GLOBAL INDUSTRY PERFORMANCE IN 2013

Commentary on provisional full-year results for the global duty free & travel retail industry, with statistics provided courtesy of Generation Research.

The global duty free & travel retail industry hit sales of US$60 billion in 2013 – a leap of +7.5% compared to 2012, according to preliminary full-year results from Generation.

The results were significant for strong regional performances from Asia Pacific and the Middle East (mirroring passenger traffic growth in these regions), with luxury goods, beauty and wines & spirits helping to drive sales by category during the year.

Regional strengths

Asia Pacific maintained its status as the largest region for sales with US$22.2 billion, up by +12% on 2012. At 37.2% of the business, Asia Pacific grew its share of the market from a year earlier (35.7%), boosted by the healthy rate of sales growth.

Given the economic difficulties faced by Europe in 2013, the

DUTY FREE & TRAVEL RETAIL SALES 2013(P) vs 2012 (in US$ millions)

REGION	SALES 2013(P)	MARKET SHARE 2013	CHANGE ON YEAR	SALES 2012	MARKET SHARE 2012
Europe	20,139.3	33.6%	+4.5%	19,272.2	34.5%
Americas	11,162.5	18.6%	+2.8%	10,855.7	19.5%
Africa	846.6	1.4%	+10.8%	764.0	1.4%
Asia Pacific	22,290.2	37.2%	+12.0%	19,902.2	35.7%
Middle East	5,561.4	9.3%	+11.1%	5,005.8	9.0%
World total	**60,000.0**	**100.0%**	**+7.5%**	**55,800.0**	**100.0%**

Source: Generation Research

SALES CHANNEL	SALES 2013(P)	MARKET SHARE 2013	CHANGE ON YEAR	SALES 2012	MARKET SHARE 2012
Airport Shops	34,579.3	57.6%	+8.3%	31,927.7	57.2%
Airlines	3,090.5	5.2%	+3.3%	2,991.9	5.4%
Ferries	2,472.5	4.1%	+2.4%	2,413.5	4.3%
Other Shops & Sales	19,857.7	33.1%	+7.5%	18,466.9	33.1%
World total	**60,000.0**	**100.0%**	**+7.5%**	**55,800.0**	**100.0%**

Source: Generation Research

PRODUCT CATEGORY	SALES 2013(P)	MARKET SHARE 2013	CHANGE ON YEAR	SALES 2012	MARKET SHARE 2012
Wines & Spirits	9,862.3	16.4%	+8.5%	9,091.0	16.3%
Fragrances & Cosmetics	17,127.0	28.5%	+8.4%	15,793.7	28.3%
Tobacco Goods	7,843.4	13.1%	+2.8%	7,626.7	13.7%
Fashion & Accessories	8,820.5	14.7%	+10.9%	7,955.7	14.3%
Watches, Jewellery & Fine Writing	6,230.9	10.4%	+8.0%	5,767.8	10.3%
Electronics, Gifts & Other	5,383.4	9.0%	+3.8%	5,188.5	9.3%
Confectionery & Fine Food	4,732.4	7.9%	+8.1%	4,376.6	7.8%
World total	**60,000.0**	**100.0%**	**+7.5%**	**55,800.0**	**100.0%**

Source: Generation Research

region showed solid growth (+4.5%) in the period, with sales climbing above US$20 million (US$20.1 million) for a 33.6% market share – a dip from its 34.5% share a year earlier.

The Middle East underlined its status as one of the fastest-growing regions for duty free & travel retail with a leap of +11.1% year-on-year, with sales of US$5.5 billion. Its share also grew, on the back of its strong sales performance: up from 9% in 2012 to 9.3% in 2013. Sales in Africa also grew by double digits (+10.8%) to US$846 million for a 1.4% market share (similar to 2012).

Sales growth in the Americas slowed to +2.8% – the lowest of all global regions – and the year yielded sales of US$11.1 billion, for a share of 18.6% (2012: 19.5%).

Sales by channel

The dominance of airport stores within the business continued in 2013, with sales leaping by +8.3% to US$34.5 million for a 57.6% share. The growth trajectory of both airlines and cruise & ferry stores was relatively slow by comparison. Airline sales grew by +3.3% to US$3 billion, and maritime sales were up by +2.4% to US$2.4 billion, for market share figures of 5.2% and 4.1% respectively.

The category of 'other shops', which includes border, diplomatic and other channels, saw +7.5% growth to US$19.8 billion, accounting for one-third of the global business.

Category breakdown

Fragrances & cosmetics, a cornerstone of the business in every region, built on its status in 2013 with +8.4% growth and volumes of US$17.1 billion. The category's share climbed off an already high base, from 28.3% to 28.5% of global sales.

Wines & spirits also showed impressive growth of +8.5% year-on-year, to US$9.8 billion, for a 16.4% market share.

Fashion & accessories – one of the star performers of the global market in recent years – was the highest climber in sales terms, at +10.9%, hitting US$8.8 billion. A related luxury goods category – watches, jewellery and fine writing instruments – grew by +8% for sales of US$6.2 billion. These two luxury categories together accounted for just over 25% of sales in 2013.

Tobacco goods, a long-time mainstay of the global business, had the lowest rate of growth (+2.8%) and sales of US$7.8 billion, as its share slipped from 13.7% in 2012 to 13.1% last year. Another core category – confectionery – grew by +8.1% to US$4.7 billion. Electronics, gifts and other categories posted growth of +3.8% to US$5.3 billion.

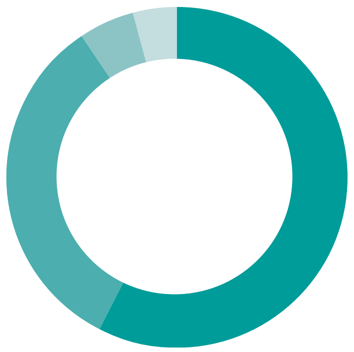
2013 regional breakdown

Asia Pacific	37.2%
Europe	33.6%
Americas	18.6%
Middle East	9.3%
Africa	1.4%

2013 category breakdown

Fragrances & cosmetics	28.5%
Wines & spirits	16.4%
Fashion & accessories	14.7%
Tobacco goods	13.1%
Watches, jewellery & fine writing	10.4%
Electronics, gifts & other	9.0%
Confectionery & fine food	7.9%

