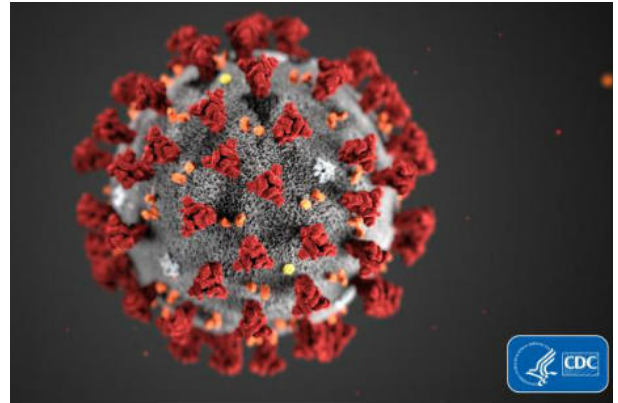


[UPDATED] Covid-19: Travel retailers continue to react swiftly and decisively

DF&TR operators have told *TRBusiness* they are responding quickly and efficiently to protect the welfare of their staff and customers while mitigating against operational impacts in the face of the intensifying novel coronavirus (Covid-19) outbreak.

TRBusiness continues to seek important comment and reaction from the travel retail community and will be updating this story as necessary *[Additional reporting by Charlotte Turner and Andrew Pentol]*.



According to China's state-run news arm Xinhua, 14,840 new confirmed cases and 242 deaths were reported on Wednesday (13 February), a significant rise in the number of new cases and fatalities recorded in a single day.

Xinhua quoting figures from the Hubei Provincial Health Commission reports that this figure includes 13,332 clinically diagnosed cases, bringing the total number of confirmed cases in the province to 48,206, with the death toll at 1,310 *[although the situation is changing all the time Ed]*.

The province discharged 3,441 patients from hospital after recovery. Among the 33,693 hospitalised patients, 5,647 remained in a severe condition and another 1,437 in a critical condition.

FIGHTING A COMMON ENEMY

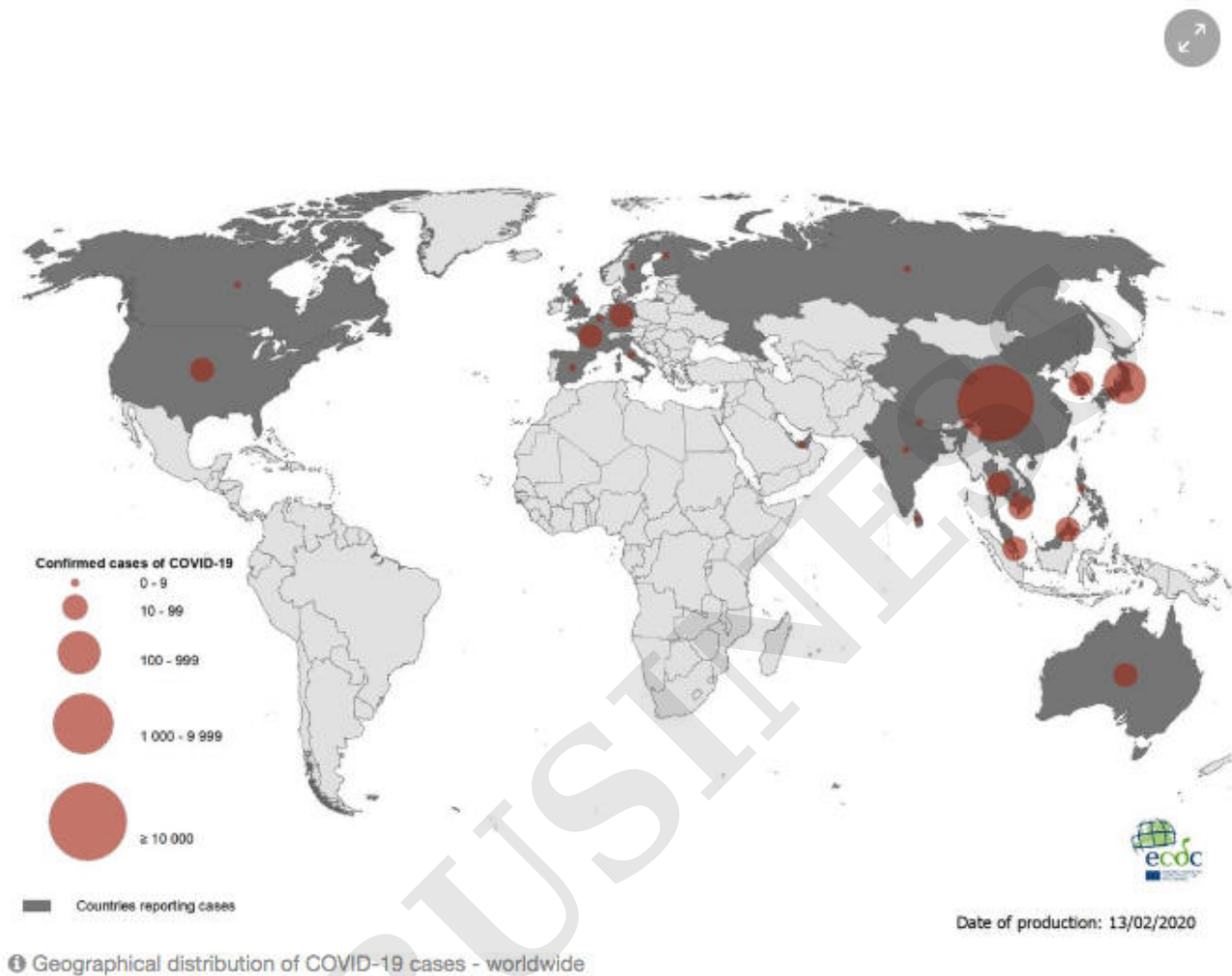
At the time of writing, the number of infections worldwide totals more than 60,000 people with the virus claiming the lives of more than 1,300.

