

CALVIN KLEIN

IATA forecasts a doubling of air travelers to 8.2b by 2037

Present trends in air transport suggest passenger numbers could double to 8.2 billion in 2037, reports the International Air Transport Association (IATA) in a forecast released this week.

IATA says that the “increasing shift Eastwards in the center of gravity of the industry” is behind the continued strong growth. Over the next two decades, the 20-year forecast anticipates a 3.5% compound annual growth rate (CAGR), leading to a doubling in passenger numbers from today’s levels.

Eastward shift in aviation

Not surprisingly, the Asia-Pacific region will drive the biggest growth. More than half the total number of new passengers over the next 20 years will come from these markets, says IATA, where growth is being driven by robust economic growth, improvements in household incomes and favorable population and demographic profiles.

More specifically, IATA forecasts that:

- China will displace the United States as the world’s largest aviation market (defined as traffic to, from and within the country) in the mid-2020s. The rebalancing of China’s economy towards consumption will support strong passenger demand over the long term.

IATA FORECASTS KEY FACTS

Fastest growing aviation markets in terms of annual additional O-D passengers from 2017 to 2037 (constant policies scenario):

- China:** 1 billion new passengers for a total of 1.6 billion
- US:** 481 million new passengers for a total of 1.3 billion
- India:** 414m new passengers for a total of 572m
- Indonesia:** 282m new passengers for a total of 411m
- Thailand:** 116m new passengers for a total of 214m

- India will take 3rd place after the US, surpassing the UK around 2024.
- Indonesia is forecast to be a standout performer—climbing from the world’s 10th largest aviation market in 2017 to the 4th largest by 2030.
- Thailand is expected to enter the top 10 markets in 2030, replacing Italy which drops out of the ranking.

Protectionism could reduce aviation’s benefits

Despite the strong projections, the Association warned that growth prospects for air transport could be curtailed if protectionist measures are implemented by governments. IATA’s Director General and CEO

Alexandre de Juniac says IATA foresees a significant negative impact on the growth and benefits of aviation if tough and restrictive protectionist measures are implemented.

The 3.5% CAGR to 2037 assumes an unchanged policy framework over that period.

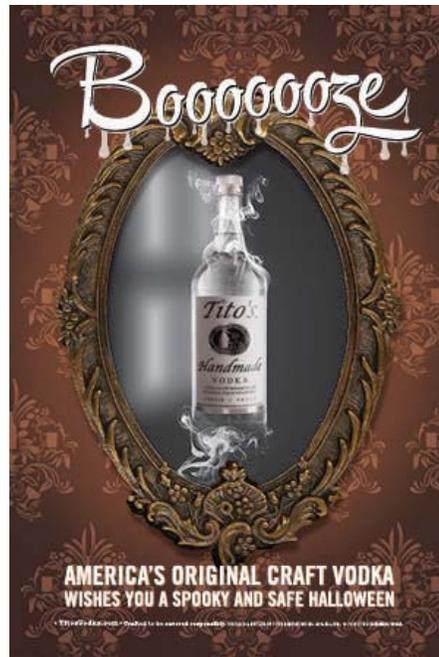
Policy shifts are likely over time, however.

Should protectionism continue to expand in a “reverse globalization” scenario, aviation would continue to grow, but at a slower pace and deliver fewer economic and social benefits. Under a liberalized environment connectivity would generate significantly more jobs and GDP growth, says IATA.

Infrastructure and sustainability

No matter which growth scenario comes to pass, IATA says that aviation faces an infrastructure crisis. Governments must work closely with the industry, says de Juniac, to develop efficient infrastructure, fit for purpose, and offering value for money.

“... at this rate, airports and air traffic control will not be able to handle demand. Governments and infrastructure operators must strategically plan for the future.”



IATA FORECASTS FOR REGIONAL GROWTH

Routes to, from and within Asia-Pacific will see an extra 2.35bn annual passengers by 2037, for a total market size of 3.9bn passengers. Its CAGR of 4.8% is the highest, followed by Africa and the Middle East.

North America will grow by a CAGR of 2.4% annually and in 2037 will carry a total of 1.4 bn passengers, an additional 527m.

Europe will grow at a CAGR of 2.0%, and will see an additional 611m passengers. The total market will be 1.9 bl passengers.

Latin American markets will grow by a CAGR of 3.6%, serving a total of 731n passengers, an additional 371m passengers annually compared to today.

