

ASUTIL provides S. America perspective

Now in its seventh year, the 2003 ASUTIL Conference held earlier this month, proved its value again as an important regional event, both to first-time participants and to regular attendees.

The venue continues to be a unique meeting place where participants can rub shoulders with colleagues not always so accessible at other times, and I believe that some true exchange of ideas do take place at the Conference, even if the most vigorous debates sometimes occur after the formal presentations have convened.

Another strong plus, the ASUTIL Board, comprised of key members of South America's airport duty free store operators, fully participated in the two day conference, sharing company data and their impressions of the future, and making themselves available to many of the suppliers who attended the event.

"I came away with a new agent and seemed to have much more access to the retailers than

in the past," reported Israel Marmol of I. Marmol & Associates, a veteran supplier who has attended all of the Conferences. Many newcomers also found the Conference to be extremely worthwhile.

"I certainly learned a lot about the region," noted Roger Winton, director duty free for Spanish watch brand Festina USA.

"To me, the Conference was very informative and a real eye-opener about the issues facing the duty free retailers. I have a new appreciation about the business done by Miami Duty Free Joint Venture," commented MIA's property manager Adrian Songer, who delivered the Keynote Address on the first day.

"We are very excited about the Latin American travel retail opportunity, but as a young company, we still have much to learn. I found the conference to be an excellent way to meet the people in the industry and get a feel for the market," said Ari Lustbader, of N.V. Perricone,

MD, Latin America, the exclusive distributors of N.V. Perricone Cosmeceuticals and Nutraceuticals throughout all of Latin America.

The 2003 Conference, which met in Cancun on Sept. 3-5, attracted more than 150 delegates from throughout the Americas and Europe. ASUTIL, and conference organizer Raven Fox, put together a strong slate of speakers for the meeting sessions, while leaving ample time for true networking opportunities. During the first day's Networking Time, sponsored by Bacardi and the Brex Group, so many people converged on the comfortable room set aside for meetings, more seating had to be brought in to accommodate the crowd.

In general, the feeling surrounding this year's Conference was cautiously upbeat. Coming on the heels of the dire economic predictions of ASUTIL 2002 - many of which came to fruition during the past year—the message of ASUTIL 2003 was that the duty free business is beginning to emerge from the crisis of last year. A full report will be carried in the October issue of *Travel Markets Insider* magazine.

Lois Pasternak

Ultra Femme changes name of jewelry stores

The UltraFemme Group rebranded its Heritage Timepieces, Jewelry & Gifts stores over the summer, renaming them UltraJewels, and renovating and upgrading a number of the stores. The seven UltraJewels stores are located in Cancun, Cozumel and Los Cabos in Baja California.

Canadian airport sales flat

Canada's airport duty free shops registered first-half sales of C\$71.05m, down only slightly from C\$71.84 reported from January to June in 2002. Sales are still a far cry from the same period in 2001, when Canada Customs and Revenue Agency reported that airport duty free stores sold more than C\$81.66m.

The top-selling categories were imported fragrances and cosmetics, which accounted for 32% of total sales, followed by domestic tobacco, 19.5%; imported liquor and wines, at 16%, and domestic liquor and wines, with 12%.

Canada-EU sign wine & spirits agreement

The Government of Canada and the European Union (EU) have signed an agreement on wines and spirits that could significantly open the European market to Canadian products. The agreement was signed during a ceremony held at Inniskillin Wines in the Niagara Peninsula. It updates the existing bilateral trade agreement on wines and spirits --in place since 1989--and provides the wine and spirits sector with more certain trade rules in the domestic marketplace and a framework for managing any future grievances in a more cooperative manner. Among the benefits of the new agreement, Canadian exports, particularly Canadian whisky and icewine, will have greater access to the EU market.

R.J. Reynolds Tobacco will cut about 2,600 jobs, or 40% of its work force, in the US. The company said it plans to trim its expenses by \$1b by the end of 2005 and will focus its spending on premium brands, such as Camel and Salem.

Miami Central Terminal developer announcement near

The evaluation committee choosing the developer for Miami International Airport's Central Terminal met last Friday to finalize their choice, and an announcement of the winner is expected at any time. The three companies contending for the contract—Westfield Concessions, Unison-Maximus and BAA USA—have been waiting for the decision since July.

The decision was delayed until now after Chicago-based Unison-Maximus wrote a letter pointing out a mathematical error in the allocation of points following the first evaluation session on July 16. At that time, BAA was in the lead. When the error was corrected and the points recalculated, Unison-Maximus took over first place.

But Westfield then sent a letter to the Miami airport authorities raising some concerns about Unison's qualifications as a developer. Unison is best known for its airport retail concessions planning and program development. The purpose of Friday's meeting was to re-evaluate the candidates' responsiveness to the criteria listed in the RFP. *Insider* understands that the letters announcing the winner are expected to be sent shortly.