2013 sales channel breakdown

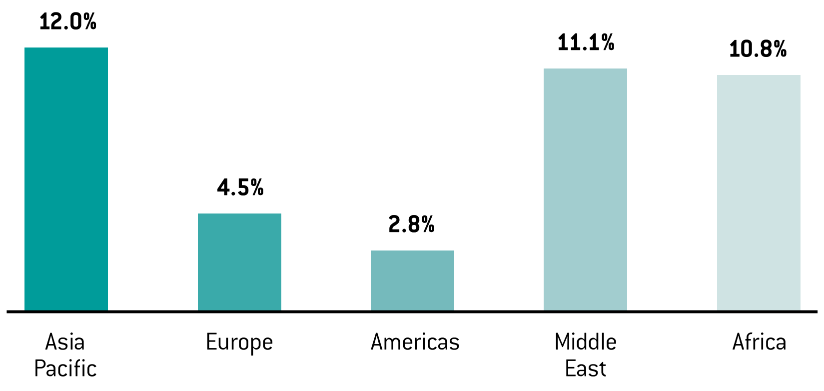


Airport shops	57.6%
Other shops & sales*	33.1%
Airlines	5.2%
Ferries	4.1%

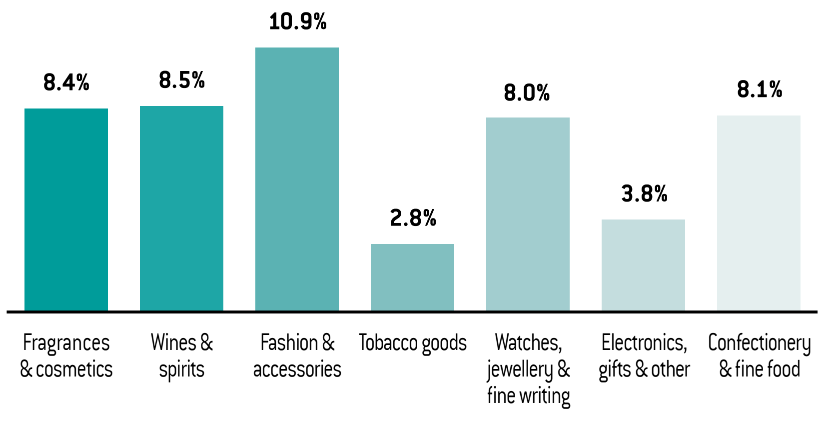
*Includes border and downtown stores

Source: Generation Research

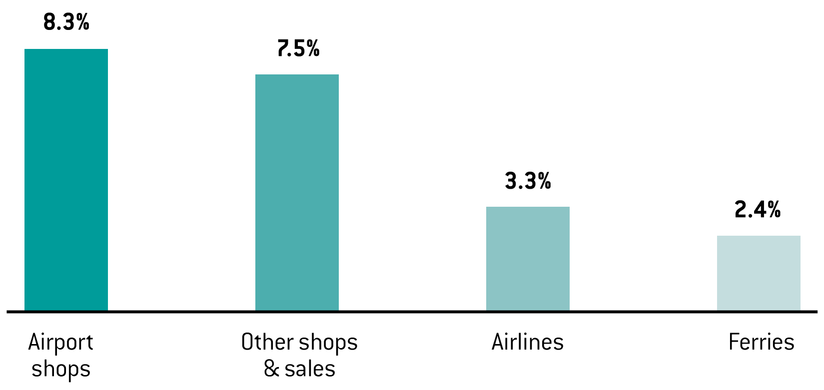
Regional % change 2013(P) vs 2012



Category % change 2013(P) vs 2012



Sales channel % change 2013(P) vs 2012



Source: Generation Research

GENERAL DATA
SIZE OF THE MARKET

Ten-year trends

A glance at the rate of sales growth over the past decade underlines the rapid progress the industry has made – the business almost trebled from US$22 billion to US$60 billion between 2003 and 2013.

The key drivers of passenger traffic, tourism growth, new high-spending nationalities and the impact of investment in travel-related infrastructure and stores have played their part. Beyond these, some discernible trends become clear from a glance at the ten-year figures across regions and categories in particular.

Among the key regional trends has been the relentless rise of Asia Pacific's market share. In 2003 it lagged behind Europe (the dominant regional force at more than half of global sales of US$22.8 billion) and the Americas, as the regional ten-year table shows. Asia Pacific maintained steep increases in sales and share up to 2012, when it overtook Europe as the major region in sales terms – and continued to increase its lead over the other regions in 2013, as noted above.

By way of illustration, Asia Pacific sales leapt by almost five times in the ten-year period, while Europe's figures have failed to double. The Middle East, although it has come off a smaller base, has also posted sales growth of between four and five times, from US$1.2 billion to US$5.5 billion. If passenger traffic growth and airport investments in Asia Pacific and the Middle East continue at the same pace as in the past decade, their regional shares can be expected to continue climbing.

By channel, airport shop sales have more than tripled from US$10.6 billion to US$34.5 billion in the past decade, while the category of 'other shops' (including border and downtown stores) has more than doubled to US$19.8 billion. Cruise & ferry sales notably have not kept pace, growing only marginally in the decade – after a period in the previous decade (until intra-EU abolition in 1999) when the ferry business in Europe was a vital driver of sales. Airline sales have more than doubled, but also from a relatively low base, from US$1.4 billion in 2003 to US$3 billion in 2013.

By product category, the rise and rise of beauty and of luxury goods is plainly evident from the ten-year sales trends. Fragrances & cosmetics sales were almost on par with tobacco sales in 2003, at around US$5.3 billion each. But while tobacco sales have grown by around +50% – well below average for the global business – fragrances & cosmetics sales have more than trebled.

The growth of fashion & accessories – once a minor element in the mix – has if anything been even more remarkable. From US$1.6 billion in 2003, sales to 2013 have surged by more than five times. Another staple of the business worldwide – wines & spirits – has more than doubled, though it still maintains second place in the rankings.

The categories of 'electronics, gifts and other' performed well, growing at close to the average rate of the global business, while confectionery grew solidly, if behind the global average.

