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BY THE NUMBERS

Air traffic growth continues to slow in September

The International Air Transport Association (IATA) announced that global passenger traffic in September rose 4.1% above that of September 2011. This rate is down from the 5.3% year-on-year growth rate in August and well below the 6% average growth rate seen throughout the first half of the year.

IATA says that the growth trend in air travel started to flatten in the 2Q, with no growth in passenger traffic between April and August. Capacity increased by 3.1% over the year-ago period. The load factor stood at 80%, up 0.7% points compared to September 2011, which means that the airlines are eking out a slight profit.

IATA Director General and CEO Tony Tyler said that carriers in China, Latin America and the Middle East are growing strongly, while Europe, North America and most of Asia are a mixed bag. "Robust growth in China is being tempered by faltering markets in Japan and India," he said. "

International Passenger demand rose 4.9% in September compared to the year-ago period, with all regions reporting traffic growth. Only Asia-Pacific carriers experienced a decline compared to August. Capacity rose 3.1% for the month, pushing the load factor up 1.3% points to 80.9% compared to a year ago.

By regions:

European airlines' international traffic grew 5.4% vs. September 2011, the strongest performance among the

major regions despite recession conditions in Europe. With capacity up 3.5%, the load factor reached 83.9%, up 1.5% points on September 2011, the second highest worldwide.

Asia-Pacific was one of the weakest regions, up just 1.7% year-on-year. Versus August, the pax traffic fell 0.3% -the only region to decline. Tight capacity management, however, pushed the load factor up 1% point versus last year to 77.2%.

North American airlines' international traffic climbed 2.1% for the month, while capacity declined 0.2%, with the load factor reaching 84.6%, the highest for any region and a 2% point rise over September 2011.

Latin American airlines posted growth of 7.5%, the 2nd highest among the regions. Capacity climbed 6.2% and the load factor rose 0.9% points to 78.2%. Versus August, traffic rose 2.7%, the strongest month-on-month performance for any region.

Middle East carriers showed the strongest traffic growth, up 13.3% YOY. **African** traffic climbed 4.7% YOY, on a 3% rise in capacity. The load factor was 71.6%, the lowest of any region but a 1.2% point rise over last year.

Domestic Passenger Markets

Domestic results were mixed. Demand rose 2.6% compared to September 2011, which was a slowdown from the 5% year-on-year increase recorded in August. But September traffic rose 0.5% compared to August.

Results varied strongly by country, with China and Brazil making major gains that partly were offset by weakness in India, Japan and the US.

New Canadian VP at HMSHost

HMSHost has appointed Neil Thompson as regional vice president for Canada, responsible for leading the company's Canadian airport and motorway business.

Thompson, based in Toronto, will oversee HMSHost's 8 airport operations across Canada as well as the company's extensive Ontario motorway service center business.

Marta Castellanos-Campana has joined Miami distributor Actium as

Director of the Lifestyle & Beauty Division. Her experience includes several years at Parbel, where she was successively account manager Latin America for Lancôme, division manager for the Fragrance Division and, commercial advisor in a transversal role across all Divisions.

PEOPLE



Monte Wilson



Tim Young

Monte Wilson, Tim Young promoted at Brown-Forman

Two stalwarts of the Brown-Forman Travel Retail team -- Monte Wilson and Tim Young -- have been recognized for their contributions to the success of Brown-Forman Travel Retail with the promotion to Assistant Vice President, effective immediately. Both Wilson and Young will continue their present duties but in an Assistant Vice President capacity.

Wilson is a long-time member of the B-F Travel Retail team and has been serving as director of America's Travel Retail and Global Key Accounts. He is based in Louisville, Kentucky.

Young has also been associated with B-F Travel Retail for a long time and is marketing director for Global Travel Retail. He is based in London, England.

Jim Perry, managing director for Brown-Forman Travel Retail, lauded Wilson and Young:

"Monte and Tim are both key players in Travel Retail and are highly respected within the industry for their dedication and professionalism. Their promotions are well-deserved and reflect the recognition of their outstanding contributions."

Alec Sanguinetti is retiring as Director General and CEO after 19 years in executive positions with the **Caribbean Hotel & Tourism Association (CHTA)** and 52 years as one of the tourism industry's top airline and hotel executives. He will step down as of Jan. 31, 2013.



