



BY THE NUMBERS

IATA expects 31% growth in passenger demand by 2017

Airlines expect to see a 31% increase in passenger numbers between 2012 and 2017 says the International Air Transport Association in its IATA Airline Industry Forecast 2013-2017 released this week.

By 2017 total passenger numbers are expected to rise to 3.91 billion—an increase of 930 million passengers over the 2.98 billion carried in 2012.

The IATA Airline Industry Forecast 2013-2017 – “a consensus outlook for system-wide passenger growth” – says that demand is expected to expand by an average of 5.4% compound annual growth rate (CAGR) between 2013 and 2017. By comparison, global passenger growth expanded by 4.3% CAGR between 2008 and 2012, largely reflecting the negative impact of the 2008 global financial crisis and recession.

Approximately 292 million of these new passengers will be carried on international routes and 638 million on domestic routes, says IATA.

The Americas

Among Americas’ regional highlights, North America will record the slowest international passenger demand growth—3.6% CAGR; and Latin America will see international passenger demand grow 4.5% CAGR.

Despite North America’s slower international traffic growth, the United States -- with 677.8 million domestic passengers in 2017 -- will continue to be the largest single market for domestic passengers, although it will add only 70 million passengers over the forecast period (2.2% CAGR). This reflects the market’s maturity.

Brazil will firmly establish itself as the third-largest domestic market after the US and China, with 122.4 million passengers in 2017, an increase of 32 million passengers

from the 90 million 2012 (6.3% CAGR).

Of the Top 10 Fastest growing countries by domestic passengers, five (numbers 6-10) are all in Latin America: Brazil, Peru, Colombia, Mexico and Ecuador.

International growth leaders

Globally, the emerging economies of the Middle East and Asia-Pacific will see the strongest international passenger growth with CAGR of 6.3% and 5.7%, followed by Africa (CAGR of 5.3%) and Latin America (4.5%).

Routes within or connected to China will be the single largest driver of growth, accounting for 30% of new passengers – an anticipated 227.4 million additional passengers -- during the forecast period. Of these, 195 million will be domestic and 32.4 million will be international.

The Asia-Pacific region (including China) is expected to add around 300 million additional passengers by the end of the current forecast timeframe. Of these, around 225 million or 75% are expected to be domestic passengers.

Domestically, after #1 US, China is firmly #2 (487.9 million passengers in 2017, 10.2% CAGR.). The US also will reclaim the top spot from Germany for international passengers by the end of the forecast period. Germany will add 27.2 million passengers to the 149.4 million in 2012 (3.4% CAGR.), while the US will add 28.2 million international passengers, up from 149.3 million in 2012 to 177.5 million (3.5% CAGR) in 2017.

“The fact that the Asia-Pacific region --led by China--and the Middle East will deliver the strongest growth over the forecast period is not surprising. Governments in both areas recognize the value of the connectivity provided by aviation to drive global trade and development.

“Similar opportunities exist for developing regions in Africa and Latin America. To reap the benefit, governments in those regions will need to change their view of aviation from a luxury cash cow to a utilitarian powerful draft horse to pull the economy forward,” said Tony Tyler, IATA’s Director General and CEO.

**Forecast Highlights:
 International Passenger Development**

International passenger numbers are expected to rise by 25% from 1.2 billion in 2012 to 1.5 billion in 2017, bringing 292 million additional passengers (4.6% CAGR).

Uzbekistan (10.3% CAGR) has displaced Kazakhstan (9.0% CAGR) as the fastest growing market for international passenger traffic. The remaining eight are **Russia** (7.7% CAGR), **Turkey** (7.6% CAGR), **Oman** (7.5% CAGR), **China** (7.1% CAGR), **Vietnam** (6.9% CAGR), **Saudi Arabia** (6.9%), **Azerbaijan** (6.8% CAGR), and **Pakistan** (6.7% CAGR). *No Latin American or African countries are among the fastest growing international markets.*

United Arab Emirates will add 29.2 million passengers (6.6% CAGR) over the forecast period, nearly as many as China. For international traffic, routes between the Middle East and Asia-Pacific will see the strongest growth.