The Middle East will grow strongly with a CAGR of 4.4% and will see an extra 290m passengers on routes to, from and within the region by 2037. The total market size will be 501m passengers.

Africa will grow by a CAGR of 4.6%. By 2037 it will see an extra 199m passengers for a total market of 334m passengers.



WARMING JOY

Welcoming, festive blends for a season of celebratory moments.



Tea Forte
 The Exceptional Tea Experience

Global TR contact: Zack Boiko, zboiko@actium.us; Latam-and Caribbean TR: Daniel Bras, dbras@actium.us

UNWTO/GTERC Report: Asia and the Pacific grows in importance for Global Tourism

Adding further credence to the IATA 20-year forecast (on page 1) the World Tourism Organization (UNWTO), in partnership with the Global Tourism Economy Research Centre (GTERC), presented its Asia Tourism Trends Report at the Global Tourism Economy Forum in Macao (China) this week.

The report shows Asia and the Pacific outperforming all world regions in growth in international arrivals since 2005.

International tourist arrivals in Asia and the Pacific grew 6% in 2017 to reach 323 million, around a quarter of the world's total, said the UNWTO report.

Asia and the Pacific, the second-most visited region after Europe, has grown the fastest in international tourist arrivals since 2005.

Arrivals increased an average of 6% per year, above the world average of 4%.

Rapid economic growth in a region with over half the world's

population, coupled with rising air connectivity, travel facilitation and large infrastructure projects, have boosted international travel in the region.

As a result, tourism earnings in Asian destinations have increased from 17% of the world total in 2000 to 29% in 2017. This is equivalent to US\$ 390 billion in tourism receipts.

The region produced 335 million international travelers spending US\$ 502 billion in 2017, 37% of the world total. Around 80% of these visits were concentrated in Asia destinations. Outside the region, 56% of the long-haul trips were to Europe.

EU-China Tourism Year

The report also says that 5.7 million Chinese tourists traveled to Europe in 2016, of which 3.5 million went to the EU. In reverse, 5.5 million Europeans traveled to China in 2016, 3.1 million of whom were from EU countries.

Floripa launches bidding for commercial area of new Florianopolis terminal

Floripa Airport, the operator of Florianopolis International Airport in Brazil, released tender documents on Oct. 16 for retail, food & beverage and advertising concessions at the airport's new passenger terminal.

The commercial area will cover multiple categories over 4,000 square meters and includes 46 different packages. The new passenger terminal, four times larger than the current facility, will have the capacity to serve 8 million passengers.

The concessions up for bid include two duty free stores: a 396 sqm arrivals store and a 197 sqm departures store in the international section; and two duty paid stores of approximately 80 sqm each on the domestic side of the terminal.

Floripa, a division of Swiss group Zurich Airport, took over operations at the airport in January this year, under a 30-year concession contract. The company says that construction is advanced and expects the new terminal will be operational in the second half of 2019.

The Swiss group says it intends to create an attractive mix, of local, national and international brands and create a place of "unforgettable experiences."

Florianópolis is one of the main tourist destinations in Brazil as well as a technology center for the country, says the airport website.

According to data from the Ministry of Tourism, the city is the second most popular destination in Brazil for foreign tourists. For more details on the concession opportunities, please go to the bidding page on the Floripa Airport website <https://floripa-airport.com/licitacao.html>.

Legal problems for Duty Free World as LATAM terminates inflight contract

During the early part of this week, leading newspapers in Chile, Peru and Colombia reported that South America's largest air carrier, LATAM Airlines, has unilaterally cancelled the airline's duty free inflight concession, managed by Miami-based Duty Free World. *TMI* has tried unsuccessfully to contact both parties for confirmation, but we now believe that the story has developed further.

Reports on Thursday in the Chilean financial press stated that LATAM has instigated legal proceedings against Duty Free World for non-fulfilment of the most recent concession contract that both parties signed in January 2015. *TMI* understands that LATAM is demanding payment of \$8.1m in unpaid commissions and has threatened to embargo Duty Free World's assets to guarantee payment.

Duty Free World won the LATAM concession in 2013, shortly after the merger of Chilean airline Lan with Brazilian competitor TAM in 2012. DFW had operated the TAM concession prior to the merger.

Initial reports said that LATAM is to abandon duty free sales onboard, but reportedly talks are already underway to replace Duty Free World. Senior management in Chile have been disappointed with the trajectory of sales over the last few years and have been upset at out of stock situations within many of the key categories, according to sources close to the airline in the Chilean capital, Santiago.

