

Duty-Free Market: Tracking the Post-Covid Traveler



MIDDLE EAST AND AFRICA DUTY-FREE ASSOCIATION (MEADFA) CONFERENCE

GHANA ACCRA

2023

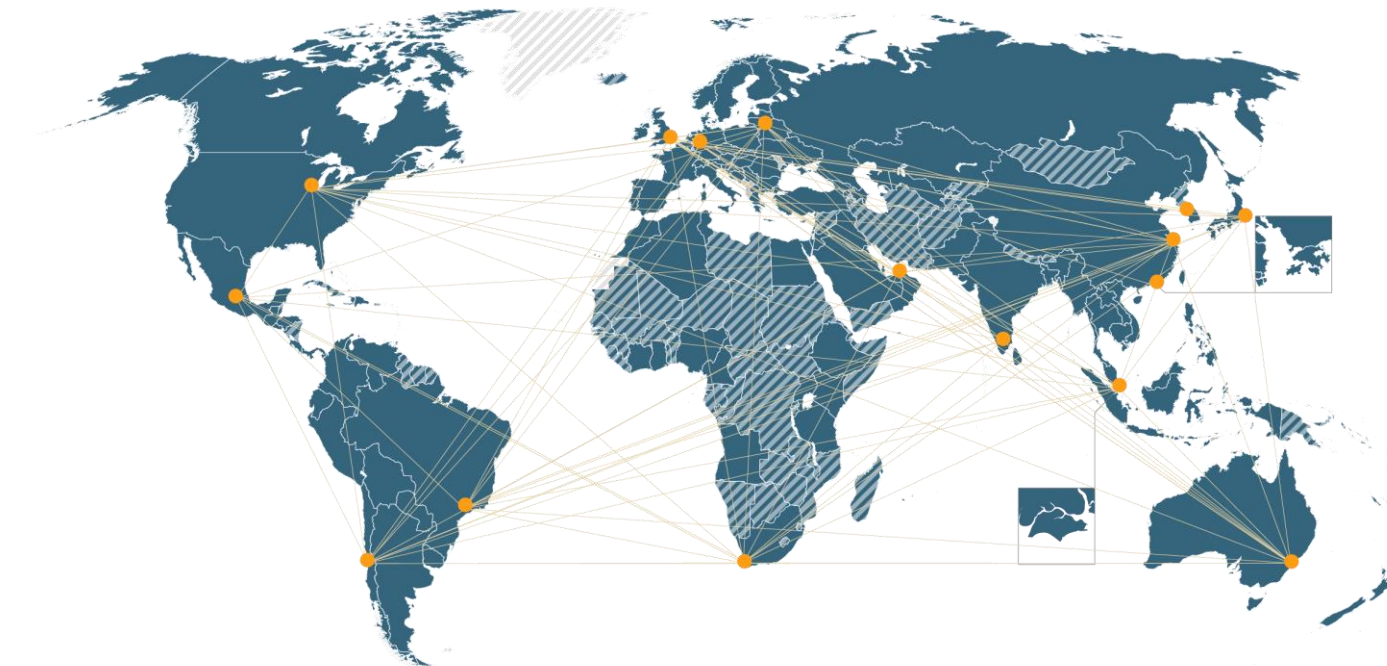
Christy Tawii, Euromonitor International





About Euromonitor International

Euromonitor International Network and Coverage



16 OFFICES

- | | |
|-----------|-------------|
| London | Tokyo |
| Chicago | Sydney |
| Singapore | Bangalore |
| Shanghai | São Paulo |
| Vilnius | Hong Kong |
| Santiago | Seoul |
| Dubai | Düsseldorf |
| Cape Town | Mexico City |

100 COUNTRIES

in-depth analysis on consumer goods and service industries

210 COUNTRIES AND TERRITORIES

+ demographic, macro- and socio-economic data on consumers and economies

Who is Euromonitor International



Making
sense of
global
markets

Our market research solutions
connect your organisation's goals
with global opportunities.

