

ETRC pleads with airports to protect commercial revenue

In a very important session updating the DF&TR industry on the most pertinent issues and threats to the business, ETRC President, Sarah Branquinho also pleaded with airports to better protect their commercial revenues and answered questions about the consequences of Brexit in the UK.



Branquinho, who is also the External Affairs Director & Head of Communication Europe & Africa for Dufry, covered four topics in her presentation this morning: Information to consumers and labelling; restrictions on carry-on baggage; tobacco and standardised packaging as well as cooperation with ACI regional teams.

See the [TRBusiness Twitter feed](#) and the following links for more on the 2016 Meadfa Conference.

Meadfa: Middle East DF&TR sales fell -2.6% in H1 2016

ARI: 'We need to redefine the duty free promise'

Lagardère expects \$320m a year in MidEast by 2018

Regarding the first topic on her agenda, she highlighted that there is now a greater demand for increased product information for consumers to make informed choices, but there is little category-specific legislation – at EU and national level – which recognises the uniqueness of DF&TR.

“We were mandated by the industry at the ETRC forum in January to find a solution whereby people can access information through their devices rather than putting it on the packaging,” Branquinho reminded the audience.

SCANNING BARCODES FOR INFORMATION

She revealed that the ETRC has progressed with this mandate and now needs to convince regulators that any new technology which is introduced can meet the same policy objectives. The ETRC ‘technology taskforce’ is currently reviewing whether the industry can implement the scanning of barcodes or QR codes on smartphones or tablets to avoid unreasonable and costly packaging requirements.



Current Risks in Middle East & Africa 

Plain Packaging:
GCC, Democratic Republic of the Congo, Mauritius, South Africa, Kenya

Possible ban on Duty Free sales:
Uganda, Burundi, Gambia

Display Ban:
Nigeria, Kenya

Branquinho reminded the audience that within the four markets where tobacco plain packaging has been introduced [Australia, France, UK and Ireland] disappointingly, there has been no exemption for duty free.

Branquinho said that the industry can expect a clear recommendation in early 2017 about 'how we go forward' with this.

Moving on to the issue of restrictions on carry-on baggage Branquinho vehemently pleaded with airports to address the problem in their agreements with air carriers.

"Things are getting confused between airlines driving ancillary revenue and common sense. And of course there's a lot of confusion for travellers because, depending on each airline you fly with or even on which route, the instructions dictating what to do with carry-on baggage can be very different. We're looking to create legislation in the European Union, which will allow passengers to bring their shopping onboard.

