

## BY THE NUMBERS

### ACI: Passenger traffic posts modest gains in November

Global passenger traffic posted moderate growth in November, increasing by +3.2% from November 2011, reports the latest ACI PaxFlash.

The international passenger market was a major contributor to the on-going growth, with gains of +6%.

In the Americas, year-over-year international traffic was +5.5% in North America and +4.1% in Latin America-Caribbean for the month. Domestic traffic was flat in North America, up only .2%; but fairly strong in LAC, up 7.6%.

Globally, domestic traffic increased only +1.1% for the month, "stifled" by a contraction of -5.5% in Europe. ACI says that growth prospects in North America are

relatively limited and the region is already working at capacity.

Conversely, international passenger traffic in Asia-Pacific showed robust growth at +11.5%, with "velocity" stemming from airports in South-East Asia. Kuala Lumpur (KUL) and Singapore (SIN) each reported double digit gains of +13.1% and +12.2% respectively in November. Although Bangkok experienced growth of +20.6%, it should be noted that traffic was significantly curtailed in November 2011 due to the destructive floods affecting the region.

Freight traffic moved into positive territory in November. Holiday season shipments helped push air freight up +1.8%, mainly

due to a +3.5% increase in North America. Africa, Latin America-Caribbean and Europe each saw declines of -4.6%, -1.7% and -0.9% respectively.

ACI World's Economics Director Rafael Echevarne commented, "While we ... see domestic passenger markets in retreat due in part by the economic uncertainty pervading across Europe and North America, international travel remains relatively buoyant and unencumbered with gains of almost +6% for the year as a whole. This provides some reassurance in the resilience of the industry as a whole since international traffic contains more than 40% of global passenger market."

### IATA: Latin American airlines continue to post highest air pax growth

The International Air Transport Association (IATA), also reports increases in air passenger and freight traffic for November 2012. Total Global Air travel was 4.6% higher compared to November 2011, and showed improvement on the 2.9% traffic growth reported in October 2012. Passenger capacity rose 3.2% and load factor improved one percentage point to 77.3% compared to the year-ago period.

Compared to October, total November passenger traffic grew 0.6%. The majority of growth came from domestic markets, particularly China.

November international passen-

ger demand grew 5.6% compared to November 2011. However, the month-on-month increase was only 0.2%, reports IATA, which it says indicates that year-on-year growth was more likely owing to depressed demand a year ago. Nevertheless, emerging markets in particular continued to perform well, and capacity increased 3.1% compared to a year ago. Load factor rose 1.8 percentage points to 76.3%.

Air freight volumes edged up 1.6% over the same period, after declining 2.6% in October, year to year.

IATA Director General and CEO Tony Tyler, expects 2013

cargo volumes will grow 1.4%, and passenger traffic will increase by 4.5% worldwide.

"The current level of air travel is just 2% higher than at the start of 2012. This is considerably weaker than the long-term average growth rate," said Tyler.

#### International Passenger Markets

• **Latin American carriers** posted the strongest demand growth of any region, up 11.0% vs November 2011. Although the Latin American economy has suffered from the Eurozone crisis and China's slower growth this year,

*Continued on page 3*

## PEOPLE

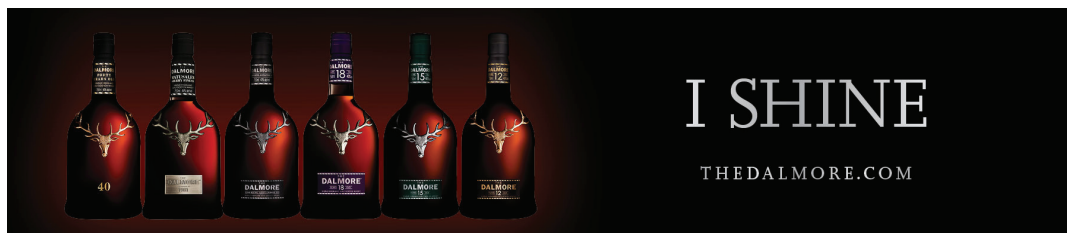
**Sharon Cherry**, formerly with Little Switzerland and Colombian Emeralds International, has joined the **PPI Group** as **Vice President, Marketing & Business Development**.

**LS travel retail** has appointed **Axel Gauthey** as **Executive Vice President – Middle East Africa**. He reports directly to **Vincent Romet** (COO, LS travel retail EMEA). Gauthey joined LS travel retail in 2010. A division of the Lagardère Services Group, LS travel retail operates in more than 25 countries, over 130 airports in Europe, North America, Asia, Oceania, offering a complete range of store concepts for travelers.

