

Insights in the State of the Duty- and Tax-free Industry

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THE ACI EUROPE COMMERCIAL & RETAIL CONFERENCE 2024
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OUR MISSION: CREATE THE REGULATORY ENVIRONMENT TO ALLOW THE EUROPEAN DUTY FREE AND TRAVEL RETAIL INDUSTRY TO FLOURISH AND PROTECT IT WHEN CHALLENGES ARISE.



Association members

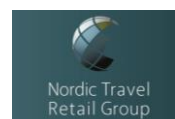
NATIONAL



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WORLDWIDE



Corporate members



The ETRC Index: H1 & Q2 2024

Methodology

Data Inputs

Retailer EPOS Sales

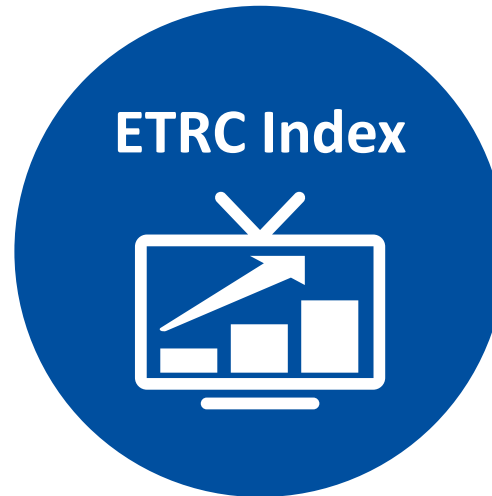
Value in € and Units from retailers operating the Duty Free stores & covering 225 European Airports

Coverage

The Index covers airports responsible for approximately 90% of European International traffic

Passengers (PAX)

PAX data is powered by ForwardKeys Traveller Statistics Tool, covering Total Air Market estimates for 849 European Airports



EPOS History & Granularity

Data provided on a monthly basis by category, aggregated to a total European level

Research Science

Proven methodology to project the sales to cover the remaining airports. Confidence interval of 97% for overall results

Reporting Period

The index presented covers the period of 2017 to Q2 2022 with data reported at an annual and quarterly level



Coverage & Definitions

Areas covered

- Airside Airport Retail
- Net retail sales from Duty Free stores & other stand-alone stores operated by the Duty Free retailers

Areas not covered

- Landside Airport Retail
- Other Travel Retail channels
- Other stand-alone airside retail stores not operated by the Duty Free retailers



Beauty

Skincare, make-up, fragrance & others



Liquor

Spirits, wine (still & sparkling) & others



Food

Confectionery & fine foods



Tobacco

Cigarettes, cigars, electronic cigarettes, smoking accessories



Fashion & Accessories

Clothing, bags, shoes, purses, hats, scarves, ties, sunglasses , W&J



Others

Any other Duty Free retail sales falling outside the above categories



Geography

Northern	Southern	Eastern	Western
UK	Spain	Russia	Germany
Ireland	Turkey	Czech Rep	Netherlands
Norway	Greece	Hungary	Belgium
Iceland	Croatia	Bulgaria	Luxembourg
Lithuania	Serbia	Georgia	France
Denmark	Italy	Poland	Switzerland
Sweden	Portugal	Ukraine	Austria
Finland	Cyprus	Romania	
Latvia	Malta	Belarus	
Estonia	Albania	Armenia	
Faroe Islands	Slovenia	Slovakia	
	Montenegro	Azerbaijan	
	Monaco	Moldova	
	Macedonia		
	Bosnia & Herze.		
	Gibraltar		