Duty free & travel retail sales by product category 2003–2013 (in US$ millions)

CATEGORY	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013 (P)
Wines & Spirits	4,449.9	5,085.8	5,401.0	5,678.0	6,628.6	7,175.1	6,681.9	7,367.8	8,432.6	9,091.0	9,862.3
Fragrances & Cosmetics	5,295.9	6,683.1	7,614.1	8,655.4	10,404.1	11,589.5	10,708.0	12,060.1	14,344.1	15,793.7	17,127.0
Tobacco	5,292.3	6,043.7	5,988.4	5,823.7	6,443.4	6,821.9	6,006.0	6,416.1	7,300.9	7,626.8	7,843.4
Fashion & Accessories	1,684.3	2,190.7	3,894.9	4,112.6	4,827.9	5,043.8	4,761.5	5,792.2	7,007.4	7,955.7	8,820.5
Watches, Jewellery & Fine Writing	2,781.6	3,919.7	2,962.5	3,140.9	3,624.1	3,778.0	3,589.2	4,073.3	5,139.2	5,767.8	6,230.9
Electronics, Gifts & Other	1,369.9	1,658.1	1,983.4	2,273.3	2,832.8	3,184.2	3,286.3	3,987.3	4,834.1	5,188.5	5,383.4
Confectionery & Fine Food	1,926.1	2,218.9	2,155.6	2,416.2	2,939.1	3,407.4	3,167.1	3,503.6	3,941.7	4,376.6	4,732.4
World total	**22,800.0**	**27,800.0**	**30,000.0**	**32,100.0**	**37,700.0**	**41,000.0**	**38,200.0**	**43,200.4**	**50,999.9**	**55,800.0**	**60,000.0**

Source: Generation Research

Duty free & travel retail sales by sales channel 2003–2013 (in US$ millions)

CHANNEL	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013 (P)
Airport Shops	10,663.1	13,280.7	14,579.8	16,461.6	20,125.6	22,632.7	21,385.4	24,103.5	29,435.9	31,927.8	34,579.3
Airlines	1,490.2	1,848.9	2,053.6	2,327.6	2,664.3	2,733.3	2,437.9	2,686.6	2,851.4	2,991.9	3,090.5
Ferries	2,175.6	2,421.3	2,424.6	2,358.4	2,422.6	2,564.0	2,165.1	2,265.2	2,442.0	2,413.5	2,472.5
Other Shops & Sales	8,471.1	10,249.2	10,942.0	10,952.4	12,487.5	13,070.1	12,211.5	14,144.7	16,270.7	18,466.8	19,857.7
World total	**22,800.0**	**27,800.0**	**30,000.0**	**32,100.0**	**37,700.0**	**41,000.0**	**38,200.0**	**43,200.0**	**51,000.0**	**55,800.0**	**60,000.0**

Source: Generation Research

Duty free & travel retail sales by region 2003–2013 (in US$ millions)

REGION	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013 (P)
Europe	11,662.3	13,599.6	13,852.1	14,711.8	17,363.9	18,544.0	16,176.1	16,758.8	18,910.4	19,272.3	20,139.3
Americas	4,868.1	5,785.3	6,486.4	6,856.0	7,827.1	8,532.3	7,605.2	8,702.7	10,280.8	10,855.7	11,162.5
Africa	311.0	382.6	418.6	451.4	543.1	607.4	657.2	711.3	697.0	764.0	846.6
Asia Pacific	4,714.0	6,287.2	7,260.2	7,793.1	9,114.2	9,869.5	10,295.2	13,000.2	16,665.6	19,902.2	22,290.2
Middle East	1,244.5	1,745.3	1,982.7	2,287.7	2,851.8	3,446.8	3,466.4	4,026.9	4,446.1	5,005.8	5,561.4
World total	**22,800.0**	**27,800.0**	**30,000.0**	**32,100.0**	**37,700.0**	**41,000.0**	**38,200.0**	**43,200.0**	**51,000.0**	**55,800.0**	**60,000.0**

Source: Generation Research

AIRPORT PASSENGER TRAFFIC TRENDS 2013

We review the Top 100 airports in the world by international traffic in 2013 – along with details of their lead travel retailers.

In 2013 London Heathrow Airport maintained its position as the world's biggest airport measured by international passenger traffic, followed by Dubai, Hong Kong, Paris Charles de Gaulle and Singapore Changi airports to make up the top five. Heathrow's status looks set to be overhauled by Dubai this year as the Middle Eastern hub's surging double-digit passenger traffic growth continues.

Some of the fastest growth rates of the year came in emerging economies. In the top ten, Istanbul Atatürk stands out with its +14.3% rise in 2013, followed one place in the rankings by Kuala Lumpur International (+18.1%). Among other highly placed airports, Taipei's Taoyuan delivered a healthy +10.2% leap, Doha International (with flight operations now transferred to Hamad International) posted +9.9% growth, as did Moscow Domodedovo, with Shanghai Pudong (ranked just behind the latter) with a +10.9% increase.

Taking a region by region view, last year saw big fluctuations in the fortunes of the leading airports across the world.

In Africa, Cairo remains number one by international traffic, just ahead of Johannesburg, despite a sharp -14% fall in passenger volumes related to the continuing political and social unrest in Egypt. Two other Egyptian airports in Africa's top ten, Hurghada and Sharm el-Sheikh, also posted double-digit reverses year-on-year. Of the growth airports, Addis Ababa's performance stands out in a country – Ethiopia – whose economy is fast emerging. Algiers and Marrakech airports also delivered healthy international traffic improvements in the year.

In Asia Pacific, as if to underline the robust nature of the region's air travel market, all the top ten airports saw their international passenger numbers grow in 2013. The top three are Hong Kong, Singapore and Bangkok, but the biggest growth trajectories came in Kuala Lumpur, Taipei and Shanghai Pudong, with Manila rounding out the top ten with a +7% increase.

Europe's figures are notable for the powerhouse surge of Istanbul Atatürk, as noted above, with its +14.3% leap in international passengers ensuring it is well placed in the top five locations by region. Across the other top ten airports, growth was dampened in part by the continuing weakness of the regional economy, with Madrid Barajas suffering a sharp fall and Paris, Frankfurt and Rome posting only marginal increases.

The region whose top ten showed the greatest average climbs in international traffic was the Middle East, led by Dubai, but with enviable increases also in Doha (+9.9%), Abu Dhabi (+12.2%), Tel Aviv (+8.6%), Riyadh (+11%), Sharjah (+14.2%) and Muscat (+11.1%). Bahrain Airport continued to be hit by the impact of unrest in the kingdom, showing a -12.9% dip year-on-year.

Like Asia Pacific and the Middle East, the picture for international traffic in Latin America was positive in 2013. São Paulo Guarulhos is the number one location, followed by the resort airport of Cancún and then by its fellow Mexican airport (larger in overall passenger terms), Mexico City. Each of these showed tremendous year-on-year growth, though none hit the heights of Bogotá El Dorado in Colombia with its +15.9% leap.

