

# Asutil shares message of unity during transitional times

By **Jas Ryat** on April, 28 2020 | Associations



Today's Asutil (Asociación Sudamericana de Tiendas Libres) webinar combined press, suppliers and board members to collectively update the industry on how the association is working with government bodies to move forward.



The meeting began with Gustavo Fagundes, COO of Region America II (Brazil and Bolivia) at Dufry and José Luis Donagaray, ASUTIL Secretary-General welcoming the turnout.

Donagaray revisited that Latin America & Caribbean (ACILAC) and ASUTIL letter that advised governments to take urgent measures to all affected aviation industry stakeholders in due to the current COVID-19 pandemic. "We have developed a letter that was sent to the government asking for support for the operators for the airports so the business can continue. That letter was sent to the government by local operators and the local airport landlords. We are moving forward with that. Maybe we have some good news in some countries, but afterwards we will do a general overview."

He stressed the importance of moving forward for not only commercial operators inside the airport, duty free, duty paid, *but also*, the cafes, bars, restaurant, advertising for companies, and souvenirs sales.

"We are asking the economic authorities to authorize, to send goods from duty free to people in the country. Many countries have agreements with the legislative Trade and Investment Framework Agreement (TIFA)," said Donagaray. TIFA is a trade pact that puts together guidelines for expanding trade and resolving outstanding disputes between countries. TIFAs are often seen as an important step towards establishing Free Trade Agreements and permit to share some amount of money without paying taxes.

He went on to discuss the devastating toll COVID-19 has taken on air travel in Latin America. With Mexico, Brazil and Chile being the only countries in the LATAM region with airports open, traffic has dropped by 90%.

Says Donagaray: "The figures are very low, but we need to prepare and we need to have a positive attitude. We are not standing still. It is not easy, because every sector is asking for help. We don't know when connectivity will happen, what the prices of tickets will be; we don't know what the cost will be to restart. Further, we don't know who will want to fly in some of the more complicated

countries. These are questions we need to understand on a daily basis.”

One of the ideas suggested by Donagaray is the US\$600 tax free purchases allowed by TIFA through Alibaba and Amazon. If the same application was applied to Uruguay, this would enable the money remain in Uruguay, allowing work for locals, taxes being paid, and people coming to work.

Fagundes took this opportunity to remind everyone that this is an industry issue and everyone needs to work together to achieve results:

- The government has to take a **broader view**, as the travel sector is suffering the earliest and largest blow to the industry.
- The importance of **keeping employees**, as this will keep jobs, keep a sense of community and enable a healthy environment to move forward.
- **Suspension or deferment** of social security contributions as well as corporate and other taxes (including VAT, excise duties) for at least six months for airport operators and other service providers at airports.
- Take advantage of **duty free E-commerce**. This is the time to show customers that online shopping is key.

The meeting was concluded by Roberto Jorge Canessa Urta, M.D., a survivor of the infamous Uruguayan Air Force Flight 571, which crashed in the Andes Mountains on October 13, 1972. He shared words of positivity and stressed the importance of unity at times of adversity.