Domestic Passenger Development

Domestic passenger numbers are expected to rise from 1.82 billion in 2012 to 2.46 billion in 2017, an increase of 639 million reflecting a CAGR of 6.2% over the period.

Source: IATA

PEOPLE/COMPANY NEWS

GMP Services has appointed Miami-based distributor **PGE** as its exclusive distributor for **H2O PLUS Skincare and Spa** in the Caribbean for Travel Retail. PGE will begin servicing the region effective January 1, 2014.

Essence Corp. and **Inter Parfums USA, LLC**, announce that they will be partnering to manage the entire Inter Parfums USA portfolio for Latin America Local Markets, and will be providing marketing activities, merchandising and training.

In addition to the **Oscar de la Renta** brand which Inter Parfums USA recently acquired the portfolio also includes fragrances for **GAP, Banana Republic, bebe, Anna Sui, Dunhill, Agent Provocateur** and **Shanghai Tang.**

The Essence Corp. local market team for Inter Parfums USA brands will be headed by **Nicolas Spiers** reporting directly to **Gaelle Delannoy**, Regional Sales Manager for Inter Parfums USA.

Former Russ Berrie and Scorpio Worldwide industry executive **Garry Stoner** has set up a new specialist consultancy in the UK called **Insight Travel Retail Consultants.** The company aims to bring new brands into the sector and assist those already working in the industry to improve performance. ITRC has already signed its first major international brand and is in final discussions with two more, says Stoner. For enquiries: garrystoner@insight-trc.com.

Swiss watchmaker **Frédérique Constant** has named award-winning Hong Kong movie star **Sean Lau** as Global Brand Ambassador. “Sean has dedicated enormous passion to his life and acting. Frédéric Constant is honored to join hands with Sean to embody the brand spirit and value, showcasing the invincibly elegant charm,” said the company.

WEBB and The Edrington Group celebrate official opening of new office in central Miami

WEBB, World Equity Brand Builders, and The Edrington Group celebrated the official opening of their new joint office space near Brickell Road in the heart of Miami with a gala cocktail reception last week. Among the more than 70 industry people in attendance were many from the duty free sector, including representatives of DFA, SMT, DFASS, Carisam, Pernod Ricard, Diageo, Remy Cointreau and others.

The new offices mark the commitment of both companies to continue to drive their brands in the Americas, Caribbean, and Duty Free.

Andy Consuegra, CEO at WEBB and Paul Ross, President/CEO of Edrington Americas, opened the event with a speech that celebrated their recent growth and strong partnership. With its

leading multinational brands like Macallan, Brugal, Famous Grouse, and Highland Park, The Edrington Group has seen an impressive 45% growth in the Americas in the last year.

“WEBB and The Edrington Group are very confident about the future and are looking forward to continuing driving success in the Americas, Caribbean and Duty Free,” said the company representatives during their presentations. WEBB handles the distribution of the Edrington brands in the Caribbean; Remy Contreau Travel Retailo Americas continues to distribute the Edrington portfolio in travel retail throughout the rest of the region.

In addition to the The Edrington Groups brands, WEBB currently distributes more than 20 different premium brands such as Armand de Brignac, Mionetto,

Tito's Vodka, Licor 34, Blantons, in the Caribbean, Duty Free and Cruiselines channels.

WEBB also unveiled the two newest additions to its portfolio, Disaronno amaretto and Tia Maria coffee liqueur, which it will be handling for the Caribbean and Duty Free North America, says Consuegra.

The offices are spacious, modern and feature very attractive open plan work areas, meeting rooms and a beautiful bar.

“I envision establishing the new offices as a Miami training center for brand ambassadors across the region,” WEBB’s Andy Consuegra told *TMI*.

“We can conduct full presentations and trainings with brand experts and mixologists during the day and then, due to our central location surrounded by bars, restaurants and hotels, entertain our guests in a world class venue in the evening. I see it as a competitive advantage,” he notes.

Laurent Perrier extends, expands distribution contract with Actium

Laurent Perrier Champagne and Miami-based Actium signed a new long term Agreement for Actium to distribute Laurent Perrier in most Latin American and Caribbean domestic and Travel Retail markets, as well as in North America Travel Retail.

