



New FDFA board tackles membership, convention, and operator licensing

The 31st annual Frontier Duty Free Association (FDFA) Convention took place in Toronto last week with some notable land border operators missing and the future of the event the main topic of discussion.

Newly elected FDFA President Abe Taqtaq told *TMI* that strengthening the FDFA's membership will be one of the new board's main priorities going forward. "Getting the membership back up is a big part of this board's mandate," says Taqtaq.

"We have 19 land border duty free operators that came this year; 22 last year. I do feel confident that they will come back and we want them in the fold," adds FDFA Executive Director Laurie Karson.

Peace Bridge Duty Free and Peninsula Duty Free were two of the bigger land border operators not present at the trade show, and their absence was noted.

"If Peace Bridge isn't here, or Peninsula isn't here, suppliers are not going to bring as many reps.

"At the end of the day the the

operators need to come together because one voice is going to be more effective," added Karson.

Peace Bridge RFP

Also under discussion was the Peace Bridge RFP awarded this summer, which incumbent operator Peace Bridge Duty Free retained after a very competitive bidding process.

The Peace Bridge RFP opened up a lot of questions regarding how a duty free license should be awarded. Canadian duty free licenses are regulated under Memorandum D4-3-2, which manages the leasing arrangements between the landlords and the operators. Landlords include bridge and tunnel authorities, the Canadian Border Services Agency (CBSA), or Indian owners. Some operators own their land.

D4-3-2 says that land-border DFS operators are determined by the Minister on the basis of an evaluation.

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DFA Brazil's new F&B division opens five coffee shops in Curitiba airport

Duty Free Americas has created a Food & Beverage Division in Brazil to open coffee shops in airports throughout the country. The new division has opened the first five coffee shops in Afonso Pena International Airport, Curitiba, where they operate under the brand name THE CAFÉ by DFA.

The shops feature premier coffee and food selections, including espresso, cappuccino, latte and specialty coffee drinks, light snacks, local foods such as coxinhas, pastries, chocolates and soft drinks.

Strategically positioned in highly visible locations throughout the airport's arrival and departure levels, and designed to deliver fast, convenient and quality service, THE CAFÉ by DFA offer counters and tables to cater to customers on the go or for those who have the time to sit.

The shops are also outfitted with electrical outlets for customers to charge their mobile devices.

DFA CEO Jerome Falic commented:

"We are thrilled to open our company's first coffee shops in Afonso Pena International Airport, winner of the best airport in Brazil by Infraero.

"THE CAFÉ by DFA is ideally suited to the demographic of the more than 7 million passengers who visit the airport each year, and we are certain that it will remain very popular with both local and international travelers.

"The response to our shops has been extremely positive, which is a reflection of our commitment to provide our customers with world-class service and a rewarding experience each time they visit any of our airport establishments."

Falic specifically credits Michael Dinar, President of Duty Free Americas Brazil, for developing this concept and for putting together the perfect team to see it come to fruition.

"We would also like to thank Afonso Pena International Airport and Infraero for giving us the opportunity to launch this new concept in their world-class, award-winning airport, and we look forward to the continuation of a strong and long-term relationship," said Falic.

PEOPLE

Emerson Duty Free's Carolyn Schwark wins FDFA service award

Carolyn Schwark of Canada's

Emerson Duty Free store (DFS Ventures Inc.) was awarded the 2016 Outstanding Land Border Duty Free Employee Award at the 2016 Frontier Duty Free Association Convention in Toronto, Ontario on Wednesday, November 16.

Schwark is Emerson's longest-serving employee, and has worked with the family-run business for 32 years.

The award recognizes one land border duty free employee each year across the whole of Canada who has gone above and beyond in their commitment to their store and the industry at large.

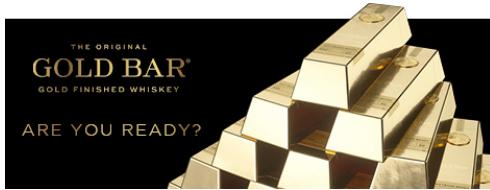
Carolyn, accompanied by Emerson Duty Free owner/operators Michael and Simon Resch, accepted the award at the FDFA's Annual Gold Standard Award Ceremony and Gala Dinner.

