel, founders of Atelier Cologne.

Atelier Cologne is currently distributed in travel retail in the Americas through Essence Corp. and last month enjoyed its first launch in the Caribbean at Rouge Caymania in Grand Cayman.



Dolce&Gabbana licenses Shiseido Group for its beauty business

Dolce&Gabbana and Shiseido Group have signed an exclusive worldwide license agreement under which Shiseido will develop, manufacture and distribute the Dolce&Gabbana fragrance, makeup and skincare lines.

The new collaboration will officially start on October 1, 2016, subject to antitrust clearance.

“We are so proud to enrich our portfolio of prestige brands by such a beautiful luxury fashion Brand,” commented Masahiko Uotani, Shiseido Group CEO.

“The license agreement is aimed at strengthening our brand portfolio for the sake of future top line growth, which is a part of my VISION 2020 for Shiseido Group. The collaboration of our two companies, with their heritage rooted in such diverse cultures as Mediterranean style and Japan, opens excellent opportunities for creating new exciting values.”

“The standards, values, coherence and quality of Shiseido Group perfectly mirror the positioning and path that we have

decided to take with Dolce&Gabbana. Hence signing the license agreement with Shiseido represents the ideal choice for the development of our future projects. We are sure that the level achieved by the Dolce&Gabbana fragrances thus far, already well-established and significant, will be further enhanced thanks to this partnership with Shiseido, and we anticipate that together we will be able to fully develop the potential we believe we have for growth in make-up and skincare,” say Domenico Dolce and Stefano Gabbana.

“We are therefore very happy to announce this partnership, and enthusiastically look forward to collaborating on future projects.”

The negotiations were carried out by Shiseido Group EMEA, Shiseido Group Fragrance Center of Excellence, led by Louis Desazars, President and CEO of Shiseido Group EMEA and President and CEO of Beauté Prestige International. Dolce&Gabbana’s beauty license will be managed from Paris, Shiseido Group EMEA HQ.

“I am very happy and very proud to welcome such a prestigious brand in our portfolio. For us it’s a unique opportunity to collaborate with an extraordinary and inspiring brand in order to bring to life unique creativity and new product experiences. We expect

considerable synergy effects from this alliance as it will take full advantage of the organization scale of Shiseido Group EMEA HQ,” says Louis Desazars.

Philippe Lesné, President, Shiseido Travel Retail comments: “This is a game-changer for Shiseido Group and a very exciting development for our newly unified global business unit, Shiseido Travel Retail. By making full use of Shiseido Group’s tri-axis abilities, we anticipate to rapidly scale up Dolce&Gabbana’s beauty business across fragrances, make-up and skincare. Global Travel Retail will be a strategic channel for the brand, and we will be working in close partnership with Shiseido Group’s EMEA region, the Dolce&Gabbana team and our travel retail partners to maximize the exciting potential. We are witnessing another landmark in the progress towards Shiseido Group’s Vision 2020, as a mid-to-long term strategy for accelerating global success through organic growth, new licenses and acquisitions.”

Using Shiseido Group’s R&D ability, it is highly anticipated that Dolce&Gabbana will enhance its fragrance, make-up and skincare business (around 400 million euros turnover in beauty activities in 2015). Shiseido Group will expand its position in the luxury beauty industry and will significantly increase international turnover.

Belgian cigar manufacturer J. Cortès acquires American Oliva Cigars

Belgian family business J. Cortès cigars has signed an agreement to acquire US-based Oliva Cigars with branches in Miami and Nicaragua.

With this acquisition, J. Cortès aims to diversify its product portfolio and further establish its position in the worldwide market. The combined annual turnover of the two family-run businesses equals \$100 million. J. Cortès comments that a family business branching out in two continents is unprecedented in the cigar industry.

The acquisition brings together two complementary businesses: the J. Cortès machine-made cigars are mainly active in Europe while the hand-rolled Oliva cigars are strong in the American market. In common, both are companies with strong family ties that run the business with “passion, craftsmanship and humility.”

CEO Fred Vandermarliere comments: “Oliva Cigars is a fantastic, well-run business with strong brands and plenty of future opportunities. This acquisition allows us to further strengthen both businesses’ strategy and to stay focused on brands, people and dedication to great products for cigar lovers.”

José Oliva, CEO of Oliva Cigars, will keep on running the business, with guaranteed continuity in both brands and workforce (1,115 people).

“As a family, it was important to us to be part of a company whose spirit and culture is much like our own. A company that appreciates and wants to continue working with our entire team. It is a new and exciting chapter for our company,” commented Oliva.

The deal closed on June 30, and became effective on July 1, 2016.

About J. Cortès group

J. Cortès Cigars has been in the hands of the Vandermarliere family since 1926. This West-Flemish company produces 100% machine made cigars, and is active in 80 countries worldwide. Core brands are J. Cortès, Neos and Amigos. **Figures:** Total annual production of 500 million cigars; production in Colombo (Sri Lanka), Handzame and Zwevegem (Belgium), over 2,250 employees

About Oliva Cigars

Oliva Cigars is a family business based in Miami and Nicaragua, and its high quality cigars having earned several awards and nominations. Oliva has a strong position in the American market of ‘premium hand rolled’ cigars, with brands Oliva, NUB and Kaïn.

Facts & figures: Total annual production of 15 million handmade cigars; headquartered in Miami; production units in Esteli (Nicaragua); 1,115 employees.



David Ferreira dferreira@cross.com



Bulldog Gin creates Americas division led by Chester Brandes

New

Essence Corp has an immediate opening for a Brand Manager.