In North America, New York JFK is the leading airport by international traffic (26.5 million in 2013), followed by Toronto, Miami, Los Angeles and Newark. Montréal Trudeau is the only other non-US airport in the top ten. As in Europe, most of the region's airports posted low single-digit growth, with the best performances coming from JFK (+5.9%), Miami (+4.3%) and Atlanta (+4.1%).

GENERAL DATA
TOP 100 AIRPORTS BY INTERNATIONAL PASSENGER TRAFFIC 2013

RANK	AIRPORT	REGION	COUNTRY	CITY	LEAD TRAVEL RETAILER(S)	INTERNATIONAL PASSENGERS 2013	% CHANGE ON 2012
1	Heathrow Airport	EUR	United Kingdom	London	World Duty Free Group	67,325,242	+3.2
2	Dubai International Airport	MEA	United Arab Emirates	Dubai	Dubai Duty Free	65,876,250	+15.3
3	Hong Kong International Airport	ASP	Hong Kong, China	Hong Kong	DFS; Nuance-Watson HK	59,273,527	+6.5
4	Aéroport de Paris Charles de Gaulle	EUR	France	Paris	Aelia/AdP	56,767,748	+1.0
5	Singapore Changi Airport	ASP	Singapore	Singapore	DFS; Nuance-Watson (Singapore); LS travel retail; King Power Group (HK)	52,775,360	+5.7
6	Amsterdam Airport	EUR	Netherlands	Amsterdam	Schiphol Airport Retail; Kappé; Gerzon (LS travel retail)	52,527,699	+3.0
7	Flughafen Frankfurt/Main	EUR	Germany	Frankfurt	Gebr Heinemann	51,315,550	+1.1
8	Suvarnabhumi International Airport	ASP	Thailand	Bangkok	King Power International Group (Thailand)	41,302,852	+4.9
9	Incheon International Airport	ASP	Republic of Korea	Incheon	Lotte; Shilla; KTO	40,785,953	+6.3
10	Atatürk International Airport	EUR	Turkey	Istanbul	ATÜ Duty Free	34,079,118	+14.3
11	Kuala Lumpur International Airport	ASP	Malaysia	Kuala Lumpur	Eraman; DR Group; Dimensi Eksklusif; The Zon Duty Free	32,605,326	+18.1
12	Gatwick Airport	EUR	United Kingdom	London	World Duty Free Group	31,657,939	+4.2
13	Narita International Airport	ASP	Japan	Tokyo	NAA Retailing	30,489,544	+2.9
14	Munich Airport	EUR	Germany	Munich	Eurotrade	29,188,402	+2.1
15	Taiwan Taoyuan International Airport	ASP	Chinese Taipei	Taipei	Ever Rich Duty Free; Tasa Meng Corp	28,608,274	+10.2
16	Aeropuerto de Barajas	EUR	Spain	Madrid	World Duty Free Group	27,711,197	–9.5
17	John F. Kennedy International Airport	NAM	USA	New York	DFS; International Shoppes	26,540,669	+5.9
18	Aeroporto di Roma Fiumicino	EUR	Italy	Rome	LS travel retail	25,069,617	+0.6
19	Aeropuerto de Barcelona	EUR	Spain	Barcelona	World Duty Free Group	25,003,256	+5.8
20	Flughafen Zürich	EUR	Switzerland	Zurich	The Nuance Group	24,267,208	+0.4
21	Doha International Airport	MEA	Qatar	Doha	Qatar Duty Free	23,266,187	+9.9
22	Copenhagen International Airport	EUR	Denmark	Copenhagen	Gebr Heinemann	22,096,855	+3.7
23	Toronto Pearson International Airport	NAM	Canada	Toronto	The Nuance Group	21,724,024	+2.2
24	Antalya International Airport	EUR	Turkey	Antalya	The Nuance Group	21,492,138	+6.6
25	Vienna International Airport	EUR	Austria	Vienna	Gebr Heinemann	21,357,896	–0.7
26	Miami International Airport	NAM	USA	Miami	Duty Free Americas	20,201,503	+4.3
27	Dublin Airport	EUR	Ireland	Dublin	ARI Ireland	20,093,635	+5.6
28	Brussels National Airport	EUR	Belgium	Brussels	Belgian Sky Shops	18,932,137	+0.8
29	Sheremetyevo International Airport	EUR	Russian Federation	Moscow	Aerofirst; Duty Free Partners; Dufry	18,582,454	+8.3
30	Manchester Airport	EUR	United Kingdom	Manchester	World Duty Free Group	18,438,732	+6.1
31	Domodedovo International Airport	EUR	Russian Federation	Moscow	Runway Duty Free; Gebr Heinemann	18,182,362	+9.9
32	Pudong International Airport	ASP	People's Republic of China	Shanghai	Sunrise Duty Free	18,065,734	+10.9
33	Aeropuerto de Palma de Mallorca	EUR	Spain	Palma de Mallorca	World Duty Free Group	17,853,019	+4.7

