

## ACI-LAC & ASUTIL issue joint statement petitioning governments for aid to all airport stakeholders

Airports Council International - Latin America & Caribbean (ACI-LAC) and South American duty free association ASUTIL (Asociación Sudamericana de Tiendas Libres) have joined voices to petition the governments of their region for support in the face of the devastation to their industries from the coronavirus.

In a statement issued on April 1, the two groups are urging governments to take immediate measures to help all affected aviation industry stakeholders in the face of the COVID-19 crisis.

As governments take unprecedented steps to control the spread of the virus, air traffic has almost disappeared at many airports in the region, negatively affecting the entire aviation ecosystem revenues and the financial sustainability of the industry, says the statement.

On March 17, ACI-LAC called the Governments of Latin American and Caribbean, urging for the implementation of economic, financial and fiscal relief measures to the airport and all affected aviation industry stakeholders under the key principle that no measure should benefit one actor at the expense of another one.

“Airports are reliant on revenue from charges on airlines and passengers and from commercial

activities which play a key role to bridge the gap between airport costs and aeronautical revenues,” they said, citing the Economic Impact of Duty Free and Travel Retail in the Americas published by World Duty Free Council in 2018. “These airport commercial activities support in Latin America and the Caribbean approximately 41,800 jobs and US\$4.1 billion in GDP,” they state.

In addition to asking governments to take steps to assure “minimal operational capabilities,” they note that “airport operators and other service providers at airports will also need to be in a condition to restore full operations when travel bans will be withdrawn and air traffic will restart.”

These service suppliers (which include travel retail operators) “are as important as airlines and their staff in the delivery of air connectivity.”

The statement goes on to say: “Accordingly, ACI LAC and ASUTIL urge the Governments of Latin America and the Caribbean to adopt balanced and non-discriminatory supportive measures targeted at safeguarding airports’ operational & business continuity and preserving the economic and financial resilience of airports and their business partners such as

restaurants, Free Shops, etc; to allow airports and business partners to return to normal operations as soon as possible and support the recovery of the wider economy.”

Noting that many airports are the largest employment site in their region and/or country, the joint statement urges governments to consider the following:

- Waive concession fees for airports
- Delay infrastructure investment requirements, particularly on projects which are not immediately required by the industry.
- Provide temporary relief from compliance with quality of service obligations.
- Institute financial measures for short-term reductions in operating costs of airport operators as well as other service providers at airports (like Duty Free and retail shops) to address liquidity risk and ensure operational & business continuity. This should include postponing the payment of bank amortizations and access to credit lines with subsidized interest rates.
- Suspend or defer social security contributions as well as corporate and other taxes (including VAT, excise duties) for at least 6 months for airport operators and other service providers at airports.

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### ACI warns that COVID-19 is an existential threat to airport business; calls for swift global government support

Economic analysis by Airports Council International (ACI) World has found that the COVID-19 pandemic is predicted to wipe out two-fifths of passenger traffic and almost half of revenues for airports in 2020 at a global level.

In an economic bulletin published on April 1, ACI World predicts that 38.1% of global passenger traffic will be lost as compared to the forecasted pre-COVID-19 figure. This is equivalent to 3.6 billion passengers in absolute terms.

This shortfall in the number of passengers and the cancellation of flights will continue to result in reduced revenues.

While the industry was expected to generate about US\$172 billion, it is now predicted it could lose about 45% or more than US\$76 billion by the end of this year.

“A drastic decline of such magnitude for the global airport industry represents an existential threat,” ACI World Director General Angela Gittens said.

“A swift, effective and equitable economic policy response from governments is needed to protect millions of jobs, protect essential operations, and give the industry the greatest chance to weather the storm and recover quickly.

“The global airport industry has faced multi-billion-dollar losses already in the first quarter of 2020, but it is now predicted that the impact of COVID-19 will extend not only to the second quarter of 2020 but also the second half of the year,” said Gittens.

ACI reports that most experts in the air transport industry estimate recovery may take a year to 18 months to reach pre-crisis traffic levels and the industry may not record pre-COVID-19 traffic volumes again before the end of 2021.

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Global TR contact: Zack Boiko, [zboiko@Actium.us](mailto:zboiko@Actium.us)

## Canadian government ends ground lease rents through end of the year

The Canadian government has announced that it is waiving ground lease rents from March 2020 through to December 2020 for the 21 airport authorities that pay rent to the federal government. The government will also provide comparable treatment for PortsToronto, which operates Billy Bishop Toronto City Airport and pays a charge to the federal government.