OUR SERVICES

Syndicated market research
Consulting

EXPANSIVE NETWORK

1,000+ on-the-ground researchers
in 100 countries

Complete view of the global
marketplace

Cross-comparable data across
every market

OUR EXPERTISE

FMCG products and trends

Consumer trends and lifestyles

Companies and brands

Product categories and distribution
channels

Production and supply chains

Economics and forecasting

Online pricing data

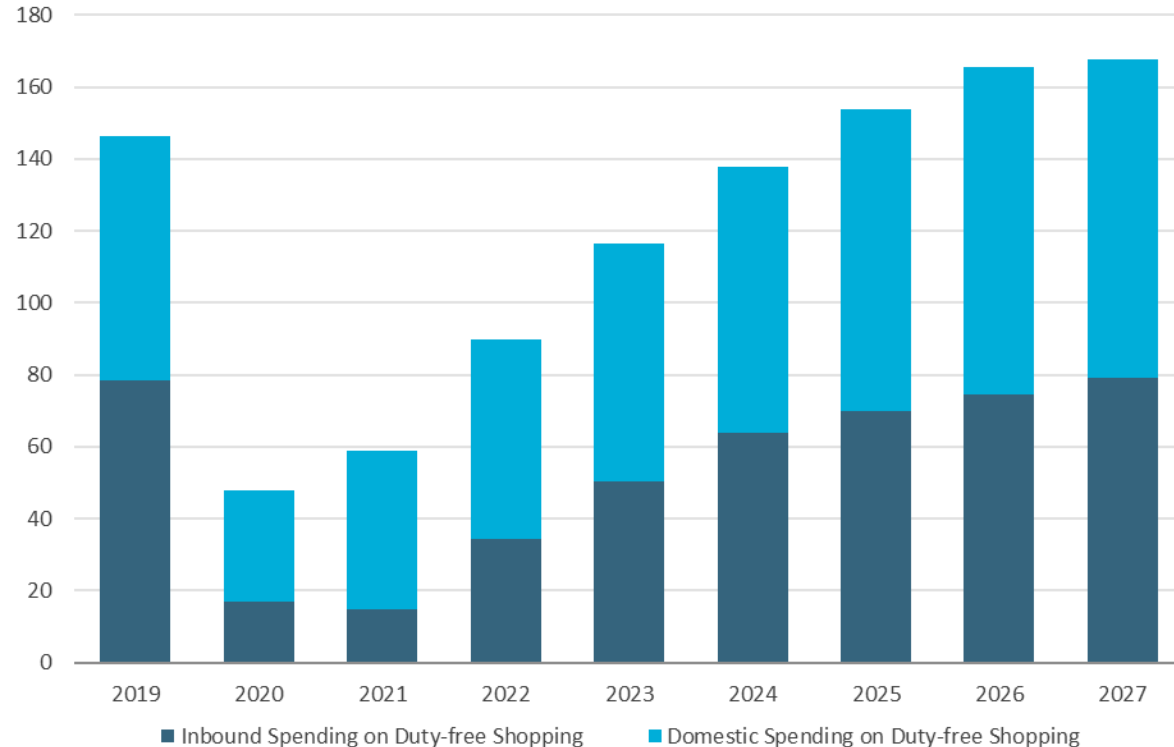


Global and Regional Overview

Global Duty-free Sales Set For Recovery By 2025

