

# MEADFA Day One: Africa is open for business

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On the first morning of this year's MEADFA Conference in Accra, Ghana, the mood at the Kempinski Hotel was upbeat with collaboration between travel retail industry stakeholders a key theme.



**9:05 a.m.: Welcome from MEADFA President, Sherif Toulan, CEO International Duty Free (IDF) Trading**

A welcome address from MEADFA President, Sherif Toulan, CEO International Duty Free (IDF) Trading had a serious, but positive tone.

"The atrocities of war in our region have had an immediate negative impact on travel, creating significant unease about the short term future of the Middle East and Africa. It might be thoughtless to focus on business at this time, yet we must. However, it's not the first time that crisis has threatened our industry here. Travel and tourism industries have become used to operating against this backdrop, and that is precisely why I remain optimistic about the long-term prospects for travel retail in the Middle East and Africa. The current conflict will have serious repercussions, no doubt. We need to redouble our efforts and secure our businesses by serving our customers even better and plan for the future," said Toulan.

The opening of the new Terminal A at Abu Dhabi International Airport earlier this month shows there is a lot to be positive about for travel retail in the region. And past MEADFA conferences, held in Oman and Bahrain, show how much commercial revenues can have an impact on duty free developments. Hopefully, it's the same in Ghana.

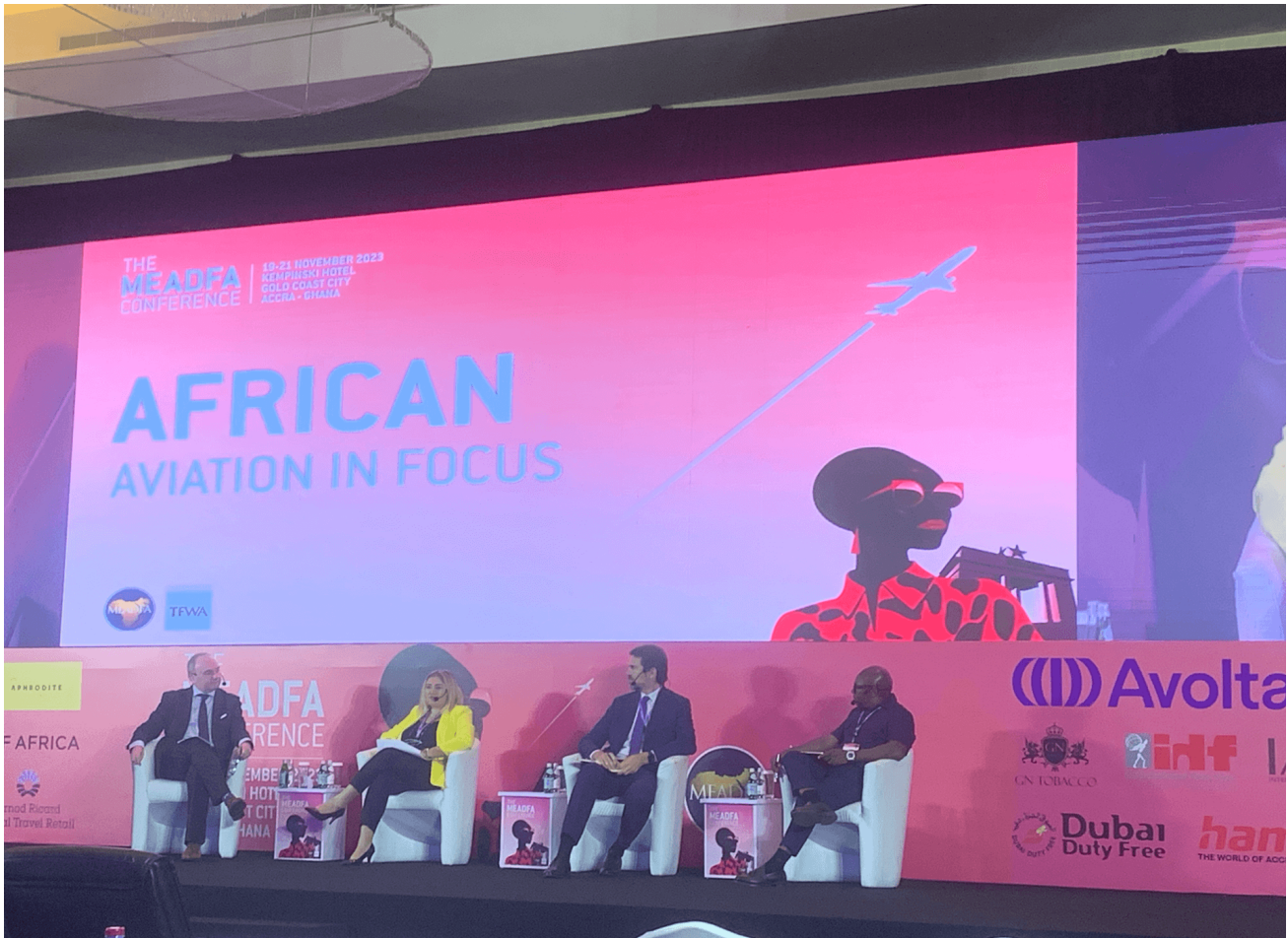
"Here in Africa the travel retail industry is set to reap the benefits of continued investment in infrastructure and tourism in emerging markets. Especially in Ghana, Senegal and Gambia, as well as surrounding countries, in Benin, Sierra Leone and Niger, which are testament to the potential of the region. We are all here to create typical conditions for our industry to thrive," he added.

