

Chinese group HNA takes stake in Dufry

Chinese travel conglomerate HNA Group has acquired 16.79% of leading travel retail company Dufry.

Dufry said that it has been notified by HNA Group that it has exceeded the threshold of 15% due to an agreement with third parties to purchase 16.79% of the shares of Dufry AG. The closing of the transaction is subject to certain conditions, said the statement.

In March, the *Wall Street Journal* and other publications had first reported HNA Group was seeking to buy a stake in Dufry. The Swiss airport retailer is currently valued at about US\$7.6 billion.

HNA Group, which is a global

Fortune 500 company whose tourism business includes market-leading positions in aviation, hotels and travel services, reportedly approached existing Dufry shareholders, including Singapore state-investment company Temasek Holdings and Singapore sovereign-wealth fund GIC, said the *WSJ* report.

According to Dufry's annual report, Temasek owns a 8.55% stake and GIC has a 7.79% interest in the Swiss company. Qatar Holdings, owned by Qatar Investment Authority, holds a 6.92% stake.

HNA operates and invests in nearly 2,000 hotels with over 300,000 rooms across major

markets, and has 1,250 aircraft carrying over 90 million passengers to 260 cities worldwide.

It has spent billions of dollars to buy assets such as airport caterers, travel agencies and high-end hotel chains overseas.

Last year, HNA acquired a stake in Brazil's Azul airline, spent nearly \$4.3 billion to buy air cargo handler Swissport International and Swiss air-travel logistics company Gategroup Holdings. In March, it completed the \$6.5 billion purchase of a 25% stake in Hilton Worldwide Holdings from Blackstone Group LP.

As of press time, Dufry stock had reached a high of CHF 163.30 for the day, up about 2.6%.

HNA also buys Odebrecht share in Rio de Janeiro airport

HNA is adding more than a stake in Dufry to its portfolio.

The Chinese conglomerate's HNA Airport Holding Group is set to buy out the stake that troubled engineering conglomerate Odebrecht has in RIOgaleão, the consortium that manages Brazil's second-busiest international airport.

Along with Singapore's Changi Airports, Odebrecht controls 51% of the consortium with the remaining 49% in the hands of state controlled Infraero.

According to Wellington Moreira Franco, secretary-general for President Michel Temer's office, the deal has been agreed to and will be formalized within the next 60 days.

John Gallagher

Chinese tourists spent 12% more abroad in 2016

Outbound tourism from China, the world's leading outbound market, continues to break records.

Chinese tourists spent 12% more in 2016 than the year earlier, maintaining the trend of double-digit growth in tourism expenditure every year since 2004, according to preliminary data by the United Nations World Tourism Organization.

China's international tourism spending grew by \$11 billion to \$261 billion last year and the number of outbound travelers rose 6% to 135 million. The growth in outbound travel from China benefited many destinations in Asia and the Pacific, most notably Japan, the Republic of Korea and Thailand, but also long-haul destinations such as the United States and several in Europe. *Continued on page 3*



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Rémy Cointreau appoints two key GTR roles

Ian McLernon has joined Rémy Cointreau as International Director of Travel Retail - Europe & Americas.

McLernon succeeds Peter Sant, previously Senior Vice President Global Travel Retail, who will now lead the Rémy Cointreau team in the United Kingdom, Ireland and Nordics domestic markets from a base in London.

McLernon, experienced in both travel retail and the liquor sector, previously worked with Parfums Christian Dior most recently as Regional Director Travel Retail Asia Pacific. In 2015 he joined Moet Hennessy Diageo Singapore as Director & General Manager, subsequently becoming Director of Travel Retail Asia Pacific.

The company also appointed Ryan Hill, most recently with Edrington, as Regional Director GTR Asia Pacific following the assignment of Ernest Tse, who had served in the role for five years, as Regional Sales Director South China.

Both McLernon and Hill report to Rémy Cointreau CEO Valerie Chapoulaud-Floquet.

Andrew Clifton joins WGS' travel retail team

Andrew Clifton has been named Regional Director for Europe & North America at William Grant & Sons GTR, after five years on WGS' domestic team. He is replacing André de Almeida, who left the company last year.