The same source said that a decision would be made shortly and indicated that the new concessionaire would be either a Panama-based duty free operator or a European inflight specialist.

John Gallagher



CALVIN KLEIN

SWISS MADE CALVINKLEIN.COM #CKMINUTE

Family Brands Alliance adds super-premium G'Vine Gin to partnership

The Family Brands Alliance welcomed its fourth partner during a special introduction at TFWA World Exhibition in Cannes. G'Vine, a luxury gin distilled from grapes and infused wine flowers, joined with founding members Behn DANZKA and Pallini Limoncello, and Bache-Gabrielsen cognac, which joined the group earlier this year.

Crafted in France, G'Vine Gin is the original French gin, and is the vision of its founder and Master Distiller, Jean-Sébastien Robicquet.

The Family Brands Alliance was announced in Cannes last year when the first two family-owned companies joined together as a way to strengthen their business in the changing travel

retail world, and optimize logistics, marketing and service.

Behn DANZKA, which celebrated its 125th anniversary in 2017, is the producer of duty free favorite spirit DANZKA Vodka; Pallini Limoncello is the producer of the N° 1 Limoncello brand in Duty Free & Travel Retail, and Bache-Gabrielsen is a family-owned and operated artisanal cognac established in 1905 that is recognized for its innovation within the cognac category, including its unique eaux de vies and its sleek packaging.

Today all three family companies are experiencing the benefits of the synergies they create by working together and expect G'Vine will benefit as well, they said during the Cannes presentation.

• * *

The newest addition, G'Vine, is said to have revolutionized the gin category since it first appeared in 2006 with its unconventional use of grape distillate as the base for a super-premium gin. This is blended with 10 selected botanicals including the rare vine flower, resulting in a "refined tasting profile with extraordinary smoothness and roundness," says the company.

G'Vine founder and Master Distiller Jean-Sébastien Robicquet



says the Family Brands Alliance is the perfect way for his gin to introduce itself to the Duty Free world. "We at G'Vine Gin look forward to this partnership of singularly-owned producers of such fine crafted spirits. Working together will allow us to reinforce the presence of our unique products in this channel of the market and meet its needs," commented Robicquet.

"G'Vine will definitely strengthen the existing portfolio of the Alliance and greatly help us in our mission to even better serve the global Duty Free/TR market.

"Each member of the Alliance brings a distinctly different spirit to the group, which together is creating a unique offer to travel retail," says Philippe Biais, Waldemar Behn Export Director.

IWSR Trends Forum highlights importance of travel retail for global alcohol industry



IWSR highlighted the importance of travel retail for the global alcohol industry during a Trends Forum at the TFWA World Exhibition in Cannes.

The Forum featured a Global Trends presentation and a panel discussion on future growth opportunities for wine and spirits in the duty free and travel retail channel, chaired by Doug Newhouse with panelists Nodjame Fouad, vice president marketing global travel retail, Pernod Ricard; Paul Topping, international director, Flemingo; Guy Bodescot CEO and director general of SDA ADP (Aéroports de Paris and Lagardère Travel Retail 50:50 JV); Marshall Farrer; senior vice president managing director global travel retail and developed APAC, Brown-Forman; and Andrew Ford, president of the Asia-Pacific Travel Retail Association (APTRA).

If the travel retail channel was classified as a country, it would rank in the top five markets for most of the leading spirits producers.

Total travel retail volumes for liquor grew 4.1% in 2017 to reach 32.3m nine-liter cases, while value grew 6.8% to reach \$9.5bn. Europe was the fastest-growing region for

value (+8.1%), followed by Asia-Pacific (+7.6%).

IWSR reports that travel retail liquor is in good health, yet below the top-line numbers many challenges and opportunities abound, including a changing traveler profile, the growing relevance of millennial and emerging-market consumers and e-commerce.

Marshall Farrer, Brown-Forman: "We've seen a real resurgence in the European market. It's a very important business to us. We still source a lot of growth out of consumers and nationalities that might be viewed as a bit more mature for smaller companies and so having strength coming out of the European business has been fantastic. The softening of the US dollar helped the Americas a bit and the next thing that continues to be a nice growth area for us is Asia."

Jack Daniel's saw travel retail sales rise 17% to top 1m nine-liter-equivalent cases in 2017.

