



RIVERA CONFERENCE:

Cautious outlook for Uruguay border trade

A TMI Special Report by John Gallagher

The first conference dedicated to the duty free trade on the Uruguay-Brazil border took place on Nov. 6 in Rivera, one of the key duty free centers in the region. A total of 80 delegates -- a mix of shop operators, suppliers and national and local authorities from Uruguay, Argentina and Brazil -- attended the event, which was preceded the night before by a cocktail party and dinner sponsored by Gandhi Abdullah and the team at Siñeriz, the biggest store operator in Rivera.

The Conference was jointly hosted by the Chamber of Free Shop Entrepreneurs of Uruguay and ASUTIL, the South American Duty Free Shop Association.

The proceedings were opened by Uruguay Deputy Foreign Minister Luis Porto and ASUTIL Secretary General José Luis Donagaray and Chamber Secretary Carlos Loaiza.

During his speech, Deputy Secretary Porto stated that the economic activity developed in the border region is essential for building bilateral relations between neighbor-countries. Considering the importance of Uruguay's relations with Argentina and Brazil, the Government official remarked that "the borders are the gateway to the future."

The conference further stressed the importance of the free shops sector for the Uruguayan economy in general and the Uruguay-Brazil border region in particular.

Donagaray highlighted the importance of the large investments in the north and northeast border regions, including the 10,000sqm store opened by Siñeriz last year and the Melancia Shopping Mall, to be opened late next year, which will be anchored by 4,000sqm stores for both Neutral and The Wisa Group.

Donagaray also noted that DFA Uruguay had confirmed its participation in a \$40-million mall development in Rio Branco, where DFA-U will occupy the 4,000sqm anchor store.

Chamber Secretary Loaiza stressed the importance of the sector for the regional economies: not only are 5,000 direct jobs provided by shop operators in towns where employment has historically been scarce, but levies paid by border shop operators when goods are released for sale in their stores accounted for 13% of Customs revenues last year.

The three main speakers, economic analysts from Argentina, Brazil and Uruguay, agreed that all three countries are undergoing economic changes.

Argentine economist Carlos Melconian pointed out that the defeat of the Fernandez de Kirchner government in October's mid-term elections made it difficult to predict the future. Furthermore, the recent illness of the President

has produced an inertia that could cause the economy to stop growing and worsen the foreign exchange crisis. The worst case scenario would be if the government did not attack the structural problems, leaving them for the winners of the 2015 Presidential elections.

Tatiana Pinheiro, senior economist at Santander Brasil, estimates that the exchange rate volatility experienced over the past few months will likely continue at least through the end of 2014, with the Real moving between 2.25 to 2.50 against the US dollar, reaching 2.55 by the end of next year. On a more positive note, she forecast that inflation and employment would be stable over the next 15 months, and domestic consumption remain at current levels over the period, guaranteeing GDP growth in the short term.

With presidential elections scheduled for next October, the government is unlikely to change current economic policy, she said.

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Speakers at the first conference dedicated to the duty free trade on the Uruguay- Brazil border included (from left) Carlos Loaiza, Secretary of Chamber of Free Shop Entrepreneurs of Uruguay, Uruguay Deputy Foreign Minister Luis Porto and ASUTIL Secretary General Jose Luis Donagaray.

PEOPLE/COMPANY NEWS

Lourdes Mejia has left her position as Marketing Director Travel Retail and Export Americas at Coty Prestige to join **Fossil Group Inc.** as Director – Portfolio for travel retail Americas, Latin America and Caribbean. She can be reached at lmjia@fossil.com

Riccardo Battaglini has joined **Furla** as Travel Retail Manager for Europe & In-flight, effective immediately. Battaglini joins Furla from Longchamp, where he has worked as Area Manager since January 2012. Prior to that he worked for various luxury brands including Alexander McQueen, Prada, Miu Miu, Dolce & Gabanna and Gucci.

LA Times: EU scheduled to lift LAGS ban in January

In response to the story in the *LA Times* earlier this week stating that the European Union will begin allowing passengers to carry liquids in their carry-on luggage in January, IAADFS Executive Director Michael Payne confirmed that the U.S. is reviewing its policies in this area but has not yet indicated what, if any, changes there will be.

"The EU action is designed to address the current policy in the EU regarding the carrying of LAGs in carry-on luggage," noted Payne. (Editors note: LAGs restrictions were originally scheduled to be lifted at EU airports in April 2012, but were delayed because the European Parliament believed more preparation still needed to be done.)

