



## PMA, ILWU announce West Coast waterfront contract

Following nine months of negotiations and a contract dispute that has impacted international shipping worldwide, The Pacific Maritime Association (PMA) and the International Longshore and Warehouse Union (ILWU) on Friday (Feb. 20) announced that they have reached a tentative agreement on a new five-year contract covering workers at all 29 West Coast ports.

In a joint statement, the two groups said that the deal was reached with assistance from U.S. Secretary of Labor Tom Perez and Federal Mediation and Conciliation Service Deputy Director Scot Beckenbaugh.

The parties said that they will not be releasing details of the agreement at this time.

The agreement is subject to ratification by both parties.

"After more than nine months of negotiations, we are pleased to have reached an agreement that is good for workers and for the industry," said PMA President

James McKenna and ILWU President Bob McEllrath in a joint statement. "We are also pleased that our ports can now resume full operations."

"We congratulate the ILWU and PMA for finally coming to agreement on a new labor contract. It is now time for the parties to quickly ratify the deal and immediately focus on clearing out the crisis-level congestion and backlog at the ports," said Matthew Shay, President and CEO of the National Retail Federation, commenting on the news in a statement.

"The congestion, slowdowns and suspensions over the last few months have had a significant economic impact on the entire supply chain and those who rely on the West Coast ports to move their goods and products around the world and throughout the country. The agricultural, manufacturing, retailing and transportation industries have all suffered due to the nine-month long con-

tract negotiations," Shay said.

"As we welcome today's news, we must dedicate ourselves to finding a new way to ensure that this nightmare scenario is not repeated again. If we are to truly have modern international trade, supply chain and transportation systems, we must develop a better process for contract negotiations moving forward. We must commit whatever resources necessary to ensure that this will not happen again," he said.

Following the protracted dispute that culminated in a four-day shutdown of the West Coast ports earlier this month, port executives and business leaders throughout the U.S. demanded that the federal government step in to end the impasse in negotiations.

U.S. Secretary of Labor Thomas Perez met with the representatives of the ILWU and the PMA in San Francisco on Tuesday and Wednesday of this past week, to urge the sides to settle the differences at the bargaining table.

Federal Mediation and Conciliation Service Acting Director Allison Beck issued a statement on the tentative agreement, commenting, in part:

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### Registration opens for 2015 TFWA Asia Pacific



Registration is now open for the 2015 TFWA Asia Pacific Exhibition & Conference, taking place in the Marina Bay Sands Expo and Convention Center in Singapore from May 10 -14, 2015.

This is a landmark year marking the 20<sup>th</sup> edition of TFWA Asia Pacific Exhibition & Conference and the 50<sup>th</sup> birthday of the city of Singapore.

More than 260 international brand companies have already confirmed their participation at the 2015 show reports the Association.

New companies include: Moët Hennessy, Beam Suntory and SABMiller; Radley London, fashion brands Diesel and Lollipops Paris; Faverger, Galler and Leonidas confectionery; MTG Japan, Nivea and Rituals in fragrances & cosmetics; Altimetre in gifts & toys; Misaki and Ogon in jewelry & watches; and KT & G in tobacco.

Some exhibitors have increased their exhibition space significantly this year and TFWA is pleased to note that Changi Airport Group is also returning this year.

In 2014 there were over 250 stands at the show exhibiting the latest and the best for the benefit of nearly 2,700 visitors, 37% of whom were key buyers from airports, airlines, ferries, cruise lines, downtown and cross-border stores.

Following a Welcoming Cocktail on Sunday evening, the 2015 event will get underway on Monday, May 11 with a business conference and workshops debating topical issues led by a distinguished line-up of speakers.

Details and registration information, can be found at [www.tfwa.com](http://www.tfwa.com).

