

ACI calls for relaxation of df limits, approved by DFWC

Airports, and thus airport retail, have suffered a critical blow this year. Airports Council International (ACI) World and the Duty Free World Council (DFWC) are therefore calling for urgent measures to help support the recovery of the global airport industry.

These organizations have been hard at work since international air traffic came to a virtual standstill in March, lobbying on behalf of an industry that in some locations has lost close to 100% of revenue.

It cannot be overstated how important airports are to the running of the world's business and financial infrastructure, and it is often overlooked by outsiders the importance of non-aeronautical revenue is the airports themselves.

ACI's Policy Brief in airport recovery draws attention to this crucial role of duty free and travel retail, with up to 44% of airport revenues coming from non-aeronautical sources and retail concessions contributing 30% of this figure.

With the full support of the DFWC, the ACI Policy Brief calls for

- The temporary relaxation of travelers' duty free limits and allowances for selected duty free products to stimulate sales and consequently help airports generate revenues from their retail concessionaires.
- The introduction of duty and tax-free shopping on arrival, which in some countries already exists.

Airport duty-free shopping on arrival exists in 45 countries, including Australia, Brazil, India, Indonesia, Russian Federation, Thailand, Turkey and the UAE. This is especially helpful since most airlines now have rigid hand luggage policies, and strictly manage weight.

"Airports recognize the importance of commercial activities, such as retail and duty free, in diversifying their revenue streams beyond aeronautical sources but stimulating commerce at airports goes beyond the industry bottom line in the current crisis," ACI World Director General Luis Felipe de Oliveira said. "In fact, ensuring that the traveling public has greater choice and convenience in their purchases goes hand in hand with rebuilding passenger confidence. Most importantly, changes to tax-free shopping also represent a needed lifeline for the millions of jobs in the travel retail space and broader aviation ecosystem, industries which have been most affected by the lockdown and subsequent downturn."

DFWC President Sarah Branquinho said the DFWC commented: "We are delighted to see the central role of duty free and travel retail sales highlighted in this latest ACI Policy Brief and the call for increased allowances and arrival shopping which would provide a much need boost to our industry and to the airport sector. Throughout much of the COVID-19 outbreak airports and travel retail have stood against the worst of the conditions, often without government support. Now is the time for governments around the world to put in place the operating conditions that give airports and travel retail the best possible chance at recovering swiftly and returning to their role as major contributors to economic growth and job creation."