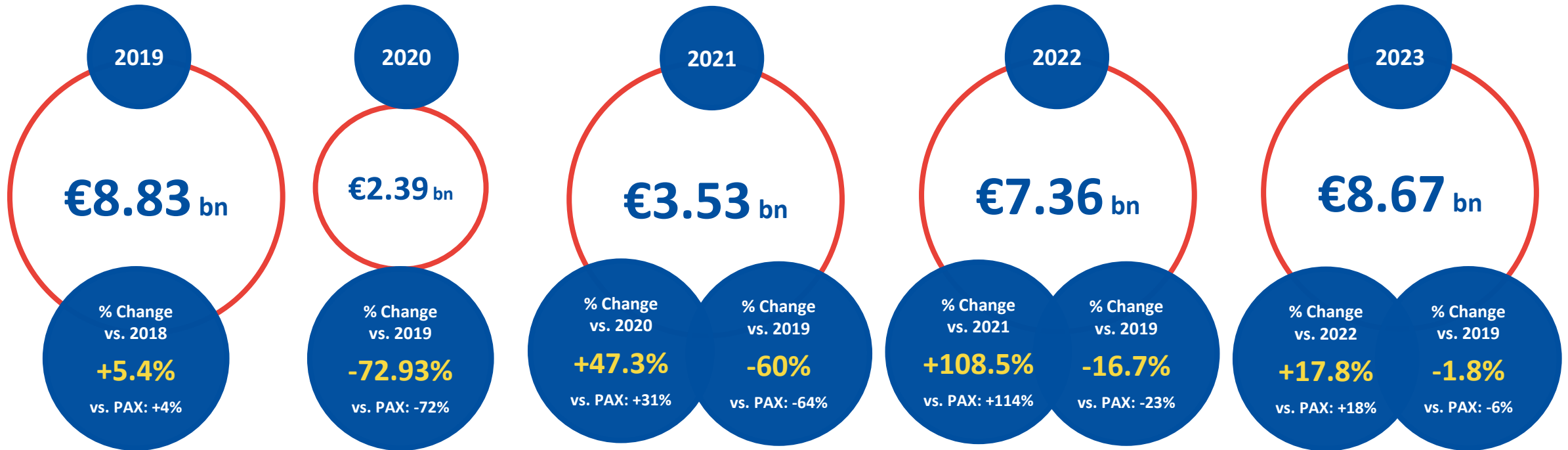


Source: ForwardKeys Traveller Statistics currently covering 849 European airport locations
 Note: PAX coverage increased to international PAX across 849 European airport locations as of Q2 2022

The ETRC Index

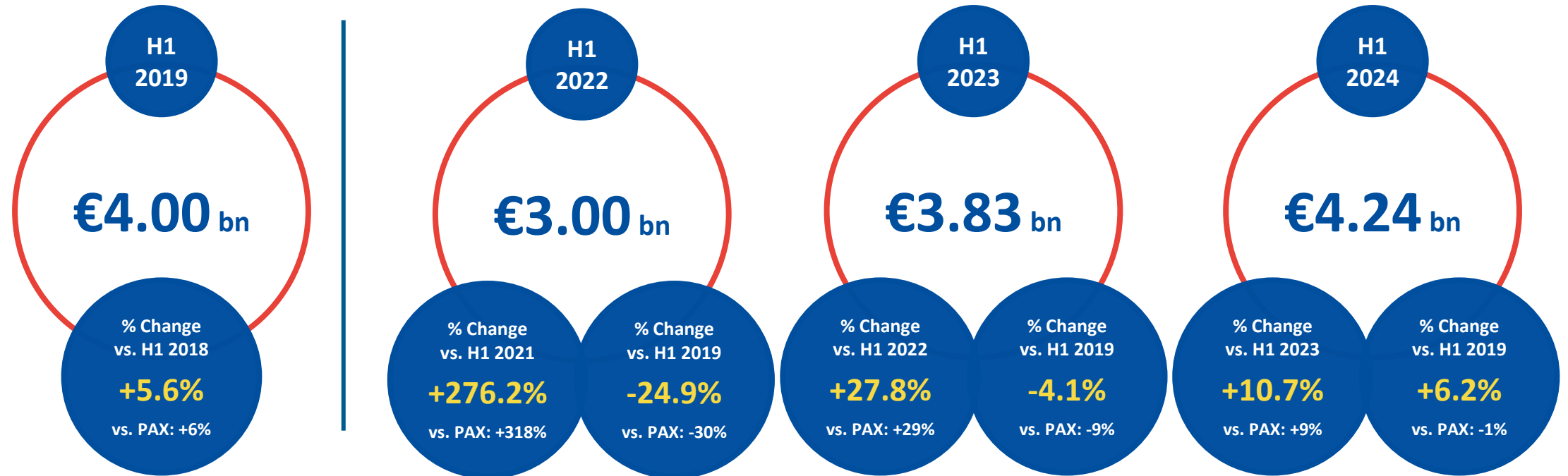
Market Overview

Value Sales: Full Year Performance 2019 – 2023



Source: Retailer EPOS data & ForwardKeys Traveller Statistics
PAX based on Total International Departing PAX from 849 European Airports

