

COVID-19 impact: IAADFS asks airports to suspend minimum guarantee payments for members



“We are all suffering, and we are all in this crisis together” - Michael Payne, IAADFS President and CEO

The International Association of Airport Duty Free Stores (IAADFS) has called on US airport authorities to help travel retailers by suspending minimum guarantee payments from March until the end of the COVID-19 pandemic.

In a letter to its airport partners dated March 19, IAADFS President and CEO Michael Payne said: “We are all facing extremely difficult challenges in view of the rapidly spreading COVID-19 pandemic confronting our world and every sector of our national economy. As you well know, few businesses are more affected than the airports and their partner organizations.

“The companies that comprise the duty free and travel retail sectors are suffering devastating consequences as a result of the dramatic decline in airline passengers. Our members have reached out individually to numerous airports seeking assistance and collaborative discussions to help address the requirements they all face for guaranteed payments to airports, even in the absence of sufficient passenger traffic numbers. There needs to be an impactful and rapid decision by airport authorities and their leadership to work together with the duty free and travel retail industry to ameliorate the crisis we are facing.”

Acknowledging that airports are also facing “significant consequences”, Payne continued: “No one could have foreseen the rapid freefall in passenger numbers from this unprecedented global health emergency. We are all suffering, and we are all in this crisis together.

“On behalf of your colleagues, friends and business partners in the duty free and travel retail industry, we are requesting that airports suspend, effective March 1, 2020, and until the end of the national emergency, guarantee payments that are predicated on specific minimum passenger numbers.”

In a call for unity, he went on: “Clearly, these are historic and unprecedented times during which we need to come together as a global business community to address the rapid decrease in passenger

retail traffic that is the lifeblood of both the airports' and duty free operators' businesses. There are thousands of jobs at stake, including the solvency of your important duty free business partners. We look forward to tackling this problem together and know that our airport and travel retail community will rise to this challenge, engage with all our members and adopt whatever measures are necessary to secure the long-term success of our airports and the duty free and travel retail industry."