"Not only is Carolyn the longest-serving employee at Emerson Duty Free, she may very well be the longest-serving employee at any land border duty free store in Canada," said Simon Resch. "Her accomplishments are truly astounding and I thank her for the dedication she has shown over the last three decades. ..."

The award was sponsored by the Retail Council of Canada.



FDFA Executive Director Laurie Karson with service award winner Carolyn Schwark of Emerson Duty Free.



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The Peace Bridge tender raised questions because it was called by the bridge authority instead of the Canadian government. Both Karson and Taqtaq say that the process used to call the RFP – where an individual landlord calls for a tender rather than using the license granted by the Canadian government -- could set a new precedent for RFPs on the Canadian land border. It is not a trend the FDFA thinks will benefit the industry.

“We’ve always been a proponent of the status quo in how the operators of the stores are chosen.

We are opposed to any landlord model that would choose a store operator,” says Taqtaq. “We are starting to see the effect of what happened with Peace Bridge, which reinforces why we were always opposed to such tendering. When you start a bidding process at the border you change the dynamics of the business.”

One fallout from the tender was that members of the association had to recluse themselves in order to bid on the RFP, which was the case with both Peace Bridge and Peninsula. That was due to a government regulation that forbids lobbyists from participating in a

bid. Since the FDFA lobbies for proposals to protect its members, this affected several operators.

“The FDFA met with government officials to discuss the historical principle that it is the government who licenses our stores and determines who runs the duty free shops, not the landlords. When the bridge authority issued this RFP, it contradicted the historical process. We were very pleased that Peace Bridge ultimately retained its management,” says Karson.

The evolution of the FDFA

Another FDFA priority going forward is the organization’s annual convention and maintaining its relevancy in a changing world.

“We are going to relook at the convention. This FDFA convention has always been a staple in the industry and the general consensus among the members and the board is that the convention continues to be necessary. It gives us the opportunity to showcase our industry with the suppliers. We need to reengage some of our members to get them more involved, in order to provide our suppliers the opportunity to sell and showcase their products,” says Taqtaq.

“I’m always a proponent of getting people together in a room. Nothing beats sitting down at a table face-to-face, dialoguing, making deals.

“We are a successful industry. We have been around for more than 30 years, we employ people. We are the last stop for Canadians and anybody traveling to the United States.

“We have the story, we have the products, we have excellent stores on the border. We just have to rethink how to assure the value of our convention.”

The FDFA will consider all ideas as it improves its convention, including possibly participating in an event that combines IAADFS, ASUTIL and the FDFA, he says.

“Nothing is off the table. But I am very much in favor of maintaining our Canadian identity in some form. I’m always a fan of collaboration. But when you collaborate you can’t lose your identity. That is the key message,” he says. “I don’t think I want to categorize this as change, I think it is more of an evolution.”

Taqtaq says that he can see making some changes in the next convention, and will have some concrete proposals to present to the membership by the FDFA’s mid-year meeting in May.

SFO Invites Comment on Upcoming Concession Opportunity

Airport seeks feedback from qualified operators for upcoming duty-free concessions RFP

The San Francisco International Airport (SFO) is inviting comment from qualified operators regarding an upcoming Request for Proposals (RFP) for concessions. The Airport plans to tender a Request for Proposals (RFP) for its International Terminal Duty Free & Luxury Stores Lease in the spring of 2017, and is interested in soliciting feedback from qualified industry operators on certain business terms of the lease.

Comments on the upcoming opportunity are invited from companies meeting the following criteria:

- Minimum of five years' experience operating a duty-free concession in a major international airport
- Sales volume in excess of \$50 million annually

Interested qualifying parties may submit the following information to John.Reeb@flysfo.com, and will receive an invitation for a pre-determined date and time to meet in December 2016:

- Company Name
- Airport(s) currently operating in
- Annual Sales Volume
- Contact information

All interested qualifying parties must respond no later than Wednesday, November 30th at 5:00pm Pacific Standard Time.