Value Sales: First Half Performance 2019 - 2024

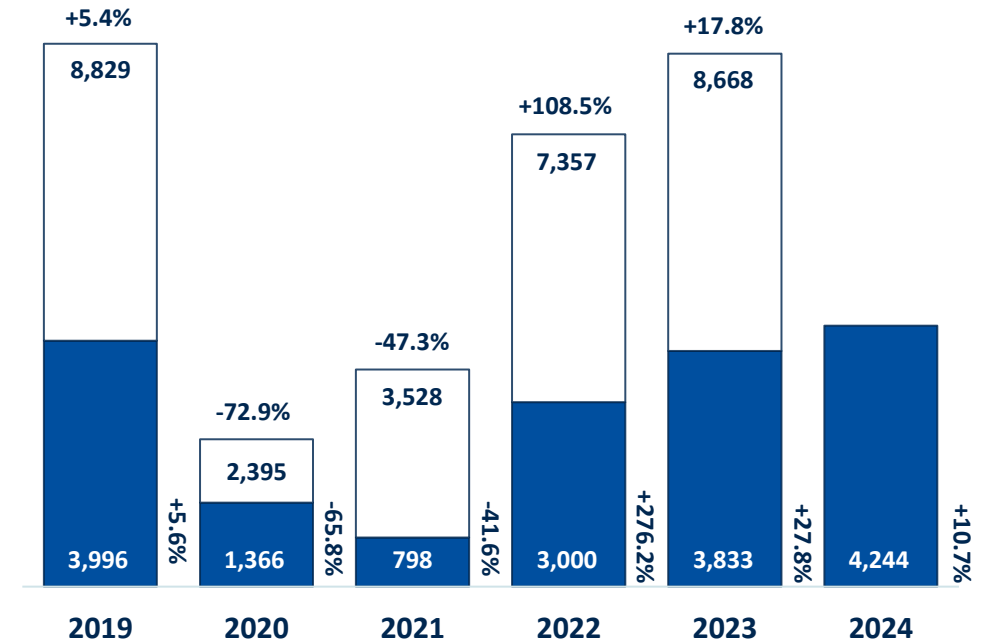


Source: Retailer EPOS data & ForwardKeys Traveller Statistics
PAX based on Total International Departing PAX from 849 European Airports
H1 = First Half Year (January – June)

Passenger, Unit & Value Sales: Annual Performance

	FY 2019		FY 2022			FY 2023			H1 2024		
	2019 Actual	% Change vs. 2018	2022 Actual	% Change vs. 2021	% Change vs. 2019	2023 Actual	% Change vs. 2022	% Change vs. 2019	H1 2024 Actual	% Change vs. H1 2023	% Change vs. H1 2019
€ (Bn)	8.83	5.4	7.36	108.5	-16.7	8.67	17.8	-1.8	4.24	10.7	6.2
Units (Mn)	515.9	4.6	400.1	101.4	-22.4	446.1	11.5	-13.5	209.7	6.0	-9.6
PAX (Mn)	903.7	5.0	699.8	114.0	-22.6	840.4	20.1	-7.0	410.9	8.7	-1.4

