

The Shilla Duty Free strengthens global retail presence with Macau Airport concession win



The Shilla Duty Free has won a major concession in Macau Airport that is expected to bring in US\$600 million in revenue over a five-year period

The Shilla Duty Free has won a major duty-free concession at Macau International Airport after an open tender. In a media release issued today, the retailer said the new concession is expected to post US\$600 million in revenue over a five-year period.

The Shilla Duty Free's new concession at Macau Airport

The new concession, which is open to all categories of duty-free items, covers 1,122 square meters in the airport's North Side Area. It is equivalent to half of the entire duty-free retail premises of the airport. Shilla's contract will run from November 7, 2019 to November 2024.

Commenting on the win, a Hotel Shilla spokesperson said: "Our 30 years of experience and operational prowess as a global duty-free retailer have been recognized again. We have built a momentum to further beef up our global competitiveness, operating duty-free shops at Macau International Airport in addition to the top 3 international airports in Asia including Incheon, Singapore, and Hong Kong."

Ingyu Han, President of Hotel Shilla's Travel Retail Business said: "Macau is one of the best-known tourist attractions and one of the leading duty-free markets."

"We have been able to further strengthen our duty-free retail presence globally by winning the duty-free concession at Macau International Airport. We will keep diversifying our overseas business portfolio to bolster up our global competitiveness."

Given that over 80% of the customers in the airport are ethnic Chinese, Hotel Shilla said it plans to promote Korea's small and medium-sized brands by curating a merchandise portfolio focused on global big names and K-beauty products.

The Shilla Duty Free is operated by Hotel Shilla. Hotel Shilla had been running a duty-free shop in Macau Airport since 2014 after incorporating a joint venture with Hong Kong-based duty-free retailer 1

Sky Connection (equity holding ratio: Sky Connection 60%, Hotel Shilla 40%). This time, it participated in the new concession tendering process solely.

Macau Airport's duty-free shops are divided into two sections covering a total of 2,252 square meters- the North and South Side. Last year, the combined revenue for both sections was US\$160 million. King Power and CDFG have been jointly running the South Side area which covers 1,130 square meters, since last year.