**9:15 a.m.: Welcome from official host Hon. Kojo Opong Nkrumah Minister of Information for**

the Ghanaian government

“We are thrilled to host MEADFA, taking place in Africa for the first time,” said Hon. Kojo Opong Nkrumah, Minister of Information for the Ghanaian government, who opened the conference.

Nkrumah said the event serves as a forum for meaningful exchanges in the industry with Ghana hopefully at the center of regional development with non-aeronautical revenues set to grow here and across Africa, which is open for business.



### 9:30 a.m.: African aviation in focus

The morning conference continued with a panel discussion between Kwame Awuah, Group Executive Commercial Services Ghana Airports, Dina El Sherif, Commercial Development Director, Egyptian Airports Co and Luis Marin, President and CEO, EMEA Avolta (Dufry).

With Ghana airports Kumasi and Tamale ready for duty free expansion, the focus is on increased international and regional routes with improved passenger experiences in these emerging locations, that are ripe for development.



Passenger numbers have been steadily climbing since 2022, according to Awuah. “Pre-pandemic we were hovering around 2.1m passengers. Since 2022 the numbers have been increasing and we are almost back up to same, currently 2m, and we expect to get back to 2.1m again very soon. When you take our domestic passenger traffic, we even surpassed 2019 in 2021 and are way ahead now in domestic numbers,” said Awuah.

“One of the main reasons passengers are travelling now, is the pandemic kept us indoors for so long; but people are not afraid now,” he continued. “People want to get out to explore the tourism opportunities across Africa.”

Ghana is fortunate to have a long coastline, amazing landscape and flavorful culture. The country is growing its tourism sector but investment is not here yet. “We have to plan our airports expansion in line with the tourism industry. Our infrastructure is not up to where it needs to be and investment opportunity is critical for Ghana airports growth,” he said.

Accra is a testing ground for what the country’s airports will look like in the future. “In Terminal 3 we are looking to build a multi-storey car park; we also plan to build more retail space, hotels and conference centres. We are not just limited to Accra, also in Kumasi we are promoting the potential of an airport city.

“We have been talking to significant investors to fill the deficits for infrastructure, to enable the private sector to come in and we plan to work closely with the government to provide what’s needed,” said Awuah.