The World Health Organization (WHO) has given the virus an official name (*Covid-19*). This emphasises that the coronavirus disease started in 2019. According to the organisation, naming the virus will avoid stigmatising any specific geographic location, animal, individuals names, animal species, culture, population, industry or occupation.

The WHO continues to work closely with China to contain the spread of the virus, having declared the situation a public health emergency on 30 January. This followed a reconvened committee meeting under the International Health Regulations in Geneva.

Covid-19 (as it is now officially known) was first identified in a cluster of acute respiratory illness cases in Wuhan, Hubei Province in December. Source: CDC/ Covid Alissa Eckert, MS; Dan Higgins, MAM.

Geographic distribution of COVID-19 cases worldwide, as of 13 February 2020



Source: European Centre for Disease Prevention and Control.

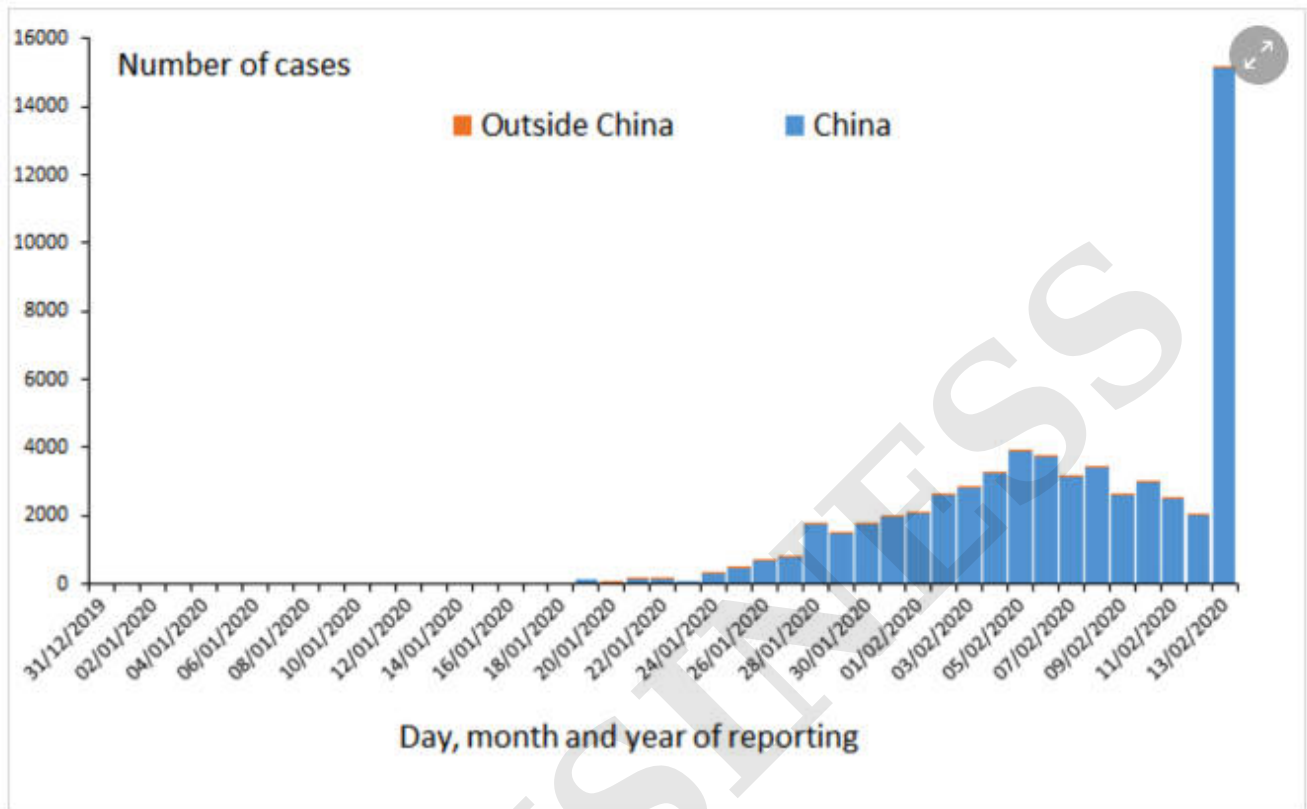
The organisation convened a global research and innovation forum aimed at mobilising action against the novel coronavirus (2019-nCov) on 11-12 February in Geneva.

