

# Economic Impact of Duty Free and Travel Retail in the Europe

**FINAL REPORT**  
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PREPARED BY  
**InterVISTAS**

# Executive Summary

This study examines the economic impact associated with the duty free and travel retail market in Europe.<sup>1</sup> The economic contribution and associated analyses summarised in this report reflect industry spending in 2023. This study was commissioned by the European Travel Retail Confederation (ETRC) and serves as an update to the previous report compiled in 2016 for the Duty Free World Council.

In the intervening years between the prior and current study, the travel industry was significantly impacted by the COVID-19 pandemic which saw unprecedented measures taken by countries around the world that limited the travel movements in and out of jurisdictions. Recovery of the travel industry, in terms of traffic volumes, has for the most part rebounded to 2019 pre-pandemic levels.

## Industry Snapshot<sup>2</sup>

### Summary of the European Duty Free and Travel Retail Industry

- European duty free and travel retail sales have witnessed notable growth and recovery since the COVID-19 pandemic, with a steady increase from **€ 16 billion** in 2022 to nearly **€ 21 billion** in 2023. This compares to **€ 69 billion** globally in 2023. The industry in Europe is estimated to support a total of **136,400 jobs**.
- It is estimated that **74%** of European duty free and travel retail sales occur in the **aviation channel (predominantly airports)**, compared to 54% globally, in 2023.
- European duty free and travel retail sales have recovered since the negative effects of travel restrictions implemented during the pandemic, with 2023 sales surpassing 2019.
- Europe's share of duty free and travel retail sales has gradually increased since 2019, now forming an estimated 30% of the global market, up from 25%.
- Fragrances/cosmetics, wines/spirits, and fashion/accessories accounted for approximately **67%** of total sales in the duty free and travel retail sector in 2023. Fragrances/cosmetics comprise just under 36% of sales, with both wines/spirits and fashion/accessories totalling to about 15% each.
- Duty free and travel retail sales activities in Europe are estimated to directly support **61,900 jobs** which generate **€7.7 billion in GDP**.

<sup>1</sup> Per the data set sourced by Generation Research, Europe is defined to include 59 countries in British Isles, Eastern Europe, Nordic/Baltic Countries, Southern Europe, and Western Europe. The list of countries is provided in **Appendix A**.

<sup>2</sup> Duty free and travel retail sales data is provided in USD and converted to Euros using a currency exchange rate of 0.95260017 on December 11, 2024 on xe.com.

Duty free and travel retail is defined by the Duty Free World Council (DFWC) as the sale of goods to international travellers, which includes both locals and visitors entering or leaving a country. Many retail channels for the sale of duty free products exist, such as at airports and on aircraft with some airlines, on cruises and ferries, or at borders and downtown locations. The latter have become popular in the Asia Pacific region, likely contributing to their significant market growth over the past ten years.

The total global sales for duty free and travel retail in 2023 are estimated at € 69 billion, marking a notable 18% increase over 2022. Europe, with a market share of 30%, saw duty free and travel retail spending reach over € 20 billion across all channels and product groups.<sup>3</sup>

### Estimated Impacts of Duty Free and Travel Retail Spending in Europe<sup>4</sup>

The three major components of economic impact include direct, indirect and induced impacts. Together, they provide a snapshot of economic activity and employment generated by the duty free and travel retail sectors in Europe. They are each considered in this report and defined as follows:

- **Direct economic impact** is employment and GDP that can be attributed directly to the operation and management of activities in the duty free and travel retail sector. For example, employment handling duty free and travel retail sales onboard a ferry between Dover (UK) and Calais (France).
- **Indirect economic impact** is employment and GDP generated in industries that supply goods and services to the direct employment. For example, wholesalers providing goods for inflight sales, or suppliers providing services to an airport duty free operation in Amsterdam Schiphol Airport in the Netherlands.
- **Induced economic impact** is employment and GDP generated by the expenditures of individuals employed indirectly or directly in the general economy. For example, an employee at the duty free outlet spends their earnings on meals out, groceries, a new car, etc., which generates additional employment in other industries and sectors. Induced impacts are often referred to as the “household spending effect”.

Duty free and travel retail spending in Europe supports significant employment, and, in turn, GDP to the broader European economy. It is estimated that duty free and travel retail in Europe directly supported **61,900 jobs** in 2023, contributing **€ 7.7 billion to GDP**, as shown in **Figure ES-1**.

When considering the direct, indirect, and induced impacts facilitated by duty free and retail spending activity in Europe, the industry supports an estimated **136,400 jobs**, contributing approximately **€ 13.6 billion in GDP** to the broader European economy.

<sup>3</sup> The data on duty free and travel retail sales is sourced from Generation Research. The total global sales are attributed to the Aviation Channel (includes airport shops and airlines), Ferries and Other Shops & Sales (includes cruise lines, downtown shops, seaports/ship chandlery, diplomatic shops & military and border shops)

<sup>4</sup> The total duty free and travel retail spending for the Europe region, sourced from Generation Data, served as the primary input to estimate associated jobs and GDP contributions. With the associated spending for 2023 estimated at €20.5 billion in Europe across all product groups, direct, indirect, and induced job and GDP impacts were calculated. Economic multipliers for European countries were sourced from Full International and Global Accounts for Research in Input-Output Analysis (FIGARO) and applied to the total sales figures to estimate the associated direct employment and GDP contribution impacts. Indirect and induced effects were also estimated using economic multipliers, as is common practice for economic impact studies.

**Figure ES-1:**  
**Total Economic Impacts Associated with Duty Free and Travel Retail Spending in Europe for all Sales Channels (2023)**

Sector	Jobs	GDP (€ Euros, Billions)
Direct	61,900	€7.7
Indirect	30,100	€2.4
Induced	44,300	€3.5
<b>Total</b>	<b>136,400</b>	<b>€13.6</b>

Note: Figures may not sum to totals due to rounding.