This will provide relief up to \$331.4 million, reflecting payments in the same period of 2018.

The 21 airport authorities that will receive relief are: St. John's International Airport Authority, Gander International Airport Authority Inc., Halifax International Airport Authority, Charlottetown Airport Authority Inc., Saint John Airport Inc., Greater Moncton International Airport Authority Inc., Fredericton International Airport Authority, Aéroport de Québec Inc., Aéroports de Montréal, Ottawa Macdonald-Cartier International Airport Authority, Greater Toronto Airports Authority, Greater London International Airports Authority, Thunder Bay International Airports Inc., Winnipeg Airports Authority Inc., Regina Airport Authority, Saskatoon Airport Authority, Edmonton Regional Airports Authority, Calgary Airport Authority, Prince George Airport Authority Inc., Vancouver International Airport Authority, and Victoria Airport Authority.

## ACI-NA details billions in losses for U.S. airport from COVID-19

Based on preliminary assessments by Airports Council International – North America (ACI-NA), the COVID-19 outbreak will cost U.S. airports at least \$13.9 billion in calendar year 2020, a significant setback from previously forecasted stable growth prospects. This estimate is based on the following projections:

Passenger traffic at U.S. commercial airports is expected to fall by 73% in the March to June period, which represents a 53% decrease in the first half of 2020 and a 37% drop for the full year compared to forecasted 2020 levels.

Total passenger enplanement is anticipated to fall by 244 million in the first half of the year and 349 million for the full year.

Total airport operating revenue

is expected to decrease by roughly \$12.3 billion for the calendar year, representing a nearly 49% reduction driven by cancellations and other reductions in domestic and international air travel, as well as dramatically lower non-aeronautical revenue.

Collection of the Passenger Facility Charge, a critical funding source for U.S. commercial airports, is expected to fall by close to \$1.6 billion in 2020.

This comes as ACI-NA reports that the total outstanding debt for U.S. commercial airports stands at roughly \$100 billion. U.S. airports will have to pay \$7.4 billion in cash payments to service those debt obligations, as well as higher operating expenses to upgrade cleaning and sanitizing of their properties.

## CARES relief act promises government assistance for U.S. aviation

On March 27, 2020, U.S. President Donald Trump signed a sweeping Coronavirus Aid, Relief, and Economic Security (CARES) Act into law. The immense \$2 trillion emergency package provides critical relief for the aviation industry in the United States, including at least \$10 billion in direct aid to national airports.

In total there is about \$88 billion in total aviation-related government assistance, although much of the aid comes with conditions attached.

In addition to the \$10 billion for airports, CARES provides for direct cash grants of \$25 billion for commercial airlines, \$4 billion for cargo air carriers, and \$3 billion for contractors who employ baggage handlers, wheelchair attendants, cabin cleaners, food service workers and others at airports. These funds are to be used exclusively to pay employee wages, salaries, and benefits.

Grant recipients cannot cut jobs, pay or benefits through Sept. 30, 2020, and they cannot buy back their stock or pay stock dividends through Sept. 30, 2021.

The airlines must maintain service to all the destinations they served on March 1, 2020, through March 1, 2022, which could mean continuing to fly empty or near-empty planes.

The airports receiving the grants must maintain at least 90% of current employment levels through Dec. 21, 2020.

In addition to the grants, the relief act has earmarked \$25 billion in loans and loan guarantees for U.S. passenger airlines, repair stations, and ticket agents, and \$4 billion in loans and loan guarantees for U.S. cargo carriers.

In accepting the support, the carrier or contractor must agree to: not in- voluntarily furlough or reduce pay or benefits through

September 30, 2020; maintain certain air service; and accept limits on stock buybacks, dividends, and executive compensation.

Airlines, employee unions and travel groups were quick to praise

the compromise legislation for providing necessary relief to the industry which has practically ground to a halt from the travel bans instigated as a means to fight the coronavirus.

## Hawaii passenger arrivals by air decimated

Thursday, April 2, marks one week since the State of Hawaii's 14-day mandatory self-quarantine started for all passengers arriving in Hawaii from out of state.

The order was expanded on April 1 to include interisland travelers as well. This table shows the number of people who arrived by air from out of state on April 1 and does not include interisland travel.

The chart shows that 664 people arrived in Hawaii, and of that number, 120 people were visitors. Most of the passengers were returning residents. In comparison, during this same time last year, more than 30,000 passengers arrived in Hawaii daily, including residents and visitors.