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RANK	AIRPORT	REGION	COUNTRY	CITY	LEAD TRAVEL RETAILER(S)	INTERNATIONAL PASSENGERS 2013	% CHANGE ON 2012
34	Los Angeles International Airport	NAM	USA	Los Angeles	DFS; Dufry/Hudson; LS travel retail	17,852,110	+4.1
35	Aéroport de Paris Orly	EUR	France	Paris	Aelia/AdP	17,095,419	+5.9
36	Stansted Airport	EUR	United Kingdom	London	World Duty Free Group	16,753,048	+3.1
37	Düsseldorf International Airport	EUR	Germany	Düsseldorf	World Duty Free Group	16,710,956	+2.8
38	Beijing Capital International Airport	ASP	People's Republic of China	Beijing	Sunrise Duty Free	16,156,911	+4.6
39	Abu Dhabi International Airport	MEA	United Arab Emirates	Abu Dhabi	DFS	15,887,206	+12.2
40	Stockholm Arlanda Airport	EUR	Sweden	Stockholm	The Nuance Group	15,811,830	+6.6
41	Ninoy Aquino International Airport	ASP	Philippines	Manila	Duty Free Philippines	15,126,968	+7.0
42	Milan Malpensa	EUR	Italy	Milan	Dufry	14,773,799	0.0
43	King Abdulaziz International Airport	MEA	Saudi Arabia	Jeddah	Saudi Duty Free	14,187,691	+3.3
44	Lisbon Airport	EUR	Portugal	Lisbon	Lojas Francas de Portugal (Nuance/TAP)	14,060,311	+5.3
45	Aéroport International de Genève	EUR	Switzerland	Geneva	The Nuance Group	13,822,442	+4.3
46	Ben Gurion International Airport	MEA	Israel	Tel-Aviv	James Richardson	13,461,203	+8.6
47	Helsinki Vantaa Airport	EUR	Finland	Helsinki	Finnair/World Duty Free Group	12,842,448	+5.6
48	Sydney International Airport	ASP	Australia	Sydney	The Nuance Group	12,823,171	+3.8
49	Soekarno-Hatta International Airport	ASP	Indonesia	Jakarta	DFS; Lotte Duty Free	12,673,016	+7.2
50	Guarulhos International Airport	LAC	Brazil	São Paulo	Dufry	12,524,257	+8.5
51	Oslo Airport	EUR	Norway	Oslo	Gebr Heinemann	12,432,852	+5.6
52	Indira Gandhi International Airport	ASP	India	New Delhi	Delhi Duty Free Services	12,369,845	+15.1
53	Tegel Airport	EUR	Germany	Berlin	Gebr Heinemann	12,008,877	+9.4
54	Kansai International Airport	ASP	Japan	Osaka	Kansai Airport Agency; JATCo	11,809,759	+4.9
55	Newark Liberty International Airport	NAM	USA	Newark	Dufry/Hudson	11,299,399	+1.1
56	Cairo International Airport	AFR	Egypt	Cairo	Egyptair Duty Free Shops	10,957,330	–14.0
57	Aeropuerto de Málaga	EUR	Spain	Malaga	World Duty Free Group	10,940,979	+8.1
58	Prague Airport	EUR	Czech Republic	Prague	LS travel retail; Dufry	10,927,716	+1.8
59	Cancún International Airport	LAC	Mexico	Cancun	World Duty Free Group	10,901,365	+10.6
60	Aeropuerto Internacional de la Ciudad de México Lic Benito Juárez	LAC	Mexico	Mexico City	Dufry	10,632,324	+8.5
61	Hartsfield-Jackson Atlanta International Airport	NAM	USA	Atlanta	Duty Free Americas	10,258,133	+4.1
62	O'Hare International Airport	NAM	USA	Chicago	Dufry/Hudson	10,172,115	+2.2
63	Chhatrapati Shivaji International Airport	ASP	India	Mumbai	DFS/Flemingo	9,955,798	+2.6
64	San Francisco International Airport	NAM	USA	San Francisco	DFS	9,743,762	+2.1
65	Warsaw Frederic Chopin Airport	EUR	Poland	Warsaw	LS travel retail	9,542,721	+18.4
66	O.R. Tambo International Airport	AFR	South Africa	Johannesburg	Big Five Duty Free	9,445,801	+4.8
67	Kuwait International Airport	MEA	Kuwait	Kuwait	World Duty Free Group	9,293,778	+4.7

GENERAL DATA
TOP 100 AIRPORTS BY INTERNATIONAL PASSENGER TRAFFIC 2013

RANK	AIRPORT	REGION	COUNTRY	CITY	LEAD TRAVEL RETAILER(S)	INTERNATIONAL PASSENGERS 2013	% CHANGE ON 2012
68	King Khaled International Airport	MEA	Saudi Arabia	Riyadh	Saudi Duty Free	9,198,478	+11.0
69	Tan Son Nhat International Airport	ASP	Vietnam	Ho Chi Minh City	Southern Airport Services Co	9,025,246	+9.1
70	George Bush Intercontinental Airport	NAM	USA	Houston	The Nuance Group	8,986,341	+2.5
71	Guangzhou Bai Yun International Airport	ASP	People's Republic of China	Guangzhou	China Duty Free Group	8,770,005	+15.9
72	Montréal Pierre Elliott Trudeau International Airport	NAM	Canada	Montreal	ARI–North America	8,680,122	+2.4
73	London Luton Airport	EUR	United Kingdom	London	LS travel retail	8,673,688	+0.9
74	Aeropuerto de Alicante	EUR	Spain	Alicante	World Duty Free Group	8,537,226	+14.9
75	Vancouver International Airport	NAM	Canada	Vancouver	World Duty Free Group	8,529,644	+1.2
76	Sharjah International Airport	MEA	United Arab Emirates	Sharjah	Dufry	8,478,709	+14.2
77	Budapest Ferihegy International Airport	EUR	Hungary	Budapest	Gebr Heinemann	8,428,159	–0.1
78	Flughafen Hamburg	EUR	Germany	Hamburg	Gebr Heinemann	8,320,350	+0.4
79	Athens International Airport	EUR	Greece	Athens	Dufry	8,178,297	–2.4
80	Aeropuerto Internacional de Ezeiza	LAC	Argentina	Buenos Aires	Dufry	8,089,306	–3.9
81	Tokyo International (Haneda) Airport	ASP	Japan	Tokyo	Tokyo International Air Terminal Corp; JATCo	7,952,758	+0.5
82	Birmingham International Airport	EUR	United Kingdom	Birmingham	World Duty Free Group	7,899,434	+1.7
83	Aeropuerto de Tenerife Sur	EUR	Spain	Tenerife	World Duty Free Group	7,880,683	+4.6
84	Aeropuerto Internacional El Dorado	LAC	Colombia	Bogota	Motta Internacional; Grupo Wisa	7,595,415	+15.9
85	Auckland International Airport	ASP	New Zealand	Auckland	DFS; JR/Duty Free	7,501,859	+4.2
86	Muscat International Airport	MEA	Oman	Muscat	Muscat Duty Free	7,486,060	+11.1
87	Melbourne Airport	ASP	Australia	Melbourne	The Nuance Group	7,424,845	+7.0
88	Bandaranaike International Airport	ASP	Sri Lanka	Colombo	World Duty Free Group; Flemingo	7,294,284	+3.0
89	Bahrain International Airport	MEA	Bahrain	Bahrain	Bahrain Duty Free	7,204,684	–12.9
90	Borispol State International Airport	EUR	Ukraine	Kiev	BF & GH Travel Retail	7,174,203	–3.5
91	Henri Coanda International Airport	EUR	Romania	Bucharest	Millennium Pro Design	7,073,646	+8.5
92	Aeroport Nice Côte d'Azur	EUR	France	Nice	Aelia Duty Free	7,032,716	+3.9
93	Pulkovo Airport	EUR	Russian Federation	St Petersburg	The Nuance Group	7,024,182	+17.0
94	Washington Dulles International Airport	NAM	USA	Washington, DC	Duty Free Americas	6,984,250	+4.6
95	Aeropuerto Internacional Jorge Chávez	LAC	Peru	Lima	World Duty Free Group	6,972,681	+9.1
96	Aeropuerto Internacional Arturo Merino Benitez	LAC	Chile	Santiago	World Duty Free Group	6,907,226	+1.8
97	Aéroport Mohammed V	AFR	Morocco	Casablanca	IDFS Maroc; Dufry	6,870,946	+4.9
98	Brussels South Charleroi Airport	EUR	Belgium	Charleroi	Belgian Sky Shops	6,775,955	+4.2
99	Schoenefeld Airport	EUR	Germany	Berlin	Gebr Heinemann	6,702,441	+5.1
100	Dallas/Fort Worth International Airport	NAM	USA	Dallas/Fort Worth	Buckaroo Duty Free	6,693,504	+9.5