LAWA Airport officials approve new state-of-the-art LAX concourse for TBIT

The Los Angeles Board of Airport Commissioners last week agreed to appropriate funds to construct a Midfield Satellite Concourse (MSC) and a related Baggage Optimization Project (BOP) that would be an addition to the Tom Bradley International Terminal (TBIT) at Los Angeles International Airport.

The MSC will include 12 gates in its first phase of construction, to provide flexibility and gate space and reduce the reliance on the LAX remote gates where passengers are currently bused to board aircraft.

LAWA say that the new concourse will become operational in about three years.

"The board's support for the midfield concourse is indicative of our desire to continue to improve the passenger experience and provide a welcoming front door for visitors to Los Angeles," said Board of Airport Commissioners President Sean Burton in a statement.

"Those of us who operate airports expect, and our customers expect, a great experience. One that is safe, and one that is adapted to what passengers require today, which is a technologically advanced and efficient experience," said Los Angeles World Airports Chief Executive Officer Deborah Flint. "We will design a concourse with our passengers and their needs, top of mind, and deliver an innovative experience that is first-class."

The board action – approved on Nov. 18 -- enables construction of the MSC North and the BOP, which will improve

the capacity to handle baggage at both the MSC and TBIT.

The MSC will cost \$1.3 billion, which will be funded through a combination of revenue bonds and cash. Payments of future years' debt service on those bonds will be recovered primarily through airline terminal rates and fees, non-aeronautical revenues, and passenger facility charges.

The North Gates phase of the MSC will include two gates for Group VI aircraft like the Airbus 380 super-jumbo and the Boeing 747-8 Intercontinental, while the remaining 10 gates will be able to handle Group V aircraft, such as the Boeing 777 and 787, and Airbus 330.

The concourse will also include a wide variety of new food and retail options for passengers, as well as additional space for airline clubs.

A 1,000-foot-long passenger tunnel will connect the new concourse to TBIT. The tunnel will start in a new gateway facility built adjacent to the terminal. The tunnel will feature 42-inch-thick walls and roof designed to withstand more than 660 tons, the equivalent of a fully loaded A380.

Sustainability will also be a key feature of the new concourse, which has been designed to achieve LEED Silver certification and CAL Green Tier 1 status. The concourse is expected to be substantially completed in late 2019, at which time operational activities will begin.

A second phase will add additional gates on the south end of the terminal.



The Great Hall in the Tom Bradley International Terminal at Los Angeles International Airport.

Site preparation for the new concourse has already begun with the demolition of the former TWA hangar, to be followed soon with demolition of the former U.S. Coast Guard hangar.

A conceptual video featuring a fly-through from the Central Terminal Area through TBIT into the new concourse is available on YouTube at <https://youtu.be/L-YenoF-RD8>.

AIRMAIL at BWI Marshall's opens new D/E Connector with unique additions to retail mix

AIRMAIL at BWI Marshall celebrated the opening of a new connector between concourses D and E on Nov. 22 complete with a ribbon-cutting ceremony with Maryland Governor Larry Hogan. The new connector has been designed to accommodate the airport's growing international service.

Among the more unique offerings are a 1,175 sf ROAM Fitness gym. This first of its kind airport gym and shower facility is located behind security and will open in December.

The location is equipped with a range of cardio equipment, free weights, a designated stretching space, and private bathrooms-showers with towel service. Complimentary lululemon athletic clothes and Brooks Running shoes are provided with any membership pass (day, month or year). ROAM is billing itself as the "next big thing" in airports, and according to its website, is in discussing with three other airports right now, and has many more in its sights. For information, go to roamfitness.com.

The new D/E connector includes Hudson News, NYS Collection, Pen & Prose Boutique, R&R Seafood Bar and, already open, a new Starbucks.

The connector will also feature an outdoor patio, which will be open seasonally.