World Spending on Duty-Free Shopping 2019-2027

USD billion, constant 2022 rsp



Source: Euromonitor International

Amid the COVID-19 peak, global duty-free sales declined by

67%

U\$168 bn

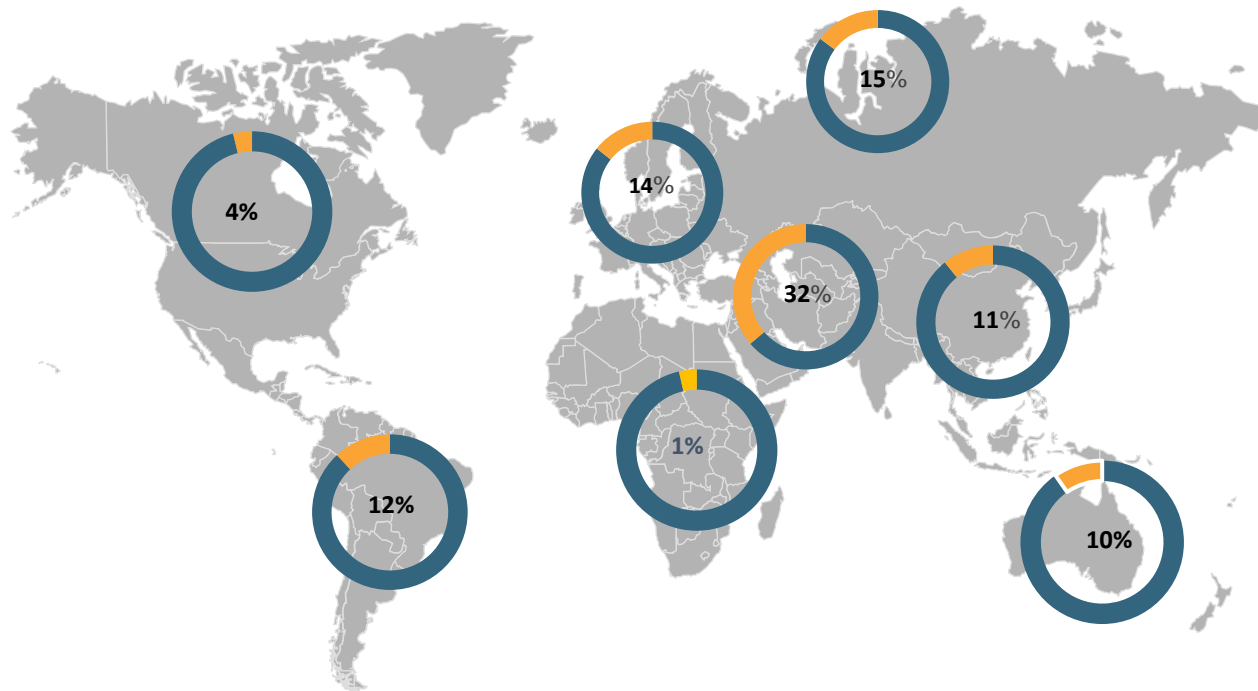
By 2027, overall spending on duty-free forecast to reach (international and domestic combined)

15%

Above its pre-crisis levels – with a return to 2019 levels expected by 2025

Duty-Free Shopping Penetration Varies By Market, With Africa Lowest At 1%

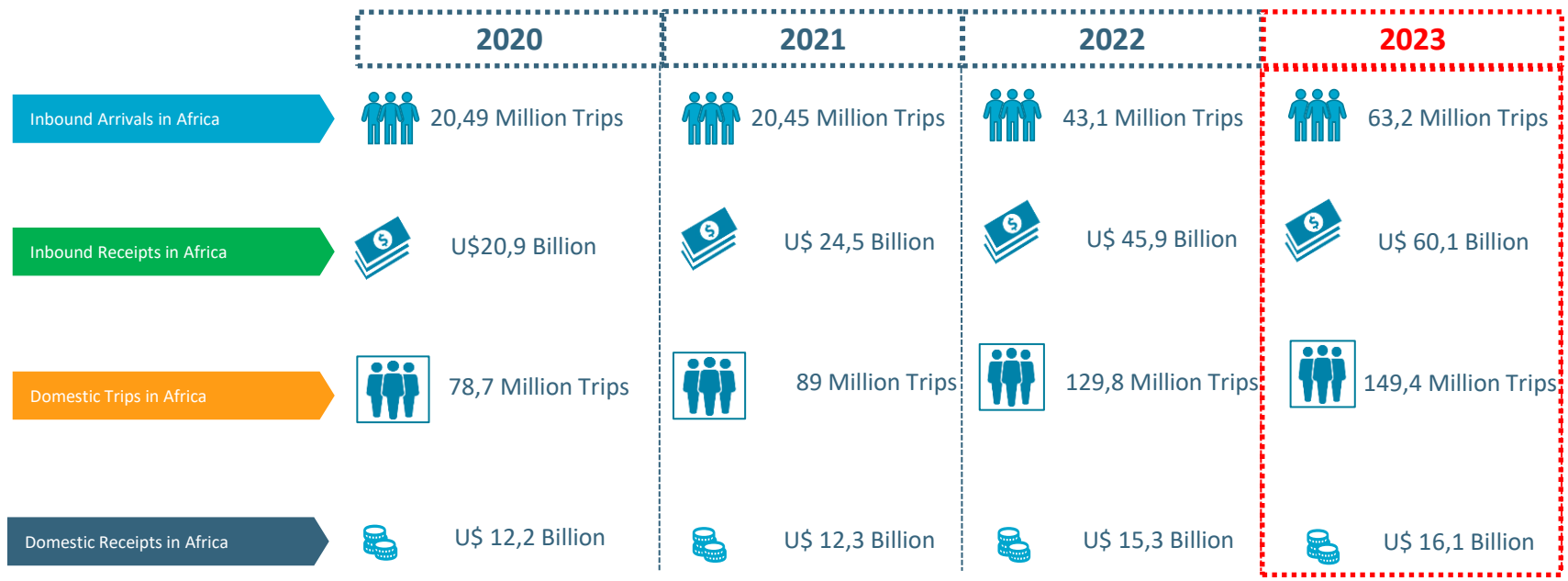
Retail Shopping vs Duty-Free (2023)