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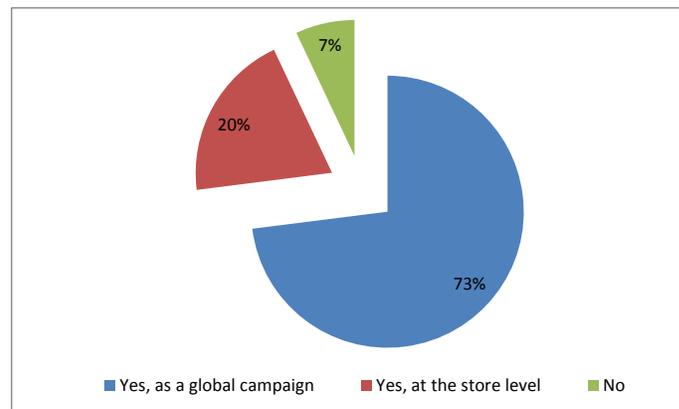
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Travel Markets Insider is very pleased to present the second in a series of surveys on topics of interest to the travel retail industry, in partnership with the **LinkedIn Travel Retail Forum Group**.

The surveys have been created by Travel Retail Forum Group founder, **David Ferreira, Head of Travel Retail for Cross**, and will run on a regular basis as available.

### Should Duty Free stores run a global campaign showing the benefits of buying Duty Free in order to increase store penetration and conversion rates?



## DFASS and new Eastern Air Lines sign long-term agreement

The DFASS Group and Eastern Air Lines have announced a long term multi-faceted partnership.

Eastern, an iconic name in aviation history is being re-launched and will provide charter operations later this year using its fleet of 737-800s, with initial operations slated for the Bahamas, Jamaica and Mexico.

DFASS and Eastern will be launching a full service in-flight duty free concession coupled with the state of the art DFASS Solutions to manage Eastern's Buy on Board (BOB) program as well as its new Duty Free Collection platform.

DFASS Group Chairman and CEO Benny Klepach said: "DFASS is extremely pleased with this new partnership with Eastern Air Lines. This is a great opportunity to build our partnership from Eastern's inception and to further develop and expand our portfolio together. I have known [Eastern Air Lines President and CEO] Ed Wegel for many years and there is no doubt that under his leadership Eastern Air Lines will be a big success."

Eastern Air Lines President and CEO Ed Wegel said: "We are very excited to be launching several customer service programs that will allow Eastern to maximize the revenue we can generate coupled with onboard service options that provide our customers with numerous options pre-

flight, inflight and post flight. DFASS is best in breed for these types of programs and we are very pleased to be working with Benny Klepach and his team of professionals at the DFASS Group."

### About Eastern Air Lines

Eastern Air Lines was one of the "Big Four" airlines (along with United, Delta and American) that dominated the passenger airline business in the United States for nearly 50 years. It operated until 1991, when it ceased operations during the first Gulf War.

In late 2011, a group of airline managers acquired the intellectual property of Eastern Air Lines and formed Eastern Air Lines Group, Inc.

The team put together a plan to re-launch Eastern to be based at Miami International Airport and developed a multi-level business and financing plan that was successfully used to raise the capital required for Eastern to be certified under FAA Regulation Part 121 and assemble a fleet of 737-Next Generation aircraft. The group has signed an initial order with Boeing for new 737-800 aircraft with deliveries commencing in April 2017.

Eastern has commenced its filings with the DOT and is currently preparing its formal submissions for the FAA.



### Jose Carlos Rosa takes top job at Lojas Francas

Jose Carlos Rosa has been appointed Chief Executive Officer of Lojas Francas de Portugal (LFP), the joint venture company owned by TAP Air Portugal (51%) and Dufry (49%). Rosa took over the top job at LFP at the beginning of February, from Nuno Amaral, who stepped down last year.

Dufry "inherited" the stake in LFP when it purchased Nuance in June 2014. LFP employs 400 workers and has a network of 29 airport stores in Lisbon, Oporto, Faro, Madeira and the Portuguese Azores Islands. LFP also controls the onboard sales program on TAP.

Most recently Rosa was Chief Operating Officer of Dufry do Brasil where he looked after operations in Brazil and Bolivia.

Rosa returns to his native Portugal after successfully negotiating extended retail contracts at Sao Paulo Guarulhos and Rio De Janeiro Galeao, the two biggest international airports in Brazil. Rosa joined the Dufry group in 2006 from Portuguese airport authority ANA, where he was Retail Director.