The ideal candidate must have marketing and/or sales experience preferably within the luxury brand industry.

Strong communication and presentation skills.

This individual will be responsible for purchasing, inventory management, marketing plans, price lists, brand communication and reporting.

Must have a high level of skills using Excel, PowerPoint and other MS Office applications. Fluent in English and Spanish both written and oral. French is a plus.

Please send resumes to lpiedra@essence-corp.com & musallan@essence-corp.com

Bulldog Gin has appointed industry veteran Chester Brandes as the Managing Director of its newly created Americas division, responsible for the development and execution of the brand's commercial strategy in the US, Canada, Mexico, Latin America, and the Caribbean, with a particular focus on the on-premise.

Most recently, Brandes was CEO of Imperial Brands, Inc. (Groupe Belvedere) where he spearheaded the launch and development of Sobieski Vodka in the US and Canada.

Under Brandes' stewardship at Imperial Brands, Sobieski reached sales of one million cases faster than any imported vodka brand in US history (*Impact*).

In addition to Bulldog's existing US team - led by Senior Brand Manager North America

Jaron Berkhemer -- Christian Castren and Shayne Ackerl will assume the roles of Commercial Director Latin America and Canada, respectively. All three will report to Brandes.

According to IWSR, Bulldog Gin is the fastest growing premium gin in the world.

"With Bulldog growing at an impressive rate in North America, it's a game-changing time to bring on a seasoned veteran like Chester, who truly embodies the 'Bulldog spirit' of relentlessness, confidence, and passion," says Anshuman Vohra, Founder and CEO of Bulldog Gin.

He adds: "I am quite confident that he and our team will elevate and further amplify the brand in concert with our valued partners at Gruppo Campari, and I look forward to working closely with him in this endeavor."

"Bulldog is on the precipice of really exploding in the North American market, following in the

footsteps of its category-leading position in Spain. I am extremely excited about the opportunity to help develop this great brand in the region. Together with Gruppo Campari and our other distribution partners, I have no doubt that Bulldog's growth will be greatly accelerated as a result of this initiative," says Brandes.

"Bulldog is well positioned to take advantage of the rising interest in cocktail culture in this territory, shining as a key ingredient in popular drinks such as the Negroni," said Ugo Fiorenzo, Managing Director – US for Gruppo Campari.

"Chester's vast experience with distributors, along with the on-premise channel, makes him an ideal leader of this new division."

Bulldog Gin, hand-crafted at the world's oldest continuously functioning gin distillery in England, was founded by former JP Morgan investment banker and entrepreneur, Anshuman Vohra.

THE SHISEIDO GROUP

has the following open positions in its Marketing Department:

Product Manager for its Skincare/Make-up brands and a **Marketing Assistant** to assist the Fragrances TR Brand Manager.

Candidates must have at least 2-3 year experience in the industry with a Marketing or Business related degree preferred.

We are also looking for an **Administrative Assistant** for our HR/Administration Department.

&
Travel Retail Sales Manager South America based in the Miami office.

Minimum qualifications: Bachelor degree or above in Business; 3 years' experience in a sales position within the industry; excellent communication skills (English/Spanish); strong management and analytical skills; 50% travel.

To apply please contact gcamplani@bpi-sa.com

MOVADO

is seeking an
Area Sales Manager for key chain accounts and independent accounts for the Caribbean.

Position based in Miami and reporting to Travel Retail Sales Director.

Responsibilities include both sell-in and sell-out management, elaboration & implementation of sell out plans to further drive retail sales, assortment & inventory management, working with the marketing department to build the trade plan for each account and ensure retail excellence in stores. Ideal candidate has at least 5+ years of previous account manager/area manager experience,

strong retail experience in luxury or consumer goods industries, Caribbean market knowledge a plus, exceptional interpersonal skills, strong business acumen skills and entrepreneurial mindset and a can do attitude. 50% travel required.

To apply, please copy this link -

<http://jobview.monster.com/Area-Sales-Manager-Job-Coral-Gables-FL-US-167452154.aspx?mescoid=4100666001001&jobPosition=1>

"Paco" Heredia celebrates 30 years with London Supply

Congratulations to Francisco "Paco" Heredia, the well-respected Business Development Director of Buenos Aires-based travel retailer London Supply, who this month celebrates 30 years with the company in the duty free business.

In a telephone interview, Heredia told *Insider*, "The industry has changed dramatically since I first started working three decades ago. At the time I started working with London Supply I had only been in 4 or 5 airports and had only been in one duty free shop. Now, I wouldn't be able to count the number I have visited. When I first started in the business, the TFWA had just celebrated its second anniversary and ASUTIL didn't even exist. I didn't even know what a Free Zone was! Back then I never suspected for a minute that Teddy Taratuty was going to change the history of travel retail in the Americas and that I was going to be a privileged witness to all of these changes."

Heredia, who is currently heading up a project to create a new Free Zone and a new duty free shop in the province of Santa Cruz in southern Argentina, was directly involved in the design and planning of the very first walk-through store in the Americas at Punta del Este Airport in Uruguay. He was also involved in the planning and design of the company's flagship duty free store in Puerto Iguazu. The store was opened in 2001 in the middle of one of Argentina's biggest economic crises of recent years. The award winning store, recently expanded from 4,000sqm to 9,000sqm, has changed the way border travel retailing is carried out throughout the Americas.

Heredia has also served on the board of ASUTIL where he held the post of President on two different occasions. *JG*