The October *Travel Markets Insider* magazine will carry in-depth profiles on Westfield Concessions, Unison-Maximus and BAA USA.

Pherómone prepares for the next 25 years

Marilyn Miglin's precious 25-year old fragrance phenomenon, Pherómone, is undergoing a facelift that the brand's creators say will make it ready for the next quarter century.

The new look of the U.S.-made perfume, formulated with a blend of 179 natural ingredients and selling for \$500 an ounce, will be on display in Cannes in October. Marilyn Miglin, a Chicago-based beauty authority known for her work with burn victims, and her success in selling her fragrances on the Home Shopping Network, is keeping Pherómone's traditional

Egyptian-influenced Obelisk-shaped perfume bottle. But she is updating and modernizing the Eau de Parfum and Eau de Toilette presentations to better reflect the image of the perfume and attract a younger user. The relaunch is taking place worldwide in October, after an exclusive debut in September in Saks in Chicago and in Marshall Fields, where it first opened 25 years ago.

Marilyn credits the feeling and look of the new contemporary image to her daughter Marlena, the company COO who has been responsible for introducing the

fragrance to the international and duty free markets over the past few years.

Marlena Miglin, says that Pherómone's 25th anniversary provided the perfect opportunity to contemporize the brand: "We needed to create a bottle and packaging that would work in a worldwide market. We have spent the last quarter century focusing on the US. But when we started expanding into international sales, we began hearing comments that we should upgrade and modernize the look."



Regional travel industry news roundup

Curaçao. Airport concessionaire Alterra Partners finalized its 30-year concession contract to develop and operate the airport in Curaçao this summer and will begin construction on a new \$40m terminal at the international airport by the end of this year.

Alterra, which is owned 50% by US developer Bechtel Enterprises and 50% by Singapore Changi Airport Enterprise, also operates Costa Rica's Juan Santa Maria International Airport and Peru's Jorge Chavez International Airport. Alterra took over the operations of the Curaçao airport on Aug. 1.

TIA reports that more than twice as many Brazilian international travelers visited Europe in 2002 than visited the U.S. according to a report from The Brazilian Institute of Tourism, Embratur. The report reinforces concerns that increased barriers to U.S. travel and the lack of a consistent, coordinated USA marketing effort similar to what many European countries have continues to erode U.S. international travel market share.

Cruising. More than 4.5 million passengers worldwide traveled on Cruise Lines International Association (CLIA) member line ships in the first half of 2003, positioning

the industry up for another record-setting year. Cruising is still dominated by North Americans, who accounted for nearly 4 million of the total number. The second-quarter figures --when 2.3 million people took a cruise on CLIA lines-- reflect a 5.72% increase over the same period last year and contribute to an 13.6% increase over first half 2002 figures. CLIA represents 97.5% of the cruise capacity marketed from North America.

United Airlines received approval Sept. 19 from a bankruptcy court judge for an additional five months, until March 6, to file its reorganization plan. United also announced more details about its new low cost carrier, which it will launch from Denver in the first quarter of 2004. Today, parent UAL Corp. reported more good news when it filed its August Monthly Operating Report with the US Bankruptcy Court. UAL reported it had a net income for August of \$68 million and an operating profit for the month of \$105 million. UAL continued to generate positive cash flow during the month, and met its requirements of its financing for the seventh straight month.

Mexican spirits company Destileria Porfidio will be showing for the first time at TFWA World Exhibition, its Porfidio Anejo Single Barrel 100% agave tequila in its trademark cactus bottles in a new miniature 50ml size. The super-premium tequila, which is the most popular item in Porfidio's agave tequila portfolio, was previously only available in a 750ml/700ml size. Porfidio Single Barrel 100% agave tequila miniatures are boxed individually in a transparent case and a dozen individual boxes are packed as a unit in a secondary transparent container for duty free retail, which allows a clear view of the contents. These miniatures will be displayed on stand D3 in Blue Village at the Palais des Festivals, Cannes alongside Destileria Porfidio's new Single Cane Rum, which will also be launched at the show. www.tequilaporfidio.com



TFWA may open Asian office

The Tax Free World Association has voted to expand its focus in Asia and will pursue opening an office in the region. The new office will aid in the development of TFWA events in Asia, such as TFWA Asia Pacific and Gate One, as well as the travel retail industry as a whole in the region.

Following a meeting of the TFWA Management Committee last week, the Association says it will review the costs and benefits of opening the office with a view to seeking final

approval in December.

The Management Committee also confirmed its support of the Duty Free & Travel Retail World Council and will be using its full resources to help make this entity a reality.

TFWA also announced that the upcoming World Exhibition, to take place in Cannes beginning Oct. 24, is on schedule with the number of pre-registered visitors in line with expectations and slightly above that at the same stage last year.