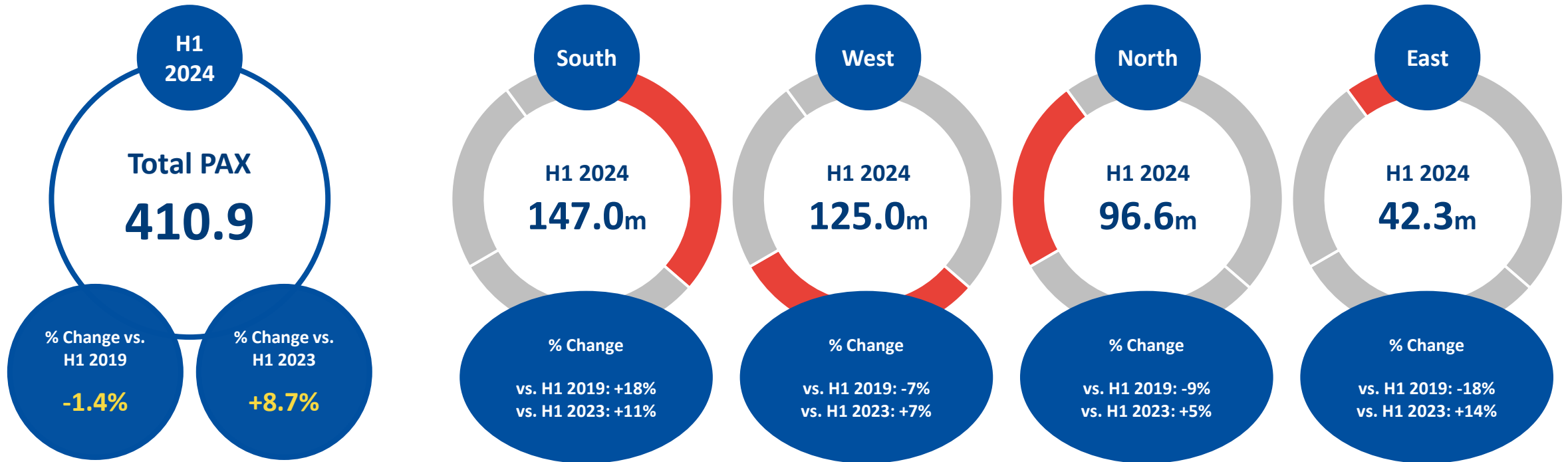
Value Sales (Mn): YTD H1 & Full Year Change



Source: Retailer EPOS data & ForwardKeys Traveller Statistics
 PAX based on Total International Departing PAX from 849 European Airports
 H1 = First Half Year (January – June)
 FY = Full Year (January – December)

Source: Retailer EPOS data
 White Bar – Full Year Actual Value Sales & % Change vs. previous year
 Blue Bar – YTD H1 Actual Value Sales & % Change vs. previous year

International Departing PAX from European Airport Locations



Source: ForwardKeys Traveller Statistics
PAX based on Total International Departing PAX from 849 European Airports
H1 = First Half Year (January – June)

Category Value & Share of Total Sales: H1 2019 – H1 2024

	Beauty		Tobacco		Liquor		Food		Fashion		Others	
	Total Sales (€M)	Share of Sales	Total Sales (€M)	Share of Sales	Total Sales (€M)	Share of Sales	Total Sales (€M)	Share of Sales	Total Sales (€M)	Share of Sales	Total Sales (€M)	Share of Sales
H1 2019	1,591.6	39.8%	588.8	14.7%	700.9	17.5%	529.1	13.2%	457.9	11.5%	127.7	3.2%
H1 2022	1,107.2	36.9%	552.1	18.4%	532.2	17.7%	392.9	13.1%	336.9	11.2%	79.0	2.6%
H1 2023	1,443.6	37.7%	648.3	16.9%	647.4	16.9%	531.5	13.9%	450.4	11.7%	112.0	2.9%
H1 2024	1,612.1	38.0%	765.2	18.0%	668.5	15.8%	583.0	13.7%	495.0	11.7%	120.3	2.8%



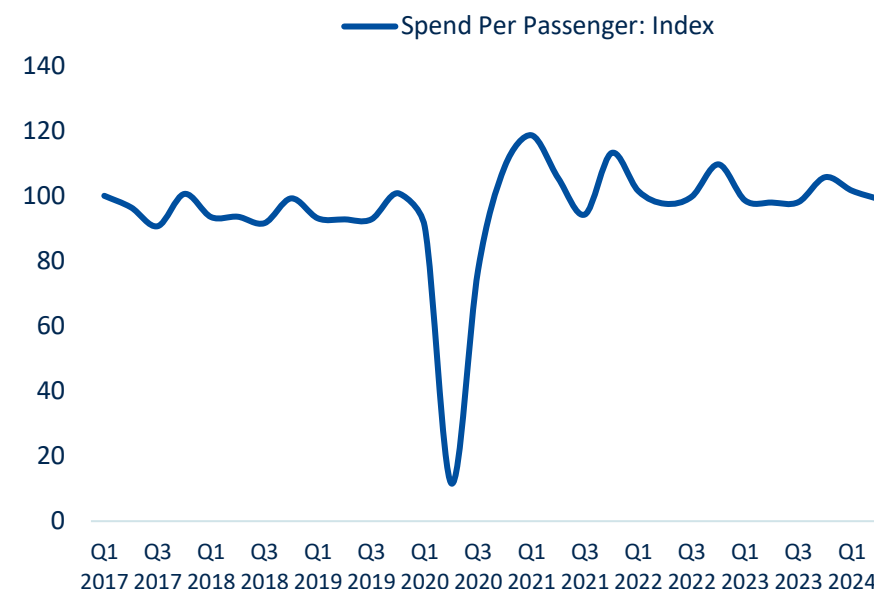
Source: Retailer EPOS data
H1 = First Half Year (January – June)