	Kona	Maui	O'ahu	Līhu'e	Total
Crew	10	24	119	6	159
Intended New Resident	2	0	64		66
Resident	22	15	216	4	257
Transit		5	57		62
Visitor	7	3	97	13	120
<b>Grand Total</b>	<b>41</b>	<b>47</b>	<b>553</b>	<b>23</b>	<b>664</b>
<b>Flights</b>	<b>2</b>	<b>4</b>	<b>15</b>	<b>1</b>	<b>22</b>

## Florida Caribbean Distillers and WEBB Banks launch new sanitizer brands and ethyl disinfectant compliant with FDA guidelines



In an effort to help curb the spread of the Coronavirus, Florida Caribbean Distillers (FCD) and WEBB Banks have announced a partnership to produce and distribute Ethanol and Isopropyl Alcohol sanitizers.

Hand washing and sanitizing are a crucial part of preventing the spread of the virus, but the ability for consumers and the service industry to do so consistently is obstructed by the global lack of access. Alcohol-based sanitizers are the most effective at attacking and destroying viruses, including coronaviruses, but need a minimum alcohol-base in order to do so effectively. Florida Caribbean Distillers has begun production following newly announced FDA guidelines requiring an 80% alcohol base.

Capitalizing on both company's existing operations, Florida Caribbean Distillers will produce 3-liter bag-in-box and 750ml glass bottles hand sanitizers with 80% ethanol alcohol for WEBB Banks to quickly turnaround for distribution across their network in the Caribbean, South America and Travel Retail. The primary focus is on industries hit hardest by the public health crisis, particularly cruise ships, hotels, casinos, restaurants and duty free stores.

The products will be available within a month.

Contact [info@webbbanks.com](mailto:info@webbbanks.com) for more information regarding distribution and [jose.rivera@floridadistillers.com](mailto:jose.rivera@floridadistillers.com) for information regarding production.

### ACI-LAC & ASUTIL petition for aid

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-Relax local government taxes payments for airport retailers for 2020.

The petition concludes:

"The aviation industry is highly interdependent and any relief measures should be considered on a non-discriminatory basis with no sectors benefitting at the expense of another. We believe that States have now a key role to play to ensure the sustainability of the entire aviation system. Airports make themselves available to support governments and other stakeholders to evaluate and coordinate actions to protect the wellbeing of the population and to support the economic and social sustainability of our countries."

## L'Oréal USA gives back to support America's COVID-19 relief

L'Oréal USA has announced a multi-faceted initiative to support Americans during the COVID-19 outbreak and recovery.

This commitment is made in addition to L'Oréal's Europe-wide Coronavirus Solidarity Program, which includes a one-million euro donation to non-profit organizations across Europe.

L'Oréal USA's initiative will be implemented immediately and includes a \$250,000 Corporate donation and employee match campaign to Feeding America, converting production facilities to produce alcohol-based hand sanitizer to be provided free of charge to U.S. employees, partners, and healthcare professionals; donating personal care products valued at more than \$1 million, including cleansers and moisturizers, to the non-profit organization Feed the Children as part of its community-based emergency response to COVID-19; and donate surgical

and N95 respirator masks to local hospitals in Arizona and New Jersey.

L'Oréal USA will also provide relief to small business by freezing the payments of very small and small-sized enterprises in its distribution network, including hair salons, until their businesses resume.

"I know I speak for all of my colleagues when I say that we at L'Oréal USA feel a deep responsibility to do our part to help address this crisis in the many communities in which we live and work," said Stéphane Rinderknech, President and CEO of L'Oréal USA, and Executive Vice President, North America.

"We stand in solidarity with the brave people who are tirelessly and selflessly working to end this pandemic, and it is our hope that, through these actions, we are able to provide some relief during this challenging time."

## ACI calls for swift global government support for beleaguered airports

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"A fair and equitable global economic policy response is required to safeguard essential airport operations, to protect millions of jobs worldwide, and to ensure the survival of the industry and lay the foundation for a fair recovery."

As revenues continue to contract rapidly, airports are taking all possible measures to preserve financial stability. While airports have high fixed and unavoidable costs, they are reducing, to a minimum, variable costs by closing portions of infrastructure, postponing capital expenditure, and addressing staffing costs.

These difficult decisions are not taken lightly but are necessary in response to the crisis facing the industry.

Looking at prospects for recovery, ACI believes it is reasonable to foresee faster recovery in domestic passenger traffic.

The organization warns that recovery of international passenger traffic will take longer, as any international flight implies reciprocal permissions, while various States will emerge from the current crisis at different times with varying pace of relaxation of the recently imposed restrictions.