Source: ACI/The Moodie Report

GENERAL DATA
TOP TEN AIRPORTS BY REGION 2013

RANK	AIRPORT	WORLD RANK	CITY	COUNTRY	INTERNATIONAL PASSENGERS 2013	% CHANGE ON 2012
AFRICA						
1	Cairo International Airport	56	Cairo	Egypt	10,957,330	–14.0%
2	O.R. Tambo International Airport	66	Johannesburg	South Africa	9,445,801	+4.8%
3	Aéroport Mohammed V	97	Casablanca	Morocco	6,870,946	+4.9%
4	Addis Ababa Bole International Airport*	107	Addis Ababa	Ethiopia	6,260,086	+17.2%
5	Hurghada International Airport	117	Hurghada	Egypt	5,331,859	–20.5%
6	Sharm el-Sheikh International Airport	118	Sharm el-Sheikh	Egypt	5,308,255	–10.7%
7	Aéroport International de Tunis Carthage	121	Tunis	Tunisia	5,171,588	+5.9%
8	Aéroport d'Alger Houari Boumédiène	141	Algiers	Algeria	4,229,405	+10.6%
9	Jomo Kenyatta International Airport	152	Nairobi	Kenya	3,783,987	–3.3%
10	Aéroport Marrakech Ménara	158	Marrakech	Morocco	3,612,679	+13.9%

* estimate

Source: ACI

ASIA PACIFIC						
1	Hong Kong International Airport	3	Hong Kong	Hong Kong, China	59,273,527	+6.5%
2	Changi Airport	5	Singapore	Singapore	52,775,360	+5.7%
3	Suvarnabhumi International Airport	8	Bangkok	Thailand	41,302,852	+4.9%
4	Incheon International Airport	9	Incheon	Republic of Korea	40,785,953	+6.3%
5	Kuala Lumpur International Airport	11	Kuala Lumpur	Malaysia	32,605,326	+18.1%
6	Narita International Airport	13	Tokyo	Japan	30,489,544	+2.9%
7	Taiwan Taoyuan International Airport	15	Taipei	Chinese Taipei	28,608,274	+10.2%
8	Pudong International Airport	32	Shanghai	People's Republic of China	18,065,734	+10.9%
9	Beijing Capital International Airport	38	Beijing	People's Republic of China	16,156,911	+4.6%
10	Ninoy Aquino International Airport	41	Manila	Philippines	15,126,968	+7.0%

Source: ACI

GENERAL DATA
TOP TEN AIRPORTS BY REGION 2013

RANK	AIRPORT	WORLD RANK	CITY	COUNTRY	INTERNATIONAL PASSENGERS 2013	% CHANGE ON 2012
EUROPE						
1	Heathrow Airport	1	London	United Kingdom	67,325,242	+3.2%
2	Aéroport de Paris Charles de Gaulle	4	Paris	France	56,767,748	+1.0%
3	Amsterdam Airport	6	Amsterdam	Netherlands	52,527,699	+3.0%
4	Flughafen Frankfurt/Main	7	Frankfurt	Germany	51,315,550	+1.1%
5	Atatürk International Airport	10	Istanbul	Turkey	34,079,118	+14.3%
6	Gatwick Airport	12	London	United Kingdom	31,657,939	+4.2%
7	Munich Airport	14	Munich	Germany	29,188,402	+2.1%
8	Aeropuerto de Barajas	16	Madrid	Spain	27,711,197	–9.5%
9	Aeroporto di Roma Fiumicino	18	Rome	Italy	25,069,617	+0.6%
10	Aeropuerto de Barcelona	19	Barcelona	Spain	25,003,256	+5.8%

Source: ACI

MIDDLE EAST						
1	Dubai International Airport	2	Dubai	United Arab Emirates	65,876,250	+15.3%
2	Doha International Airport	21	Doha	Qatar	23,266,187	+9.9%
3	Abu Dhabi International Airport	39	Abu Dhabi	United Arab Emirates	15,887,206	+12.2%
4	King Abdulaziz International Airport	43	Jeddah	Saudi Arabia	14,187,691	+3.3%
5	Ben Gurion International Airport	46	Tel Aviv	Israel	13,461,203	+8.6%
6	Kuwait International Airport *	67	Kuwait	Kuwait	9,293,778	+4.7%
7	King Khaled International Airport	68	Riyadh	Saudi Arabia	9,198,478	+11.0%
8	Sharjah International Airport	76	Sharjah	United Arab Emirates	8,478,709	+14.2%
9	Muscat International Airport	86	Muscat	Oman	7,486,060	+11.1%
10	Bahrain International Airport	89	Bahrain	Bahrain	7,204,684	–12.9%

* estimate

Source: ACI

GENERAL DATA
TOP TEN AIRPORTS BY REGION 2013

RANK	AIRPORT	WORLD RANK	CITY	COUNTRY	INTERNATIONAL PASSENGERS 2013	% CHANGE ON 2012
LATIN AND CENTRAL AMERICA						
1	Guarulhos International Airport	50	São Paulo	Brazil	12,524,257	+8.5%
2	Cancún International Airport	59	Cancún	Mexico	10,901,365	+10.6%
3	Aeropuerto Internacional de la Ciudad de México Lic Benito Juárez	60	Mexico City	Mexico	10,632,324	+8.5%
4	Aeropuerto Internacional de Ezeiza	80	Buenos Aires	Argentina	8,089,306	–3.9%
5	Aeropuerto Internacional El Dorado	84	Bogotá	Colombia	7,595,415	+15.9%
6	Aeropuerto Internacional Jorge Chávez	95	Lima	Peru	6,972,681	+9.1%
7	Aeropuerto Internacional Arturo Merino Benitez	96	Santiago	Chile	6,907,226	+1.8%
8	Aeropuerto Internacional Punta Cana	120	Punta Cana	Dominican Republic	5,180,449	+7.4%
9	Rio de Janeiro International Airport Galeão Antonio Carlos Jobim	139	Rio De Janeiro	Brazil	4,245,115	–1.2%
10	Aeropuerto Internacional de Tocumen	149	Panama City	Panama	3,890,061	+6.2%