"We understand that the EU is scheduled to modify the existing structure by the end of January, 2014. We are supportive of the EU position and it is obviously a positive development for the duty free industry."

TMI will keep readers apprised of any developments.

Rivera border conference forecasts slower growth ahead

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Uruguayan economist Gabriel Oddone agreed that Uruguay and other Mercosur member countries will continue to grow, albeit at lower levels than in the past few years. He says Uruguay's economy will expand at around 3%, but warns that the government must remain vigilant about inflation to ensure that the exchange rate does not grow out of control.

The conference was closed by ASUTIL President Jose Carlos Rosa and followed by a luncheon sponsored by duty free shop operators Neutral, DFA Uruguay and La Riviera (Grupo Wisa).

Attendees assessing the event said that it reflected the true mood of trade on the border – growth has slowed and all operators are continually monitoring developments in the Brazilian economy.

José Luis Donagaray said, "We are very pleased with the way the conference went. The three economists gave excellent presentations and left the delegates with a lot to think about."

"After several years of solid growth, the duty free business on the border is heading for a period of consolidation. There is still investment coming into the area but it will be more measured in the next year or so. We had 80 delegates registered for the conference and a good mix of operators and suppliers along with local authorities. The challenge for us and our colleagues at the Chamber of Free Shops is to look at ways of improving the event and we will be talking to those who attended to assess how they would like us to go ahead for future years."

Carlos Loaiza commented, "This first conference provided a platform for our members and the suppliers to get together and share their views about what is happening in the border duty free business today. We are very pleased with the turnout and to see many of our members from cities other than Rivera take the trouble to travel here."

"It was also good to see the participation of the national government with Deputy Foreign Minister Luis Porto opening the conference as well as the attendance of representatives from the Customs Authorities and the

provincial Government. Already we are looking at next year and talking to all the players involved to assess the best venue and the best dates and to see what themes they would like to address at the conference."

Note – The conference was free of charge but the organizers asked delegates for a US\$100 donation for local charity APADIR, which works to improve the quality of life of people with learning difficulties. US\$ 3,800 was raised for the charity and presented to its representatives during the closing ceremony.



CANNES: 2013 Frontier Awards, Drinks Intern'l Winners

The **2013 Frontier Awards** honors some of the brightest and best companies in the industry. In addition to the **World Duty Free** awards listed last week -- Airport Retailer of the Year, Partnership Initiative of the Year (with Luxottica), and Lifetime Achievement Award to Sarah Branquinho -- two companies from the Americas were honored: Paraguay-based **Shopping China** won Land-based Border/Downtown Retailer of the Year and **Brown-Forman** won the Specialty Concept of the Year award for its Jack Daniel's Bar & Grill in Dubai airport.

Mondelez World Travel Retail was another big winner, taking home two awards: Supplier of the Year and Marketing Campaign of the Year by a Supplier, for its Toblerone "Out of the Blue" activation.

In the other awards, **Incheon International Airport Corp.** won Airport Operator of the Year; **Aer Rianta** won Marketing Campaign of the Year by a Retailer; **Cathay Pacific & Inflight Sales Group** won Inflight Retailer of the Year; **Dehli DF Services** won Digital Innovation of the Year and **Samsonite-Cosmolite** won Star Product of the Year.

In Frontier's Buyer Forum Awards, **Cross** won the Gold for its Tech 3 Stylus Pen; **Godiva** won the Silver for its Collection Truffles and **L'Oreal Luxe** won the Bronze for Lancôme Absolu Voyage.

In addition to the Frontier Awards, **William Grant & Sons** and **Bacardi** were the top winners at the 7th **Drinks International** travel retail awards. William Grant's Glenfiddich Cask Collection was awarded a Gold Medal for Best Drinks Launch at TFWA World Exhibition 2013 and a Silver Medal for Best Packaging/ Repackaging of a Drinks Brand. WGS also won Silver Medals for The Balvenie Triple Cask Collection for Best Drinks Launch of the Year; Glenfiddich Age of Discovery Collection for the Best Drinks Launch at TFWA World Exhibition 2013 and Best Presentation Box/Gift Set, and Hendrick's Gin for Most Creative Marketing Concept/Travel Retail Instore Promotion.