## Mondelēz International takes action to support and protect communities during COVID-19 crisis with \$15 million in donations around the world

Demonstrating its huge generosity, Mondelez International, Inc. announced it will donate \$15 million in financial and in-kind support to community partners advancing critical food stability and emergency relief efforts across the world in the wake of the COVID-19 crisis.

“Managing through and recovering from this global crisis will take everyone’s support and I am pleased we’re standing up to advance relief efforts around the world,” said Dirk Van de Put, Chairman and Chief Executive Officer. “Our purpose and values as a company are rooted in doing what’s right for our people and our communities and this \$15 million global commitment will help further the impactful work of local community partners providing safety, security and assistance for the people who need it most.”

Mondelez World Travel Retail Managing Director, Jaya Singh added: “At Mondelez, people are at the heart of everything that we do and our approach to responding

to this unprecedented situation is no different. Around the world, across our communities and within our special travel retail channel, we are weathering an immense storm.

“The key to our perseverance right now is reaching out to one another and lending a helping hand where possible. We are stronger together,” said Singh.

Support for this program will come from the Mondelez International Foundation as well as global and local brand initiatives. Mondelez China, for example, has already donated approximately \$1 million in cash and in-kind donation value to support relief efforts in the region, including the China Youth Development Foundation. Other local business unit efforts will follow.

For more information about Mondelez International’s response to the COVID-19 crisis, please refer to our website:

<https://www.mondelezinternational.com/coronavirus>

### GIVING BACK

#### Tito’s Vodka donates \$2 million, produces hand sanitizer

Tito’s Handmade Vodka has pledged \$2 million in national support to organizations that are providing assistance to those affected by the current pandemic. That \$2 million includes an immediate donation of \$1 million between four organizations – CORE, USBG, Southern Smoke, and World Central Kitchen – and will fund an additional \$1 million as it uncovers further needs stemming from the pandemic.

Tito’s Handmade Vodka is also producing 24 tons of hand sanitizer to help combat the COVID-19 pandemic, which will be distributed free to those who need it most.

#### Coty starts production of hand sanitizers in U.S. and Monaco

Coty Inc. has started producing hydro-alcoholic gel, which is used as hand sanitizer to help combat the COVID-19 virus.

Production and donations are expected to reach tens of thousands of units per week. The products are free of charge and are being distributed to medical and emergency services staff, and Coty employees. The first batches of hand sanitizer were produced at factories in the United States and Monaco.

## 3Sixty and Estee Lauder joint venture at DFW awarded “Best New Shop USA” by DFNI



*3Sixty Duty Free and the Estée Lauder Companies were awarded the DFNI-Americas ‘Best New Shop Award’ for its first-of-its-kind concept beauty store located in Terminal D of the Dallas Fort Worth International Airport.*

*The joint-venture store carries a wide selection of merchandise entirely selected by consumer insights, and leveraging technology with experiential customer service is geared to attract younger shoppers, says the companies.*

*“We are very proud of our partnership with the Estee Lauder Company, Dallas Fort Worth International Airport, and our joint teams remarkable efforts in achieving this award,” said Alex Anson, 3Sixty’s COO.*

*The DFNI-Frontier Americas Awards were revealed during a video broadcast on March 31, following the cancellation of the usual venue at the IAADFS & ASUTIL-hosted Summit of the Americas in Orlando.*

## Major cruise companies not helped by CARES

The three largest cruise brands will not receive any benefits from the Coronavirus Aid, Relief, and Economic Security (CARES) Act that was signed into law last week.

While the aviation-related industries stand to receive as much as \$88 billion from the massive \$2 trillion emergency package, the cruise lines do not qualify.

Carnival Corporation, Royal Caribbean International and Norwegian Cruise Line, each of which have headquarters in the United States, are nevertheless incorporated in other countries for tax purposes.

In discussing the CARES bill, U.S. President Donald Trump said that foreign incorporation was the major impediment to giving cruise lines a bailout.

The cruise industry has been particularly hard hit by shut downs from the COVID-19 coronavirus, both from a health standpoint and fiscally. It is normally understood that the companies register their ships in other countries to obtain lower tax rates, more lenient labor laws and limited environmental standards help reduce operating costs.

### Carnival Cruise Line cancels more sailings

In related news, cruise lines continue to cancel upcoming sailings due to the impact of the coronavirus.

Carnival this week issued a statement informing guests that it was cancelling all Alaska sailings through and including June 30, 2020, all San Francisco sailings through 2020, all *Carnival Radiance* sailings through and including November 1, 2020, and all *Carnival Legend* sailings through and including October 30, 2020.