"Record-breaking numbers of travelers are flying, shopping and dining at BWI Marshall," said Brett Kelly, vice president of AIRMAIL Maryland. "With the new connector, we're pleased to introduce a variety of concepts that showcase our region and will be well received by travelers."

Tocumen duty free tender called for Jan. 2017

The administrators of the international airport in Panama City announced that they will launch a tender in January for the business premises in Terminal 1, reports Central America Data.

Although the administration of Tocumen International Airport said on several occasions that they estimated holding the tender before the end of the year, especially after the problem which occurred with stores belonging to Wisa Group, they have now announced that it will be in January 2017 when the announcement is finally made.

The tender will include 77 duty free premises in Terminal 1, which since 2007 have been operated by Waked International S.A., The concession was originally scheduled to expire in December 2017.

An article on Prensa.com reports that "...Tocumen is also preparing tenders for concessions of commercial premises in the south terminal, which to date is 63% complete. The aim is have a schedule for the tender before the end of this year. The calls will be made during 2017, with the first one being in the food category."

BY THE NUMBERS

ACI: September sees robust passenger traffic gains

The latest ACI Pax Flash reports that global airport passenger traffic increased 6.3% in September 2016. The uptick comes after a slowdown in growth in August.

International passenger traffic grew faster than domestic traffic for the month (+6.9% versus +5.9% respectively). Total passenger traffic grew 5.6% for the first nine months of 2016 as compared to the previous year.

Fueled by lower fares and strong international traffic, all regions experienced increases in passenger traffic in September, with the exception of the African region.

The highest growth rates were in the Middle East and Asia-Pacific (+11.9% and +9.8% respectively), followed by North America, Europe and Latin America-Caribbean (+5.6%, +4.9% and +2.6% respectively). Africa reported a drop in traffic of 0.9%.

International passenger traffic continued to grow at high rates in the Middle East and Asia-Pacific regions (+12.0% and 11.3% respectively). Both Latin America-Caribbean (+7.7%) and North America (7.5%) showed strong growth in international traffic for the month. Europe grew 4.9% but Africa lagged behind with a 1.0% loss.

The Americas showed mixed results, with Brazil still dragging down traffic growth in Latin America.

North America

The two aviation markets of North America—the United States and Canada—grew 5.3% and 8.8% respectively in terms of total passenger traffic.

Notable growth: Denver, +12.8% or +579,000 passengers, Los Angeles +9.6% or +576,000 passengers and Toronto-

Pearson +12.4% or +431,000).

Philadelphia lost 4.7% of its traffic (-123,000 passengers) compared to the previous year.

Latin America-Caribbean

Brazil—the largest aviation market in Latin America and the Caribbean—lost 7.6% of its traffic on a year-over-year basis, which testified to the sharp contraction of the national economy.

Mexico (+14.3%) and Colombia (+5.1%) remained the two strong and stable sources of passenger traffic growth in the region. Substantial growth was also observed in Chile (+11.2%), Peru (+8.0%) and Panama (+17.3%).

At the individual airport level, the highest growth was observed at Mexico City +10% or +300,000 passengers, Panama City +17.3% or +176,000 passengers and Santiago +11.7% or +161,000 passengers.

Asia-Pacific

In Asia-Pacific, almost all major aviation markets demonstrated robust growth in passenger traffic.

China, India, Korea, Thailand and Malaysia grew 9.2%, 20.7%, 15.2%, 15.1% and 13.3% respectively. The other major players in the region—Japan, Australia and Indonesia—grew 3.0%, 5.5% and 6.5% respectively.

By airport, Delhi grew +24.1% or +890,000 passengers, Seoul-Incheon grew +20% or +790,000 passengers) and Beijing) grew +8.5% or +637,000 passengers.

Significant growth was also observed at Kuala Lumpur +15.4%, Guangzhou +11.6% and Shanghai-Pudong +9.8%.

Continued on next page.

BY THE NUMBERS

Latin American tourism surging, says hotel wholesaler

Latin America is enjoying a significant increase in tourism bookings, according to global wholesale travel brokerage company Tourico Holidays.