**Virginie Descamps**, formerly with Estee Lauder Travel Retail in the Americas and Asia, has joined **Newell Rubbermaid** as **Senior Vice President / General Manager - Fine Writing**. She will have global responsibilities for the Parker, Waterman and Rotring brands in all channels including travel retail. She is currently based in Hong Kong for the Atlanta-based company. She can be reached at [Virginie.Descamps@newellco.com](mailto:Virginie.Descamps@newellco.com)

**Josephine Katz-Trataris** has joined **L'Oréal Luxe Travel Retail Americas (Parbel)** as **Product Manager for Lancôme Fragrances**. She replaces Alexandra Kerr, who moved to a new position in France.

**Beam Inc.** has promoted **Adam Harris** to the position of **Bourbon Ambassador, North America**. In his new role, Harris will travel throughout the US as an ambassador for Beam's premium and super-premium bourbons, including Jim Beam Black, Knob Creek, Basil Hayden's, Red Stag by Jim Beam, Devil's Cut and Maker's Mark.



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## LS travel retail awarded retail package at Houston airport and 7 food & beverage locations at TBIT/LAX

The year has started off very strong for LS travel retail in the US, with new concession contracts at the key airports in Houston and Los Angeles.

LS travel retail North America has won a Request for Proposals for a retail package of two locations in George Bush Intercontinental Airport (IAH) Terminal B. Representing close to 3,000 square feet, the two new stores - LS' flagship RELAY and iStore - are the first to be operated by LS in Houston.

Tendered in May 2012 as part of the Terminal B Southside Redevelopment Project, the two stores will bring both a local and a global touch to United's "signature" facility at IAH.

LS' RELAY concept has 1,300 stores in 23 countries, including a strong footprint in the United States. At IAH, the large store will offer everything travelers need from convenience and media items to local gifts and souvenirs.

The iStore in Terminal B carries hardware and accessories for PC and Mac users, including laptops, tablets, media players, cameras, e-readers, headphones, from leading brands Apple, Sony, Panasonic and many more. It is one of the fastest-growing specialty retailers of digital electronics in North America, says LS.

"We are honored to be asked to join such an award-winning program and look forward to working closely with United and Westfield in the delivery of a fantastic traveler experience," said Vadim Motlik, LS chief development officer.

"LS was most responsive on those specific locations during the Competitive Evaluation Process and overall delivered what is

a very impressive proposal," commented Gerry Cecci, Vice President of Airport Management for Westfield Concessions Management.

Set to open in early 2013, the two stores are expected to generate about \$30 million in sales throughout the term of the five-year contract. Already operating stores in Austin Bergstrom and San Antonio International Airports, and with the opening of eight new stores in Dallas Fort Worth in the coming months, LS is further expanding its footprint in Texan airports.

With more than 40 million passengers in 2011, Houston Bush Intercontinental is the 10th busiest airport for total passengers in North America, and a major hub for United.

### LAX

On January 3, LS travel retail North America and Concessions Management Inc. announced that Westfield Concessions Management had awarded them 7 food and beverage concessions in the New Tom Bradley International Terminal (TBIT) at Los Angeles International Airport (LAX).

The food and beverage line-up combines brands with national presence and local favorites.

Gerry Savaria, President and CEO of LS travel retail North America, said: "We're very excited to be able to play a role in what we believe will become a landmark terminal not only in North America but on the Pacific Rim. We're also thrilled that our company's biggest foray yet into food and beverage in North America will be in one of the world's largest airports."

"As Los Angeles is home to our

US headquarters, Westfield takes great pride in being selected to develop the new dining and retail program at the New Tom Bradley International Terminal," said Peter S. Lowy, co-chief executive of the Westfield Group. "We are deploying global resources and development expertise to deliver an iconic, world-class airport experience at LAX."

Gilbert Aranza, President of Concessions Management Inc., said: "The brands we have aligned for TBIT will help take the airport dining experience to a new level."

Part of the redevelopment of TBIT, the 7 locations are expected to open in the Spring of 2013 and are projected to generate over \$200 million sales over the duration of the contract.

### PEOPLE

Bacardi Limited has named **Eric A. Kraus** to a newly created role of **Senior Vice President, Chief Communications and Corporate Affairs Officer**, responsible for the Company's corporate communications, external affairs, and corporate responsibility globally. He will report to Bacardi Limited President and Chief Executive Officer Ed Shirley. Kraus' extensive background includes senior positions at Covidien plc, Gillette, and Miller Brewing Company, as well as being a reporter for the Boston Herald newspaper. He will join the Company by January 28, pending approval by the Bermuda Department of Immigration.