Supporting Awuah's comments, Egypt is at the heart of three continents, sitting between Africa, Asia and Europe, explained El Sherif. “The location is a hub for international growth. Our profile of

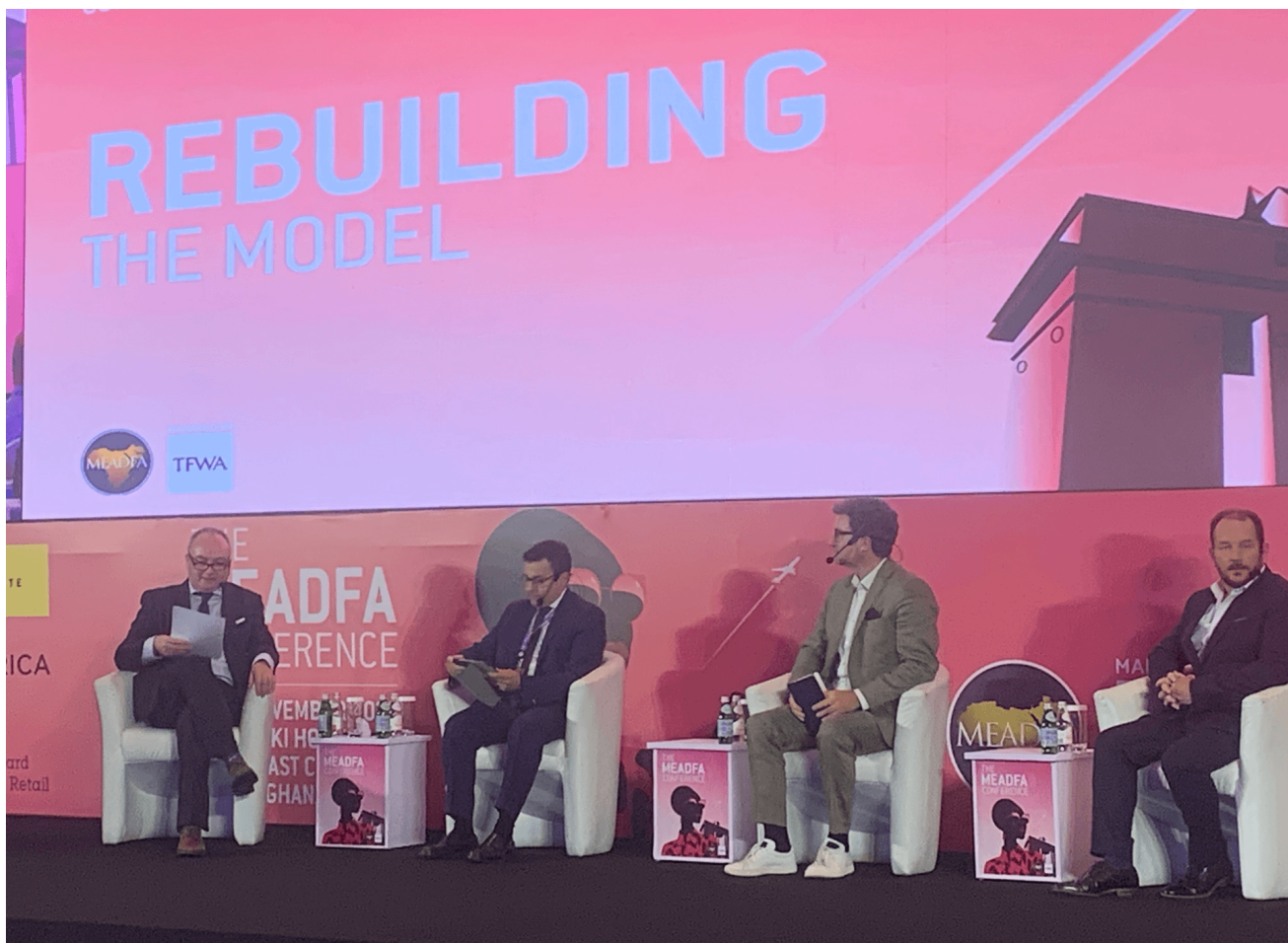
travelers is tourism with growth opportunities for international expansion especially between Sharm El Sheikh, Harghadah, Capital, Berenice and Sphinx, which could enable us to double our passenger numbers in the coming years.”