Tourico reports a 45% year-over-year increase in hotel room nights booked in Latin America, which it attributes to increased demand from major source markets throughout the world.

Tourico also reports a 70% year-over-year increase in revenue generated from the Latin American market in 2016, as inbound bookings surge.

Bookings from the US in 2016 were up by 47%, while bookings from Canada surged by 207%.

Asian bookings to LATAM grew by 220% – with China's bookings up by more than 400%.

Europe, as a whole, also increased its demand for LATAM, increasing bookings by 37%.

Bookings to LATAM from Australia rose by 141%.

“There are a number of encouraging reasons the LATAM travel market is growing and shows no signs of slowing down,” said Gisela Blok, Vice President

of Product in Latin America for Tourico Holidays.

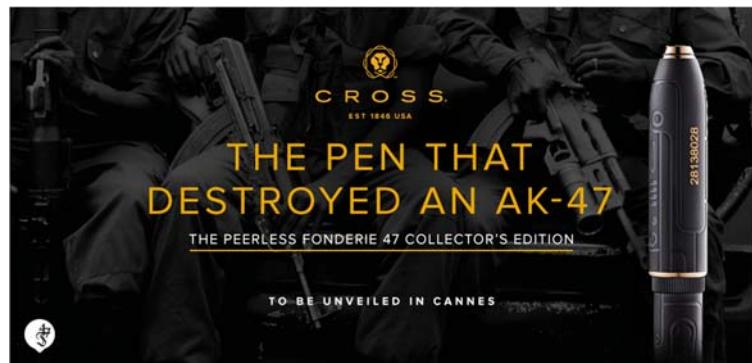
“Several of the domestic economies, such as Brazil, are beginning to bounce back. Meanwhile Europe and the United States continue to add more inbound flights at very attractive prices – funneling more travelers into the region.”

Tourico Holidays currently works with more than 6,000 hotel partners in Latin America, including major global and regional chains like Hyatt, Starwood, Wyndham, Marriott, Hard Rock, Posadas and Barcelo.

The company has offices in Buenos Aires, Argentina, Sao Paulo, Brazil, and Cancun and Mexico City, Mexico.

In the past two years, Tourico says it has doubled its LATAM personnel with over 65 employees stationed in the region and it plans to hire another 10 employees in 2017.

Tourico Holidays works on a high-volume, wholesale model to broker this inventory to over 4,900 clients in 100 countries using proprietary technology.





THE SHISEIDO GROUP
has several positions available immediately:

**AREA SALES MANAGER
SOUTH AMERICA TR /
SKINCARE & COSMETICS**

Responsible for the development of the Group's skincare & cosmetics brands and achievement of sales; implementation of global strategies and marketing plan; management of P&L; negotiation of spaces with major retailers; supervision of field retail managers. Reports to Regional TR Sales Director.

Qualifications: Bachelor degree or above in Business Administration; minimum 3 years' experience in sales in the luxury industry; excellent communication skills (English/Spanish); strong management and analytical skills; 50% travel.

.MARKETING MANAGER TR & LAT. AM. LOCAL MARKETS / SKINCARE & COSMETICS

Responsible for development and implementation of Marketing plans and communication of brand objectives and strategies for all skincare and cosmetics brands; management of portfolio category and building brand equity and gaining of market share by leveraging innovation and creativity. Must have 5 years in the industry. Position reports to Marketing Director for the Americas. 30% travel.

Degree in Marketing with 5 years' experience in the industry preferred

BRAND MANAGER TR & LAT. AM. LOCAL MARKETS

**DOLCE & GABBANA
(Fragrance)**

Responsible for implementation of trade marketing strategy, development of media plans, forecasting, and advertising. Will work closely with brand holder to assure brand image across region. Travel Retail and Local

Market experience is ideal. Reports to Marketing Director for the Americas. 20% travel.

Marketing or Business degree required with strong analytical skills and excellent oral and written communication skills in English and Spanish. 3-5 years marketing experience is a must
-MORE-.