Drawing more than 300 health professionals, scientists, government ministers and other key players, the forum discussed several areas of research and identifying the source of the outbreak.

This outbreak is a test of solidarity – political, financial and scientific, said WHO Director-General Dr Tedros Adhanom Ghebreyesus. We need to come together to fight a common enemy that does not respect borders, ensure that we have the resources necessary to bring this outbreak to an end and bring our best science to the forefront to find shared answers to shared problems.

Research is an integral part of the outbreak response. I appreciate the positive response of the research community to join us at short notice and come up with concrete plans and commitment to work together.

Distribution of COVID-19 cases worldwide, as of 13 February 2020 (according to the applied case definition in the countries)



① Distribution of cases of COVID-19 worldwide (according to the applied case definition in the countries)

Source: European Centre for Disease Prevention and Control.

As reported, a wave of carriers including **British Airways**, Air Canada, Delta Air Lines, SAS, Cathay Pacific, American Airlines, Vietnam Airlines and many others have either reduced or cancelled flights to and from Mainland China, as China fights to control the spread of the coronavirus from its **epicentre in Wuhan**.

British Airways announced it was cancelling flights to and from Beijing and Shanghai until 31 March following continued advice from the Foreign Office against all but essential travel to mainland China.

A statement read: Flights to and from Hong Kong remain unaffected. This situation will remain under review and we will continue to provide regular updates. If you have a booking with us, please make sure we have your contact details.

The UK government has released robust infection control measures amid the roll out of new regulations to combat the virus spread. The number of cases in the UK is being reported at nine.

The government had previously dubbed the coronavirus a serious and imminent threat to public health.

Health Secretary Matt Hancock said in a Twitter post: The transmission of coronavirus would constitute a serious threat so I am taking action to protect the public and isolate those at risk of spreading the virus. Clinical advice has not changed about the risk to the public, which remains moderate. We are taking a belt

[UPDATED] Covid-19: Travel retailers continue to react swiftly and decisively and braces approach to all necessary precautions to ensure public safety.

Lotte Duty Free last week announced the closure of its **Myeongdong downtown store in Seoul having reopened its Jeju outlet.**

South Korea's The Shilla Duty Free (Shilla) has established a 'Safety & Environment Management Group' charged with addressing issues at its shops.

As the health ministry has risen the country's infectious disease alert to level orange, the third highest from yellow, The Shilla Duty Free has been taking prompt action to ensure the safety of customers and staff in responding to the Novel Coronavirus, said a spokesperson.

The Shilla Duty Free will continue its response through close cooperation with relevant organisations such as the Korea Centers for Disease Control and Prevention, Ministry of Health and Welfare, and Incheon International Airport Corporation.

Similar to **Lotte Duty Free**, Shilla is complying with guidelines from the Centers for Disease Control and Prevention on hand washing, increasing the volume of hand sanitisers, implementing regular disinfection procedures, and checking the temperatures of customers and staff (*twice per day*) at store entrances using thermal imaging cameras.



The Shilla Duty Free has established an emergency response committee chaired by Shilla Travel Retail President Ingyu Han as part of a package of safety measures.

[UPDATED] Covid-19: Travel retailers continue to react swiftly and decisively

Face masks have been made mandatory for store staff and are available to customers. Shilla has urged employees to refrain from face-to-face meetings and business trips, including to China, are prohibited.

To tackle the ongoing risk of infection, an emergency response committee chaired by Shilla Travel Retail President Ingyu Han has been set-up.