Duty free and travel retail goods purchased within the aviation channel account for nearly 75% of the total job and GDP impacts. This is followed by the other sales channel (16%), with the balance accounted for by the ferries sector sales channel (9%).

**Figure ES-2:**  
**Total Economic Impacts Associated with Duty Free and Travel Retail Spending in Europe, by Sales Channel (2023)**

Sector	Total Jobs	Total GDP (EUR billion)
<b>Aviation</b>		
Direct	46,100	€5.7
Indirect & Induced	55,300	€4.4
<b>Aviation Total</b>	<b>101,400</b>	<b>€10.1</b>
<b>Ferries</b>		
Direct	5,900	€0.7
Indirect & Induced	7,100	€0.6
<b>Ferries Total</b>	<b>12,900</b>	<b>€1.3</b>
<b>Other</b>		
Direct	10,000	€1.2
Indirect & Induced	12,000	€1.0
<b>Other Total</b>	<b>22,000</b>	<b>€2.2</b>
<b>All Sales Channels</b>		
Direct	61,900	€7.6
Indirect & Induced	74,400	€6.0
<b>Overall Total</b>	<b>136,400</b>	<b>€13.6</b>

Note: Figures may not sum to totals due to rounding. The Aviation Channel (includes airport shops and airlines), Ferries and Other Shops & Sales (includes cruise lines, downtown shops, seaports/ship chandlery, diplomatic shops & military and border shops).

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# 1 Introduction

## 1.1 Study Overview

InterVISTAS Consulting (InterVISTAS) is pleased to present this report, which assesses the economic impact associated with duty free and travel retail spending in Europe in 2023. This study was commissioned by the European Travel Retail Confederation (ETRC).<sup>5</sup>

## 1.2 What is Economic Impact?

Economic impact is a measure of the spending and employment associated with a sector of the economy, a specific project, or a change in government policy or regulation. In this case, economic impact refers to the economic contribution associated with the duty free and travel retail sector through its various channels of distribution at airports, on airlines, and on cruises and ferries, and at land borders. The three major components of economic impact are classified as direct, indirect, and induced impacts. Together, they provide a snapshot of economic activity and employment generated by the duty free and travel retail sectors in Europe.

In line with InterVISTAS' standard practice the economic impact will be broken down in direct, indirect, and induced impacts, where possible:

- **Direct economic impact** is employment and GDP that can be attributed directly to the operation and management of activities in the duty free and travel retail sector. For example, employment handling duty free and travel retail sales onboard a ferry between Dover and Calais.
- **Indirect economic impact** is employment and GDP generated in industries that supply goods and services to the direct employment. For example, wholesalers providing goods for inflight sales, or suppliers providing services to an airport duty free operation in Paris Charles de Gaulle Airport in France.
- **Induced economic impact** is employment and GDP generated by the expenditures of individuals employed indirectly or directly in the general economy. For example, an employee at the duty free outlet spends their earnings on meals out, groceries, a new car, etc., which generates additional employment in other industries and sectors. Induced impacts are often referred to as the *"household spending effect"*.

The economic impact results for duty free and travel retail in Europe will be presented for direct, indirect, and induced. The impacts will be expressed in terms of employment (jobs) and GDP.

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<sup>5</sup> The first study commissioned by Duty Free World Council (DFWC), Economic Impact of Duty Free and Travel Retail in Europe, was completed in 2016 by Dr. Harry Bush and Daniel Storey. Since the completion of that initial report, the DFWC commissioned InterVISTAS Consulting to conduct two additional studies: one for the Americas (completed in August 2018) and one for the Asia-Pacific region (completed in October 2019). This study serves as an update to the 2016 study for Europe.

## 1.3 The Impact of COVID-19

Travel restrictions and quarantine measures during the COVID-19 pandemic led to detrimental impacts to the European travel and tourism industry, including business closures, job losses, and a decline in revenue. This resulted in changes to travel behaviour and operational adjustments for tourism-related businesses and retail industries. Changes related to workforce composition, labour productivity, and inter-industry interactions were significant and continue to have an impact on the current economy. The economic impact of the duty free and travel retail industry throughout Europe presented in this report reflects these changes in economic conditions, inflation, and increases in productivity.

The duty free and travel retail spending in this report reflects activity in 2023, a year when recovery was still underway and spending-related activity globally had yet to return to pre-pandemic levels. Readers are reminded that the estimated impacts in this report represent a specific period when businesses, governments, and industries were dealing with turbulent economic conditions and uncertainty about the pace of recovery in passenger traffic across all travel modes.

## 1.4 Case Studies

Throughout the report, case studies are presented that represent an assortment of businesses in duty free and travel retail with operations in Europe. Their stories serve to accompany the economic impacts of the industry by providing context and insights on the role the industry plays in helping finance airport and transport infrastructure facilities, in generating employment at regional and local levels in Europe and the critical part duty free and travel retail plays in providing SMEs with access to international markets through the shop window effects at airport retail outlets and the European and globalised duty and tax free distribution systems. The case studies are organised as follows:

- **Manchester Airport Group** – includes Manchester International Airport – the third-busiest airport in the United Kingdom.
- **Cyprus Duty Free** – two travel retail stores located in two of Cyprus' largest airports.
- **Tallink Grupp** – marine leisure and business travel provider across the Baltic Sea region.
- **Loacker** – a confectionary business founded in 1925.
- **Gunpowder Irish Gin** – a product of the Shed Distillery, a local company from rural Ireland.

