



RESILIENT MIDDLE EAST MUST BE MORE VISION LED

Despite the global economic downturn, a solid 409 duty free and travel retail delegates from across the Middle Eastern region and beyond attended this year's **MEDFA Duty Free Conference**, which returned to the Al Bustan Rotana Hotel in Dubai on 23rd/24th November under the theme **New Horizons**. This marks a 3% increase on the figure last year (398).

During two full mornings, delegates were both motivated by the region's clear resilience to recession and, at the same time, challenged to be more innovative, more customer focused and more partnership orientated. Sustained investment in the region's travel, tourism and infrastructure plus ongoing passenger traffic growth, bucked the global downward trend, but all admitted this year had been 'difficult'. In a 'Call for Action' MEDFA president **Anthony Chalhoub**, appealed for more Vision and Partnership within the industry: 'Don't just listen and nod heads,' he said, 'but resolve to act on what is said here.' When we meet next year, he said, 'we should look back and positively criticise how we have got on'.

Investment in infrastructure alone is not enough in creating the right retail offer. In summarising the key points of the conference, Chalhoub highlighted a number of issues as being vital to future development of business in the region, including that all key stakeholders - airport authorities, retailers and suppliers - must work more closely together and open discussions to better involve airlines in 'the trinity' concept. Airport authorities need to speed up customer airport processes, improving dwell time in retail and thus shop penetration. Suppliers need to provide greater transparency in pricing and references and improve their methods regarding product delivery and traceability.

From the retailers side, there is a need to provide key performance indicators. Overall, there needs to be greater information and data sharing plus far better passenger communication and explanation of the retail offer. All need to adapt to the rapidly changing customer profile; integrate corporate responsibility and – where necessary - introduce codes of conduct. Finally he called for a united approach to fight threats such as that currently facing tobacco which, it was agreed, would have damning effects on the entire industry;

Regional investment was summarised in a two part video presentation which reviewed airport and retail development at various airports including Abu Dhabi, Cairo, Cyprus (Larnaka Zenon), and Doha. Delegates were also updated on development of travel retail in the challenging Indian market; the current threat to tobacco duty free retailing and the latest good news on LAGS. The conference was moderated by **Dermot Davitt** of The Moodie Report, with guest moderators **Doug Newhouse** of Travel Retail Business (tobacco session) and **Susan Gray**, consultant with Airport Commerce & Talent Management (India session).

MEDFA and TFWA would like to thank their generous sponsors including Platinum sponsors **Diageo, Dubai Duty Free** who hosted a superb Gala Dinner at The Aviation

Tax Free World Association, 63 rue la Boétie, 75008 Paris, France

Club (liquor sponsored by **Bardinet Vins** and **Pernod-Ricard Gulf**), **Dufry Sharjah** (a superb opening cocktail), along with **Emirates Airline**, **Beiersdorf Nivea**, **Patron Spirits International**, **Dufry**, **Chalhoub Traveller Ltd**, and **ARIME**; Gold sponsors **Clarins**, **Gold Silk**, **Philip Morris**; and Silver sponsors **ADAC** and **Perfetti Van Melle**; Thanks to **Nestle International Travel Retail/KIT KAT** and **IDF** for sponsoring the coffee breaks, **Traveller International** and **Diageo** for the lunches, **Sharaf DG** for the portfolio and **Frey Wille** and **Nomination** for the speaker's gifts. **Bahrain Duty Free**, **DFS**, **Dubai Duty Free** and **MEDFA** also provided prize draws.

MEDFA also announced the donation of \$10,000 to TFWA's Heart2Art charity program.

NOTE : As the MEDFA conference closed, worries over Dubai's debt problems escalated with Dubai World (the emirates flag bearer in global investments) announcing that it will delay repaying some of its debt. This is likely to affect not only the region but the wider world, as fears grow that the news will reignite the financial crisis. In response to this clearly worrying development, Anthony Chalhoub reiterated : 'It has to be said that the aviation and travel industry within the Middle East has shown strong resilience throughout the current global downturn. In my view it is unlikely that the travel retail industry will be affected by this latest development long term, given all the other positive investments being undertaken, as we have all just witnessed during the MEDFA Conference this year.'

The next MEDFA Conference will take place in Cairo in November 2010 (dates to be confirmed at a later stage).

For more information and presentations, please consult the TFWA website: www.tfwa.com.

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