Arrivals shopping is on the rise, notably in India and Brazil. China and Japan are also introducing expanded arrivals shopping – a sector that will become much bigger in coming years.

The IWSR presentation also highlighted emerging trends that are crossing over from the domestic channel, including the importance of e-commerce, emerging technology which makes it easier to blend the physical and digital retail experience, the consumers' desire for luxury as well as a greater demand for convenience.





AT THE POINT OF SALE

TRAVEL MARKETS
INSIDER

DFS Group to launch 10th anniversary edition of Masters of Time in December

Luxury travel retailer DFS Group is launching the tenth edition of its Masters of Time exhibition this December, with a special anniversary collection that highlights craftsmanship, design and innovation.

This year's exhibition, titled "Masters of Time X," will be unveiled during a two-day gala weekend at T Galleria by DFS, Macau, Shoppes at Four Seasons, from December 7-9.

The collection -- featuring fine watches and jewelry from some of the world's most renowned brands -- will be available for viewing and purchase in Macau from December 7, 2018 until end-February 2019.

To commemorate the milestone edition, new locations have been added to reach DFS customers outside of Macau. In September, Masters of Time X was pre-launched to European customers at DFS' flagship store in Venice, followed by immersive dinners in Chengdu and Shanghai in October.

In 2019, the Masters of Time X

collection will also travel to a selection of DFS T Galleria stores around the world.

Masters of Time is a signature event in DFS' Masters Series, which showcases DFS' leadership and innovation in curating exceptional experiences across its five pillars of luxury: Wines and Spirits, Beauty and Fragrances, Watches and Jewelry, Fashion and Accessories, and Food and Gifts.

Created by DFS in 2008 to bring the very best brands in the world of watchmaking and their ambassadors together with enthusiasts and collectors, the event is traditionally hosted each year in Macau.

DFS says that the anniversary Masters of Time X collection represents the most exclusive selection of watches and jewelry that it has ever presented to its customers. Each piece was chosen by its expert merchant teams after more than a year of meticulous searching. The collection features over 450 exceptional, rare watches

and exclusive jewelry from 30 world-famous brands including Bulgari, Franck Muller, Hublot, IWC, Jaquet Droz, Piaget, Roger Dubuis, Tag Heuer, Ulysse Nardin and Zenith.

Several pieces have been created especially for DFS and Masters of Time.

A curated selection of fine jewelry will also be featured.

Highlights include Bulgari's "Diva's Dream" set, Tiffany "Paper Flowers" necklace, Piaget's "Sunny Side of Life Golden Spirit" cuff bracelet, Boucheron's "Plume

de Paon & Hopi" set and Tasaki's "Ritz Paris Par Tasaki 'Elégance' necklace.

"As we enter our tenth year of DFS' Masters of Time, the desires of our customers have never been more central to our carefully curated collection. We have worked with some of the most famous brands in the world to create and select masterpieces to captivate experienced collectors and first-time buyers alike," said Matthew Green, DFS Group Senior Vice President, Watches and Jewelry.



Left: IWC SCHAFFHAUSEN DFS MOT X Exclusive Portugieser Chronograph Edition "Master of Time" [created exclusively for Masters of Time X];
Above: BVLGARI "DIVA'S DREAM" SET

Lancôme Travel Retail partners with DFS to take consumers on a Journey to Radiance

Lancôme and DFS launched a multi-sensory pop-up store experience for Advanced Génifique at T Galleria Beauty by DFS in Hong Kong. Entitled "Your Journey to Radiance" the pop-up is the brand's first exclusive global partnership with DFS.

The pop-up store, which highlighted the beauty brand's Advanced Génifique franchise, made its first week-long stop in Causeway Bay, Hong Kong, followed by events at Sun Plaza and Hysan Place, Hong Kong, until October 31, 2018. The partnership will hold further promotional events across DFS's global network of retail stores in seven other countries in the Americas, Asia and Europe.

Developed exclusively for the partnership, "Your Journey to Radiance" encourages women to embark on their own Journey to Radiance across the world with Advanced Génifique, says Lancôme.

The stunning concept was designed to send shoppers on a virtual journey around the world. The first touch point was a two-meter tall replica of the Advanced Génifique serum bottle constructed from 16,800 LED bulbs. An augmented reality photo booth captured images and GIFs to share on social media. Gesture detection sensors projected various Lancôme icons appeared in the palms of their hands, to symbolize that "radiance is within reach," said the company.