"GTR is unique in our organization, being a global stage for building premium brand equity underpinned by a profitable commercial platform, and as such provides a potential wealth of learning and experience," says Clifton. "I am mostly looking forward to working with new people across multiple cultures and geographies and achieving our ambitious goals in an ever changing environment," he adds.



Quieter IAADFS Duty Free Show delivers surprisingly strong results

The 2017 IAADFS Duty Free Show of the Americas delivered surprisingly strong results to exhibitors and operators.

Billed by organizers as a "transition year" before next year's Summit of the Americas launches in partnership with ASUTIL, show goers feared that lower numbers and fewer buyers would negatively impact the value of the show.

Despite fewer attendees, however, quite a few exhibitors told *TMI* that they had one of their best shows ever.

Many suppliers also felt that they benefited from having all the exhibitors in one area instead of divided in two rooms as in the past.

"We had 20 appointments and had 20 meetings, many of them very good," said Bob Syner, whose Specialty Brands Spirits & Wines Inc. was featuring the stunning presentation for Gold Bar Whisky.

Exhibitors including Katherine Sleipnes of International Brand

Builders Inc., representing Lambretta Watches and Baylis & Harding; Arnaud de Volontat, whose Altimetre debuted baby skin care brand Mustela and showcased his popular Spongellé, spirits distributors MONARQ, Haley-brooke and Chase International, Elizabeth Taylor's Premium Global Trading and Carol Davy showing jewelry by Crislu and Israeli artist Smadar Eliasaf, also reported having excellent meetings and good potential listings.

"Buyers seemed more serious this year," commented PGT's Taylor, who was representing such brands as Tweezerman, BioMiracle and Million Mile Travel accessories.

Numbers were lower than in the past: total attendees topped out at 2,076 reports IAADFS, of which 602 were buyers, with 150 exhibitors. There were also 432 non-exhibiting suppliers.

In contrast, ten years ago when the show was first held at the Broward County Convention Center in Fort Lauderdale, attendance was more than 3,200.

Much of the drop in attendance reflects the consolidations taking place in the industry, along with difficult economic conditions in much of Latin America—as well as a conflict with the Basel watch show. As a result, many companies brought fewer people than in the past.

The number of buyers was only down by about 25, comments IAADFS President Michael Payne, who is optimistic that next year's Summit of the Americas taking place in partnership with South American association ASUTIL will attract back some companies that have not participated in a while and provide added value to those who attend.

Among the highlights of this year's show were a Sunday filled with sports day activities, a lovely Opening Cocktail, a WiTr meeting at a new day and venue, two mornings of education sessions (see next page) and a very special Gala evening, held in honor of former IAADFS President Alberto "Pancho" Motta Jr., who passed away on April 11 in Panama City, just days after the 2016 show. Pancho served as President of IAADFS for 16 years.

At the conclusion of a tribute video of Pancho's life, the IAADFS made a \$50,000 donation to Operation Smile, one of his favorite charities, which was accepted by members of the Motta family.

Next year, the Summit of the Americas will take place March 18-21, 2018 at the Marriott World Center.



Top: A tribute to Pancho Motta. Bottom, from left: The IAADFS Board cuts the ribbon officially opening the 2017 Duty Free Show of the Americas; bottom right: Some of the participants of the Essence Corp. sponsored Charity Walk/Run.



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IAADFS panelists examine growth opportunities in the Americas



Day One Education session: Martin Moodie, Gustavo Fagundes, Erasmo Orillac and Abe Taqtaq discuss growth opportunities for travel retail in the Americas.

IAADFS provided show goers with a preview of the conference that will be an integral part of next year's Summit of the Americas, with two mornings of educational sessions at its Duty Free Show of the Americas last month.

On Monday morning, a panel of speakers representing specific regions discussed "Growth Opportunities in the Americas." The session was moderated by Martin Moodie of *The Moodie Davitt Report*, and panel members Gustavo Fagundes, ASUTIL President and COO of Dufry Brasil; Abe Taqtaq, FDFA President and Vice President of Windsor-Detroit Tunnel Duty Free Shop, Inc.; and Erasmo Orillac, IAADFS Chairman of the Board and CEO of Motta International, addressed opportunities and challenges they see in the market.