J. Gallagher

## Amy Wilson promoted to lead Hershey's travel retail expansion in Europe

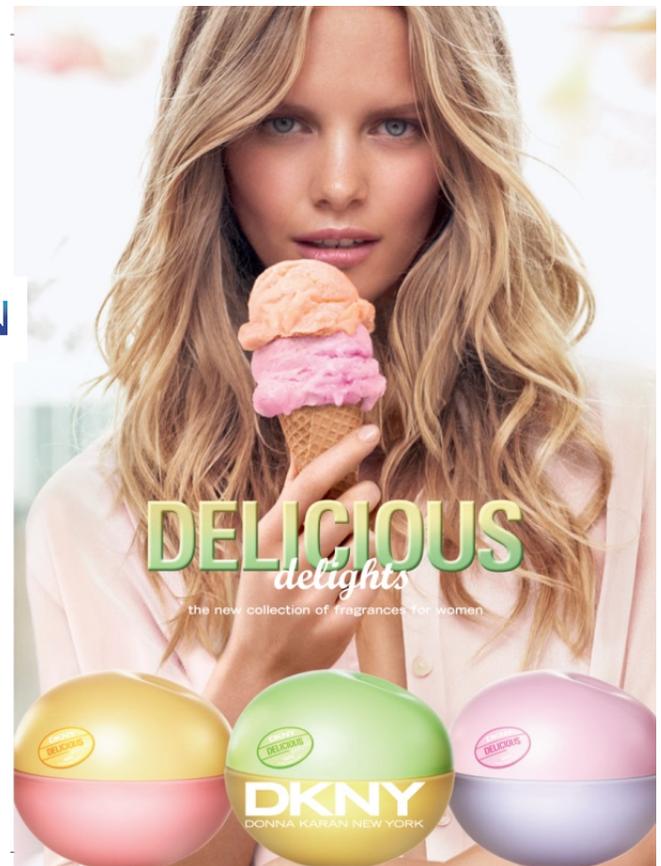
Hershey's Amy Wilson has been promoted to Team Lead Europe and Strategy for World Travel Retail. In this role, Amy will lead Hershey's travel retail expansion in Europe, which is the largest confection market in travel retail and offers significant growth potential for Hershey over the next few years. The promotion was announced by **Steve Bentz**, General Manager World Travel Retail & South American Exports.



Wilson has more than 12 years of experience with The Hershey Company including various roles of increasing responsibility within the Global Supply Chain and Category Strategy and Insights organizations. Most recently, Wilson was the Manager of Category Insights and Retail Excellence for Hershey World Travel Retail.

Marina Steel, Business Manager Europe will be reporting directly to Wilson.

Wilson's insights-driven approach to collaborating with retailers will be a significant asset to growing Hershey's travel retail business and the confection category in this important channel, says the company. Her expanded responsibilities will include strategy development, leveraging actionable insights to grow the category and building business partnerships to drive growth in Europe travel retail.





## Denver International Airport – celebrating its 20<sup>th</sup> anniversary this month -- sets record with \$322.8 million in concession revenue

Denver International Airport (DIA) generated more than \$322.8 million in gross concessions revenue in 2014, marking the second consecutive year of record-setting sales, reports DIA officials.

The airport's shopping and dining program ended 2014 with \$322,803,611 in gross revenue, up 9.5% over the \$294.8 million generated by the program in 2013. DIA currently offers a total of 136 shops, restaurants and services in more than 177,000 square feet of space.

The revenue translates to an average of \$12.07 per enplaned passenger in 2014 – an increase of 7.58% over the \$11.22 per enplanement in 2013 and an all-time high for DIA. The airport served a record 53.4 million passengers in 2014.

The sales resulted in an estimated \$11.7 million in sales tax to the City and County of Denver and about \$50.4 million in concession revenue to DIA. The airport relies on revenue from airline and non-airline sources, as no taxpayer money received by the city's General Fund is used for DIA expenditures. DIA reports that its innovative Retail Merchandising Unit (RMU) and kiosk

program, which gives small businesses an opportunity to do business at the airport without a large capital investment, generated about \$16.4 million in gross revenue – the highest amount since the RMU program began in 2011.

