

ASUTIL/CEFSU Border Meeting focuses on latest progress in region

The Uruguayan Chamber of Border Shops, CEFSU, and South American Duty Free Shops Association ASUTIL, hosted a virtual Border Shops meeting entitled "Returning to Normality" on Nov. 23. After a welcome from Carlos Loaiza, secretary general of CEFSU, and ASUTIL Secretary General Jose Luis Donagaray, Gustavo Fagundes, ASUTIL President and Dufry do Brasil CEO, set the scene for a morning of presentations and information on the current situation in Latin America. John Gallagher reports.

Following a three-month closure of the Uruguayan border shops due to the COVID-19 pandemic, the sales recovery has been "timid" since the reopening at the end of May, reported Carlos Loaiza, secretary general of CEFSU, the Uruguayan Chamber of Border Shops.

Speaking during a virtual Border Shops webinar organized by ASUTIL and CEFSU last week, Loaiza confirmed: "We are still some way from pre pandemic sales levels but at least we are going in the right direction."

He said that clearances from official Uruguayan Free Zones to duty free shops on the border reached US\$20 million in October in comparison with \$15 million in previous months. "Although the number of tourists visiting stores was still down, average tickets had risen and were crucial in the partial recovery."

On the legislative side, Loaiza stated that CEFSU continued to negotiate with the government for fiscal benefits for their members; with the unemployment benefit scheme being of especial aid to member companies.

With the long-held objective of creating a level playing field with the Brazilian-based stores, the Chamber has persuaded the government to look at revising the products available for sale in Uruguayan free stores and an official public consultation is underway. CEFSU is also lobbying the government to allow member companies to participate in e-commerce activities for select product categories, to allow them to compete against multinational online retailers.

Jaime Borgiani, Director of Uruguayan Customs, noted that the recovery was real although slower than hoped for. Sales had fallen by 48% from 2019 to 2020, and had recovered by 47% so far in 2021. The Wines and Spirits category had performed well, falling less and recovering more quickly than other categories. Borgiani also reported that the recovery was happening in all six cities where stores are located, although performance varied from city to city and store to store. An end-of-year review will give a more accurate picture, he said.

Marne Osorio, former mayor of Rivera and now a Uruguayan MP and one of the main members of the bilateral frontier commission, discussed how Uruguayan MPS were working to consolidate the border duty free business. All the Uruguayan political parties are supporting the unemployment benefits for store workers and are active in ensuring the shops can compete effectively with those in neighboring Brazil.

Brazilian MP Frederico Antunes, one of the initiators of the Brazilian border shop duty free legislation, reported that 19 stores are now in operation, and another 10 will open within the next quarter (all licenses have been approved). He expects several more to open during 2022. He further advised that the \$500 allowance increase, which was delayed this year, is expected to become operational sometime in the next year. (Customs had approved the measure earlier in 2021, but the Ministry of Finance has not yet given the increase the final go ahead, perhaps due to the uncertain outlook of the Brazilian economy.)

Clara Susset COO of m1nd-set, reported results of a study of behavioral changes from Latin American duty free shoppers during the pandemic. One noteworthy point was the fall in the number of people buying gifts in duty free stores with self-consumption becoming more important in the rankings.

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Central Free Shop's second location in Uruguaiana, Brazil, opened in late November.



FDFA President Tania Lee

Frontier Duty Free Association names new Board of Directors

The Frontier Duty Free Association (FDFA) elected a new Board of Directors at its recent Annual General Meeting held virtually on November 10, 2021. The terms of office will run from January 2022 – May 2023.

The three members of the Board who were re-elected (see below), were joined by two new members, Alexandra Bachand of Philipsburg Duty Free Shop and Jeff Butler of Thousand Islands Duty Free.

The full FDFA Board includes:
President Tania Lee,
Blue Water Duty Free
Vice President Simon Resch,
Emerson Duty Free
Treasurer Jeff Butler,
Thousand Islands Duty Free
Secretary Alexandra Bachand,
Philipsburg Duty Free
Director Cam Bissonnette,
Osoyoos Duty Free

The new Board will meet for the first time in person in January, 2022 to set goals and priorities as the Association looks toward recovery from 20-months of border closure and challenging times due to the pandemic.