Fagundes began the discussion explaining how important currency stability is to the business, especially in Latin America which is so prone to business cycles. Orillac pointed out that the advent of low cost airlines has made air travel accessible to more people than ever. Taqtaq noted that Canada's business is heavily influenced by currency and fuel costs, in addition to the fact that the country borders on the most competitive

market in the world.

Martin Moodie challenged the panelists to where they see real opportunities. Orillac's list included safety on the borders, informed consumers, pre-selling and digital, with emphasis on millennials—"the consumer of the future," he said.

Fagundes also stressed the importance of appealing to millennials, but also said the industry must begin communicating with consumers very early in the journey, before the travels begin. While Taqtaq sees opportunities by catching up to the retail landscape in the US, reinventing their border stores to

make them destinations, and engaging customers. He later stressed that the US/Canada border customer is a "B" consumer for whom the value proposition is still key.

"We need to communicate to our travelers that this is an opportunity to save," he said. The first session concluded with Moodie asking each panelist for his one wish for the industry. For Taqtaq, it's having suppliers look at the border stores as an opportunity. Orillac wants the focus on working better

with government and customs.

Fagundes may have put it best: "we must keep relevant if we are to keep on growing," he concluded.

Following the panel session, Peter Mohn, Owner and CEO of m1nd-set, and Christine Martin, Managing Director of Travel Retail Training, presented "Sales and Customer Insights — Maximizing Your Potential."

The two industry experts shared their insights into techniques to increase sales volume and customer penetration, focusing on employee engagement in the duty free and travel retail channel.

They also offered advice regarding ways to attract and engage the millennial shopper and how to more effectively use social media.

Tuesday morning's education session, "Border Duty Free — Crossing the Frontier," featured a discussion about the special challenges and tremendous opportunities faced by duty free border store operators. Simon Falic, Chairman of Duty Free Americas, Inc.; Abe Taqtaq, Vice President of Windsor-Detroit Tunnel Duty Free Shop, Inc.; and Enrique Urioste, CEO of Neutral Duty Free, discussed border duty free stores from their unique geographic perspectives in this session, moderated by Peter Mohn

UNWTO: Chinese tourists spent 12% more in traveling abroad in 2016

Continued from page 1.

#2 U.S. maintains strength

The United States maintains its position as the world's second largest source market. Tourism spending from the U.S. increased 8% in 2016 to \$122 billion. This was \$9 billion more than in 2015. For a third year in a row, strong outbound demand was fueled by a robust US dollar and economy, says UNWTO.

The number of U.S. residents traveling to international destinations increased 8% through November 2016 (74 million in 2015).

By contrast, Canada, the second source market from the Americas in the top ten, reported flat results, with \$29 billion spent on international tourism, while the number of outbound overnight trips declined by 3% to 31 million.

Germany, the United Kingdom, France and Italy lead tourism spending in Europe

Germany, the United Kingdom, France and Italy are the four European markets in the top ten and all reported growth in outbound demand last year. Germany, the world's third largest market, reached \$81 billion, up 5%, in international tourism spending last year, rebounding from weaker figures in 2015.

Demand from the UK, the world's fourth largest source market, remained sound despite the depreciation of the British pound in 2016. UK residents' visits abroad were up by 5 million (+7%) in 2016 to 70 million, with expenditure close to \$64 billion.

France, the world's fifth largest market, reported 7% growth in tourism expenditure in 2016 to reach US\$41 billion. Italy recorded 1% growth in spending to US\$25 billion and a 3% increase in overnight trips to 29 million.

Other top Asian markets

Aside from China, three other Asian outbound markets among the first ten showed very positive results. The Republic of Korea (\$27 billion) and Australia (\$27 billion) both spent 8% more in 2016 and Hong Kong (China) entered the top 10 following 5% growth in expenditure (\$24 billion).