“Laurent Perrier fits the Actium business model of few but leading and beautiful brands,” says Gregory Duhamel, Area Director at the Beverage Division of Actium

According to Jean Christian de la Chevalerie, Laurent Perrier Export Director: “Laurent Perrier has been the fastest growing Champagne in Latin America and the Caribbean since we appointed Actium in 2009, tripling our market share, with particularly strong results with our Prestige SKU. L Perrier benefits from the focus and quality of execution of Actium, as well as synergies with their overall exceptional portfolio of high end Brands.”

Laurent Perrier is the third champagne Brand worldwide in value and number one in the Rose segment, report the companies.



Clockwise from top: The Edrington Group’s Paul Ross and Juan Gentile with WEBB’s Mercedes Velasco; SMT’s Eddie Ferenczi, WEBB’s Andy Consuegra and Nestlé’s Jean-Michel Juin; the new WEBB/Edrington team; Mr. and Mrs. Jon Potash with Eddie Ferenczi; Edrington’s Macallan.

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A first-of-its-kind fragrance formulated with our exclusive Apple Fusion Complex and skin-loving nutrients.

DEMONSTRATED RESULTS:

- 100% demonstrated INSTANT MOISTURIZATION
- 83% demonstrated RADIANT LOOKING SKIN*
- 96% demonstrated SMOOTHER LOOKING SKIN*

DKNY
COSMETICS, PARFUMS, HOME CARE

*Clinical testing after 14 weeks.



ACI PAX FLASH – OCTOBER 2013 -- INTERNATIONAL

BY THE NUMBERS ACI

October a “banner month” for pax

Airports Council International announced that traffic results for October 2013 were up by 4.9% from the previous year – further proof that global passenger traffic is continuing to grow. With global passenger growth around 3% year-over-year for the last twelve months, ACI reports that “October represented a banner month for passenger traffic as airports in advanced economies bounced back with strong gains heading into the third quarter of 2013.”

Latin America-Caribbean:

Latin American airports continue to report buoyant growth in passenger traffic. In particular, the Sao Paulo airports (GRU and CGH) both posted double digit gains of over 10%. Mexico City (MEX), which also serves a large domestic market, posted overall gains of 7.1% in passenger traffic for October.

North America:

While growth in North America remains at relatively modest levels, passenger traffic posted a gain of 2.8% for the month. This represents an above average month for the market since year-over-year growth for the last twelve months was in the vicinity of 1%.

Compared to other major airports in the region, Los Angeles (LAX) continues to achieve impressive passenger increases, and was up more than 6% for the month.

Africa:

Africa was the only region to post a year-over-year decline for the month of October dropping by 5.2% in total passenger traffic.

Asia-Pacific:

With overall growth of 8% in passenger traffic in October, virtually all of the major hubs in the Asia-Pacific region showed robust growth rates. International passenger traffic was a driving force for the region, growing by almost 10%. While the Chinese economy faced a cyclical slowdown, passenger traffic at Chinese airports remained relatively strong. Seven of the major Chinese airports with over two million passengers had a combined 9% increase in passenger traffic during the month of October.

Europe:

The performance of air transport demand at European airports is beginning to gain momentum, with the region as a whole posting a

Regions	OCTOBER 2013 % YOY	YTD OCTOBER 2013 % YOY	YE thru OCTOBER 2013 % YOY
International Passengers			
Africa	-7.3	0.2	1.2
Asia-Pacific	9.7	8.7	8.0
Europe	4.7	3.4	3.3
Latin America-Caribbean	5.2	4.6	5.0
Middle East	10.1	11.0	10.7
North America	6.1	3.9	3.9
World	5.9	5.1	4.9

gain of 4.3% in passenger traffic. Except for the peripheral countries of the Euro area, most of the major airports recovered from the weak traffic figures that persisted throughout the year. Of the top twenty airports, only Madrid (MAD), Spain's busiest airport, and Rome (FCO) saw traffic drop by 9.8% and 1.6% respectively in October. At the other end of the spectrum, Turkish airports posted robust growth figures. Istanbul (IST) posted a growth rate of 9.1% for the month.

