

**ERIK JUUL-MORTENSEN, TFWA PRESIDENT**  
**TFWA WORLD EXHIBITION CONFERENCE**

Good morning Ladies & Gentlemen

Good morning and welcome to Cannes and to the 17th TFWA World Exhibition.

Clearly, we are an industry in transition.

What you have just seen is the upbeat and dynamic face for which the international duty-free and travel retail industry is well known. It is the face of optimism that we have always managed to show to the world; despite whatever difficulties we have faced as an industry or within our individual businesses.

Indeed, the duty and tax free trade has endured much over the last ten years – the Gulf War, the Asian crisis, currency devaluations, the abolition of duty free in intra EU-travels, threats from the World Health Organisation and near global recession. We are an industry well acquainted with challenge and adversity.

But what happened on the 11th of September was personal – gripping us in a horror that we could taste and feel – no matter where we were when the terrorist attacks in New York and Washington took place. It could have been any one of us in those four aircraft.

For days after the attacks it was impossible to think of anything other than the loss in human life – and we continue to mourn with all those who were directly affected. As the toll on air transport became evident, our industry was forced to come to grips with the obvious ramifications for our own businesses: fewer travellers, cautious consumers, job losses, crippled or collapsed airlines and heightened airport security that could lead to possible restrictions for travel retail shopping.

We have all reworked our third and fourth quarter projections. We have all looked for ways to trim our budgets. We are all feeling the impact, and now we are all trying to anticipate the worst-case scenario.

Will new security measures jeopardise airside duty free or – in the case of the US – prohibit delivery of duty free goods to aircraft? Will air passengers avoid hubs and look to take direct flights? Will airlines restrict the types of purchased goods passengers can bring onboard?

Like me, I am sure you are still coming to terms with the many ways in which this might affect your business.

At TFWA we decided to use the opening video you just saw – which was created more than 2 months ago – despite the current climate that dampens our usual optimism in Cannes. The travel retail industry has remained optimistic through many setbacks in the last 10 years because time and time again we have persevered and refused to surrender to whatever challenge or difficulty we have faced. And we will not surrender to the present challenge.

Two years ago, TFWA took a careful inventory of the post-abolition industry. It tried to anticipate and identify the types of tools and resources the industry would need to cope and move the business forward.

We are no longer just an exhibition organiser. This Association--in keeping with its mission--has determined to become the crossroads in the global industry for the exchange of information and the dissemination of tools for business development.

Mostly, members and the industry at large asked us

- To continue to develop our exhibitions
- To improve our conferences and
- To develop the tools for brand and market growth.

For the first two, we can say we are well underway, particularly with the success of our last three conferences.

Developing the tools for growth will now become even more critical for this industry in light of current events.

We will drive our Association forward by gathering information and making available to the trade.

We have taken the decision to invest in a three-year research programme to provide the industry with a key information tool.

TFWA is making a long-term commitment to industry and consumer research designed to invest association profits back into projects that help develop and support the trade.

Now, more than ever, the travel retail business must focus on carving out the course for its future. As we persevered through the loss of intra-EU duty free sales, we have proven that we have the ability to successfully come through this even more threatening current situation.

In doing so we will welcome a co-operation with other organisations of our industry and will indeed be seeking such co-operation where the prime objective would be to further the interests of our overall business as the industry strives to come to terms with the new trading environment.

Later this morning, you will hear from Chuck Martin, who is back with us again this year following the overwhelming success last year when he addressed this conference. Besides being an enthusiastic consumer of duty free goods, Chuck has also become a friend to our association. He has a very special and very important message for us. Despite the shock and uncertainty that still prevail, Chuck has flown in from the US to deliver some good news for our industry and to talk to us about some of the real opportunities that exist for all of us.

While the fallout from the devastating attacks in the US has understandably eclipsed every other industry issue, we cannot afford to overlook the World Health Organisation's proposed ban on the sale of tobacco in duty free stores. A ban on tobacco could have and would have, I fear, far reaching impact on our business, affecting all product categories. The issue must be treated as a global, industry-wide threat.

Tomorrow morning, the two organisations that are out in front on this fight - our sister associations IAADFS from Washington, and the International Travel Retail Confederation - will present the case and update the trade on what actions are being taken to fight this ban and what the industry can do in support of their efforts.

Duty Free Business and Duty Free News magazines will lead a dialogue between the speakers and the audience. I urge you to join them in Auditorium i here in the Palais tomorrow morning at 9.30.

As a preview, this morning we have Kevin Abbott, Chief Executive of Alpha Airports Group Plc, with us to briefly outline the WHO's proposal and what it means to the travel retail industry at large. Kevin is well known in the industry for his candid comments. He is going to outline some interesting research currently being undertaken to estimate the loss to other categories if the WHO proposal goes through. He will also update us on the industry's collective efforts to fight the tobacco ban.

However, before I invite Kevin out on stage, let me say how grateful I am for the effort you all made to be here this week. As for most in our industry the last month has not been a particularly easy one for TFWA. We determined from the beginning that the atrocities in New York and Washington on the 11th September should not deter the industry from meeting here in Cannes to plan and discuss the future. Nevertheless, we have had a number of cancellations from companies and individuals who otherwise would have been with us this week. This is understandable and we fully respect this.

Despite a visitor presence decrease of 11%, we note that this has been mainly due to operators sending fewer individuals rather than outright cancellations of the company's presence at this event. I would also like to acknowledge here the wonderful support we have received for the World Exhibition from many duty free associations around the world, in particular the IAADFS, the Middle East Duty Free Association, and the Japanese Duty Free Shop Association. The letters of support that we received were truly morale boosters!

On behalf of the TFWA Board, Management Committee and permanent staff we are pleased you are here and if there is anything any of us can do to help make your visit better please let us know.

Out of respect for the huge loss of life in recent weeks, some important social activities have been cancelled or scaled down, and we have all searched for individual and collective ways to show our solidarity with those who have experienced such loss.

At this time, Ladies and Gentlemen, I ask you all to stand and join me in a minute of silence to pay our respects to the victims and relatives of the tragedy in New York and Washington.

Thank you.

As we mourn, as we reflect and remember, let us also be mindful that business must go on.

The consensus is that as an industry we will survive and that our industry will prosper again. While that may be difficult to see right now and may not provide any consolation at present, let us go forward this week and make the most of this opportunity to focus on the business. We wish you a pleasant and fruitful stay.

Ladies and Gentlemen, please join me in welcoming Kevin Abbott.

Thank you.