The company said it remained too early to share any information on the possible financial implications caused by the outbreak on operations in Korea, Macau and elsewhere, instead stating it 'will keep responding to the situation calmly and sternly'.

The travel retailer closed its Seoul and Jeju downtown stores on 2 February and these **reopened on 7 February**. A Shilla spokesperson said: After the Korea Centers for Disease Control and Prevention confirmed that one of 15 confirmed Coronavirus patients in Korea had visited our Seoul store, we closed the shop to ensure the safety of our customers and staff.

DFS CLOSES STORES

Travel retailer DFS Group has confirmed to *TRBusiness* it has **closed two of its Hong Kong stores** to help curb the spread of the coronavirus and protect employees and customers in the current health environment.

In Hong Kong, the Government has restricted cross-border travel, hitting railways – including the city's high-speed connection – buses and flights.

Gebr. Heinemann, which runs its Sweet Dreams confectionery shops at Hong Kong International Airport as part of a store presence in more than 100 countries, provided the following statement to *TRBusiness*: We are cautiously monitoring any new information about the coronavirus and the situation at the airports. We are also exchanging information with travel risk consultants and industry associations on a constant basis.

All of our partner airports are very well prepared for this challenge and are in close contact with the responsible authorities. The airports have been equipped for years with emergency plans and strict safety guidelines for handling dangerous infections, which have proven their worth in the past. As a company, we have already coped well with other pandemics (*SARS, Ebola, etc*) and we fully rely on the airports' processes.

Naturally, anything that influences passenger movements has a commercial impact. The effects of the coronavirus are not yet foreseeable at present. However, we are broad-based and thus able to counterbalance and compensate for fluctuations in certain regions or of specific passenger groups. Our current focus lies on assuring all of our employees safety and their ability to follow their daily routines and provide a consistent level of service towards all passengers.

Li Gang, Deputy General Manager of China National Tourism Group and other officials visited **China Duty Free Group's Hong Kong downtown beauty store** on 29 January to implement epidemic prevention measures.



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[]

During the inspection, which included cashier desks, counters and back-office areas, employees received reassurance on the situation and officials ensured staff retained a thorough understanding of the current operations and 'rigorous' emergency plans.

The store is fully equipped with prevention and control supplies, with Li Gang reiterating that the prevention of the epidemic through responsible collaboration remains the top priority for CDFG.

He stressed that provided staff are motivated and confident, shops will 'usher in better and faster development and stronger sales expectations on the day the epidemic is over'.

Dufry Group told *TRBusiness* it was expecting some temporary impacts locally, through the lack of passengers in airports where it serves Chinese customers. We expect this to apply to the whole industry and are coordinating actions with the respective airport authorities on a local basis.

In addition, we are considering the recommendations of local health authorities where possible, a spokesperson commented.



Lagardère Travel Retail runs the master concession at Wuhan Tianhe International Airport.

Lagardère Travel Retail operates more than 4,600 duty free, travel essentials and fashion and foodservice outlets globally, including the **master concession at Wuhan Tianhe International Airport Terminal 3**, the liquor and tobacco concession at Hong Kong International Airport in a joint venture with CDFG and numerous other points of sale across Mainland China and in Asia Pacific.

A spokesperson told this publication: Our priority is to take care of our staff working directly in China or who could be exposed to the virus and make sure they are safe and protected.

We run some outlets at Wuhan Airport, and recognise the particularly difficult situation colleagues and individuals in the region are facing. China has issued stringent restrictions and guidelines to contain the outbreak, which apply to our operations on the ground. We are closely monitoring the situation and adjusting our operations there and in any other markets where we operate, in liaison with the local authorities and our airport partners.

It is too early to assess precisely the impact and evaluate short and mid-term consequences on our business as things are evolving by the day. However our three business lines and geographically diversified strategy makes us less dependent on China-related sales (*less than 10% of sales, including in airports outside of China*), and the impact will depend on whether the situation aggravates and continues over a longer time.



Air Canada has temporarily suspended all direct flights to Beijing and Shanghai until 29 February.
Source: Air Canada.

Sky Connection/Anway Limited, which operates major concessions at Mass Transit Railway (MTR) Corporation stations Lok Ma Chau and Lo Wu serving the Hong Kong-Shenzen border crossing spur and at Hung Hom, confirms its employees are safe and well.

At present, we treat safety of our staff as a top priority, said Chief Executive Simon Au. We are confident that our motherland China has the ability to win the battle against the virus. The HK Government has taken all necessary measures to control the spread of the virus into the community.