## 2 Global Duty Free and Travel Retail Trends/Patterns

### Key Findings

- As per Generation Research, total global duty free and travel retail sales have witnessed modest growth and recovery since the COVID-19 pandemic, with a steady increase from € **58 billion** in 2022 to an estimated € **69 billion** in 2023.
- Worldwide duty free and travel retail sales have still yet to recover fully since the negative effects of travel restrictions implemented during the pandemic, apparent when 2023 statistics are compared to a total of € **81 billion** in sales in 2019.
- Duty free and travel retail sales are approaching pre-pandemic levels in 2023, reaching 84% of pre-pandemic sales and boasting 18% growth since 2022.
- The Asia Pacific region dominated the industry, commanding **45%** of global duty free and travel retail sales in 2023, the largest market for the industry. This is a slight decrease from 49% in 2019. Europe has seen a slight increase in market share and sales compared to 2019, from 27% to 30%.
- Fragrances/cosmetics, wines/spirits, and fashion/accessories accounted for approximately **67%** of total sales in the global duty free and travel retail sector in 2023. Fragrances/cosmetics comprise just under 36% of sales, with both wines/spirits and fashion/accessories totalling to about 15% each.

### 2.1 Overview

The DFWC defines duty free and travel retail as the sale of goods to international travellers, which includes both locals and visitors entering or leaving a country. Numerous retail channels for the sale of duty free products exist, such as at airports and on aircraft with some airlines, on cruises and ferries, or at borders and downtown locations. The latter have become popular in the Asia-Pacific region, likely contributing to their significant market growth over the past ten years.

This chapter summarises the global duty free and travel retail sector using statistical data from Generation Research, unless specified otherwise.<sup>6,7</sup> The data is categorised by world region, sales channel, and product group, and compares statistics from 2019 onwards to highlight historical trends in the duty free and travel retail market.

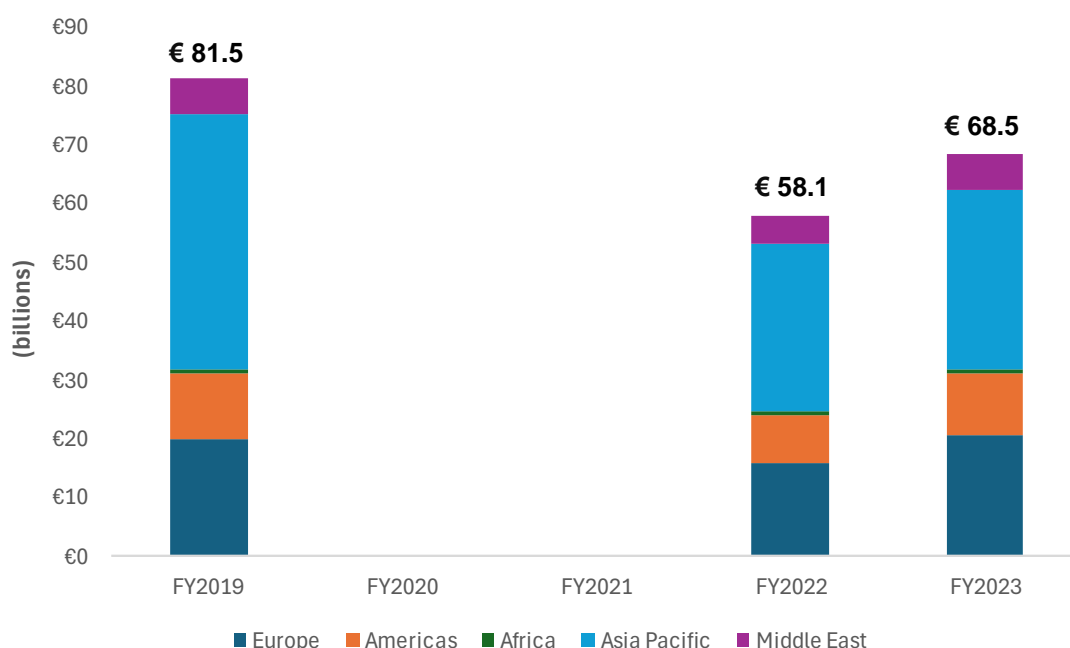
<sup>6</sup> Generation Research (generationresearch.se) is a firm based in Sweden that provides data on duty free and travel retail statistics, globally and by world region.

<sup>7</sup> All figures in this chapter refer to Generation Research figures, where applicable, on airport sales.



The total global sales for duty free and travel retail in 2023 are estimated at € 69 billion, marking a notable 18% increase from the previous year; however, still below pre-pandemic levels achieved in 2019.<sup>8</sup> **Figure 2-1** shows total duty free and travel retail sales from fiscal year 2019, 2022, and 2023. According to Generation Research, sales in Asia Pacific made up 45% of overall global sales in 2023, the highest of all world regions. Europe accounted for 30% of global sales in 2023, followed by the Americas with 16%. Asia Pacific's growth in global share has been at the expense of Europe and the Americas. As a result of the COVID-19 pandemic, data is not available for 2020 and 2021.

**Figure 2-1: Duty Free and Travel Retail Spending by Region (2019, 2022, and 2023)**



**Source:** Generation Research.

**Note 1:** The Indian subcontinent is included as part of Asia Pacific in **Figure 2-1**.

## 2.2 Duty Free and Travel Retail by Region

As shown in **Figure 2-2**, Asia Pacific remains the region with the largest duty free and travel retail spending, comprising roughly € 31 billion, or 45% of the worldwide market share. This dominance has held for the past several years, with Asia Pacific accounting for 44.6% of global market share in 2023 and 53.5% in 2019. Europe accounts for 30% of global market share, making it the second-largest region in terms of duty free and travel retail spending. With € 21 billion in sales in 2023, Europe has surpassed its pre-pandemic market share of 25%. The Americas, Middle East, and Africa collectively represent the remaining 26% of global spending. However, total worldwide duty free and travel retail spending in 2023 has not yet fully recovered, achieving € 58.1 billion in 2022 and € 68.5 billion in 2023, compared to € 81.4 billion in 2019.

