

DFNI

Duty-Free News International

COLUMNISTS
p26 >>



Industry executives share their insights

- Molton Brown's **Tim Pluess** calculates the value equation
- MEADFA's **Sean Staunton** gears up for this month's event
- Baltona Duty Free's **Piotr Kazimierski** on people culture

Lagardère marks second Middle Eastern milestone

SAUDI ARABIA

Kapila Gohel
Editor



Lagardère Travel Retail (Lagardère) led a consortium to victory last month, winning the duty-free tender at Riyadh King Khaled International airport, marking its second Middle East duty-free milestone in the space of a year.

The move could act as a springboard to further Middle Eastern expansion with Lagardère already in talks for further duty-free contracts at Jeddah King Abdulaziz and Dammam King Fahd International airports in Saudi Arabia, Lagardère Travel Retail chairman & CEO Dag Rasmussen revealed to *DFNI*.

A consortium, formed of Lagardère, Saudi Airlines Catering Company and Arabian Ground Handling Logistic Company, was awarded the concession to operate 2,040sq m of commercial space across terminals one and two at Riyadh airport by the General Authority of Civil Aviation (GACA). The retailer will operate two 1,020sq m duty-free units, offering perfumes and cosmetics, fashion and accessories, gold and diamonds, tobacco, confectionery, food, electronics, toys and souvenirs among other products.

Dufry-owned World Duty Free operates the duty-free concession across GACA-operated Riyadh, Dammam and Jeddah airports with Al Musbah Group, the contracts for which expire next year.



Photo credit: Fedor Selivanov/Shutterstock.com

Lagardère will operate two 1,020sq m duty-free units at Riyadh International airport in Saudi Arabia

Rasmussen said: "We are [in talks with GACA regarding Dammam and Jeddah] with the same team. We are trying to give the best possible offer in all senses—quality and team commitment. We are looking at that extremely seriously and hope it's something we can gain."

The Riyadh win follows Lagardère's landmark entry into the Middle East in December 2015, when, in a joint-venture with Abu Dhabi Capital Group, it won the tobacco, confectionery, and fine foods duty-free concession for the new Midfield Terminal Building and Etihad Airways hub at Abu Dhabi International airport.

Rasmussen said: "We have had a specific strategy for the Middle

East for five years now with a dedicated team led by Vincent Romet. It's been a long-term process in developing relationships. It took some time to materialise and while we were clearly the challengers, we won a major part of the Abu Dhabi tender and were very happy with the concessions."

Lagardère Travel Retail director general EMEA Vincent Romet added: "Riyadh and Abu Dhabi will be two major steps for us in the Middle East. It is absolutely critical to make these operations a success and a real showcase for our know-how and savoir faire worldwide to develop even more destinations and platforms in the region."

Romet is looking forward to starting

operations; Riyadh will open first with a soft opening scheduled for Q1 2017 and a grand opening in Q2. The Abu Dhabi Midfield operation will follow later in 2017.

The retailer already had a travel-retail presence in the Middle East via news and food and beverage operations, which laid the foundations for expansion. "These gave us credibility in the region and helped grow our contacts including in Saudi Arabia—which is how we managed in a much shorter timeframe to secure the Riyadh concession fairly rapidly," said Rasmussen.

Read more on Lagardère's duty-free concession win at Riyadh International airport on page 34

TFWA Cannes 2016 review
p27-33 >>



Spotlight on the Middle East
p34-41 >>



Wavering sales on the seas
p43-45 >>



Travel-retail's unsung heroes
p46-47 >>