Middle East:

The Middle East continues to achieve the highest growth among all regions month after month. For the month of October traffic increased by 10%. Double digit growth rates continue to persist for airports across the region. Dubai

(DXB) and Abu Dhabi (AUH) grew by 15.1% and 15.8% respectively.

ACI World's Economics Director Rafael Echevarne commented, "Macroeconomic indicators point to a continuing recovery in the Euro area and the United States, which are interlinked with the aviation sector. While there is a revived sense of optimism based on the latest traffic figures, it is still early to adopt the view that we are completely out of the woods. Nevertheless, key emerging aviation markets such as Dubai, Istanbul and Sao Paulo continue to post strong gains in passenger traffic in spite of the downside risks. For the month of October, only three out of the top 30 airports reported having a decline in year-over-year passenger traffic."

Marcolin completes acquisition of Viva International

In a deal that will significantly strengthen its presence in North America, Italian eyewear company Marcolin SpA, through its affiliate Marcolin USA, announced on Dec. 4 that it has finalized the acquisition of VIVA International, the second largest eyewear company in the Americas and the ninth largest worldwide.

Marcolin says that will bring its historical handcrafted expertise, focused management and strong financial background to VIVA's current strong business. VIVA International reported \$190 million in sales in 2012 and includes a network of more than 160 agents in the American market.

The portfolio of brands under license includes: Guess, Guess by Marciano, Gant, Harley Davidson and other brands specifically dedicated to the U.S. market.

Marcolin is a leading eyewear company in the luxury sector. Its portfolio of brands under license includes: Tom Ford, Balenciaga, Montblanc, Roberto Cavalli, Tod's, Swarovski, DSquared2, Diesel, 55DSL, Just Cavalli, Cover Girl, Kenneth Cole New York, Kenneth Cole Reaction and Timberland. The Group's own brands include Marcolin, National and Web.

Giovanni Zoppas, CEO of Marcolin said in the statement initially announcing the deal: "The combination of the two companies will deliver significant extra value for our customers and brands, creating a truly global player in the industry as we look to expand our footprint with the support of [private equity firm] PAI Partners."

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FRAGRANCE with BENEFITS

A trio of natural fragrance formulated with our exclusive Apple Fusion Complex and skin-loving nutrients.

DEMONSTRATED RESULTS:

- 100% demonstrated INSTANT MOISTURIZATION
- 83% demonstrated RADIANT LOOKING SKIN*
- 96% demonstrated SMOOTHER LOOKING SKIN*

DKNY

*Based on testing after two weeks.



ESSENCE CORP.

Has an immediate opening for an
Account Supervisor
based in Miami.

Candidate must be willing to travel 50% of the time. Must have min of 2 years of experience within the luxury brands industry.

Must be organized, dynamic and self-motivated with strong sales skills and proficiency in Excel, Word, PowerPoint and other MS Office applications.

Fluent in English and Spanish both written and oral.

Essence Corp.

Has an immediate opening for an
Area Manager
based in South America.

Willing to travel 50% - 60% of the time. Area: Local Markets, South America.

Extensive follow up of local distributors for Fragrances and Cosmetic brands.

Must have minimum 3 years in the cosmetic and perfume Business (Local Market or Travel Retail).

Fluent in English and Spanish both written and oral.

Portuguese considered a plus.

Advanced MS Office (Word, Excel, Power-Point) and Outlook skills.

Strong organizational skills, self-motivated and sales driven.

Clarins Division

Has an opening for an
International Trainer
based in Miami

and willing to travel 50% of the time. Must have min of 3 years of experience within the luxury brand industry; and be organized, dynamic and self-motivated with Strong sales skills and proficiency in Excel, Word, PowerPoint and other MS Office applications.

Fluent in English and Spanish both written and oral.

Clarins Division

Has an immediate opening for a
Sales Planner

to be responsible for analyzing sales results by accounts, territories,

Prepare sales report and follow up. Minimum 1 year related experience Knowledge Excel, Power Point, and Word.

Team Player, Multi-tasker.

Dynamic personality.