Eurnekian takes top job at AA2000

Martin Eurnekian has been appointed President of Argentine airport manager Aeropuertos Argentinos 2000 (AA2000), effective from next month. AA2000 is the concession holder for 33 airports in Argentina including Buenos Aires Ezeiza and Buenos Aires Aeroparque. Eurnekian takes over from Rafael Bielsa, who assumes the presidency of Corporacion America, the majority shareholder in AA2000.

JG

WiTR expands via new website launch

Travel retail networking/charity group Women in Travel Retail has reached a stage in its development where the group will formally organize, and will be launching a dedicated website in September created by Singapore based agency FILTR.

Since its inception in 2006 WiTR has raised over €100,000 for charities globally. With a network now in excess of 500 industry women, WiTR has now been registered as a formal entity with Companies House, UK.

“When we started this group ten years ago, we never for one minute thought it would grow to this size and have been responsible for changing so many lives through its fund raising,” says founder Sarah Branquinho. “It’s come to the point now where we really feel it’s necessary to put WiTR on a formal basis in order to enable us to expand WiTR to a wider audience and deliver a live forum for information, discussion, ideas and debate through the new website.”

In order to cover the running costs of the company and website, WiTR membership will be based on a modest annual membership fee.

“We’re very grateful to FILTR for putting the website together for us,” said Branquinho. “Before it goes live in September, we are

inviting the current WiTR network to give us input via a survey link on the format and content of the website which will have a members-only section; we have a very enthusiastic networking group already and welcome feedback on the sort of information that women in travel retail would like to see included.

“It’s a really exciting time for WiTR and we’ll be making further announcements regarding the structure and officers in due course,” says Gerry Munday of Furla, who has worked with Branquinho to bring the group to this level.

The next WiTR meeting will take place in Singapore on May 8, at the TFWA Asia Pacific Bar immediately after the opening conference finishes.

Last year, WiTR raised funds for classrooms at the Sunrise Siem Reap Learning Centre in Cambodia, and has designated the charity for more fundraising this year.

“The classrooms funded by WiTR in 2016 are complete, and members who met during MEADFA voted unanimously to continue fundraising to build further in 2017; I’m delighted to say that founder Geraldine Cox will be attending to let us know more about the work of Sunrise Cambodia,” says Munday.



Beverly Johansson takes the mike to impart some important health tips at the WiTR networking meeting in Orlando.



The Women in Travel Retail networking group raised nearly \$2,000 for Hand in Hand for Haiti at the special cocktail party held in Orlando at the Duty Free Show of the Americas in March.

WITR meets in new venue in Orlando, raises funds for Haiti

The annual Women in Travel Retail (WiTR) networking event at IAADFS took on a new format, a new day and a new venue this year. In order to accommodate the two morning education sessions, the traditional breakfast meeting was instead held as a late afternoon cocktail party on a waterfront terrace overlooking a beautiful lake adjacent to the Marriott’s Spa, and preceded the official Opening cocktail held around the main pool.

About 60 women in the duty free and travel retail industry gathered to socialize, network, and hear the latest industry news, including some preliminary information about the dedicated website being launched for the organization later this year. Hosted by Travel Markets Insider, the cocktail was sponsored by the team from Edrington WEBB Travel Retail Americas, who provided a full array of premium cocktails specially created for the event:

Tito’s International Flight Mule, DiSaronno Tax Free Sour, Brugal Smooth Landing and Macallan Passport Old Fashion topped the bill.

While the meeting format has changed, the group’s mission has not: supporting women in the travel retail industry, and making a difference in communities across the globe. Proceeds from this year’s raffle and auction will benefit Hand in Hand for Haiti.

A raffle held during the cocktail raised nearly \$2,000 for Hand in Hand for Haiti’s Lycée Jean-Baptiste Pointe du Sale School, which provides children with education, meals, and medical care, since it was founded by a group of travel retail industry executives following the 2010 Haiti earthquake.

Combined with a donation raised by the IAADFS Charity Walk/Run which was sponsored by Essence Corp., the monies will go to sponsoring a child at the school for this year.

Anyone wishing to add to this amount, please contact Lois at editor@travelmarketsinsider.net.

EMPLOYMENT OPPORTUNITIES

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POSITION REQUIREMENTS

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