Source: ACI

NORTH AMERICA						
1	John F. Kennedy International Airport	17	New York	USA	26,540,669	+5.9%
2	Toronto Pearson International Airport	23	Toronto	Canada	21,724,024	+2.2%
3	Miami International Airport	26	Miami	USA	20,201,503	+4.3%
4	Los Angeles International Airport	34	Los Angeles	USA	17,852,110	+4.1%
5	Newark Liberty International Airport	55	Newark	USA	11,299,399	+1.1%
6	Hartsfield-Jackson Atlanta International Airport	61	Atlanta	USA	10,258,133	+4.1%
7	O'Hare International Airport	62	Chicago	USA	10,172,115	+2.2%
8	San Francisco International Airport	64	San Francisco	USA	9,743,762	+2.1%
9	George Bush Intercontinental Airport	70	Houston	USA	8,986,341	+2.5%
10	Montréal Pierre Elliott Trudeau International Airport	72	Montréal	Canada	8,680,122	+2.4%

Source: ACI

TOURISM NUMBERS IN THE SPOTLIGHT

Tourism is one of the key drivers of global travel, helping to provide the customer base for travel retail worldwide. Here we feature the latest numbers from the UN World Tourism Organization.

International tourist arrivals increased by +5% in 2013 to 1,087 million, according to the UN World Tourism Organization (UNWTO) – an uplift which was mirrored by +5% growth in international tourism receipts, to US$1,159 billion. The strongest absolute growth was seen in Europe, where an increase of +5.4% meant 29 million more international arrivals than in the previous year. That increase was double the region's average +2.5% growth over the preceding seven years.

The strongest proportional growth, however, was in Asia Pacific where arrivals rose by +6% to 248.1 million. Tourist arrivals to Africa increased by +5% to 56 million and the Americas saw an additional 5 million visitors (+3%). Worldwide, this growth looks set to continue with increases of +4% to +4.5% projected for 2014.

Southeast Asia enjoyed the fastest growth in tourist arrivals in 2013, with a +10.5% year-on-year increase to 93.1 million. Arrivals to Central/Eastern Europe rose by +6.5% to 118.9 million, and South Asia and North Africa both welcomed +6.1% more tourist arrivals than in the previous year (15.5 million and 19.6 million respectively).

By country, France leads in international tourist arrivals with 83 million visitors in 2012 (2013 numbers are yet to be reported), and ranks third in international tourism receipts, which totalled US$56 billion in 2013. The USA takes second place for arrivals (70 million) but is first in receipts (US$140 billion).

Spain remains the second-largest earner worldwide with tourism receipts of US$60 billion, and is thus the number one earner in Europe. It takes third place in terms of international tourism arrivals for 2013 with 61 million visitors, while China takes fourth place for both rankings with 56 million arrivals and receipts of US$52 billion.

International tourist arrivals 2012*

	COUNTRY	INTERNATIONAL TOURIST ARRIVALS 2012
1	France	83,000,000
2	USA	66,700,000
3	China	57,700,000
4	Spain	57,500,000
5	Italy	46,400,000
6	Turkey	35,700,000
7	Germany	30,400,000
8	UK	29,300,000
9	Russian Federation	25,700,000
10	Malaysia	25,000,000
11	Austria	24,200,000
12	Hong Kong	23,800,000
13	Mexico	23,400,000
14	Ukraine	23,000,000
15	Thailand	22,400,000
16	Canada	16,300,000
17	Greece	15,500,000
18	Poland	14,800,000
19	Saudi Arabia	14,300,000
20	Macau	13,600,000

*The latest year for which full-year country figures are available
Source: UNWTO

Tourist arrivals and receipts by region, 2013 vs 2012

REGION	TOURIST ARRIVALS 2013	TOURIST ARRIVALS 2012	CHANGE ON YEAR	TOURISM RECEIPTS 2013*	TOURISM RECEIPTS 2012*	CHANGE ON YEAR
Europe	**563,441**	**534,376**	**+5.4%**	**489,253**	**454,047**	**+7.8%**
Northern Europe	68,862	65,088	+5.8%	74,210	67,631	+9.7%
Western Europe	174,276	167,193	+4.2%	167,861	157,934	+6.3%
Central/Eastern Europe	118,944	111,655	+6.5%	59,928	56,297	+6.4%
Southern/Med Europe	201,359	190,441	+5.7%	187,254	172,185	+8.6%
Asia Pacific	**248,070**	**233,534**	**+6.2%**	**358,923**	**329,090**	**+9.1%**
Northeast Asia	127,015	122,758	+3.5%	184,670	167,206	+10.4%
Southeast Asia	93,068	84,231	+10.5%	107,396	96,013	+11.9%
Oceania	12,484	11,926	+4.7%	42,554	42,952	–0.9%
South Asia	15,504	14,618	+6.1%	24,304	22,919	+6.0%
Americas	**167,940**	**162,721**	**+3.2%**	**229,179**	**212,911**	**+7.6%**
North America	110,091	106,404	+3.5%	171,044	156,360	+9.4%
Caribbean	21,229	20,730	+2.4%	24,828	24,201	+2.6%
Central America	9,192	8,860	+3.7%	9,380	8,723	+7.5%
South America	27,429	26,727	+2.6%	23,927	23,626	+1.3%
Africa	**55,799**	**52,948**	**+5.4%**	**34,216**	**34,325**	**–0.3%**
North Africa	19,582	18,464	+6.1%	10,235	10,018	+2.2%
Sub-Saharan Africa	36,217	34,484	+5.0%	23,981	24,307	–1.3%
Middle East	**51,571**	**51,684**	**–0.2%**	**47,276**	**47,462**	**–0.4%**

***US$ millions**
Source: UNWTO Tourism Highlights, 2014 Edition

Italy is the fifth most popular destination with 48 million tourist arrivals in 2013, and ranks sixth in tourism receipts which totalled US$44 billion. Turkey remains sixth in arrivals and 12th in receipts. Germany and the UK are seventh and eighth in terms of arrivals, but each moved down one place in terms of earnings to eighth and ninth respectively. The Russian Federation ranks ninth in terms of arrivals, followed by Thailand which welcomed 27 million visitors in 2013 (an increase of +19%). Thailand moved up two places in the international receipts ranking to seventh place: receipts rose by +23% to US$42 billion.