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TAG Heuer continues Americas expansion with opening of 1st boutique in Chile

TAG Heuer opened its fourth dedicated Boutique in Latin America, in Santiago, Chile, at the end of October. The avant-garde Boutique, a large lifestyle space showcasing the Brand values and contemporary luxury as well as a range of accessories, is located in upscale Parque Arauco mall of Santiago de Chile. It was opened in collaboration with the company's Chilean partner, Müller & Cia.

Over 200 guests attended the launch, said Christian Weissbach,

LVMH Watch & Jewelry Caribbean & Latin America President, who attended with Regional Sales Director Bruno Duchene.

"This is the natural step to celebrate more than 30 years of the brand's presence in Chile and collaboration with our partner Müller & Cia," said Weissbach. In recent years, TAG Heuer has significantly increased its brand building efforts, adding many new monobrand boutiques all around the world. TAG Heuer currently operates 142 stand-alone bou-

tiques worldwide.

Müller & Cia. President Tomas Muller, added, "The Chilean boutique will house the brand's iconic timepieces, latest collections and limited edition watches, avant-garde eyewear as well as TAG Heuer's lifestyle accessories like jackets, bags, belts, cufflinks, etc."

The Chilean launch party featured the iconic TAG Heuer Carrera 1887 43mm, part of a legendary collection celebrating 50 years in 2013, the newly designed Link

Lady watch, epitomizing feminine elegance, sophistication and glamour.

A full interview with Christian Weissbach discussing the latest strategy for TAG Heuer's expansion in the Americas is featured in the October/November issue of *Travel Markets Insider* magazine.



Above: Tomas Müller, Hilde and Valeria Laskowitz, Mrs. Yvonne Baumann, Swiss Ambassador in Chile, and Christian Weissbach at the official launch of the first TAG Heuer Boutique in Chile



Sunglasses Awards 2012 winners are announced at Luxottica workshop

The fourth travel retail Sunglasses Category Workshop, hosted by Luxottica during the TFWA World Exhibition, concluded with the 2nd Sunglasses Awards, where retailers from around the world were recognized for their efforts to help grow the accessories category in travel retail. The judging panel consisted of executives from Luxottica, Marcolin, Maui Jim and Safilo, and Martin Moodie of *The Moodie Report*, who each presented an award. The winners were:

Best New In-store Environment for Sunglasses

Winner: Gebr. Heinemann - Oslo
Highly commended: Aerofirst - Moscow Sheremetyevo
Dufry/IOSC - Buenos Aires

Best Standalone Sunglasses Concept

Winner: Nuance - Antalya
Highly commended: Everrich - Taipei; Gebr. Heinemann - Oslo

Innovation Award

Winner: Dufry/IOSC - Punta del Este VIP Lounge
Highly commended: CDFG - Sanya; Hellenic Duty Free - Virtual window

Best Dedicated Sunglasses Sales Team

Winner: World Duty Free Group
Highly commended: DFS;
Runway Duty Free

Best Off-airport Retailer of Sunglasses

Winner: MSC Cruises
Highly commended: CDFG; DFS

Sunglasses Retailer of the Year

Winner: DFS
Highly commended: Gebr Heinemann-Kappe Schiphol; World Duty Free Group

Group Travel Retail Director, Luxottica, Francis Gros said, "Sunglasses has consistently performed as the fastest growing category in travel retail over the last 3 years, due in no small part to the way retailers and suppliers have consistently raised the bar in our category. For this year's awards, we saw a high number of very worthy nominations, and there were many difficult decisions for the judges to make. This is yet another positive indicator of the progress our category is making.

"Congratulations to all the winners, and may the 2013 awards spur us all to work towards another year of innovation and strong growth for the category."





FDDA Gold Standard Awards 2012



Patrón Spirits International won the FDDA 2012 award for Best New Spirits Product for its Pyrat Reserve XO Rum: "It's a tremendous honor that our duty free friends and colleagues in Canada selected Pyrat rum for this recognition," said Burt Stewart, Regional VP. "Pyrat is truly an incredible ultra-premium high-quality spirit, and we're excited to introduce it to more duty free consumers throughout Canada, and across the globe."

Coty Prestige's Barbara Blais, 2nd from right, with Steve Richardson and the team from Niagara Duty Free. Coty Prestige's Dot by Marc Jacobs won Best New Perfume at the 2012 FDDA Convention.



Peter Mielzynski, Camus' Blandine Knight, and Jeff Orson show off the FDDA Gold Standard award for Best Small Distributor at the Imperial Gala Dinner that concluded the 27th annual FDDA Convention.

