

BY THE TRADE



FOR THE TRADE

INTRODUCTION FROM THE TFWA PRESIDENT

Welcome to the first TFWA Handbook.

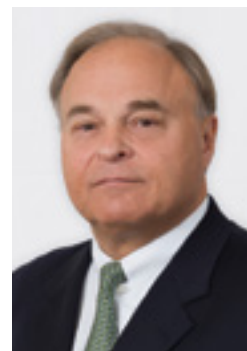
It seems appropriate for me to introduce this publication with a brief explanation of how it came about. When my colleagues at TFWA and I talk to our members and business partners around the globe, we are struck by how often they have expressed an interest in a resource that would help explain what the duty free & travel retail industry represents – its size, scope and value to the wider business of travel. Much information about this already exists in the public domain, but in a wide variety of disparate sources. We felt that TFWA, as the industry's largest trade association, should take the lead in offering our members a document which attempts to gather that information together and hence provide an answer to the deceptively simple question "What is duty free?"

The timing of the TFWA Handbook is no accident. This year the Association celebrates its 30th anniversary – a landmark that few of my fellow members of the first Management Committee back in 1984/85 thought we would reach! That we have done so is a tribute to many people, and to the tireless commitment to the duty free & travel retail market of our member companies. This Handbook is not designed to be a commemoration, but it is nonetheless appropriate that it should appear in the year we enter our fourth decade of service to the industry.

Those of you who, like me, have been around this industry for a while will recall the admirable and still treasured Golden Book, the history of duty free & travel retail jointly published by Raven Fox and TFWA back in 1997. The TFWA Handbook is not designed to be a 'Golden Book Mark II'. It is a resource for TFWA members that, should it prove of value, may evolve and improve over time. For this to happen we strongly encourage our members to provide feedback on how we can enhance future editions.

Many people have helped make this project possible, not least Dermot Davitt and the team at The Moodie Report with regard to editorial and production. We are also indebted to the companies and organisations that have provided data, including Generation Research, Airports Council International and UNWTO; and we thank industry leaders around the world for their valued contributions to the commentary.

In this auspicious year for our Association we are proud to present our members with what I hope will prove a valuable resource. We hope you find the TFWA Handbook useful.



Erik Juul-Mortensen
President
Tax Free World Association

A handwritten signature in black ink, appearing to read 'Erik Juul-Mortensen'.

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THE TFWA HANDBOOK

INTRODUCTION

The TFWA Handbook is the result of conversations with many TFWA members who expressed the need for a reference tool to bring together data, definitions and practical information on the duty free & travel retail industry today. To be fully exhaustive the Handbook would probably run to several thousand pages, and we have had to prioritise the content that we felt would be of most use to the widest cross-section of companies. Nonetheless we are confident that the publication you are holding offers a clear and comprehensive portrait of our industry, which we hope will be of use both to newcomers and to more experienced executives.

Among the most challenging parts of the Handbook was our attempt to define duty free & travel retail. Any readers trying this at home will discover it is not as simple as it may appear! We are indebted to Duty Free World Council President Frank O'Connell and his counterparts at trade associations around the world for their contributions to this section, which also features a timeline of the events that have shaped the industry, and the key issues that confront it today.

Our General Data section includes sales figures from 2003 to 2013, and an analysis of the top airports by international passenger traffic, courtesy of Generation and ACI respectively. We have also included UNWTO tourism trends, with commentary.

The Mapping the Market section features The Moodie Report's ranking of the top 25 duty free & travel retail operators by sales, with a focus on the retail networks and strengths of the top ten. The section also profiles recent contract changes and upcoming infrastructure projects that present the most significant new retail opportunities.

Data, though crucial, often only tells one side of the story. We felt that it was vital for the Handbook to feature perspectives from industry leaders and experienced journalists from around the globe, thus putting the figures into context. We are grateful to all those who have taken time to contribute to our Comment & Analysis section, which we believe offers a fascinating overview of industry sentiment.

Last but by no means least, our 'What is TFWA?' section is designed to remind members of the mission and day-to-day work of the Association. The Handbook is part of TFWA's drive to enhance its range of services to its members, and we are hopeful it will add considerable value to your involvement with the Association.



John Rimmer
Tax Free World Association

A handwritten signature in black ink, appearing to read 'John Rimmer'.



Dermot Davitt
The Moodie Report

A handwritten signature in black ink, appearing to read 'Dermot Davitt'.

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