

# Jordanian Duty Free Shops: optimistic & ready



Mr. Haitham Al Majali, CEO, Jordanian Duty Free Shops

Jordanian Duty Free Shops' CEO Mr. Haitham Al Majali believes that having gone through the pandemic will change people in the industry, and not in a bad way. "We will accept bad times and be ready to cope with any emergency. We will understand the need to be optimistic but also ready for any circumstance," he says, and this cannot help but help place the industry in a positive space for the future.

## **Moving forward**

And he is optimistic for the coming year. After lockdowns that lasted intermittently from March until the end of 2020, Al Majali believes that truly positive results will begin in 2022, with results reaching those of 2019 within six months to a year. "Things are moving forward and life is going back to normal. The threat is still there, but I don't think there will be more lockdowns," he says. Jordanian Duty Free Shops' 23 stores are all land borders and sea ports, in addition to two downtown shops that serve non-residents and diplomats. As appears to be happening across the board, passenger spend is up, and is currently better than in 2019. "With lockdowns, people have not been traveling and so they spend more," says Al Majali. Top categories continue to be tobacco, liquor and cosmetics. Currently, traffic is about one-third that of normal, and there are no Europeans or Americans coming through the stores as there usually are, but instead travelers are coming from neighbouring countries like Palestine and Saudi Arabia.

### **Faring well**

As a new direction, Jordanian Duty Free Shops has a plan in place for offering domestic duty paid, and is completing a study to prepare for this offering. The operator does not offer online service yet, as regulations are prohibitive, though individuals can use a delivery company. "We fared ok through a very hard time," Al Majali says. "But we will go back." Of particular concern was large inventory throughout stores and in the warehouse, especially when it came to items with a shelf life. The retailer got through helped by the support of suppliers, which he says was in large part due to strong relationships. "Suppliers showed a lot of support, though they were also suffering," he says. Luckily, Jordanian's business model does not call for MAGs; the government is the company's landlord, and they simply take a percentage of sales.

### **Commercial center**

In addition to the expected improvements in business due to increased traffic and the end of lockdowns, Jordanian Duty Free will operate in a large commercial center opening in Aqaba in Q1. Building is in final stages. "Aqaba is a special zone positioned strategically on the Red Sea between Egypt, Saudi Arabia and the West Bank," says Al Majali. "This commercial center will attract investors and others, with offerings including banks, health clinics, shopping and restaurants," he says.



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