The key highlight of the pop-up store was the Mirror Room, which virtually transported consumers to different parts of the world, from Paris to Hong Kong. Using state-of-the-art voice tracking and cross-device synchronization technology, consumers were able to utilize devices to interact with the installation.

Lancôme Travel Retail Asia Pacific also invited five prominent Chinese Key Opinion Leaders (KOLs) to Hong Kong for a two-day brand event.



The Lancôme pop-up store was created with a mix of digital, light and interactive installations to bring consumers an immersive experience.

Pernod Ricard hosts first “In conversation with...” panel in Cannes



The Pernod Ricard panel in Cannes, from left: Brian McBride, Chairman of ASOS and Wiggle, Tamara Lohan MBE, Founder and CTO of Mr & Mrs Smith, drinks consultant Neil Ridley and Mohit Lal, Pernod Ricard Global Travel Retail CEO.

Pernod Ricard Global Travel Retail (PRGTR) hosted its first ever ‘In conversation with...’ panel discussion in Cannes as part of its presence at the TFWA World Exhibition 2018.

Moderated by drinks consultant and presenter Neil Ridley, the panel consisted of Mohit Lal, CEO PRGTR, Tamara Lohan MBE, founder and CTO of Mr & Mrs Smith and Brian McBride, Chairman of ASOS and Wiggle. The discussion provided valuable perspectives and opportunities to reapply learnings from other sectors to the Global Travel Retail space as a diverse range of topics were explored.

“Moving away from just being focused on retail to being focused on the traveler is the key shift that needs to be made,” said Lal. “You need to stay relevant: when people travel they’re in an exploration mindset and so shop in a very different way.

“One key aspect we need to bear in mind when we come to build experiences for the millennial traveler is that they’re looking for spontaneous gratification. We’ve invested in the organization to make the transformation from passive retailing to active consumer marketing. We need to change our mindset from putting bottles on shelves to providing an experience that these travelers will then share with the whole world,” Lal continued.

Lohan added: “The airport itself lends a captive audience with holiday money to spend. There is

the opportunity of creating a beautiful space that lends itself to ‘discoverability’ and inspiring shoppers to buy a product that they haven’t considered before.”

Data is key to serving up what consumers want, when they want it, says McBride.

“Data capture is one of your key weapons. Our customers have willingly shared a huge amount of data with us which gives us the chance to develop strong relationships with them.

“If you can get to the point of them sharing their desires and aspirations directly with you, you can garner a huge amount of valuable information about them – but there has to be something in it for the customer. At ASOS we create a buzz and excitement through rich content that we know will resonate with them; this gives us the right opportunity to open up a dialogue with them and keep them engaged.”

“Start with the customer and work backwards,” continued McBride. “What’s in it for the customer? Whatever you’re doing, the business starts and ends with them.”

All three panelists concurred that data-driven, consumer-centric marketing is the key to success. “Don’t mistake a shopper and a traveler to be the same thing,” asserted Lal. “It is vital that we focus on the exploratory mindset and ultimately in converting a ‘traveler’ into a ‘shopper’ as we continue to innovate and drive growth today and in the future.”

Beam Suntory launches Maker’s Mark’s first GTR exclusive

Beam Suntory has announced the launch of Maker’s Mark 101 – the brand’s first-ever GTR exclusive.

Previously only available at the distillery in Loretto, Kentucky, Maker’s Mark 101 represents Maker’s Mark’s signature bourbon bottled at a higher proof for a bolder taste, says the company.

This limited edition is available exclusively in Travel Retail and features a gold bottle decoration alongside the iconic Maker’s Mark hand-dipped red wax seal, and will be presented in a bespoke carton.

Ed Stening, Global Marketing Director of Beam Suntory Global Travel Retail, says: “Maker’s Mark 101 represents a world first for the brand – an expression exclusive to the Travel Retail channel. Historically, special guests at the distillery were welcomed with the opportunity to sample our signature bourbon at a higher proof. This release allows us to extend that special welcome to travelers around the world, and we are confident that it will be well received in the channel continuing to drive that category growth.”