<sup>8</sup> Duty free and travel retail sales data is provided in USD and converted to Euros using a currency exchange rate of 0.95260017 on December 11, 2024 on xe.com.

**Figure 2-2: Duty Free and Travel Retail Spending by Region (Millions)  
(2019, 2022, and 2023)**

Region	FY 2023 (Sales, Euro)	Market Share	FY 2022 (Sales, Euro)	Market Share	FY 2019 (Sales, Euro)	Market Share
Europe	€20,537	30.0%	€15,929	27.4%	€20,115	24.7%
Americas	€10,663	15.6%	€8,239	14.2%	€10,941	13.4%
Africa	€744	1.1%	€579	1.0%	€824	1.0%
Asia Pacific	€30,543	44.6%	€28,673	49.4%	€43,601	53.5%
Middle East	€6,017	8.8%	€4,680	8.1%	€5,979	7.3%
<b>Total (All Regions)</b>	<b>€68,504</b>	<b>100.0%</b>	<b>€58,100</b>	<b>100.0%</b>	<b>€81,459</b>	<b>100.0%</b>

Source: Generation Research.

## 2.3 Duty Free and Travel Retail by Product Group

In 2023, fragrances and cosmetics accounted for just under 36% of global market share, representing € 25 billion in sales, a slight decrease in sales by about € 1 billion compared to the year prior. Fashion and accessories are the second-largest product group, accounting for € 10.8 billion in sales and 16% share in 2023. Wines and spirits trail closely behind, with € 10.4 billion in sales and 15.2% share. All other product groups (tobacco goods; watches, jewellery and fine writing; electronics, gifts and other; and confectionery and fine food) comprise 33.1% of the total € 68.5 billion in 2023 duty free and travel retail spending. **Figure 2-3** shows the summary of sales by product group in 2019, 2022 and 2023.

## 2.4 Duty Free and Travel Retail by Sales Channel

Global duty free and travel retail sales continue to hold a majority through the airport shops channel, with € 37 billion in sales in 2023, or 54% market share. The share of airlines and ferries sales have decreased slightly since pre-pandemic from 5.4% to 4.7% in 2023.

With 41.3% of sales in 2023, other shops<sup>9</sup> has held steady over the years. Unfortunately, there is no further detail for the proportion of this sales channel in Europe specifically, but the latest available dataset (2017) indicates it could account for approximately 16% of sales in Europe. See **Figure 2-4** for the details.

<sup>9</sup> Other shops include includes cruise lines, downtown shops, seaports/ship chandlery, diplomatic shops & military and border shops (as per definition from Generation Research).

**Figure 2-3: Duty Free and Travel Retail Spending by Product Group (Millions)  
(2019, 2022, and 2023)**

Product Group	FY 2023 (Sales, Euro)	Market Share	FY 2022 (Sales, Euro)	Market Share	FY 2019 (Sales, Euro)	Market Share
Fragrances & Cosmetics	€ 24,563	35.90%	€ 23,636	40.70%	€ 35,093	43.10%
Fashion & Accessories	€ 10,819	15.80%	€ 8,648	14.90%	€ 10,916	13.40%
Wines & Spirits	€ 10,418	15.20%	€ 8,551	14.70%	€ 12,164	14.90%
Tobacco Goods	€ 7,176	10.50%	€ 5,196	8.90%	€ 7,100	8.70%
Watches, Jewellery & Fine Writing	€ 5,917	8.60%	€ 4,718	8.10%	€ 6,054	7.40%
Electronics, Gifts & Other	€ 5,145	7.50%	€ 4,025	6.90%	€ 5,315	6.50%
Confectionery & Fine Food	€ 4,466	6.50%	€ 3,326	5.70%	€ 4,817	5.90%
<b>Total (All Regions)</b>	<b>€ 68,504</b>	<b>100.0%</b>	<b>€ 58,100</b>	<b>100.0%</b>	<b>€ 81,459</b>	<b>100.0%</b>

Source: Generation Research.

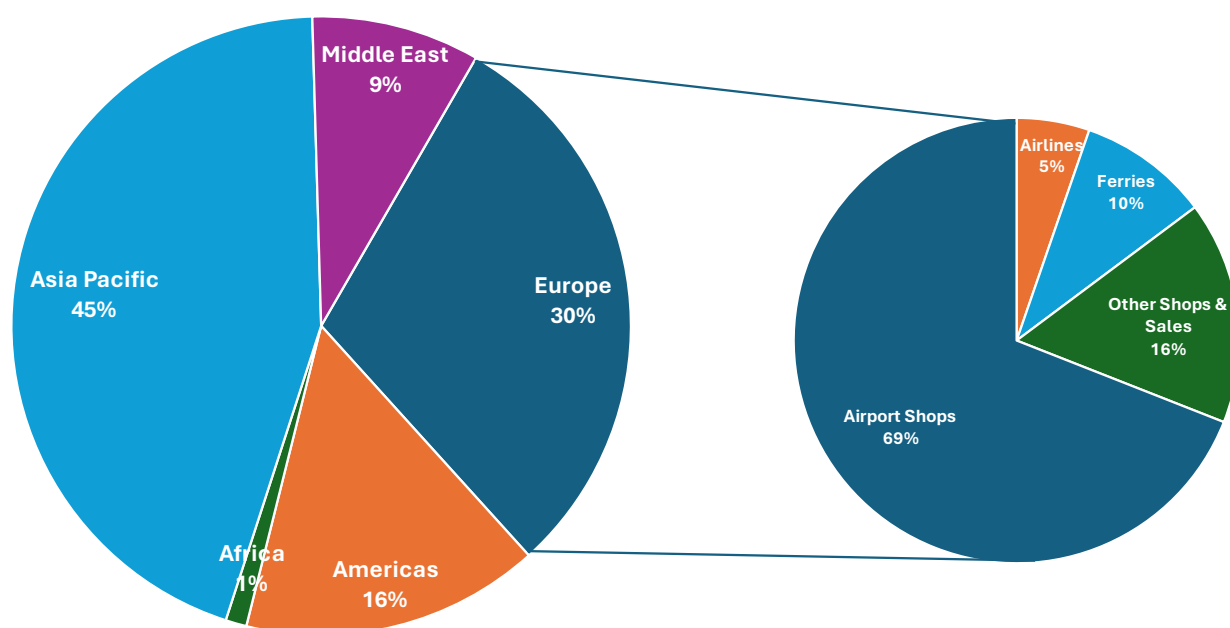
**Figure 2-4: Duty Free and Travel Retail Spending by Channel (Millions)  
(2019, 2022, and 2023)**