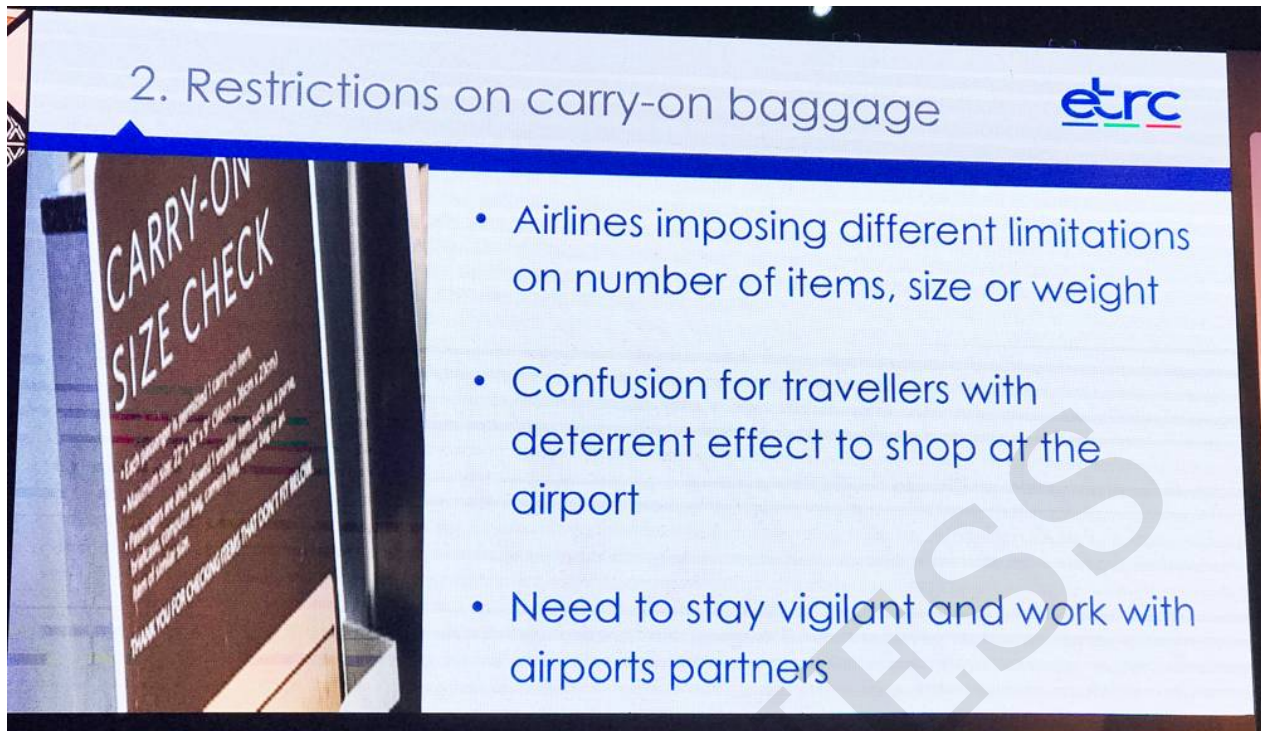
LEGISLATION DECISION HALTED

In fact the ETRC have had a significant breakthrough by way of a favourable court judgement, which will prevent airlines from charging passengers to bring airport shopping on board.

There are a couple of ways to solve this [problem]. Obviously one is legislation, but it's taking time. Due to an unrelated political issue, the whole legislation process has stopped for the moment within the European Parliament.

The simplest solution of course is what some airports have already done in the agreements that they are making with the air carriers. They're saying that the air carrier does not have the right to restrict the commercial activity of the airport. If all airports put that into their agreements with air carriers then we wouldn't be facing this problem constantly.

Both Branquinho and her colleague at the ETRC made the important point that the industry dodged a bullet recently, when they were able to prevent the French Government from implementing a ban on tobacco duty free sales.



Sarah Branquinho pleaded with airports to better protect their commercial revenues.

The major campaign included support from Lagardère Travel Retail and Paris Aéroport who visited the French President's office, after which the proposal was taken off the table.

WE NEED DUTY FREE EXEMPTIONS

Referring to another topic outlined at the start of her presentation, Branquinho reminded the audience that within the four markets where tobacco plain packaging has been introduced [Australia, France, UK and Ireland] disappointingly, there has been no exemption for duty free.



She also revealed that the following countries are 'working on' introducing plain packaging: New Zealand, Singapore, Hungary, Belgium, Norway, Romania, Canada, Turkey, Slovenia, Finland, Uruguay, Chile, Thailand and South Africa.

In a panel discussion [with Meadfa President Sean Staunton, moderated by The Moodie Davitt Reports, Dermot Davitt], which immediately followed her presentation, Branquinho was asked if there will be a return to full duty free sales for the UK following Brexit.

"We have the greenlight from regulators in the UK to talk about Brexit. They have taken the stance that they won't talk to individual companies, but instead through the UKTRF (UK Travel Retail Forum).

Branquinho answered questions about the consequences of Brexit in the UK.

A RETURN TO FULL DUTY FREE SALES IN THE UK?

The situation is that in two years after triggering Article 50, the UK will automatically become a third country and not a member of European Union. Therefore all travellers to the UK [theoretically] will be able to buy duty free as

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if they were travelling elsewhere in the world.”



The ETRC believes it is imperative to work more closely with ACI regional teams.

However, Branquinho pointed out that the excise and VAT wording needs work: “We’re looking for a return to 1993 *[pre-abolition]* – nothing more, but a lot of legislation has to be approved first by the UK Government in the next two years.”

Branquinho emphasised that the ETRC needs to work quietly and efficiently on regulation in the background and to get their ‘ducks in a row’ before communicating through the media.

“The consumer media can be savage *[in attacking duty free]*, so we want to get our ducks in a row first.”

See more coverage on the Meadfa conference at the following links:

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