"I am extremely honored and excited to take on the role of President for this hard-working and results driven organization," said Tania Lee, President, FDFA Board of Directors. "With the addition of these highly respected new members of our Board and the support of our dedicated operator and supplier members, we are committed to continuing the important work of our association and setting our priorities for the upcoming year."

UNWTO: Global tourism sees upturn in Q3 but recovery remains fragile

According to the newest edition of the UNWTO World Tourism Barometer, international tourist arrivals (overnight visitors) increased by 58% in July-September compared to the same period of 2020. However, this was 64% below 2019 levels. Europe recorded the best relative performance in the third quarter, with international arrivals 53% down on the same three-month period of 2019. In August and September arrivals were at -63% compared to 2019, the best monthly results since the start of the pandemic.

Between January and September worldwide international tourist arrivals stood at -20% compared to 2020, a clear improvement over the first six months of the year (-54%). Nonetheless, overall arrivals are still 76% below pre-pandemic levels with uneven performances among world regions.

In some sub regions – Southern and Mediterranean Europe, the Caribbean, North and Central America - arrivals actually rose above 2020 levels in the first nine months of 2021. Some islands in the Caribbean and South Asia, together with a few small destinations in Southern and Mediterranean Europe, saw their best performance in Q3 2021 according to available data, with arrivals coming close to, or sometimes exceeding pre-pandemic levels.

The uplift in demand was driven by increased traveler confidence amid rapid progress on vaccinations and the easing of entry restrictions in many destinations.

In Europe, the **EU Digital Covid Certificate** has helped facilitate free movement within the European Union, releasing pent up demand after many months of restricted travel. Arrivals were only 8% below the same period of 2020 yet still 69% below 2019.

The **Americas** recorded the strongest inbound results in January-September, with arrivals up 1% compared to 2020 but still 65% below 2019 levels. The Caribbean recorded the strongest results by sub-region with arrivals up 55% compared to the same period in 2020, though still 38% below 2019.

Uneven pace of recovery

Due to varying degrees of mobility restrictions, vaccination rates and traveler confidence, the pace of recovery remains uneven across the global regions.

While Europe (-53%) and the Americas (-60%) enjoyed a relative improvement during the third quarter of 2021, arrivals in Asia and the Pacific were down 95% compared to 2019 as many destinations remained closed to non-essential travel. Africa and the Middle East recorded 74% and 81% drops respectively in the third quarter of 2021 as compared to 2019. Among the larger destinations, Croatia (-19%), Mexico (-20%) and Turkey (-35%) posted the best results in July-September 2021, according to information currently available.

Data on international tourism receipts show a similar improve-

According to the latest UNWTO data, international tourist arrivals are expected to remain 70% to 75% below 2019 levels in 2021, a similar decline as in 2020. The tourism economy would thus continue to be highly impacted. Tourism's direct gross domestic product could lose another US\$ 2 trillion, the same as in 2020, while exports from tourism are estimated to stay at US\$ 700-800 million, significantly below the US\$ 1.7 trillion registered in 2019.

ASUTIL meeting focuses on borders

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Although gift giving was less important, Susset pointed out that buying merchandise to share with others was becoming more important. Buying new brands or trying new products was also seen to be important by potential purchasers.

Marcelo Montico, CEO of Neutral Duty Free, discussed how the company operated during the worst days of the pandemic, adapting sanitary protocols to ensure the safety of customers and staff, updating its web site and launching a new cell phone application.

Neutral's online shopping setup allowed travelers to reserve merchandise and pick it up at the store. Montico reports that Neutral's average sales ticket has increased from US\$78 to just over US\$93 this year; but average in-store dwell time fell from 40 minutes to less than 21. By category, wines and spirits took over the top rank from perfumes and cosmetics – domestic prices in the Brazilian beauty market had stayed at pre-Real devaluation prices and most consumers preferred to shop locally, where they were also able to take advantage of special installment plans, only available in Brazil.

ment in Q3 of 2021. Mexico recorded the same earnings as 2019, while Turkey (-20%), France (-27%) and Germany (-37%) posted comparatively smaller declines from earlier in the year. In out-bound travel, results were also moderately better, with France and Germany reporting -28% and -33% respectively in 3Q international tourism expenditure.