Channel	FY 2023 (Sales, Euro)	Market Share	FY 2022 (Sales, Euro)	Market Share	FY 2019 (Sales, Euro)	Market Share
Airport Shops	€ 36,936	53.9%	€ 27,759	47.8%	€ 41,526	51.0%
Airlines	€ 1,533	2.2%	€ 1,179	2.0%	€ 2,438	3.0%
Ferries	€ 1,727	2.5%	€ 1,445	2.5%	€ 1,983	2.4%
Other Shops & Sales	€ 28,307	41.3%	€ 27,717	47.7%	€ 35,512	43.6%
<b>Total (All Channels)</b>	<b>€ 68,504</b>	<b>100.0%</b>	<b>€ 58,100</b>	<b>100.0%</b>	<b>€ 81,459</b>	<b>100.0%</b>

Source: Generation Research. Other Shops & Sales includes cruise lines, downtown shops, seaports/ship chandlery, diplomatic shops & military and border shops.

Further to the global sales of duty free and travel retail goods by channel, estimates were produced to look at Europe's spending profile by channel. While Generation Data was unable to provide European duty free and travel retail sales by channel for 2023, their estimates of the 2017 spend profile were used and are summarized in **Figure 2-5** below. Approximately 74% of duty free and travel retail spending in Europe is attributed to sales via the aviation channel (i.e., airlines or airport shops). The aviation channel for duty free and travel retail sales is most prominent for Europe, as compared to 54% of global duty free and travel sales.

**Figure 2-5: Estimated European Duty Free and Travel Retail Spending by Channel (2023)**



**Source:** Generation Data Research (2023 and 2017) and InterVISTAS Analysis.

## 2.5 Related Studies

This section provides a summary of studies that review duty free and travel retail and its related industries and their associated economic impact in Europe. The results of these studies were used as resource and references to the current analysis of Europe's duty free and travel retail industry.

### 2.5.1 ETRC Business Index

Compiled by Pi Insight and tailored for members of ETRC, this report summarises airport duty free travel retail spending within Europe. Its reporting reflects spending at airport airside retail outlets, as well as net retail sales from duty free stores and other stand-alone stores operated by the duty free retailers. Excluded from its findings is landside airport retail, other travel retail channels, and other stand-alone airside retail stores not operated by duty free retailers. The report finds that for 2023, sales within the European travel retail sector amounted to approximately € 8.7 billion in sales, down

only slightly from 2019 (-1.8%). The report also notes that on a quarterly basis, the European airport duty free sector reached its point of recovery in 2023 Q4, with total sales exceeding 2019 Q4.

### 2.5.2 ACI-Europe Economic Impact (2024)

Airports Council International Europe (ACI-Europe) released a report titled "Benefits of Airports & Air Connectivity" in October 2024.<sup>10</sup> The report emphasises the vital role of European airports and air connectivity by highlighting their economic impact in the region and briefly addresses the contribution of retail activity. Specifically, the report states that a total of € 851 billion in GDP and 14 million jobs are generated by airport operations and air connectivity in Europe, with almost 10% of direct jobs at airports being accounted for by retail and food services. The breakdown between Europe's direct, indirect, induced, and catalytic impacts is also described in the report. In addition, broader societal impacts that align with the UN Sustainable Development Goals, including reductions in poverty and increases in education or gender equality, are also listed. The report concludes by advocating for the continued support of these air services in Europe to deliver on these societal benefits while also working towards net-zero emissions by 2050.

### 2.5.3 Moodie Davitt Report (2018-2019)

The Airport Commercial Revenue Study for 2018-2019, jointly published by The Moodie Davitt Report and the Mercurius Group,<sup>11</sup> summarises commercial, non-aeronautical revenues through a range of sources including industry reports, desktop research, interviews, and more. Through providing an overview of duty free, food and beverage, specialty retail, and currency change activities, the report demonstrates that non-aeronautical revenue tends to comprise around 45-50% of total airport revenue. This demonstrates the strength of duty free activities specifically, which, despite comprising only 7.6% of outlets and 8.5% of space in an airport, accounts for nearly 28% of sales and 48% of airport income; therefore, making duty free the most effective form of retail.

In Europe, average duty free sales per passenger ranged from roughly € 20 to € 28, depending on the size of the airport and its departing international passengers. The report states that duty free stores in Europe generate roughly € 32,600 in sales per square metre of shop space, in the 2017/2018 time frame,<sup>12</sup> and notes that packaged food represents significantly more sales in Europe than in the Americas or Asia-Pacific. Benchmarks for terminal planning and other airport insights are provided, in order to maximise the success of commercial revenues in airports.