 % Retail Shopping

 % Duty-Free

Return of Travel In Africa Expected To Benefit Travel Retail And Duty-free Shopping



Inbound spending increased by more than 88% in 2022

Pent-up demand powers recovery

Domestic receipts recorded growth of 25%



African Shopping Habits

Value Share Of Top 3 Activities For In-destination Spending In Africa

Shopping

30%



Source: Unsplash

Food & Dining

18%



Attractions

7%



Euromonitor's *Global Consumer Lifestyle* survey, indicates that 13% of travelers identified shopping as one of the top 10 features they seek in a destination

Africa's Diverse Consumer Profile Has A Significant Impact On Spending



Discreet Old Money



Aspirational



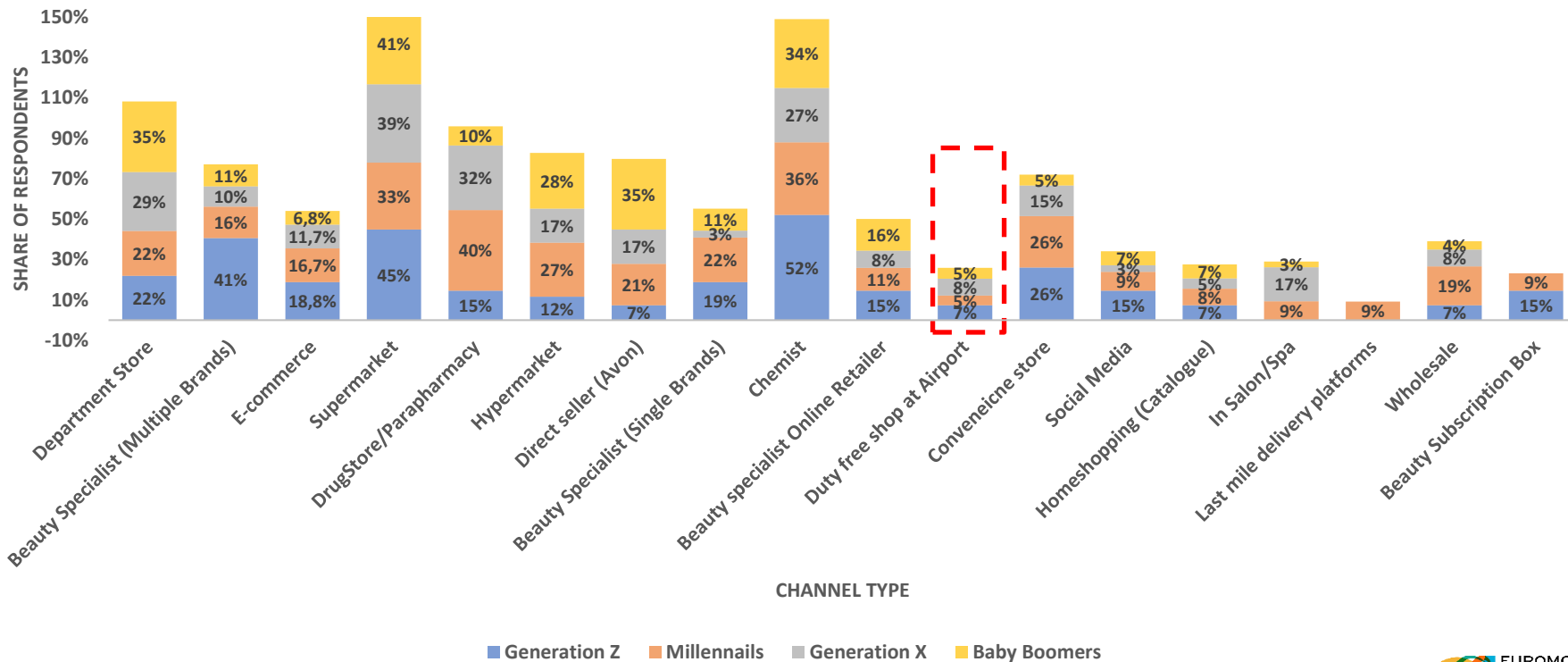
Frequent Traveller



Nouveau Rich

Path to Purchase Across Age Generations Varies by Product and Channel

