

# Current Problems Future Solutions

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# Protect Industry Integrity



# Current Challenges



# WHO – FCTC

## Framework Convention on Tobacco Control

- Abolition of Duty Free a long term target
  - Protocol on Illicit Trade
  - Price and Taxation Policies
- Ongoing challenge
- Risk of campaign fatigue

# Tobacco

*“key product for duty free”*

- Tobacco key footfall driver
- Duty free less than 1% of tobacco market
- Airport retail can contribute up to 50% of airport revenues

# WHO – FCTC Illicit Trade Protocol



# WHO – FCTC Price & Taxation Policies



# Tobacco display bans

- Tobacco Display Bans

- Ireland – duty free sales down 35%
- EU now considering blanket display ban
- Countries across the world proposing similar legislation

- Concerted Industry Action Needed

**ETRC Leading European Response**



# Airlines

## One Bag Rule

- Low cost airlines
- 1 Carry on bag per passenger
- Creates consumer confusion
- Up to 40% drop in sales

# One Bag Rule : Spirit Airlines

## CARRY-ON\*

 <p>Only 1 per seat purchased. Must fit in the overhead bin.</p> <p><b>22 x 18 x 10"</b> (56 x 46 x 25cm)</p>	ONLINE (MEMBER) <b>\$9 Fare Club</b>	ONLINE (NON-MEMBER) PHONE OR CHECK-IN	GATE
	<b>\$20</b>	<b>\$30</b>	<b>\$45</b>
<b>DOMESTIC &amp; INTERNATIONAL <sup>1</sup></b>			

# Airport Security LAGs



- Challenge in communicating to traveller

# Future Solutions

# Duty Free Uniqueness Acknowledged

- Governments recognise unique nature of duty free retailing

## Exemption to Tobacco Display Ban

- Canada, Mauritius, Poland

## Tobacco Display Areas

- United Kingdom

# Espace Voyageur

*“A unique market requires unique rules”*

## Challenge: Domestic & EU regulation

- Excessive requirements on suppliers and operators impede trade

## Solution: Espace Voyageur

- Simplified system in duty free outlets
- Part of French Commercial Code

# Meeting the Challenges: Industry Cooperation

## Unified Industry

- Manufacturers, Retailers and Airport Operators
- Develop partnerships

## A vision for the future of the industry

- Duty Free at the heart of international travel
- The vital role of duty free & travel retail

# Summary

- Ongoing Challenges
- Concerted industry action needed
- Maintain the integrity of the duty free and travel retail industry
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# Thank You

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