### 2.5.4 ETRC Economic Impact of Arrivals Duty and Tax Free Shopping in the EU (2020)

Commissioned by the European Travel Retail Confederation in 2020, the Economic Impact of Arrivals Duty and Tax Free Shopping in the EU report briefly describes the state of duty free shopping in Europe in 2020.<sup>13</sup> The report suggests regulatory changes across the EU that would allow duty and tax free shopping on arrival for passengers coming from non-EU airports. This is anticipated to benefit travellers, airports, EU-based retailers, and the economy as a whole through the creation of jobs and

<sup>10</sup> <https://www.aci-europe.org/downloads/resources/ACI%20EUROPE%20SYNOPSIS%20-%20BENEFITS%20OF%20AIRPORTS%20%20AIR%20CONNECTIVITY%20digital.pdf>

<sup>11</sup> <https://moodiedavittreport.com/2018-19-airport-commercial-revenues-study-now-available/>

<sup>12</sup> 2018/19 Airport Commercial Revenues Study Moodie Davitt Report

<sup>13</sup> <https://etrc.org/wp-content/uploads/documents/etrc-economic-impact-of-arrivals-study-executive-version.pdf>

business opportunities. The report states that sales from duty free arrival shops could comprise up to 20-30% of total travel retail sales, thereby shifting sales from outside the EU to inside. The study reports a potential of € 4.3 billion in GVA, 41,500 jobs, and € 1.6 billion in tax revenues for the EU.

### 2.5.5 Economic Contribution of Cruise Tourism to Europe (2022)

The Economic Contribution of Cruise Tourism to Europe 2022 report highlights the significant economic impact of the cruise industry in Europe.<sup>14</sup> Released in 2022 and produced for Cruise Lines International Association by Tourism Economics, the report declares that the cruise industry supported € 56.4 billion in economic output, € 25.6 billion in GDP, 370,000 jobs, and € 14.9 billion in wages across Europe that year across direct, indirect and induced impacts. The report estimates passenger spending at European ports increased significantly from € 700 million in 2021 to € 3.9 billion in 2022. Altogether, 2022 passenger spending totals to just over € 8.1 billion. Country-specific impacts of other aspects of the cruise tourism industry, including employment, wages, and other regional highlights, are also presented in the report.

#### ***Case Study: Manchester Airport Group: Supporting the Passenger Experience Before & After Brexit***

The largest airport operator in the United Kingdom, Manchester Airport Group oversees the operations of Manchester, London Stansted, and East Midlands Airport. Altogether, the company served over 60 million passengers across the three airports with the support of 19,000 employees on the ground. Manchester International Airport (MAN) is the largest of the three airports owned by Manchester Airport Group, and saw 28.1 million passengers in 2023, an increase of over 20% from the previous year. This makes it the third-busiest airport in the United Kingdom. London Stansted is close behind, having served 27.9 million passengers in 2023. Although East Midlands Airport only served 3.9 million passengers that same year, it processed the most cargo out of all of Manchester Airport Group's airports, having lifted 27,000 tonnes of cargo in December 2023 alone.

#### **The Increasing Role of Duty Free and Travel Retail**

For Manchester Airport Group, revenues from duty free and travel retail operations are crucial not only to the company but also to each individual airport. These revenues enable further investment in the facilities and personnel that distinguish these three airports. Each of Manchester Airport Group's airports features a walk-through duty free store. With rising staffing and utilities costs, the revenue generated by duty free and travel retail sales from the millions of passengers who pass through these airports is substantial. This is particularly significant for the Group's smaller airport, which rely more heavily on travel retail for its revenue. Moodie Davitt reports that Manchester Airport Group's revenues from retail concessions rose to £300.8 million in 2023, with duty free sales being one of the largest contributors to this increase.

<sup>14</sup> [https://europe.cruising.org/wp-content/uploads/2024/05/Economic-Impact-of-Cruise-in-Europe-2022\\_final.pdf](https://europe.cruising.org/wp-content/uploads/2024/05/Economic-Impact-of-Cruise-in-Europe-2022_final.pdf)



## Maintaining the Passenger Experience

The advantages of duty free and travel retail shops at these UK airports extend beyond benefiting Manchester Airport Group. The Group prioritises enhancing the customer experience through airport facilities such as travel retail, demonstrating a strong commitment to tailoring preferences and experiences to each customer. For instance, the company observed that London Stansted Airport received a higher number of inbound international visitors and a younger demographic, prompting them to adjust their offerings accordingly. Manchester Airport Group focuses on connecting with local products and companies for their business and passengers.

Because of the company's emphasis not only on physical travel retail, but also the digital market, Manchester Airport Group is especially keen on understanding their passengers and the latest trends. The company works closely with their retail partners to gather and analyse sales data, social media interactions, and even create influencer partnerships to promote beneficial products. Through collaboration with partners such as Avolta, Manchester Airport Group has enhanced its ability to align product offerings with customer preferences in a timely manner. They also benefit from having a diverse mix of passengers and airlines to all three of their airports. As a result, the duty free and travel retail portion of their revenues are growing. Even after Brexit, Manchester Airport Group has seen growth in this area, especially in the food and beverage sub-sector, where passengers are expecting more sophisticated and unique choices to fit healthier and diverse lifestyles.

## The Impacts of Brexit

Nevertheless, Brexit significantly impacted Manchester Airport Group's operations and their strategy regarding duty free and travel retail shops. Following Brexit, the duty free and travel retail sector was impacted by changes to policies like the VAT Refund Scheme. Two schemes which provided shopping free from VAT (value-added sales tax) for tourists—the VAT Retail Export Scheme (RES) and an Extra Statutory Concession (ESC)—were ended, thereby increasing the cost of goods at UK airports and discouraging purchases by international travellers who may choose to shop elsewhere in Europe instead.