This would have been the first year that Carnival would have been sailing from the port of San Francisco.

## Estée Lauder launches Futurist Hydra Rescue Moisturizing Makeup SPF45/PA+++

Estée Lauder introduces the new Futurist Hydra Rescue Moisturizing Makeup SPF 45/PA+++ . The illuminating makeup is a hydrating, powerful skincare with full coverage.

It features a breakthrough formula that covers and addresses a range of skin concerns.

Infused with Estée Lauder's specially-created IonCharged Water, plus probiotic technology and chia-seed extract, Futurist Hydra Rescue soothes visible redness and irritation, hydrates instantly and all-day, and protects against pollution with anti-oxidants.

The new foundation is now



available in major airports and downtown duty free boutiques in the Americas and EMEA regions. It is available in 9 shades in the Americas and 13 shades in EMEA.

**More giving back:** MAC Cosmetics has announced plans to donate \$10 million dollars to 250 local organizations around the world to support vulnerable communities affected by COVID-19 through its Viva Glam program.

ELC, through its **The Estée Lauder Companies Charitable Foundation**, has also joined a number of other major companies in the creation of the NYC COVID-19 Response & Impact Fund to support New York City-based social services and arts and cultural organizations that have been affected by the current coronavirus public health crisis. The new \$75 million fund will provide grants and interest-free loans to small and mid-size nonprofits to help them in this critical time.



## Coty launches new Burberry Her fragrance in homage to London

*Cara Delevigne by Juergen Teller for Burberry*

Burberry has introduced the fourth edition of its Burberry Her fragrance, called *Her London Dream Eau de Parfum*. Embodying a relaxed and youthful sense of style, Cara Delevigne continues to be the face of the brand in a series of images shot throughout London by Juergen Teller.

Featuring top notes of lemon and ginger, a heart of peony and rose accord and a base of musk, *Her London Dream* contains the same notes as the first three fragrances in the line, shaped into a different olfactive family, says the company.

Made from smooth, curved glass, the bottle is inspired by an archival Burberry fragrance design in a darker look. Customers will be able to personalize the fragrance by adding a gold charm in brass engraved with initials on Her bottle's neck. *Burberry Her London Dream* became available as of April 1.

## Tommy Hilfiger adds Impact edt fronted by "trailblazing" music artists

Tommy Hilfiger (owned by PVH Corp) and the Estée Lauder Companies have launched a new fragrance, *Impact* eau de toilette spray for men.

Described as bold and masculine, *Impact* features the tea-like aroma of a coca leaf accord, citrus, smoky aromatics and a trio of precious woods.

*Impact* is presented in a curved and transparent glass bottle with an innovative T-shaped cap that hides a secret secondary travel vial. The band around the cap is enhanced with the signature *Tommy Hilfiger* red, white and blue color palette.

*Impact* is accompanied by an integrated global campaign that features a community of trailblazing music artists as ambassadors who bring the *Impact* vision to life.



*Colombian-born and Miami-raised singer/songwriter, Sebastian Yatra, is one of the trailblazing music artists fronting the new Tommy Hilfiger Impact fragrance.*

Shot in London, the campaign is a celebration of music and includes English singer-songwriter and guitarist, *James Bay*; Colombian-born and Miami-raised singer/songwriter, *Sebastian Yatra*; and German singer and songwriter, *Wincent Weiss*.

*Impact* is now available in travel retail and will be available in select locations in EMEA and the Americas in both 50ml and 100ml.

The range includes hair & body wash, face moisturizer and grooming oil.



## L'Oréal postpones annual general meeting, lowers outlook

The Board of Directors of L'Oréal voted to post-pone the Annual General Meeting, initially scheduled for April 21, to June 30, 2020, and issued a new outlook for 2020.

"The spread of the pandemic to all geographic areas, and the measures taken by various countries in terms of store closures and the containment of consumers, will have a higher impact than initially forecast on the consumption of cosmetics and beauty products, and therefore on our business in the coming months, even if we are currently seeing encouraging signs of recovery in Chinese consumption.

"All L'Oréal teams are mobilized to enable the company to traverse this unprecedented crisis in the best possible way, and to re-accelerate as soon as conditions permit in each geographic Zone.

"Our priority in this difficult period is to ensure the welfare of our employees and our partners. The lack of visibility on the timing of an end to this health crisis leads us to suspend our guidance. The Group will provide more information when it publishes its first quarter sales on April 16, 2020, and notes that sales over that period should evolve around -5% compared to last year."