Continuea from page 4

Europe

In Europe, Spain (+10.4%) approached the passenger traffic level of the United Kingdom, which grew 5.9% during the same month. Major commercial airports in Germany, Italy and France grew 5.2%, 3.8% and 1.6% respectively.

On the down side, Turkey lost 10.0% of its passenger traffic while the Russian Federation recorded flat growth (+0.6%).

Top-performing airports were Amsterdam +7.4% or

+407,000 passengers, Barcelona +9.8% or +387,000 passengers and Berlin-Schönefeld +44.4% or +348,000 passengers).

Antalya (-33.1%) in Turkey, lost more than 1,212,000 passengers for the same period due to security concerns.

Middle East

In the Middle East, all major aviation markets demonstrated robust growth. Passenger traffic in the United Arab Emirates and Qatar grew 9.7% and 22.6%.

Dubai kept momentum and the

status of the fastest-growing airport in absolute terms in the region (+10.3% or +662,000 passengers), followed closely by Doha +22.6% or +608,000 passengers.

Africa

Passenger traffic losses in Africa continued to persist due to the economic weakness in Northern States and major oil exporters. Passenger traffic gains in South Africa (+5.7%), Morocco (+5.3%) and Tunisia (+46.9%) were not enough to offset the region's passenger traffic losses.

**THE SHISEIDO GROUP
(CONTINUED)**

PRODUCT MANAGER / SKINCARE & COSMETICS

Contributes to the execution of marketing strategies, coordination of launches, promotions, implementation of marketing plan, forecasting, product launches, animations, ordering of media and PR images. Reports to Marketing Manager

Knowledge of Photoshop preferred: strong knowledge of MS Office a must. Degree in Marketing/Business field preferred. A minimum of 3 years' experience in the industry (in skincare & make-up) is a must

**MARKETING ASSISTANT / DOLCE & GABBANA
(Fragrances)**

A minimum of two years' experience in the luxury goods industry to assist the Brand Manager with various marketing responsibilities that include the coordination of product launches and animations, maintaining updated distribution database, ordering visuals, in addition to other administrative duties. Strong knowledge of Photoshop and MS Office needed.

FINANCIAL ANALYST

As the primary support for the Finance Director, will handle monthly reporting, A/R and A/P, T&E reporting/audit/analysis, provisions follow-up, vendor payments, purchasing, and IT.

Degree in Accounting and excellent knowledge of Excel and accounting software

Applicants please send resumes to:
gcamplani@bpi-sa.com

**Pre-registration opens this month for
TFWA China's Century Conference**

Pre-registration for TFWA's China's Century Conference 2017, which will take place from March 7-9 in the Four Seasons Hotel in Guangzhou, is opening this month.

The conference will offer a full

COTY

has an opening for a Travel Retail Business Analyst position based in Miami:

Mission

This position will provide analytical support to the TR Americas region. Key responsibilities will be to support the sales team in terms negotiations and provide business insight driven by detailed sales, financial and market analysis.

The ideal candidate will be a self-starter with a detail oriented approach, an astute commercial sense and great interpersonal skills.

Requirements

University Commercial/Finance degree

Fluent English (Spanish & French a plus)

At least 3 years of relevant work experience in an international environment

Industry knowledge a plus

Excellent knowledge of Excel

Please send resumes to:
Andres_Romero@cotyinc.com

CLARINS GROUPE

has an opening for an **East Coast Sales Coordinator** based in Miami.

The ideal candidate is highly organized, dynamic, self-motivated and with strong sales, analytical and managerial skills.

Responsible to develop the sellout in his/her territory, implementation of merchandising, stock level follow-up, retail sales analysis, promotion set-up and management of the beauty advisors team.

Ability to travel 50%. Fluent in English and Spanish. Proficient in MS Office

Education: Bachelor's degree Experience: minimum 1 year experience in a commercial or similar role. Experience in Luxury Company within TR a plus.

Please send resumes to:
Samira Fayad
samira.fayad@clarins.com