

ASUTIL's José Luis Donagaray shares association outlook and conference details



A snapshot from an ASUTIL Conference that took place pre-pandemic featuring José Luis Donagaray

Leading up to the ASUTIL Conference in Buenos Aires, *Global Travel Retail Magazine* sat down with José Luis Donagaray, Secretary General at ASUTIL (Asociación Sudamericana de Tiendas Libres) for an exclusive interview. In addition to providing conference details, Donagaray discussed the state of travel retail and duty free in Latin America. Last reported to the publication, over 200 delegates are registered to attend the conference.

The big picture

Speaking about the economic situation in Latin America, Donagaray says, “We’re facing a complicated mix of issues: there is a lack of frequency, excessive demand and inflation. The domestic market is performing better than pre-pandemic and while international traffic is recovering, it hasn’t arrived at the same figures because of lack of travel frequency.” The association predicts the region will return to 2019 levels by the end of 2024.

Airlines in the region saw a 119% rise in international traffic and 93.3% increase in annual capacity in 2022 compared to full year 2021; load factor increased 9.7 percentage points to 80.8%, according to [data](#) from International Air Transport Association.

Donagaray points out because of its size, the importance of Brazil in the region “makes a lot of noise.” Following the election of Luiz Inácio Lula da Silva as President at the end of last year, he adds voters are still waiting on the Brazilian President to announce his new fiscal framework. As reported by [Reuters](#), the framework is seen as crucial to easing fiscal concerns and is expected to combine factors such as the debt trajectory, a budget surplus and spending control. Lula’s position on the Ukraine War

and Brazil's relationship with China are also up for debate.



Delegates networking at a previous ASUTIL conference

ASUTIL Conference outline

Managed by ASUTIL and Tax Free Duty Association (TFWA), the two-day event will feature an expert line-up of speakers. ASUTIL President Gustavo Fagundes will join Donagaray in opening the conference. According to the Secretary General, the overall tone of the line-up will focus on looking ahead to the future and the format of the conference will provide an exciting amount of information sharing, networking time and socializing.

“It’s been five years and travel retail and duty free is recovering; there are great expectations [among the association and delegates] and the content and the networking opportunities will be excellent,” says Donagaray.

Dufry Group CEO Xavier Rossinyol will deliver the keynote address, outline his future vision of the channel in the region and discuss the potential for tourism across the continent, as part of the *New horizons for duty free* session. This will be moderated by Dermot Davitt, President, *The Moodie Davitt Report*. Also, on day one, Dr. Peter Mohn, Owner & CEO at m1nd-set, will detail the findings of a new study conducted exclusively for the association on the behavior of the Latin American traveling consumer. Mohn’s presentation will cover the main travel retail categories, demographic analysis and data-driven statistics.

Plus, a panel discussion will take place on the importance of border stores and their growing share of the Latin American duty free market. The panel will consist of Neutral CEO, Marcelo Montico, BAH Free Shop CEO, Paulo Pavin, Director of Trade Policy at the Uruguayan Regional Ministry of Economy and Finance, Juan Alfonso Labraga Brea, and Federal Revenue of Brazil Regional Superintendent, Altemir Linhares de Melo, and be moderated by Carlos Loaiza, Secretary General at CEFSU, Chamber of Uruguayan Free Shop Operators.

As previously shared by the association, day two of the conference will explore economic challenges facing the industry, current traffic patterns in the region, the role of travel retail in Latin America's travel ecosystem, the effective application of technology within the channel and emerging digital trends. Speakers will include top economist and Macroview S.A Vice President, Carlos Melconian, Corporación América CEO, Martin Eurnekian, Latin American and Caribbean Air Transport Association (ALTA) Executive Director & CEO, José Ricardo Botelho, Meta PanLatam Director of Sales, Daniella Valeriano, and Pernod Ricard Travel Retail Americas General Manager, Gregory Ford.

Dufry Latin America CEO and ASUTIL Vice President, Enrique Urioste, will close the event.

Negotiations and achievements

To help maintain spend during the pandemic, Donagaray says the region continued to invest in travel retail and duty free with the opening of new stores and terminals in Argentina, Uruguay, Brazil and Panama. Duty free shops are available in Arrivals and Departures at every airport in Latin America, offering a wide selection that attracts tourists from across the region.

During this time period, ASUTIL negotiated to increase duty free allowances within Latin America. The mission was successful, with Uruguay increasing allowances for air travelers entering the country from US\$650 to US\$1,000. Post-pandemic it remains at US\$850. In Brazil, the allowance for those entering by air is now US\$1,000 at airport stores and US\$500 at land border stores.

The association also negotiated to allow for delivery of duty free purchases to boost spending. Although most international flights arrive to the Brazilian hub of São Paulo, passengers arriving from international flights and transiting to domestic flights can purchase at duty free shops and receive delivery within 15 days.

Coming up, ASUTIL looks forward to reuniting members of the industry in South America for an event packed with compelling content and exciting activities. The dates and the location of next year's conference are still to be determined.