For Avolta (Dufry) Africa represents a fast-recovering region with potential to scale the company’s new hybrid duty free and F&B offer.

“We have seen a nice recovery in most of our airports, in seven countries in Africa,” said Marin. “Here we cover almost one third of international PAX in Africa, especially in Morocco, after the earthquake situation, Morocco is back on track. Ghana is doing well, Cairo also, Kenya is a bit behind.”

Marin continued Avolta has many regional priorities for investment, “Clearly we are in several countries here; for example, from Kenya and Nigeria to Jordan and Kuwait. We keep investing, developing with existing partnerships to grow across the region. Now we are a combined entity with more opportunities to invest. We are investing, in Morocco, in Lagos with a new terminal, in Ghana in Terminal 3 with a full service store.

“Avolta means coming together, the new combination forced us to think beyond just 1+1. Now we have the opportunity to do more hybrid concepts, which means we can go to smaller airports with a hybrid F&B and duty free offer.”



### 10:15 a.m.: Rebuilding the model

Retailers discussed the pandemic-induced ‘fault lines’ of the industry, “Accra is like my second home in Africa,” said Abdeslam Azgoul, CEO Middle East and Africa of Avolta. “In the decade before COVID it saw an impressive increase of passengers. The tourism activity increased, but the bubble 5

had created problems; the MAG (Minimum Annual Guarantee) concept was wrong. This situation was accentuated when COVID arrived – it was so fragile, an unbalanced business model and so it had to change.

“We saw a lot of government support for the airlines and airports, but not other players it was unbalanced. We are advocating a joint partnership between key stakeholders going forward, we need it to be more aligned with passengers, more balanced in the future – for the business model to better serve everyone involved. We as Avolta are pushing a lot to encourage all the players to go in that direction, more solidarity more shared views and thinking together: how will the industry look in 10 years?”

The pandemic created permanent new conditions for travel retail, said Nico Reifkogel, Director Business Development, Gebr. Heinemann. “COVID showed drastically how the old business model we had was not made for this type of crisis. We kept relationships because we were very flexible to find solutions together; it helped us to understand what partners wanted to overcome.”

Azgoul said the key is considering risk vs. reward. “There is one thing we all agree: travel will continue to be a physical exercise. We will always have people traveling in the airport; the reality is digitalization. The impact of that will be big in the next few years; it was 10% in 2019, expect it to be more like 30% by 2027.”

As the new wave of passengers demand to see new things in the retail environment, there are a number of realities the industry needs to take into account including the economic sustainability of the region. A lot of adaptation needs to happen in order to respond to a more demanding passenger. Retailers and brands need to combine physical and digital experiences; they need to combine retail and F&B in order to create the right experience for the passenger. It is the only way the business model will be maintained in the future.

Reifkogel advised the industry audience to put the consumer in the middle. “They look for regional products; we need to find a mutual way of presenting products for this customer.”

“Our start up app, Duffle will give travelers their route opportunities for shopping products per trip. We can break the silos, we don’t care if it’s just a Heineman concept. We welcomed Avolta to the app; these are the solutions to make the cake grow. It needs close cooperation and partnerships. The consumer will drive our business and no one else, it will lead to new behaviors.”



### 12:30 p.m.: Consumer insight: tracking the post-COVID MEA traveler

Euromonitor Research Manager for Sub-Saharan Africa, Christy Tawii noted that in the coming years, 50% of Africa will be Gen Z. “These younger consumers are reshaping a lot of industry products and services. The Africanism trend is growing from Afro beats to African cuisine, the continent’s consumers want to reinforce their identity.”

But currently, travel retailers are not yet doing justice to the African consumer with world class products. “There is a low culture of duty free shopping in Africa, yet a high proportional spend of income (30%) for consumer shopping - this should be a good starting point for travel retailers to create awareness beyond the airport,” she said.



Kwadwo Odame Antwi, CEO, Ghana Tourism DVPT Company and Dr. Nortey Kwashie Omaboe at E.N. Omaboe & Associates on-site at the conference