JTI wins best supplier of the year at Frontier Awards 2012; acquires Egyptian company

JTI (Japan Tobacco International) was named the Best Supplier of the Year 2012 at the Frontier Duty Free Awards held in Cannes last month.

The award recognized JTI's innovative duty free merchandising strategy, says the company, highlighting the initiatives JTI has taken to support its tobacco brands in duty free stores. Most of all, it describes in detail the success of the pioneering strategy developed to help grow cross-category sales in duty free.

"For some time now travel retailers have acknowledged that tobacco is probably the most effective footfall generator in the entire portfolio of products. What we've done is to design a proven strategy for converting that footfall into consumer purchasing, right across the store's range of core products," said David Francis, General Manager and Vice President of JTI Worldwide Duty Free (WWDF).

In related news, JTI announced that it has entered into an agreement to acquire all the outstanding shares of Al Nakhla Tobacco Company S.A.E. and Al Nakhla Tobacco Company – Free Zone S.A.E. Nakhla is one of the world's leading waterpipe tobacco (also known as molasses and shisha) manufacturers with an important presence in Egypt. It exports to 85 countries, primarily in the Middle East and North Africa.

The acquisition is in line with JTI's strategy to address the needs of adult consumers across a range of tobacco product categories and "enhances JTI's geographical footprint in the Middle East and Africa, and over the long-term, provides a platform for JTI to participate in the sizeable cigarette market in Egypt," said the company.

JTI expects to complete the acquisition in the fiscal year ending March 31, 2013.

Japan Tobacco Inc. is a leading international tobacco product company. Its products are sold in over 120 countries and its internationally recognized cigarette brands include Winston, Camel, Mild Seven and Benson & Hedges. With diversified operations, JT is also actively present in pharmaceuticals and foods. The company's revenue was ¥2.034 trillion (US\$24,745 million()) in the fiscal year ended March 31, 2012.*

**Translated at the rate of ¥82.19 per \$1, as of March 30, 2012.*

Blue Water Bridge Duty Free Shop and Peace Bridge Duty Free were the big winners of the Frontier Duty Free Association's 2012 Gold Standard Awards, presented at the Gala dinner that concluded the 27th Annual FDDA Convention in Niagara Falls, Canada. Each of the retailers took home the top prize in two major categories this year. The full list of winners is as follows:

Operator/Retailer

Platinum Award – Category A: Abbotsford Duty Free

Platinum Award – Category B: Blue Water Bridge Duty Free Shop

Best Marketing Award:

Blue Water Bridge Duty Free Shop

Best Marketing/Promotion of a Canadian-made Product:

Niagara Duty Free

Best New Idea Award:

Peace Bridge Duty Free

Outstanding Customer Service Award:

Filomena Cangianiello for Peace Bridge Duty Free

Distributor/ Supplier Awards

Large Supplier of the Year:

Distribution Fontaine Inc.

Small Supplier of the Year:

Peter Mielzynski Agencies Ltd.

Best New Fragrance/Cosmetic Product:

Coty Prestige Retail & Export LLC – Dot by Marc Jacobs

Best New Spirits/Tobacco/Beer

Product: The Patrón Spirits Company – Pyrat Reserve XO Rum

Best Specialized Product, Confectionery, Food & Souvenirs:

Turkey Hill Sugarbush Ltd., Maple Cream cookies

Best Specialized Product, Jewelry, Watches, Handbags & Accessories:

Citizen Watch Co. of Canada Ltd., Eco-Drive Caliber 8700 Watch



WiT meeting in Cannes raises more than €23,000 for Ramnagar's children school and home

Industry network group WiT (Women in Travel) hosted another successful fundraising event in Cannes last month, raising the final sum required to complete a special school and home for children with disabilities in Ramnagar, India during the 2012 TFWA World Exhibition.

The original target of €2,000 was exceeded by the great generosity of exhibitors and retailers including DFS, Furla, Bally, *The Moodie Report*, Reflecta, Essence Corp, Armani, The Patrón Spirits Company, Cairo Airport Duty Free, Swarovski, Tumi, *Travel Markets Insider* and La Prairie, who donated items for a silent auction.

The prize draw and silent auction raised over €8,500, and generous donations from Heinemann, Dubai Duty Free, IAADFS and *The Moodie Report* added a further €3,500. Money is still to come in from the auction of a bottle of rare whisky by the *Travel Retail Business* and from the Cannes fun run organized by Maxxium Travel Retail, and Travellers Shop has donated Nike T-shirts, shorts and socks for all the children.