Looking ahead, uneven vaccination rates and new COVID-19 strains could impact the already slow and fragile recovery. The economic strain caused by the pandemic could also weigh on travel demand, aggravated by the recent spike in oil prices and disruption of supply chains.

Brazilian entrepreneur Jorbel Griebeler, president of Grupo Cell Motion, is the first travel retail operator in the Triple Frontier area to own stores in two neighboring countries. Seven years after opening Cell Shop's 7,000sqm store in Ciudad del Este in 2015, Griebeler has now opened a 2400 sqm store in Foz de Iguacu, although each store differs significantly.

"The Ciudad del Este store is big on electronics and cell phones, and in line with other stores in the town, it is more like a department store selling all categories on different floors. The Brazilian store was more in line with an airport store with perfumes and cosmetics, wines and spirits and confectionery and food being the big sellers," said Griebeler.

"Clearly," he added, "there is a big difference in average sales tickets with the Paraguayan store averaging just over \$300 per ticket, more than three times the level of current sales ticket in Brazil in Brazil. But as I said, the product mix is very different."

The company employs 600 employees in Paraguay and just over 100 in Brazil. Griebeler is looking to see how sales develop in Brazil once tourist traffic from Argentina and other parts of Brazil are able to visit Foz de Iguacu with no restrictions.

Next up, ASUTIL Secretary General Jose Luis Donagary interviewed Bah Free Shop owner Paulo Pavin, about how the business was going since he opened the shop in Uruguaiana. Taking advantage of the digital format, Pavin had a colleague show delegates the store while he explained the company's retail philosophy.

Daniel Mendelsohn, CEO of DFA Uruguay and president of CEFSU, thanked the operators and suppliers who connected to the meeting and closed the conference with positive words looking ahead to a busy holiday season on the border.

Duty Free Dynamics joins wellness segment with Goli Nutrition partnership

Duty Free Dynamics (DFD) joins the wellness channel with its appointment as the official partner of Goli Nutrition for the Americas' Travel Retail channel.

The wellness segment has turned into a colossal global industry, estimated by the Global Wellness Institute at \$4.5 trillion and growing yearly by about 5/10%.

Goli Nutrition is described as an inventive, people-focused nutrition company that delivers the traditional benefits of Apple Cider Vinegar (ACV) in a gummy that offers all the benefits of ACV without the unpleasant taste and side effects of vinegar.

After the enormous success of its ACV gummies, Goli launched the Ashwagandha gummies, which help the body to maintain balance and adjust to stress, and Superfruits gummies, with a formula that improves collagen formation and skin elasticity, among other benefits.

DFD says that it anticipates great potential for Goli in Travel Retail stores, given its presence in 180 countries and its availability in 100,000 retail doors worldwide.

It is also the first brand in history to reach Amazon #1 best seller within 2 weeks of launch. Among other successes, it's the first brand to have a nationwide launch in every CVS, Walgreens & Krogers stores, achieving top positions in the selling rankings.

The Goli Nutrition supplements are Gluten-Free, Non-GMO, Vegan, Kosher, Gelatin-Free, with no artificial colors or flavors.

For further information, please contact Jennie Michael jennie.michael@dutyfreedynamics.com, DFD category manager for the Wellness category.



Duty Free Dynamics and Simextra Group join forces to open a LEGO airport store in South America

Duty Free Dynamics (DFD) and Simextra Group have partnered to bring one of the first stores fully dedicated to LEGO in South America to life at the Cheddi Jagan International Airport (CJIA) in Guyana. The new store is located in the airport's departure hall.

DFD continues to develop its reputation for building worldwide brands' in the Travel Retail channel and Simextra is a multi-category enterprise focused on the domestic wholesale, distribution and travel retail market.