**Alfred van der Meer** will be stepping down as CEO of Hermes Airports Limited, the company that operates Cyprus's two largest airports. The role will be filled by **Craig Richmond**, currently CEO of Vantage Airports UK, the investor/developer group that operates 12 airports.

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## IATA

*Continued from page 1*

strong domestic demand in several major economies has provided continued support to air travel. Capacity climbed 9.8% leading to a load factor of 76.3%. Compared to October, traffic rose 2.9%.

- **North American airlines** demand was up 2.6% compared to November 2011, an improvement on the weak 0.2% growth in October, when Hurricane Sandy impacted international flights across the North Atlantic. Tight capacity management rather than particularly weak demand has slowed international air traffic demand throughout the year, says IATA. Capacity climbed 0.4%, pushing load factor up 1.6 percentage points to 79.6%, the highest for any region.

- **Asia-Pacific carriers** experienced the strongest growth among

the major regions, with demand up 6.2% year-on-year, on a capacity increase of 2.5%. Some of this growth, however, likely reflected depressed results in 2011 owing to flooding in Thailand. November growth was up 1.7% over that of October. Load factor surged 2.6 percentage points to 75.7%.

- **European carriers** saw demand grow 4% compared to November 2011, while capacity climbed 0.8% and load factor was 77.8%, up 2.3 percentage points. Traffic rose 0.5% compared to October.

- **Middle East airlines** demand expanded 10.5% compared to November 2011, continuing the exceptional growth throughout the year. Month-on-month growth was 0.3%.

- **African airlines** saw demand expand 5.0% year-on-year but capacity growth was held in check,

at 4.4%. Compared to October, African traffic was up just 0.1%.

### Domestic Passenger Markets

Domestic markets rose 3.0% compared to November 2011, an improvement over the 2.4% year-on-year growth reported in October. However, the month-on-month increase was just 1.2%. Capacity growth of 3.3% outstripped demand and load factor dipped 0.2 percentage points to 79.1%.

- **US demand** for travel was up 1.1%, but capacity expanded 2.7% leading to a 1.3 percentage point drop in load factor to a still industry-leading 82.1%. Demand rose just 0.6% compared to October.

- **Chinese demand** grew 7.7%, lagging strong capacity expansion of 10.3%. Load factor fell 1.9 percentage points to 79.1%. Compared to October Chinese domestic travel increased 1.9%.

- **Indian demand** fell by 6.5%, reflecting the slowing economy and sinking business confidence. Month-on-month traffic increased by 3.2%, the second month of positive growth in a row. However, it is not clear if India has turned the corner as business fundamentals remain weak.

- **Japan** traffic grew 4.4% year-on-year, surpassing a 1.5% increase in capacity and pushing load factor up 1.9 percentage points to 67.3%--which was still the weakest for any market. Compared to October, demand rose 3%.

- **Brazil** recorded strong demand growth of 10.2%. Brazil has been the fastest-growing domestic market for two consecutive months. Capacity fell 2.1% and load factor jumped 8.3 percentage points to 73.9%. Compared to October, traffic rose 2.3%.

## MarketPlace Development wins MWAA concessions management contract

Massachusetts-based airport specialist company MarketPlace Development has signed a major contract with the Metropolitan Washington Airports Authority (MWAA) to manage the overall retail and food & beverage concessions for both Ronald Reagan Washington National (DCA) and Washington Dulles International (IAD) airports.

In Washington, MarketPlace will be responsible for the marketing, leasing and management of the retail and food and beverage programs at both airports. DCA has 66,000 square feet of retail space and 93 concessions locations; IAD has 90,000 square feet of retail space and 114 concessions locations. MarketPlace will work with MWAA to improve and revitalize the offerings by bringing new national, regional and local brands to both airports.

"We're looking forward to collaborating with MWAA's team to develop world-class food, beverage, retail and concession services for both airports," said Paul McGinn, president of MarketPlace Development.

"MarketPlace Development has the unique experience to take our concession programs to the next level, giving passengers additional shopping and dining options as they travel through both airports," said Kathleen Verret, manager, revenue development, MWAA.

MarketPlace's ongoing airport retail development projects include the 178,000-square-foot retail development at Philadelphia International Airport and the 59,000-square-foot retail redevelopment of the Central Terminal Building at LaGuardia Airport. The company has also worked with other airports around the country, including San Francisco International Airport, Seattle-Tacoma International Airport, Chicago O'Hare International Airport and Detroit Metropolitan Airport.