Fragrances Path to Purchase in South Africa (2023)





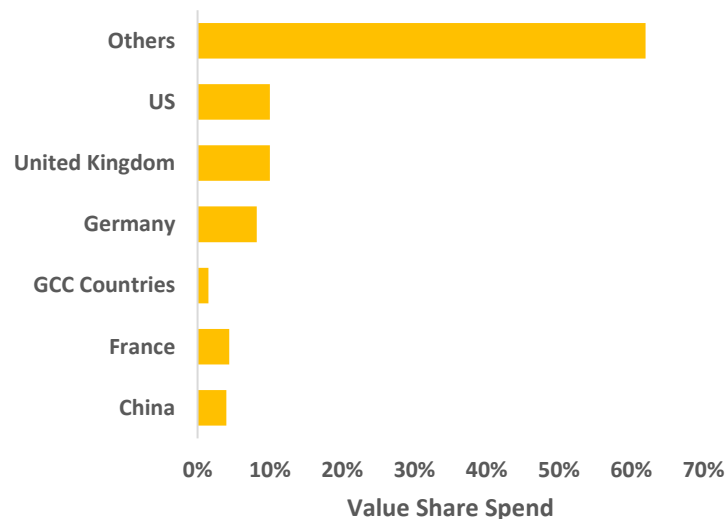
Duty-Free in Africa

Growing Demand For Luxury Goods Creates Opportunities For Local And International Brands

Destinations: Top Source Markets in Spending 2023

| Destination | No 1 Source Market Region | No 2 Source Market Region | No 3 Source Market Region |
|--------------|---|---------------------------|---|
| Egypt | Western Europe: Germany | Middle East: Saudi Arabia | North America: US |
| Morocco | Western Europe: France, Spain, United Kingdom | North America: US | Asia Pacific: China |
| Kenya | North America: US | Africa: Tanzania, Uganda | Western Europe: United Kingdom |
| South Africa | Africa: Zimbabwe, Lesotho, Mozambique | North America- US | Western Europe: United Kingdom, Germany |