Travel retail stores at airports operated by Manchester Airport Group have benefitted from receiving EU customers after Brexit, which has added significant quantity to their revenues; however, EU customers may be hesitant to shop at UK airports without the benefit of shopping tax-free. Additionally, other international passengers, such as those from China, who previously spent significantly at duty free stores, are now exhibiting reduced spending. Still, with local UK products gaining attention, Manchester is slowly becoming a destination in its own right. With the addition of the new terminal which opened in July 2021, Manchester Airport Group is eager to set Manchester Airport apart from other national airports through the airport's design and products.

## Future Challenges and Opportunities

Manchester Airport Group anticipates several areas for growth in their business within the duty free and travel retail market. Certain challenges arise from government policies. Currently duty and tax free shopping is not allowed on arrival into the UK and political activity continues to persuade the authorities of the benefits to passengers of duty and tax free shopping on arrival and to airports of the additional revenue stream it would provide not only to the Manchester Airport Group but to all airports in the UK. In addition, the company is eager to continue expanding its presence online and growing its

influence by better utilising social media, celebrities, and other online shopping tools. These developments, including the upcoming \$45 million transformation project at Stansted Airport, will significantly enhance opportunities for travel retail across all categories.

## 3 Duty Free and Travel Retail Sales Channels

### Summary of the European Duty Free and Travel Retail Channels

- **Aviation Channel:** significant volume of duty free and travel retail sales occurs via the aviation channel in airports and through the airlines. Airport passenger traffic through Europe's airports are forecasted to grow in the future, with 2027 traffic anticipated to be 9.2% higher than 2019 traffic levels.
- **Ferries Channel:** ferry traffic in Europe supports significant economic benefits. Ferry traffic provides important connectivity in the Nordic countries and between the UK and Europe's mainland.
- **Other Shops & Sales Channel:** includes cruise lines, downtown shops, seaports/ship chandlery, diplomatic shops & military and border shops operating in Europe. Cruise passengers in 2022 spent € 3.8 billion at European ports.

This chapter provides an overview of the various sales channels through which duty free and travel retail transactions take place. Also outlined below is a summary of the trends, consumer behaviour, and broader economic context for each of the following channels:

- **Aviation Sales:** Airports and airlines throughout the European region.
- **Ferries Sales:** Transactions taking place on ferries in Europe.
- **Other Shops & Sales:** includes cruise lines, downtown shops, seaports/ship chandlery, diplomatic shops & military and border shops operating in Europe.

### 3.1 Aviation Sales Channel

Europe enjoys a vibrant aviation sector that facilitates a significant volume of travel throughout the region and beyond. Duty free and travel retail sales activity serves as a crucial source of non-aeronautical revenue for airports throughout Europe, supporting the financing of airports and related infrastructure and other investments. This sales channel includes duty free and travel retail at airports and on airlines.

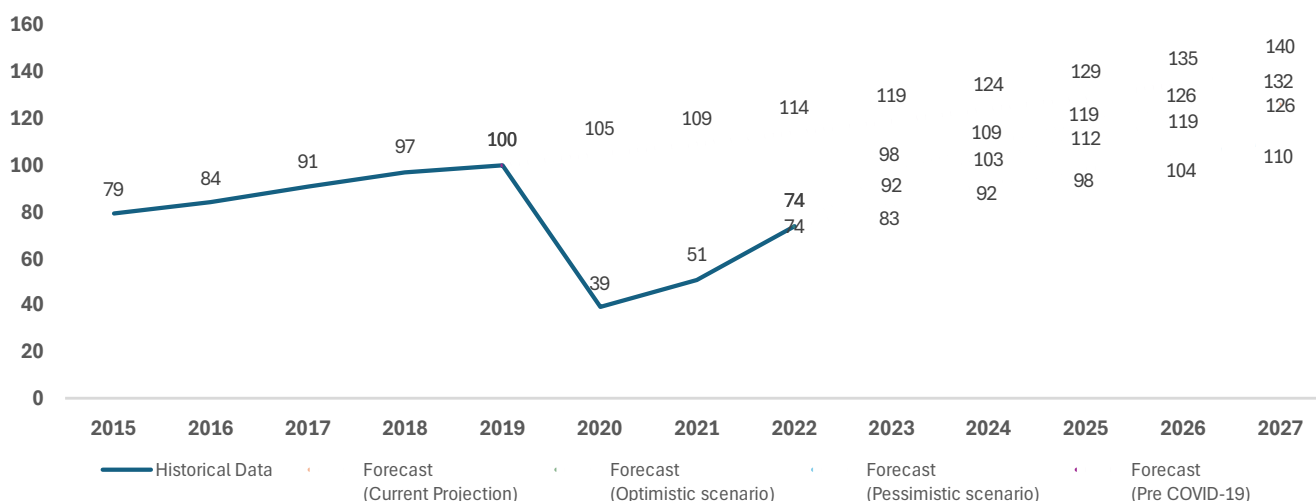
Retail activity at European airports serves as part of a developed and productive industry. As estimated by Moodie Davitt in 2017/18, duty free stores in Europe generate roughly € 32,600 in sales per square metre of shop space, suggesting airports are investing and utilising available floor space efficiently, relative to their international peers.<sup>15</sup>

Air passenger traffic, a critical input to duty free and travel retail sales in the aviation sector, continues to rebound globally. In particular, 2024 marks the year where air passenger travel is expected to recover to 2019 levels, according to data provided by ACI World and illustrated in **Figure 3-1**.