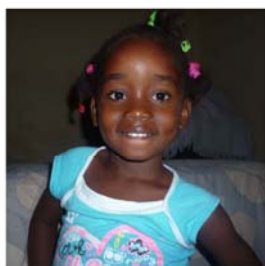
Bacardi also won three top awards: its new The Glen Deveron Royal Burgh Collection won Best Drinks Launch of the Year, and the Supreme Travel Retail Champion honor. Bacardi's Bombay Sapphire Electro won Best Presentation Box/Gift Box.

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WiT sponsors 4-year-old Love-Djina through Hand in Hand for Haiti



Je m'appelle Love-Djina

Name: Love-Djina Lebrun

Born: January 25, 2009

School Year:
MS/Pre-Kindergarten

When Love-Djina Grows Up...
She wants to be a teacher

LOVE-DJINA lives in a one-room house with seven family members – her father and mother, two sisters, two aunts and a cousin. Only Love-Djina and her 5-year-old sister, Ruth-Berline, attend school.

Love-Djina's father is a carpenter who sometimes has to leave home for weeks at a time to find work. Her mother and the other women in the house are unemployed.

At school, Love-Djina is a very good student. Her French teacher

says she excels at arts and crafts and loves to color.

She is a bit shy in class, but in her neighborhood, Love-Djina spends much of her time repeating what she learns in school. She is proud to act as a teacher for her 1-year-old sister and friends.

Love-Djina wants to become a teacher when she grows up so she can provide an education to her friends and family who don't attend school.



Official Donor Women in Travel

Thank you for your sponsorship!

WiT raises neatly \$50,000 for "Drop of Life"

The Women in Travel meeting in Cannes raised over HK\$383,800 (US\$49,500) from a raffle and silent auction, bringing the networking group very close to reaching its target of HK\$500,000. The money will go to building a dam to bring clean water supplies to a thousand people in a remote region of China.

This sum was boosted by a HK\$100,000 (\$12,898) donation from The Edrington Group, presented at the event by Ryan Hill. This brought the total raised at the event to €17,500. Money is still to come in from the auction of a bottle of rare Baron Otard 'Fortis et Fidelis' cognac kindly offered by Bacardi.

Thanks also go to DFS, Furla, Bally, Bacardi, Moët Hennessy and La Prairie, whose items went into a silent auction.

Tina Tam, La Prairie regional general manager Asia travel retail, proposed 'A Drop of Life' as this year's WiT charity: "In less than 6 months we have raised a staggering HKD390,000, with special mention for the significant donation from King Power (Hong Kong) and I am confident that over the next couple of months we will reach the final target of HK\$520,000," said Tam. "For these remote communities, water is the most precious commodity. Each bucket of water needs to be fetched from several miles away, and all in the community are involved - children even sacrifice schooling in order to source the water needed to keep their families alive. The dam, once built, will free up children to go back to school and bring clean water to hundreds of people, improving their health and their lives immeasurably."

"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 Gerry Munday.

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In one of the highlights of the 2013 Duty Free Show of the Americas, networking group Women in Travel (WiT) raised more than \$4,000 in aid of Hand in Hand for Haiti (HHH). The WiT breakfast event, supported by the International Association of Airport Duty Free Shops and organized and sponsored by *Travel Markets Insider*, attracted more than 100 women early in the morning of April 9. As is the norm, the group raised funds through a prize raffle, silent auctions and cash donations to the charity. During the Breakfast, attendees were treated to an update on the school by Onboard Media's Carrie Julier, representing the Miami Chapter of Hand in Hand for Haiti.

The attendees at the breakfast voted to use the money raised to sponsor a child for a year at the Lycee Jean-Baptiste Pointe du Sable School that has been built by the HHH Foundation, a charity organized and supported by the global travel retail industry.

Hand in Hand for Haiti has now revealed that the very appropriately named Love-Djina is who WiT is sponsoring, and sent us some of her background.

"Because of your generosity, Love-Djina's future is already brighter and her dreams of becoming a teacher will come true," commented Onboard Media's Brigid Cotter, who is co-chair of the Miami Chapter of Hand in Hand for Haiti.

On behalf of the WiT group, I would personally like to thank everyone in the industry who so generously donated raffle and auction gifts as well as money to this worthy cause. A special thank you also to Essence Corp., which made a monetary donation of more than \$1,000.00.