“As the airport celebrates its 20th anniversary this year, we are listening to our customers and transforming our shopping and dining program to offer additional healthy choices, locally sourced foods, chef-driven concepts and an improved selection of retail options,” said airport CEO Kim Day. “In 2015, we will continue to add even more variety that includes a brewery-themed restaurant at the upcoming Westin Denver International Airport hotel, as well as concepts for men's and women's fashion, additional restaurants, convenience and retail opportunities — all to provide an elevated travel experience.”

Due to expiring leases, the airport expects to transform about 75% of its shops, restaurants and other amenities over a three-year period. In 2014, DIA opened a total of 21 new or updated concession locations as part of this transformation – tying last year's record

Photos courtesy of Denver International Airport.



Denver International Airport's ambitious concessions program is leading to record revenues, with 25 new or remodeled locations to come.



for the most new locations opened in one year since the airport's inaugural year in 1995. A total of 42 new or updated concessions have opened in the last two years, and the airport expects to open up to 25 new or remodeled locations this year.

*TMI will be carrying the full interview about DIA's 20<sup>th</sup> Anniversary and the ongoing development of the airport's concession program in the March issue of Travel Markets Insider.*

### Duty Free contract with Dufry moves forward

Neil Maxfield, Senior Vice President - Concessions, Denver International Airport, tells *TMI* that the duty free contract with Dufry is going forward: “The duty free contract is final and has been approved and signed by the mayor. We have an executed contract with which we are moving forward with Dufry. They are in the process right now of finalizing their designs that were approved by our Design Review committee. Now Dufry is finalizing their construction documents so we will be beginning construction here shortly.”

The contract, which was awarded to Dufry in September 2014, was challenged by DIA Retail Fashion (the DFASS-led JV that came in second to the Dufry bid). The judge hearing the dispute granted Dufry's motion to dismiss the appeals case, ruling that he did not have jurisdiction on the matter. DIA Retail Fashion has said it is appealing.

Nevertheless, DIA expects to have the new and enlarged duty free/duty paid offer under Dufry available by this July: “We are going to be offering our customers a large scale duty free/duty paid environment in both Concourse A and Concourse B, with the opportunity in several years to restructure the C concourse location as well. For now, C will be a specialty retail and cosmetics location, featuring Kiehl's and Urban Decay,” Maxfield said.

The contract with DIA calls for Denver Duty Free -- a joint venture among Dufry North America, and Airport Concessions Disadvantaged Business Enterprise program certified Odd Tale Books and Wystone's World Teas Holdings -- to develop, operate and manage nearly 6,000 sq feet of retail space, more than five times the current area. The concession includes two Dufry-branded tax- and duty-free/duty-paid locations, and a 1,390-square-foot specialty retail shop called Mile High Glamour to be located in the center of Concourse C.





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## Settlement reached in West Coast port dispute

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"I am extremely pleased to announce today that after extensive negotiations and mediation provided by the FMCS and with the support and assistance of Secretary of Labor Tom Perez, Secretary of Commerce Penny Pritzker, and Los Angeles Mayor Eric Garcetti, representatives of the ILWU and PMA have tentatively agreed to a new contract, resolving all outstanding issues that divided them and that have affected operations at U.S. west coast ports.

"Due to the complexity of the issues the parties had to address, these have been lengthy and at times difficult negotiations. The parties persevered over a long and challenging process and were

ultimately successful in averting any further situations that could have been disruptive to shipping operations and to the nation's economy."

"As a result of their efforts, shippers can expect that normal operations will be restored as soon as possible at our nation's west coast ports," said the Beck statement.

The Federal Mediation and Conciliation Service, created in 1947, is an independent U.S. government agency created to preserve and promote labor/management peace and cooperation.

The agency provides mediation and conflict resolution services to industry, government agencies and communities.