Maria Villarreal, VP Commercial/Americas at Duty Free Dynamics, comments:
"We feel really proud to be able to open one of the first stores fully dedicated to LEGO within the LatAm region. We're also honored to join forces with Simextra Group. This step represents the beginning of Duty Free Dynamics' new commercial strategy. Moving forward, DFD's business will be focused on the development of

brand concept stores throughout the Americas. We will be joining forces with our best partners regionwide. We will be developing this new model with all the brands within our company's portfolio which we consider will be self-sustainable under a monobrand retail environment."

Awien Soekhoe, CEO at Simextra Group, adds: "What started as a small idea to also offer LEGO® toys in our travel retail stores, slowly grew into a fully dedicated brand store at the Cheddi Jagan International Airport. An entire team of local and international professionals has dedicated their time and best efforts and the result exceeded everyone's expectations. As always, we don't consider ourselves simply a domestic wholesaler or travel retail operator, but a professional partner with market experience, willing to work towards the long-term goals of all stakeholders."

Duty Free Dynamics – which is now developing global brands in 10 categories – says that it is focused on the creation of a sustainable network of mono-brand stores through strategic alliances using the company's solid experience, strong relationships, and networking capabilities. For more information, please go to www.dutyfreedynamics.com



Flor de Caña partners with WEBB Banks in Caribbean & select Americas TR markets



Flor de Caña has announced that WEBB Banks will distribute its premium rum portfolio in the Caribbean and select travel retail in the Americas beginning in January 2022.

Rodrigo Bazan, Global Travel Retail Manager for Flor de Caña said, "We're excited to be partnering with a company like WEBB Banks, whose extensive track record and deep knowledge of the region will be instrumental in helping us introduce new consumers to our wonderful portfolio of sustainably made, premium rums."

WEBB Banks CEO Andy Consuegra added, "It's a privilege to collaborate with Flor de Caña and welcome their distinct range of Fair Trade certified rums to WEBB Banks' finely curated portfolio. We admire how Flor de Caña continually strives to create a high-quality product while being fully committed to having a positive social and environmental impact. WEBB Banks is proud to promote their philosophy of naturally distilled rum and we will be dedicated to driving growth for Flor de Caña throughout the Caribbean through our extensive distribution network."

Enriched by an active volcano in Nicaragua, Flor de Caña is a Carbon Neutral and Fair Trade certified rum brand which naturally ages its rum in bourbon barrels for up to 30 years, without sugar or artificial ingredients. From an 1890 single family estate, Flor de Caña is one of the most awarded rums in the world, having been named "Global Rum Producer of the Year" by the International Wine and Spirit Competition in London in 2017.

Award-winning PanzerGlass looks to expand its mobile protective devices in Americas

One of the most interesting new products on exhibit in Cannes was the PanzerGlass screen protectors. The highly protective products are so effective that the PanzerGlass 360 protection for iPhone 12 range won Star Electronics, Toys, Gifts & Travel Accessories Product of the Year at the Frontier Awards in Cannes.

Rounding out the portfolio was PanzerGlass' new virucidal screen cleaner SPRAY Twice A Day. The spray brings a critical virucidal solution to fight bacteria at home and on the go, and is just the latest addition to PanzerGlass' 360 Device protection portfolio.

Danish company PanzerGlass launched its signature first-of-its-kind screen protectors for mobile devices in 2013, and has since grown into a global brand present in 70 different markets. Since launching, the PanzerGlass portfolio has expanded to include screen protectors for all mobile devices, including laptops, smartphones, tablets, displays in cars and smartwatches.

Alan Brennan, PanzerGlass Global Sales Director New Channels, tells *TMI* that the company proposition is based on its 360 Device protection, and that the primary business is mobile screen and case protection.

PanzerGlass screen protectors not only offer 4-layers of protective strength but they are made with antibacterial glass proven to kill up to 99.99% of most common surface bacteria. The PanzerGlass screen protectors are easy to install, scratch and shock resistant, fit perfectly and offer 100% touch capability.