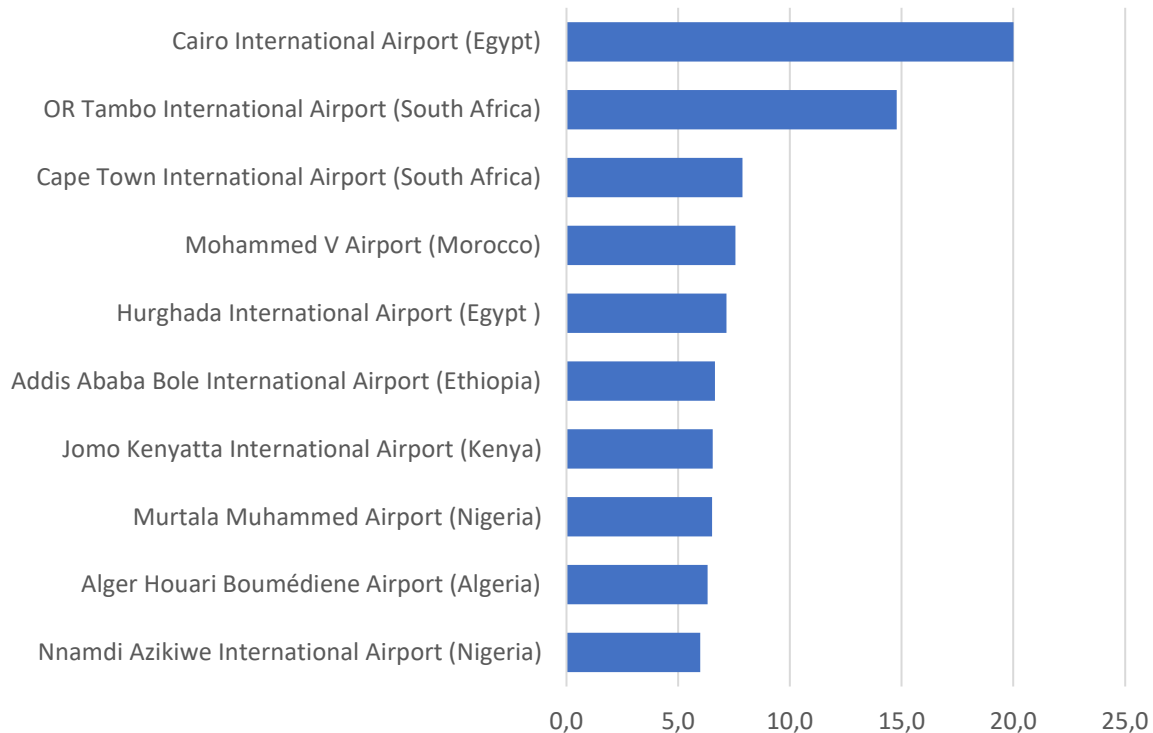
Value Share of International Spend by Country (Luxury Goods)- South (2022)



The New World Wealth 2023 reports that countries such as South Africa, Egypt, Nigeria, Kenya and Morocco have approximately 138,000 high-net-worth individuals, which include 328 centimillionaires and 23 billionaires living in these markets, representing a significant portion of Africa's affluent population