The official contract between MarketPlace and MWAA began January 1, 2013.

Washington's Ronald Reagan National and Dulles International airports together serve more than 40 million passengers a year. For more information, visit [www.mwaa.com](http://www.mwaa.com).

TMI will have more details on this developing story in a future issue.



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## Chivas 18 launches exclusive limited editions in TR with top designer Pininfarina

Pernod Ricard has collaborated with Italian designer Pininfarina on a series of limited edition Chivas 18 packages that will be launched into travel retail this month.

Each limited edition captures Pininfarina's design cues on the metallized crest, and its logo on the capsule and neck wrap.

The first design is based on a streamlined drop, giving a sense of movement that is inherent to Pininfarina's designs, says the company. The design has a rich blue, metallic finish outer case, reminiscent of the metal work for which the Italian company is best known and a wood veneer that represents the oak casks used in the ageing of Chivas 18. Units are expected to retail at £90.

The second expression of the partnership features the above design cues on a solid wood inlay and a more aerodynamic shape. It presents the limited edition bottle and two glasses which echo the drop design. Each unit is individually numbered and will retail at

£360.

The third expression, the Chivas 18 Mascherone by Pininfarina, is inspired by the Mascherone, the original wooden frame that was used to refine new automobile shapes. The exclusive limited edition is hand assembled in Cambiano by Pininfarina and features an oak internal structure, clad in aluminium. Only five of this collector's piece will be on display globally and individual pieces will be made to order on request, with price on request.

James Slack, Chivas Regal's Brand Director, comments: "The Chivas 18 by Pininfarina Limited Editions are distinctive designs that will speak to our customers – modern gentlemen who seek style and substance in the brands they connect with. Pininfarina is an excellent fit with Chivas 18 and we are confident that these exclusive limited editions will continue our line of successes with previous Chivas 18 partnerships."

Chivas 18 by Pininfarina will be available across Travel Retail

globally as well as domestic markets including USA, UK, Russia and China.



*Top: The first expression of Chivas 18 by Pininfarina is expected to retail for £90. Bottom: The second expression includes two glasses and will sell for £360*

## ASUR: passenger traffic up 8.7% in December

Mexican airport operator Grupo Aeroportuario del Sureste, S.A.B. de C.V. (ASUR), reports that total passenger traffic for December 2012 increased by 8.7% compared to December 2011, with a total of 1.81 million passengers. International traffic was up by 8.9% and domestic traffic rose 8.5%. The passenger growth was driven primarily by the strong performance turned in at Cancun, with domestic traffic up by 15.6% and international traffic up by 9.9% over that of the year earlier.

ASUR operates nine airports in the southeast of Mexico, including Cancun, Merida, Cozumel, Villahermosa, Oaxaca, Veracruz, Huatulco, Tapachula and Minatitlan.

## Bacardi acquires St-Germain liqueur

Bacardi Limited has acquired St-Germain, the super-premium elderflower liqueur, which is currently available throughout the United States and has a growing presence in international markets.

St-Germain is an all-natural, hand-crafted artisanal French liqueur made from 100% fresh, hand-selected elderflowers that blossom in Europe, during a four-to-six week period in late spring.

"The unique taste and balance of St-Germain mixes beautifully with our other brands. St-Germain brings fresh flavor to every cocktail," said Ed Shirley, president and CEO of Bacardi Limited. "It is a natural fit for our portfolio, and we look forward to sharing it with consumers globally."

"I chose to work with Bacardi

as we share many of the same cultural tenets. They are truly committed to quality, integrity and maintaining the energy and aura we have worked so hard to create.

"As a 150-year-old private and closely-held company that was founded on principles of quality, integrity and innovation, Bacardi is committed to the long-term. This allows Bacardi to have the latitude to maintain our 'stop at nothing' approach to our artisanal production process," said Robert Cooper, creator of St-Germain and president of The Cooper Spirits Company.

"With Bacardi's help, St-Germain can now become a truly international brand. That's something that would have been difficult for me to achieve as a

small, creative brand-building company."

Cooper will continue his involvement with St-Germain, working hand-in-hand with the Bacardi organization and bartenders around the world, continuing the bartender development and recognition programs he developed.

St-Germain has won many prestigious industry awards, including the 2012 International High Quality Trophy by Monde Selection®, with six consecutive years of Grand Gold Awards, and a 2012 Finalist/Excellent Highly Recommended at the Ultimate Spirits Challenge®.

As both entities are privately-owned, terms of the transaction are not available.



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