

APTRA President Sunil Tuli discusses India's growing momentum



Sunil Tuli, President of APTRA addressing delegates at this week's annual APTRA conference in Mumbai

At the APTRA Conference in Mumbai, Sunil Tuli, President of APTRA and Group CEO of King Power Group, delivered a keynote on the dynamics shaping India's travel retail sector and opportunities to expand revenue.

He began by addressing two key forces influencing the industry today: escalating global trade tensions and India's growing momentum. Tuli humorously remarked, "Well, we've picked quite a time to tell you about the exciting opportunities of doing business in India." While acknowledging the industry's lack of control over geopolitics, he encouraged the sector to focus on what it can control: capitalizing on the economic potential that India offers.

Global disruption

"Even before the current tariffs battle, the world economy was already throwing a range of diverse challenges at us," stated Tuli, pointing to mounting pressures across key duty free categories, including:

Confectionery: Cocoa prices have doubled due to climate change and supply chain disruptions in Ghana and the Ivory Coast

Beauty: Inflation, supply issues, and evolving consumer expectations towards CSR weigh down the category

Spirits: Tariffs on China and European cognac are hitting high-value brands

He also noted that the reduction in Chinese outbound travelers continues to hinder recovery in Asia-Pacific. On the US-India trade relationship, he added, "Your guess is as good as mine on how that will eventually pan out."

India's economic outlook

Despite the category pressures, Tuli remains optimistic about India's long-term outlook. Inflation is down, consumer spending is up, and India's GDP is nearing US\$4 trillion. "Let's remember this is still very much India's century," he emphasized.

India is expected to surpass Japan's economy this year and Germany's by 2027. It's also on track to overtake China in population by 2025, with Gen Z set to drive future consumption.

Passport to prosperity

India is set to see a rise in passenger traffic, with year-on-year growth anticipated at 5 to 6%. The government's US\$11 billion plan to build 400 airports by 2047, combined with large aircraft orders from airlines including Air India, highlight the country's growing aviation industry. Navi Mumbai International Airport, opening this year, expects an estimated capacity of 90 million by 2036.

Indian consumers are increasingly prioritizing international travel. "This desire for new experiences brings them right to travel retail's shop window," said Tuli. He cited a 25% year-on-year increase in overseas spending, hitting US\$17 billion in 2024. Travel now accounts for 53.6% of Indian discretionary spend, up from 37% in 2020. "The middle classes in India have a passion and the wallet to travel the world," he emphasized.

Not to mention over 40,000 new passports are issued daily, and Gen Z is poised to drive 50% of consumer decisions. "As India's surging travelers prepare to spread their wings across the world, it is a clarion call for the entire travel retail industry to innovate, adapt and seize this remarkable opportunity," Tuli states.

That said, Tuli also acknowledged the persistent poverty in Dharavi, one of the most well-known slums near Mumbai International Airport. He commended the Adani Group's collaboration with the Maharashtra government to revitalize the area.

Retail innovation

Tuli highlighted India's top duty free operators and their recent accomplishments, starting with Osprey Duty Free's memorable "Speed Breakers" campaign. "When you're shopping at the airport and get a chance to meet a Bollywood star or win a kilo of gold, that's an experience you don't forget," he said. "This is the sort of magic we need if we are to engage and excite the Indian traveler."

He also praised GMR Group for its success with Delhi Duty Free, Bengaluru Duty Free's partnership with Avolta, and Heinemann Asia Pacific's promising entrance into the Indian market.

Concluding his address, Tuli urged the industry to innovate and seize the growing opportunity presented by India's expanding travel retail market. "Our target audience is literally growing by the day, and we must not take them for granted," he stated. Despite the global trade and tariff disruptions, Tuli expressed confidence that, as with past crises, the industry will adapt and thrive.