The new SPRAY Twice A Day offers an array of protective virucidal properties that have been confirmed by leading independent testing laboratories. In Europe, the Dr. Brill + Partner GmbH lab also found the SPRAY to be effective against coronavirus found on the surface of smartphones, iPads etc. The company is now awaiting US approval for the coronavirus claim.

Brennan says that SPRAY Twice A day has been declared as having virucidal activity against all enveloped viruses (according to EN 14476:2013+A2:2019) and covers Hepatitis B, HIV, Measles, as well as members of other virus families such as coronavirus, Influenza and Ebola.

"It's a water-based product, containing no alcohol to wear down the oleophobic coating on your phone's display," said Brennan. "It is free from perfume, ammonia, alcohol and parabens, and kills most common bacteria and virus."

The product comes in three sizes – 8ml, 30ml and 100ml – and is currently listed by Dubai Duty Free/Qatar Duty Free/ Bahrain Duty Free/ WHSmith Travel / WHSmith Intl / D&R at Grand Istanbul Airport and INMOTION in the U.S. Domestic Airports.

Further differentiating its product offer, PanzerGlass recently launched the Mikael B Limited Artist Edition ClearCase. The cases are produced in collaboration with LA-based artist Mikael B, who PanzerGlass signed to design a mural wall at Santa Monica Boulevard with this one off design recreated onto the PanzerGlass sustainable ClearCase iPhone range.

Already launched at Dubai Duty Free, PanzerGlass will plant 1 tree for every Mikael B Limited Artist Edition ClearCase sold at Dubai Duty Free and worldwide in association with Mikael B and The Perfect World Foundation – David Attenborough Forest.

Brennan confirms that the Americas travel retail channel is a target region for PanzerGlass. "We are targeting all shoppers, building the basket as an impulse purchase," he said.

PanzerGlass is looking to gain new listings with the most efficient route to market in travel retail. For more information, contact Brennan at albr@panzerglass.com



PanzerGlass won the Star Electronics, Toys, Gifts & Travel Accessories Product of the Year at the Frontier Awards in Cannes.



Flight data could reduce the need for Omicron travel bans

A new air ticketing data report from ForwardKeys shows which destinations were the most visited since November 1st by travelers from the eight southern African countries currently designated as most at risk due to the Omicron variant of COVID-19.

ForwardKeys reports that the data – from Botswana, Eswatini, Lesotho, Malawi, Mozambique, Namibia, South Africa and Zimbabwe -- supports calls from many people objecting to immediate travel restrictions imposed on travel to and from these African countries.

Based on arrival numbers, the countries most visited are Qatar and the UAE, each with 12% of travelers from the at-risk countries. The UK and Ethiopia are next, each with 7%.

The top ten airport hubs most used by those

travelers were Doha, with 22%, Addis Ababa, 15%; Dubai, 13%; Lusaka, 6%; Johannesburg, 6%; Nairobi, 6%; Frankfurt, 4%; Amsterdam, 3%; Paris, 3% and London Heathrow, 2%.

Olivier Ponti, VP Insights, ForwardKeys, said: "We are acutely aware of the dreadful damage done by COVID-19 to people's health, but also of the damage done to countries' economies by the measures governments have felt compelled to take in response to it. We believe that the best policies to control the spread of the virus should be based on facts, not fear; and if blanket bans on travel can be avoided, that must be a preferable strategy. Fortunately, travel data can help by telling policy makers exactly where people from the at-risk areas went and where they connected."

London Supply reopens flagship store

After 20 months with no commercial activity due to the COVID-19 pandemic, Argentine duty free operator London Supply reopened its 10,000-sqm store in Puerto Iguazu on December 1. With full sanitary protocols in operation throughout the store, company president Teddy Taratuty was present to welcome visitors from Argentina and Brazil.

In a briefing with local media, company communications director Maria Taratuty said, "It is business as normal and just like a normal day, although given the time of year, there are quite a few Christmas decorations. All the staff have huge smiles on their faces, although in line with protocols, the beaming smiles are hidden behind face masks."

John Gallagher