UNWTO reports that just over half of travellers arrived at their destination by air in 2013 (53%). Travel for leisure accounted for 52% of international tourist arrivals, compared with 14% of trips undertaken for business and professional purposes.

FORECASTING FUTURE TRAFFIC GROWTH

A review of the latest passenger traffic forecasts worldwide and by major region, courtesy of Airports Council International.

Over the next two decades global air traffic growth is expected to average +4.1% per annum, according to Airports Council International (ACI). Domestic passenger numbers will increase by +4.1% compared to international traffic growth at +4.3% per year. Total numbers are forecast to climb above 12 billion by 2031, with domestic markets (at 7.2 billion) remaining larger than international, which will account for more than 5 billion travellers.

Crucially, Asia Pacific is set to become the world's largest aviation market, overtaking Europe. China and India are expected to lead growth in the region while North America and Europe, currently the two largest aviation markets, are considered more mature and will continue to see slower growth rates.

Average annual growth in Asia Pacific to 2031 will be +6%, the highest of all regions, though even this strong rate will be slower than the expected average yearly growth of over +7% through to 2016, says ACI.

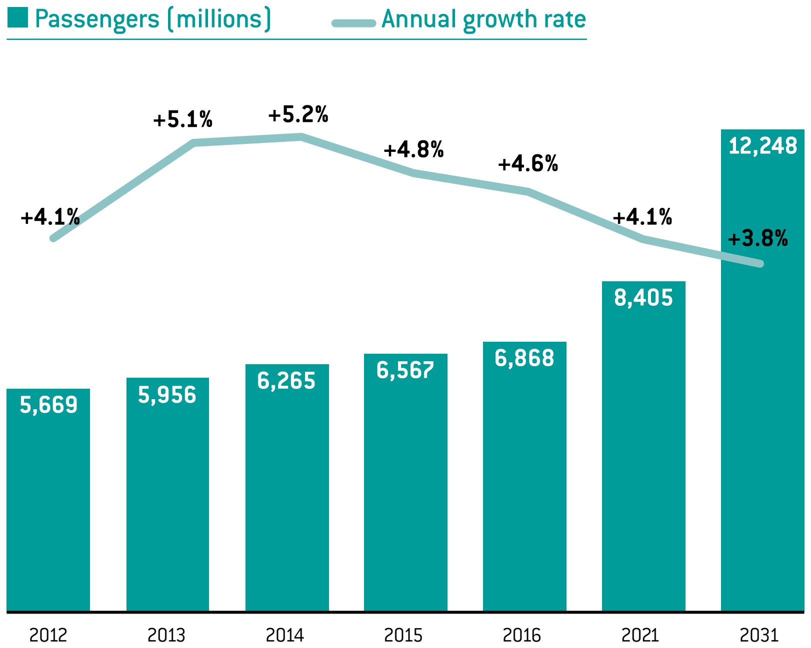
At growth rates of +5.2% and +5.1% respectively, Latin America/Caribbean and Middle East will be the next fastest regions measured by their annual growth rates to 2031. As with Asia Pacific (see table), their rates of increase will slow in the second decade of the forecast period, though they will remain robust.

Among other regions, Africa's emergence as an aviation force will strengthen with average annual passenger rises of +5% (+5.7% through to 2016), although this comes off a much lower base than any other market.

The mature markets of Europe and North America will post increases of +2.9% and +2% respectively, as they are challenged by the rapid surges of today's emerging economies.

With the exclusion of Asia Pacific and Latin America/Caribbean, international growth will outperform domestic growth in all regions over the next 20 years (even if volumes in the latter channel remain ultimately larger), according to ACI.

Global passenger traffic growth to 2031



Source: ACI,DKMA

Projected passenger growth by region to 2031

	2012	2013	2014	2015	2016	2021	2031	2011–2016	2011–2031
Africa	4.8%	6.2%	6.2%	5.7%	5.5%	5.1%	4.7%	5.7%	5.0%
Asia/Pacific	7.0%	7.7%	7.6%	7.3%	7.1%	6.1%	5.4%	7.3%	6.0%
Europe	2.0%	3.6%	4.2%	3.7%	3.4%	3.1%	2.5%	3.4%	2.9%
Lat America/Caribbean	5.3%	6.8%	6.4%	6.0%	5.5%	5.2%	4.8%	6.0%	5.2%
Middle East	7.0%	7.3%	6.3%	5.7%	5.3%	5.0%	4.6%	6.3%	5.1%
North America	2.6%	2.8%	2.9%	2.5%	2.3%	2.0%	1.8%	2.6%	2.0%
World	4.1%	5.1%	5.2%	4.8%	4.6%	4.1%	3.8%	4.8%	4.1%

Source: ACI, DKMA

The potential for domestic traffic growth is very high in Asia Pacific: several of the region's economies are emerging economic powerhouses with large territories and limited alternative modes. It is anticipated that these countries will develop their domestic markets before seeing growth on international routes.

Economic and demographic development in emerging markets will influence medium-term improvements, while in mature markets recovery is likely to remain fragile owing to factors such as limited job creation and government debt levels. The trend towards liberalisation and the development of low-cost carriers will continue to aid recovery, and although fuel prices remain a concern ACI anticipates healthy average annual growth over the long term.

World air traffic development 2011–2031

Passengers (millions)	2011	2012	2013	*2014	*2015	*2016	*2021	*2031	Share 2021	Share 2031
Africa	153	160	170	181	191	202	258	410	3.1%	3.3%
Asia Pacific	1,558	1,667	1,796	1,932	2,072	2,218	2,978	5,042	35.4%	41.2%
Europe	1,572	1,604	1,662	1,732	1,797	1,857	2,162	2,778	25.7%	22.7%
Latin America/Caribbean	410	431	461	490	520	548	705	1,132	8.4%	9.2%
Middle East	222	237	255	271	286	302	385	605	4.6%	4.9%
North America	1,530	1,569	1,613	1,659	1,701	1,740	1,917	2,282	22.8%	18.6%
World	**5,445**	**5,669**	**5,956**	**6,265**	**6,567**	**6,868**	**8,405**	**12,248**	**100.0%**	**100.0%**

*Projected
Source: ACI, DKMA