All women planning to attend the Duty Free Show of the Americas next year please mark your calendars now to save Tuesday morning for WiT's 2014 Orlando gathering.

Read on for the results of this year's highly successful WiT event in Cannes last month.





LVMH brands sign the United Nations Women Empowerment Principles

LVMH and 30 of its Maisons have signed the United Nations Women's Empowerment Principles. These are a set of seven principles that the signatories have committed to and include: fighting against gender discrimination; ensuring health and safety at work for men and women; the promotion

of education; the training and professional development of women; supporting women's presence in the world of business; mobilizing networks and, the publication of progress.

The LVMH Maisons signing the Principles are: Krug, Moët & Chandon, Hennessy, Veuve Clicquot, Glenmorangie, Estates & Wines, Louis Vuitton, Fendi, Emilio Pucci, Marc Jacobs, Berluti, Christian Dior, Loewe, Givenchy, Acqua di Parma, Kenzo, Thomas Pink, Parfums Christian Dior, Guerlain, Parfums Loewe, Make

Up For Ever, TAG Heuer, Fred, Chaumet, Dior Montres, Bulgari, Sephora, Le Bon Marché, DFS, Les Echos and the Jardin d'Acclimatation.

Professional diversity is an integral part of LVMH's culture. LVMH reports that it has been working for several years to promote the professional development of women in all functions and at all levels of the organization. 74% of the total workforce, 61% of managers and 36% of the members of the Executive Committees of the Maisons are women.

WiT strives to fund dam in remote Chinese community

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In other acknowledgements, Munday said that Catherine Bonelli was the star fundraiser; Rob Grossman and his team from Quest Exhibits collected and delivered the prizes and supplied champagne flutes, Follador donated the Prosecco served at the event, and she thanked Rowena Holland at Essential Communications and the trade media, 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."

Over the last year Women in Travel has continued to grow 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 MEADFA in Doha.



The Edrington Group's Ryan Hill hands over the company's HK\$100,000 donation to Tina Tam for WiT's 2013 Cannes campaign in support of NGO "A Drop of Life."

Drinks Brand went to Glen-goyne Highland Single Malt Range (**Ian Macleod Distillers**) and Most Creative Marketing Concept/Travel Retail in Store Promotion went to Jim Beam Honey (**Jim Beam – Maxxium Travel Retail**). Travel Retail Operator of the Year was awarded to **DFS Group's** New Stores at Hong Kong Airport.

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More Spirits news from Cannes

The Macallan and Lalique release "The Spiritual Home"

The Macallan and Lalique presented the latest release from their collaboration, The Macallan in Lalique Six Pillars Collection, at the TFWA WE in Cannes. The fifth decanter in the collection, The "The Spiritual Home", features a very rare 62 years old Macallan single malt whisky.

Designed and created by French crystal house Lalique exclusively for The Macallan and limited to only 400 individually numbered decanters, "The Spiritual Home" is the penultimate decanter in the series.

"Our inspirational partnership with Lalique is widely regarded as one of the ultimate luxury partnerships. This fifth collaboration in The Macallan in Lalique Six Pillars collection further reinforces our commitment to working together to create beautiful and desirable objets d'art," says David Cox, Director of Fine & Rare Whiskies for The Macallan.

The Spiritual Home decanter is valued at US\$25,000 and became available from October 2013.

The Dalmore launches 25 YO Launch and a brave new look
Single Malt Scotch The Dalmore launched a new 25 year old malt as

an extension to its Principal Collection, and unveiled a new contemporary visual look with a strap line "To the Brave," in Cannes.

The Dalmore 25 year old will join the 12, 15, 18, Cigar Malt Reserve and King Alexander III as a permanent addition to its Principal Collection of malts. Only 3000 bottles will be produced annually, for sale in specially selected retail partners globally from October 25 and in North America from early 2014 for a RRP of £600.

"Duty Free has now become the largest volume market for The Dalmore, with growth of 25% over the past three years. Given its importance as a sales channel, it is only fitting that this year's TFWA becomes the showcase for launching The Dalmore 25 and our new creative, which will elevate the brand beyond traditional marketing for premium malts," says Francesco Scaglione, Head of Travel Retail for Whyte & Mackay.

Drinks International Cannes Awards *Continued from page 2*

Gold Medals for Best Luxury Drinks Brand of the Year went to The Famous Grouse 40 Year Old (**The Edrington Group**); Best Packaging/Repackaging of a