“As usual we had a fantastic turnout of women from across the industry at our event, with many new faces, and their efforts in working so hard to sell entries into the prize draw were pivotal in raising this extraordinary sum,” says WiT member and supporter Gerry Munday. “In addition, there are many others we need to thank, including Rob Grossman and his team from Quest Exhibits for their invaluable help in collecting and delivering the prizes and supplying the champagne flutes, Follador for the Prosecco served at the event, Rowena at Essential Communications and the trade media for raising awareness of the project, and TFWA – particularly Marissa Phanivong.”

“The biggest thank you, however, must go to everyone in the travel retail industry who made donations, bought prize draw entries and bid in the silent auction,” says WiT founder Sarah Branquinho. “Year after year we ask the industry to dig deep into their pockets for various charities and year after year they do. In 13 months we will have built and opened this amazing

school and home complex with the monies raised by WiT at TFWA World Exhibition in 2011 and 2012, and from the sale at auction of the Glenfiddich Janet Sheed Roberts Reserve Bottle no 7 (of only 11) donated by William Grant & Sons for £42,000 (£35,000 after tax) to World Duty Free Group.

“It is impossible to describe the difference this will make to 100 children who have had no access to education, or in many cases to society. A further bulletin will be released when the school opens at the end of November. Fund raising has now become an integral part of the Cannes WiT meeting and I am deeply touched that, once again, we have done something that will really change children’s lives.”

Over the last year the Women in Travel group has grown exponentially and WiT meetings have been held at major trade events across the globe. Providing a fantastic networking event and a great opportunity to make contacts and renew friendships, the next WiT networking meeting will be held during MEDFA with additional meetings in Orlando and at the 2013 ASUTIL Conference.

WiT founder Sarah Branquinho and Furla's Gerry Munday open the 2012 WiT meeting in Cannes with a toast and welcome prior to the silent auction and raffle to fund the Ramnagar children's hospital and home. Among the women in attendance were Virginie Cordero, Sunny Touch Corp.; Patricia Bona and Gabriela Medeiros, Essence-Corp. at the Cannes WiT meeting.



Peter Sainsbury to represent Danzka Vodka in Canadian DF

Peter Sainsbury, of Canadian distribution and consulting company, Glencairn Wine Merchants, will be re-introducing Danzka Vodka to the Canadian market via the duty free channel, effective November 1. Sainsbury, formerly of Maxxium, tells *TMI* that he will begin working in Ontario, and that he represented the brand in the past.

“I am thrilled to be working with Torben Vedel Andersen again (Sales Director, Global Duty Free of Danzka Vodka brand owner Belvedere Duty Free) and will be touring key border stores between now and Christmas, where I plan to obtain a number of private listings before rolling Danzka out to additional areas.”

“We look forward to be back in the Canadian Duty Free market soon and especially together with Peter Sainsbury as partner,” comments Andersen.

Photo: Peter Sainsbury with Peninsula Duty Free's David Court – and a Danzka Vodka display - in 2005. Photo courtesy of TVA.

Bombay Sapphire lights up travel retail with new packaging technology

Bacardi Global Travel Retail is launching a new *Bombay Sapphire* gift pack this holiday season that will be illuminated in a cascade of lights thanks to cutting-edge packaging designed exclusively for travel retail.

Inspired by the brand’s global marketing campaign ‘Infused with Imagination,’ the *Bombay Sapphire* Electro gift pack lights up with an 18-second light show in the hands

of shoppers when they pick it up. “It takes something special to grab the attention of today’s travelers and the new ‘Electro’ pack will stop them in their tracks,” says Richard Cuthbert, Bombay Sapphire Senior Brand Manager for Bacardi Global Travel Retail. “We believe it’s the most visually striking gift pack ever released in global travel retail and it’s certain to drive footfall and increase sales

over the holiday season.”

The cascade of lights campaign was created by artist Yehrin Tong using electroluminescent ink. The innovative packaging technology, which is being used for the first time, is powered by a battery in the base of the pack which is triggered by a hidden mechanical switch when the pack is picked up from the shelf.

“Imagination has been at the

heart of everything that *Bombay Sapphire* has delivered in travel retail and has played a crucial role in establishing the brand as travel retail’s favorite gin,” adds Richard Cuthbert.

The *Bombay Sapphire* Electro pack is available in global travel retail throughout the holidays.