Maker’s Mark 101 is rich and creamy with spicy fruit and caramel to taste, with a mellow, creamy and lingering mid-palate finish. With an ABV of 50.5%, Maker’s Mark 101 will be available exclusively in global travel retail for \$49.99 beginning in October 2018



SAVE THE DATE
JAN 31st, 2019
DUTY FREE AMERICAS

5th ANNUAL
DFA
GOLF & TENNIS TOURNAMENT

Sponsored by: **DFA**
Benefiting: **CHILDREN'S TUMOR FOUNDATION** ENDING NF THROUGH RESEARCH
Venue: **French National Travel**



BREITLING

1884

Breitling has an immediate opening for an
Area Sales Manager

The Area Sales Manager is responsible for the development and improvement of Breitling business in the region Caribbean /LATAM ensuring that sales, visibility, quality of services and quality of customer's relationship is in line with the company guidelines.

Key Responsibilities:
Development of the Business and our Commercial Partnership:

- Reach the monthly budget by continuously monitoring account performance, tailoring account strategies & action plans, leading to maximizing retailers' sales.

Account Management:

- Maintain privileged contact with all clients in the market and ensure high levels of account satisfaction.
- Advice and plan the replenishment of watches with the retailers, ensuring optimal product mix / assortment policy.
- Monitor the stock as well as the sell-in/sell-out per POS and draw action plan to strengthen the sell-out.

Ideal Candidate:

- Position based in Miami office.
- Degree or equivalent experience
- Solid experience in wholesale of jewelry/watch or luxury goods brands.
- Strong communication and problem-solving skills.
- Excellent organizational skills.
- Proficiency with computer programs including MS Office Suite, Excel and Power Point
- Entrepreneurial spirit.
- Regional sales experience Caribbean/LATAM
- Ability to travel 40-50%
- Bi-lingual English/Spanish

Interested applicants email resume to: info@breitling.bs



GROUPE CLARINS

Clarins, a luxury beauty brand, is seeking a Senior Brand Manager, based out of Miami, FL.

This position will maintain the flow of information regarding new Export developments, launches and promotional activities, coordinate and implement marketing projects with responsibilities that include Forecasts Management, A&P Management, Prices Analysis, Promotional activities coordination, PR Event Coordination, Media Strategy and Merchandising.

Responsibilities include, but are not limited to:

Forecast Management, Marketing, Launches & Promotional Activities, Responsible for A&Ps, Merchandising, Reporting & Data Management, Special Events

Essential Skills and Abilities

- *BA Degree in Marketing or equivalent
- *Relevant Skin care experience in Operational Marketing management
- *Successful track record of brand management
- *Able to formulate business strategy and carry out implementation plans
- *Strong communication and presentation skills
- *Fluency in Spanish and English: Portuguese or French will be an advantage
- *Advanced skills in Excel and PowerPoint
- *Travel required

Please send resume to
Amanda.Brinkerhoff@clarins.com

Equal opportunity Employer



SHISEIDO

THE SHISEIDO GROUP

Shiseido

has immediate openings for the following positions based in Miami:

International Trainer

Responsible for training sales staff on brand, product, and sales techniques. Must have a dynamic personality and excellent interpersonal and presentation skills in English and Spanish, Portuguese is a plus. Must be available to travel 60-70% throughout the Americas. 2-3 years Travel Retail luxury industry is a must.

Retail Manager/Account Executive for North America - Southeast region

Ideal candidate will have a minimum of 2-3 years' experience in the Travel Retail luxury goods industry. Responsibilities include developing sell-out figures through supervision of salespeople, implementation of the brands' merchandising and promotion guidelines. Experience in retail sales is a plus. Must be able to travel 40 to 50% of the time.

Operations Analyst – Cosmetics Division

Responsible for managing the new launch order process for the Cosmetics Division. This position is vital in contributing to the integration and delivery of all launches. Acts as a liaison between internal departments and our headquarters to streamline the procedure and communications throughout the item creation and ordering process. This position will also support key forecasting analysis and is responsible for managing the Travel Retail allocation. Demand planning experience is ideal for this position. Candidate must possess strong organizational and analytical skills.

Sales/Market Coordinator

The ideal candidate is highly proficient in Microsoft Office and possesses strong organizational and customer service skills. Must be a team player as this position will support management and the sales team with various projects and sales analysis. Experience in Travel Retail industry is a plus.

Please submit resumes to

gcamplani@sac.shiseido.com

and/or mfernandez@sac.shiseido.com.

Please refer to the job title on the subject line when sending your resumes.

TRAVEL MARKETS INSIDER

has a position available for an
ADVERTISING SALES EXECUTIVE

Experienced in travel retail and/or Luxury Goods.

Contact: Editor@travelmarketsinsider.net

for information.