Actual Spend Per Passenger & Percentage Change: 2019 – 2024

	FY 2019		FY 2022			FY 2023			H1 2024		
	Actual Spend per PAX (€)	% Change vs. 2018	Actual Spend per PAX (€)	% Change vs. 2021	% Change vs. 2019	Actual Spend per PAX (€)	% Change vs. 2022	% Change vs. 2019	H1 2024 Actual	% Change vs. H1 2023	% Change vs. H1 2019
Spend per PAX	9.77	+0.4	10.51	-2.6	+7.6	10.31	-1.9	+5.6	10.33	+1.9	+7.7

	2019	2020	2021	2022	2023
% Average European Inflation*	0.3	2.6	8.4	5.5	2.5

Spend Per PAX: Performance Index



Source: Retailer EPOS data & ForwardKeys Traveller Statistics

PAX based on Total International Departing PAX from 849 European Airports

H1 = First Half Year (January – June) / FY = Full Year (January – December)

Inflation Source: www.inflation.eu *Inflation figures based on harmonised consumer price index (HICP) published by Eurostat to compare inflation across 24 EU & Non-EU European countries

Summary of Key Findings

- The European Airport Duty Free channel performed well during Q2 2024 with total value sales growth of a further 2% on 2019 levels, taking the **total H1 2024 performance to €4.24 billion, the equivalent to growth of 6.2% on H1 2019 levels.**
- However, **unit sales continue to lag behind value sales and PAX**, with total H1 unit sales of 209.7 million, the equivalent of -9.6% down on H1 2019.
- **Spend per PAX continues to show a positive trend on both H1 2019 and H1 2023**, with growth in the first half of 2024 of 1.9% and 7.7% respectively.
- The majority of individual categories continue to perform well from a value sales perspective, with **H1 sales for Beauty, Tobacco, Food and Fashion all increasing on H1 2019 levels.** The Liquor category however, continues to be down compared to pre-pandemic levels.
- **2024: The year of full recovery and growth for the European Airport Duty Free channel.**



Regulatory trends: what to watch for in 2025?



Commercial opportunities and regulatory threats

- **Arrivals Duty and Tax-Free** remains a strategic objective, pending EU VAT Travel & Tourism Package or EU regulatory sandbox (*real-life test for a specific length of time in controlled environment*).
- **Sustainability:** how can we better work together as airports, Travel Retail operators and manufacturers to meet the regulatory obligations while preserving innovation and uniqueness of our 'value chain' (*Packaging and Packaging Waste Regulation (PPWR), Scope 3 emissions*).
- **Threats to Duty Free are threats to airport revenue:**
 - Reduction / restriction of personal inbound duty-free allowances for tobacco products (*recent examples in Norway and Israel*) -> halo effect on entire shopping basket.
 - Restrictions on in-store placement, promotions, advertising, labelling across multiple categories (Alcohol; Food & Confectionery...).
 - ITP/MOP4 in November 2025: Fourth Meeting of the parties of the WHO Protocol to Eliminate Illicit Trade in Tobacco Products (*WHO expected to advocate for ban on sale of duty-free cigarettes*).

Our industry's strengths

Global Reach

Local Influence



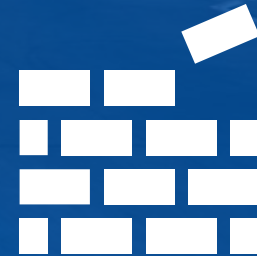
Small but agile



Strength of associations



Global footprint



Build a culture of collaboration

Thank You!

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