Border control is one of the ways to scale down the number of travellers between the Mainland & HK. Actually, the number of PRC travellers has already dropped by half since June 2019 because of the social protests.

Asked about the extent of the impact on tourism, Au said: It is very difficult to answer. It largely depends on the effective control of the spread of the virus. Of course, our business will certainly be hit hard during this period.

One authoritative industry source, who *TRBusiness* has decided to keep anonymous, added: The impact from this epidemic on top of the recent pro-democracy protests is going to be a massive body blow for all tourism related industries in Hong Kong. The worst is yet to come as the epidemic is spreading exponentially. I truly hope that I am wrong in my assessment as I had experienced the impact of SARS & this Coronavirus is supposedly more contagious.

The HK Government is way behind the curve in handling this epidemic, mouthing platitudes & excuses instead of taking resolute actions.

CALL FOR CALM AND SOLIDARITY

[UPDATED] Covid-19: Travel retailers continue to react swiftly and decisively

In Taiwan, where 18 cases have been confirmed, a source who TRBusiness has chosen not to name said: It's becoming a concern as people are scrambling to buy masks but it's out of stock everywhere in Taiwan.

My concern in the next couple of months is if the coronavirus gets out of hand in the region and can be another SARS. But for the past four years since our Taiwan government in power are pro-Taiwan, Mainland China has stopped most tourists to Taiwan and our government has changed direction to promote tourists from Korea, Japan, and South East Asian countries. We are carefully monitoring the situation for the moment.

Continent	Country / Territory / Area	Confirmed cases	Deaths	Comments
Asia	China	59865	1368	Including 48206 cases from Hubei province
Asia	Singapore	50	0	
Asia	Thailand	33	0	
Asia	Japan	29	0	
Asia	Republic of Korea	28	0	
Asia	Taiwan	18	0	
Asia	Malaysia	18	0	
Asia	Vietnam	16	0	
Asia	United Arab Emirates	8	0	
Asia	India	3	0	
Asia	Philippines	3	1	
Asia	Nepal	1	0	
Asia	Sri Lanka	1	0	
Asia	Cambodia	1	0	
Other	Cases on an international conveyance Japan	174	0	
Europe	Germany	16	0	
Europe	France	11	0	
Europe	United Kingdom	9	0	
Europe	Italy	3	0	
Europe	Spain	2	0	
Europe	Russia	2	0	
Europe	Sweden	1	0	
Europe	Finland	1	0	
Europe	Belgium	1	0	
America	United States of America	14	0	
America	Canada	7	0	
Oceania	Australia	15	0	
Total		60 330	1 369	

Correct as of 13 February, the number of infections has reached almost 60,000 in China alone, with Hubei Province recording a surge in the number of cases and deaths. Source: European Centre for Disease Prevention and Control.

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Meanwhile in the Philippines, the Government response has been 'quite good and very proactive', according to Regent Asia Group Chairman Jose Maria Chim Esteban III.

As with all operators we are in discussion with landlords on how to mitigate and cushion the short term impact, said Esteban.

The country has suspended issuing visas on arrival to Chinese nationals to deal with the growing risk of infection.

Esteban says the suspension of Chinese tour groups in China, however, spells a more **worrying picture**.

The outbreak will certainly have major impact to both domestic and foreign tourism. We are preparing for the negative impact and are in close touch with our supply partners and brands. Essentially the first quarter forecasts are out the window.

A group we have implemented steps to protect our staff and customers: mandatory masks for store staff, thermoscans for staff prior to store entry, hand sanitiser stations and continuing store sanitisation.



The World Health Organisation declared the Coronavirus a public health emergency following an emergency committee meeting and has since given the virus an official name. Source: WHO/C.Black.

International media reports have concentrated on the link between coronavirus and SARS, the epidemic which hit 26 countries resulting in more than 8,000 cases in 2002/2003 and 774 deaths. The death toll from the novel coronavirus has exceeded that of SARS.

Esteban continued: The situation is serious, however, as with SARS the health impact to our country is as of now minimal. I think that with the proactive steps being taken we should be ok. But certainly travel and tourism has been seriously dampened. Most especially since travel to and from China is certainly far more important to us now compared to the SARS epidemic.

The industry should join hands to cushion the impact to our business. In our opinion this epidemic will have a significant negative impact for at least a year, Especially since PRC tourism is the core of travel retail in our region today.

Chinese President Xi Jinping has again echoed his commitment to winning the battle against the outbreak.

The WHO's Ghebreyesus previously called for calm in Twitter post which read: I reiterate my call for calm. I reiterate my call for solidarity human, financial and scientific solidarity. Any breach in solidarity is a

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victory for the virus.

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