

# Northern Ireland airports and UK Travel Retail Forum call for return of duty free

The UK Travel Retail Forum and the three major airports in Northern Ireland have united, asking the UK Government and the European Commission to return duty free for flights from Northern Ireland to the EU.

As the UK formally left the EU at the end of the transition period on 31 December 2020, as of January 2021 duty free shopping was reinstated for flights from Great Britain to EU destinations, but this did not include Northern Ireland's airports because of ongoing discussions on the Northern Ireland Protocol. Now with the agreement in place, Belfast International, Belfast City and the City of Derry are requesting the return of duty free facilities to Northern Ireland's airports.



The current situation leaves Northern Ireland uniquely disadvantaged, with the only airports in Europe without duty free facilities. The three airports, and the wider travel retail industry, are calling on the UK Government and the EU Commission to use the mechanisms under the TCA and the Windsor Framework to find a solution to this problem

Airports continuously seek more non-aeronautical revenue in order to keep prices down for airlines and provide much-needed capital. Duty free sales also support local communities, and currently provide over £900 million in GDP to the UK economy.

As Northern Irish airports cannot sell duty free to travelers journeying to either Great Britain or the European Union, this results in an estimated £5 million loss each year to regional Gross Value Added.<sup>3</sup> As the local economy is smaller, this loss is more keenly felt.

This decision also cuts off some potential sales for Northern Ireland's growing food and drink sector. International travelers seek local products to bring home as gifts and souvenirs; enabling duty free would bring far more benefits than simple cash-register sales. This channel is used to showcase products to a new international customer base, and the lack of this possibility to this great market stymies local industry.



One of the key stated aims of the Windsor Framework agreement was to protect Northern Ireland's place within the UK. Another was to deliver real economic benefit to the people of Northern Ireland. Returning duty free to Northern Ireland's airports would deliver on both of these aims

Nigel Keal, Chairperson of the UK Travel Retail Forum, who is coordinating today's call to the UK Government and EU Commission, said: "The return of duty free post-Brexit has proven incredibly popular with consumers, with overseas retailers seeing significant increases in sales of duty free goods to departing UK passengers. This has been a crucial financial support as the aviation and travel retail sectors recover from the COVID-19 pandemic. Preventing airports and businesses in Northern Ireland from accessing this revenue stream is unfair. It puts them at a competitive disadvantage to the rest of the UK, and to the rest of Europe. On behalf of the industry, the travel retail industry is calling on the Westminster Government and the EU Commission to work together to level the playing field, and bring the rules on duty free at Northern Irish airports in line with rules at their British and European counterparts."

Graham Keddie, Managing Director at Belfast International Airport, stated: "It is critical that the UK Government and EU move quickly to restore balance, equality and fairness for the people of Northern Ireland as we are currently left with the worst of both worlds. We have raised this matter directly with HM Treasury, the Cabinet Office and the Northern Ireland Office as well as our local political parties. It is simply indefensible that the millions of passengers traveling through our airports are placed at such a significant disadvantage to those traveling through GB or ROI airports. This is costing millions of pounds in lost sales and is impacting employment and investment opportunities. We urge the UK Government and EU to sort this issue out as a matter of urgency as there can be no credible or justifiable reason for not doing so."

Steve Frazer, Managing Director at City of Derry Airport, said: "Excluding Northern Ireland's airports from duty free shopping further erodes our ability to offer attractive and competitive options, which the modern traveler expects. Our 3 airports combined growth has slowed significantly while competing with zero air passenger duty (APD) across the rest of the island's airports, many of which have thrived through supportive policies conducive to economic growth. NI's exclusion from the advantages of duty free enjoyed in our neighbouring ports and airports adds to that already uneven playing field. We would request a collaborative review to remove yet another competitive disadvantage for our industry, considering our unique geography and the economic potential associated with visitors to our region."

Katy Best, Commercial Director at Belfast City Airport, added: "Duty free shopping is a huge asset for many passengers to look forward to when traveling. By denying Northern Ireland duty free shopping status NI passengers and visitors are being denied the same opportunity as elsewhere in GB and the Republic of Ireland. Also, businesses and airports like Belfast City are being denied the opportunity to deliver key revenue which underpins continued investment in access and employment. Though we

are sure this was not the intention of the Windsor Framework, we would urge its authors to work with industry to resolve this important issue."