The ongoing contract dispute has had a "horrendous impact" on the productivity of the US West Coast ports, which have recorded significant drops in their monthly cargo volumes, reports the *World Maritime News*.

On Feb. 19, *WMN* reported that the combined container volumes at the ports of Seattle and Tacoma fell 13% in January, continuing a trend that started in November.

Containerized imports at Puget Sound gateway plunged 21%, with exports down by 7%.

Container volumes at the Port of Long Beach dropped by 18.8% in January, with imports down by 23.5% from January 2014. The Port of Oakland reported cargo volumes down by 32%.

The prolonged dispute has also begun to impact the travel retail industry. Manufacturers contacted by *TMI* said that production has been hampered by an inability to obtain key components, especially from Asia.

## Falic to open Hard Rock Hotel in Ciudad del Este

Simon Falic is leading a group of investors that intend to build a 5-star Hard Rock Hotel and Casino complex in Ciudad del Este, Paraguay.

Last month Falic met with Paraguayan President Horacio Cartes and Gustavo Leite, Minister of Trade and Industry, to explain the details of the project.

"Construction should begin before the end of the year and we will do everything necessary for that to happen. There is still a lot of paper-work to be done, but progress is being made and I think

the most important requirements have already been met. It will be a great tourist complex, with a casino, a 250 room hotel and ample parking space. This will be a project that will mark a before and after for the City of Ciudad del Este," said Leite after the presentation

The hotel complex will require an investment of \$75m-80m. Building work could begin by the end of the year and is expected to take between 18-24 months.

The confirmation of the Hard Rock project comes at an interes-

ting time for Ciudad del Este.

Last year the Capitalis Investment Group which holds the Sheraton franchise in Paraguay announced the building of a 4 Points hotel in the city as well as the construction of a World Trade Center business tower.

Other development projects are expected to be announced shortly along with a new urban master plan to redevelop the downtown area, designed by Brazilian architect Cassio Taniguchi. *J. Gallagher*

## Beam Suntory to introduce new global operation at IAADFS 2015

Beam Suntory will be exhibiting at the IAADFS Duty Free Show for the first time since the launch of its global distribution operation, showcasing its extensive portfolio of world-leading spirits.

The recent integration of the Morrison Bowmore brands give Beam Suntory one of the largest whisk(e)y portfolios globally, which now encompasses Japanese, Irish and Canadian whiskies, bourbon and Scottish malts and blends.

Beam Suntory Americas Travel Retail Director, Jose Aponte says: "IAADFS is especially important this year as it marks our first exhibition as a global spirits distribution operation in travel retail.

"We look forward to welcoming customers to our stand and talking to them about how we can work together to realize the full potential of the spirits category, particularly in global whisk(e)y where we're uniquely positioned to provide customers with category solutions. We are also unveiling exciting new products, which we're confident will drive excitement within the channel."

**Beam Suntory bourbons:** Jim Beam White, Jim Beam Black, Red Stag and Jim Beam Honey, Maker's Mark, The Small Batch Bourbon Collection- Knob

Creek, Basil Hayden's and Booker's. Plus, the Jim Beam Signature Craft series.

**Beam Suntory Scottish Malts** include Laphroaig and Bowmore Single Malt Scotch Whisky, which will be on display together for the first time.



**WEBB**  
(World Equity Brand Builders)  
is hiring a

**Senior Manager of Finance,**  
based in Miami,

reporting to the CFO. The position is responsible for all financial, accounting and business analysis processes for the company.

### Responsibilities:

- Support strategic decisions by always informing the management team of the financial perspective;
- Ensure that the entire team is profit-oriented based on performance goals;
- Clear communication skills;
- Ability to push back when demands will not ultimately benefit the business;
- Regular and consistent reporting to insure transparency at every appropriate level;
- Constantly re-enforce the business values and model in a professional way of working;
- Work closely and effectively with CFO and sales team, and in particular WEBB's Commercial Director.

### Professional Skills:

BS or MBA in Finance, Accounting or Business Management, 5+ years in finance and/or accounting. Spanish or Portuguese a plus.

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