

Retail revenue growth boosts Heathrow Airport last year

London Heathrow International Airport has reported a retail revenue increase of 7.7% to £659m (\$915m) in the year ended 31 October 2017. Retail revenue per passenger grew 4.5% to £8.45 in 2017 compared to £8.09 in 2016. Total revenue in the period rose 2.7% to £2.9bn.

Speaking to *TRBusiness* last October, Heathrow Airport Retail & Service Proposition Director Chris Annetts correctly indicated the airport was on target to “deliver or exceed” predicted year-on-year retail income growth of 6.7% to £652m. The target was based on a revised investor forecast last June.

According to the airport, growth in retail income primarily reflected increased passenger traffic in the period to a record 78 million (+3.1%) combined with greater airside participation (*up two percentage points versus 2016*) and increased retail spend per participating passenger.

Retail concessions grew 10.5%, with particularly strong performance in duty and tax free and airside speciality shops. This reflects the depreciation of Sterling since June 2016. The redevelopment of Terminal Fours luxury retail offering completed in late 2016, also contributed to this growth. Passengers have benefited from increased space in the immigration hall to ease congestion and the opening of a new Gucci store marking the completion of the luxury retail development.

Heathrow Chief Executive Officer John Holland-Kaye said: “Heathrow had a fantastic 2017—welcoming a record 78 million passengers, giving our best service ever and offering better value for our passengers with lower airport charges.

“But while we are squeezing out small bits of growth, our rivals in France and Germany are overtaking us—for Britain to thrive post-Brexit, the government needs to crack on with Heathrow expansion as quickly as possible with a vote in Parliament before the summer.”



London Heathrow easily eclipsed predicted year-on-year retail income growth in 2017.

Total revenue rose 7.7% to £659m in 2017, while key for Heathrow was the retail revenue per passenger increase from £8.09 in 2016 to £8.45 in 2017.