Please send resumes to

musallan@essence-corp.com

New US budget deal will increase TSA airline security fee

In the proverbial good news, bad news scenario, the U.S. House of Representatives passed a two-year budget deal on Thursday night that will remove the threat of another government shutdown in January. The bill passed with a large majority of both Democrats and Republicans voting in favor, and now goes to the Democratic-led Senate where it is expected to pass easily.

Although the legislation replaces \$63 billion in sequestration cuts with savings from elsewhere – the deal also seeks to raise additional revenues from various fee increases – including a doubling of the airline passenger security fee.

The proposed deal would raise the passenger security fee that funds airport security efforts by the Transportation Security Administration, although the additional funds raised by the higher tax would not go to strengthen airport security, but rather into a general fund.

According to media reports, the current passenger security fee per ticket is \$2.50 for each leg of a trip, capped at \$5 each way.

Starting July 1, 2014, the new security fee would be set at a flat \$5.60 each way, to and from the destination. That would more than

double the fee for people who fly nonstop -- \$11.20 roundtrip vs. \$5 now (although the increase is only 60 cents each way for fliers who make stopovers).

Industry trade group Airlines for America has been lobbying hard against the increase, which it says will ultimately raise airfares.

"[A]irlines and our customers are already overtaxed, and we are disappointed that fees on air travel were increased, and believe those higher taxes will impact demand, jobs and our economy," the group said in a statement.

A4A President and CEO

Nicholas E. Calio said earlier:

"Doubling the TSA passenger security tax would cost passengers more than \$730 million annually, placing a huge additional tax on the traveling public, with no direct benefit to those who pay it."

Calio noted that aviation taxes totaled \$19 billion last year, and on a typical \$300 domestic roundtrip ticket, more than \$61 goes to federal taxes. A4A has launched the 'Stop Air Tax Now' campaign, where all stakeholders are encouraged to visit the stopairtaxnow.com site and send a letter to the White House and Congress urging them to reject tax increases on air travel. *LRP*

American Airlines/ US Airways merger closes

On Monday, Dec. 9, American Airline's parent AMR Corp. and Arizona-based US Airways Group, officially merged, forming the American Airlines Group Inc. (NASDAQ: AAL) and creating the world's largest air carrier.

Although it had to give up slots in certain airports to receive Department of Justice approval for the deal, the new American has a global network with nearly 6,700 daily flights to more than 330 destinations in more than 50 countries and more than 100,000 employees worldwide.

The airlines' separate websites, aa.com and usairways.com, as well as the two airlines' reservations systems and loyalty programs, will continue to operate separately until further in the integration process.

US Airways will exit Star Alliance on March 30, 2014 and will join the oneworld alliance the following day.

"The combined airline has the scale, breadth and capabilities to compete more effectively and profitably in the global marketplace," said the company in its official announcement.

BROWN-FORMAN

Global Travel Retail

Has an opening for a
Territory Manager For the US & Canada

The position is responsible for 20+ North American Duty Free customers encompassing approximately 200+ outlets to successfully implement & execute brand plans utilizing the 360 degree sales process. The duty free sales channel includes international airport, in-flight, diplomat, border, cruise and port retail.

Minimum requirements include

Bachelor's Degree in Business, Marketing, or related area plus at least 7 years packaged goods sales experience.

- Minimum 3 years experience of key national account (or similar) management.
- Fluent spoken and written English, ability to converse in Spanish.

Preferred requirements:

MBA, Minimum 5 years sales experience in Travel Retail, preferably in wines and spirits, but related sectors such as tobacco, confectionery, perfume & cosmetic, luxury can be considered;

Ability to communicate in Spanish, French and Portuguese.

To apply, or for more details, please go to

www.brown-forman.com/careers and enter Territory Manager into Search.

Clarins Division

Has an opening for an
Administrative Assistant

Candidate must be fluent in English and Spanish, with the ability to write and read both languages.

Minimum 3+ years administrative experience supporting senior-level executives.

Advanced MS Office (Word, Excel, Power-Point) and Outlook skills.

Careful attention to detail and exceptional customer service skills. Ability to anticipate needs and act upon requests independently.

Excellent written, oral communication, analytical, and interpersonal skills.

Self-motivated and flexible, with the ability to work in a fast-paced team environment.

Please send resumes to

musallan@essence-corp.com