Busiest Airports Are Driving Regional Growth

Top 10 African Airports By Passenger Traffic (Millions)- 2022



Source: Airports Council International

178 million

Passengers passed through African airports
in 2022

70%

Of Inbound air passengers are regional
tourists

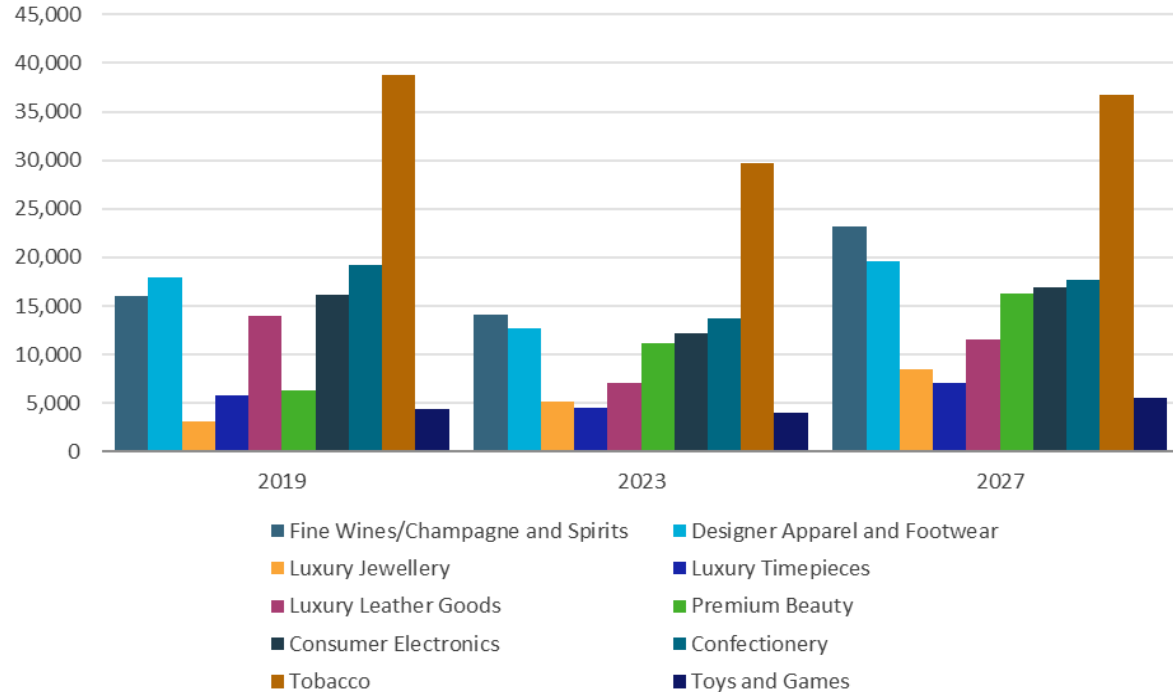
40%

Investments in Africa in 2022 are greenfield
airport projects

Leading Product Categories in African Airports

Duty-Free Shopping by Product Category 2019/2023/2027

USD million, constant 2022 rsp



Popular Categories By Value in Africa (2022)



Tobacco



Alcoholic Drinks



Beauty and Personal Care



Fashion and Personal Accessories



Confectionery

Source: Euromonitor International from Passport Industries

Duty-Free Dynamics In Africa



Limited Stores and Space



Limited Product and Brand Availability



Price Perception

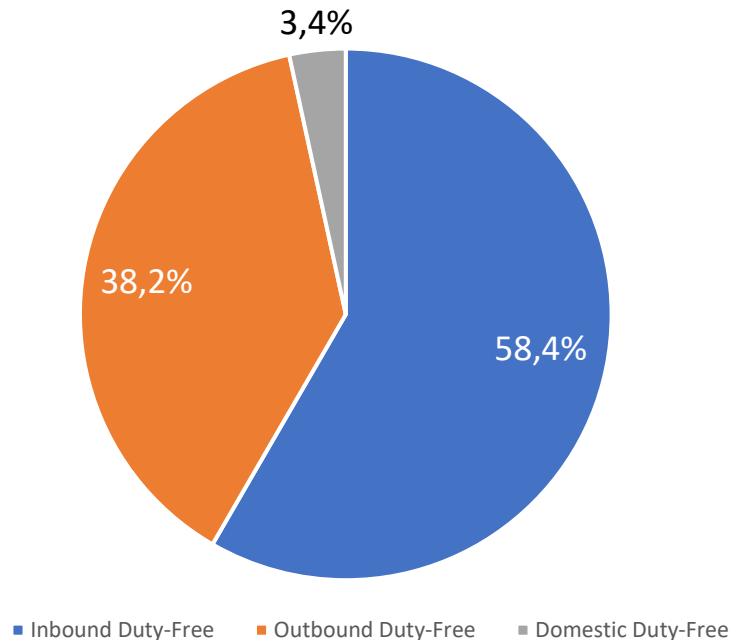


Low Spend Per Passenger



Consumer Sophistication

Duty-Free Shopping Value Share in Africa (2023)



Source: Euromonitor International



Opportunities/Looking Ahead

Emerging Technologies Continue To Show Promise And Potential



2%

Share of e-commerce in Africa in 2022
out of total retail sales

60%

Of the population are Gen Y and Z
customers expect an omnichannel
option

Source: Euromonitor International Passport Retail, 2023
Edition

Diversify and
Inclusivity



Brand Recognition



Experiential
product offer



Digitalisation and
Innovation



Value-Offering



Collaborative
Innovation



Thank you

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