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<sup>15</sup> 2018/19 Airport Commercial Revenues Study Moodie Davitt Report

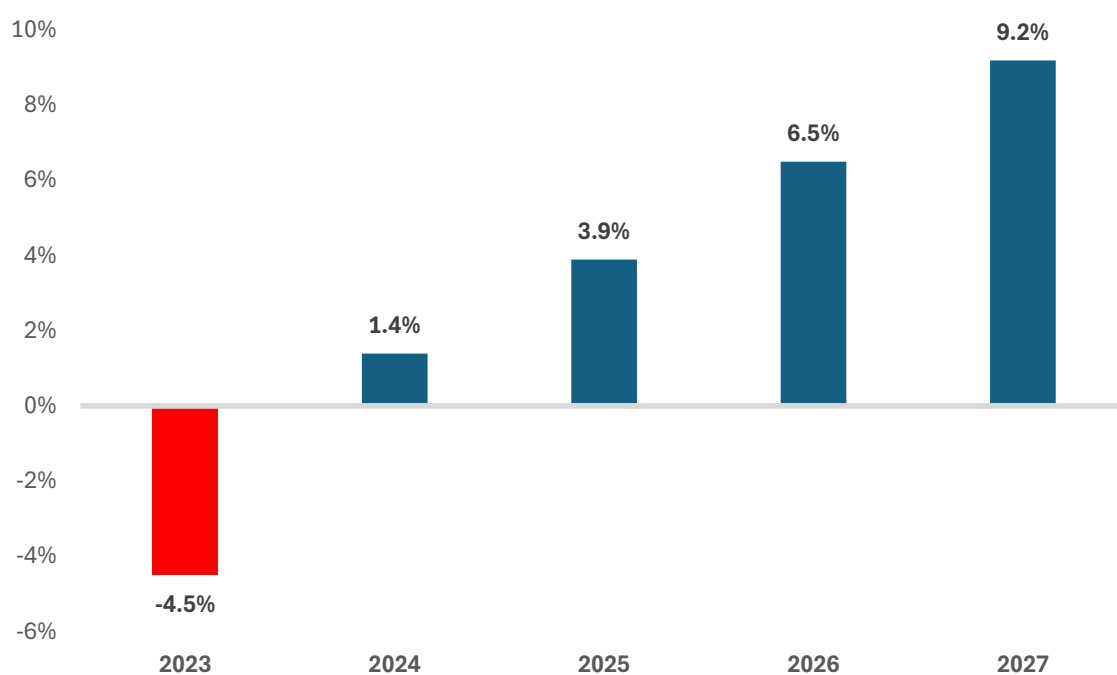
**Figure 3-1: Medium-Term Global Passenger Traffic Projection (2015-2027, Indexed 2019=100)**



Source: ACI World accessed via the TFWA 2023 Handbook.

Within Europe, the ACI Europe Traffic Forecast anticipates a gradual escalation of passenger traffic growth. Relative to 2019, air passenger traffic is expected to grow by 1.4% in 2024, and by over 9% in 2027 and is outlined in **Figure 3-2**.

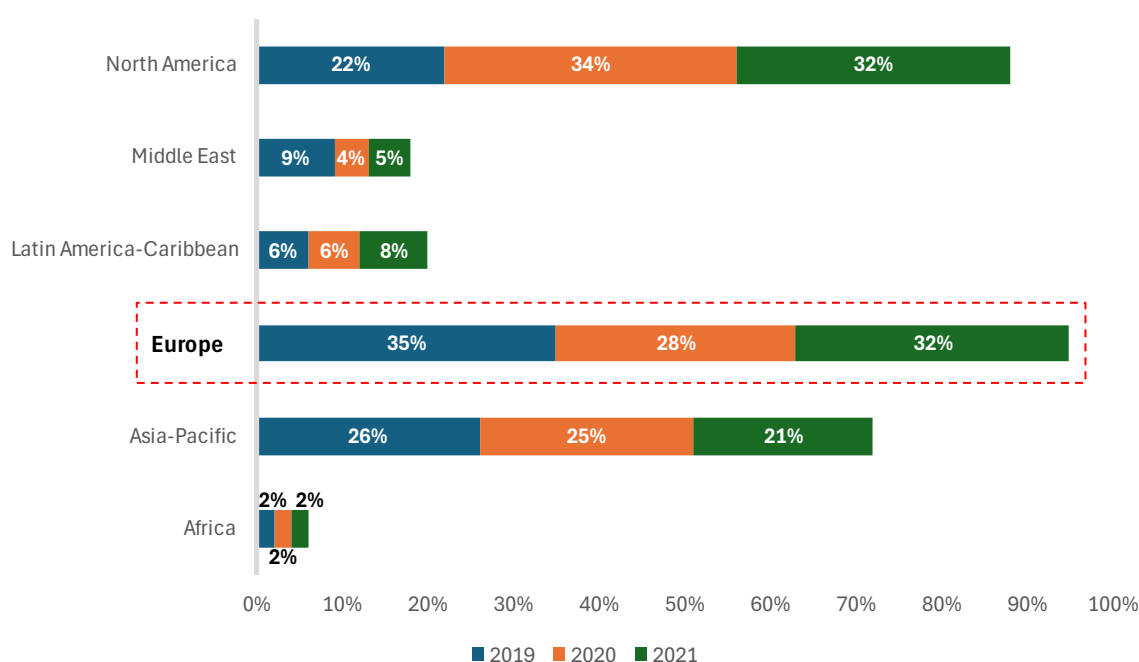
**Figure 3-2: European Airport Passenger Traffic Forecast (2023-2027 vs. 2019)**



Source: ACI Europe Airport Traffic Forecast, October 2023 (Revised 2023-2027 Outlook)

Switching focus to revenues generated by airports globally, North America led the way with 32% of the share in 2021, largely due to government grants and a considerable domestic market. Europe, closely trailing North America also held 32% of the global revenue share primarily due to the well-established intra-European travel market.

**Figure 3-3: Distribution of Global Airport Revenues (2019, 2020, 2021)**

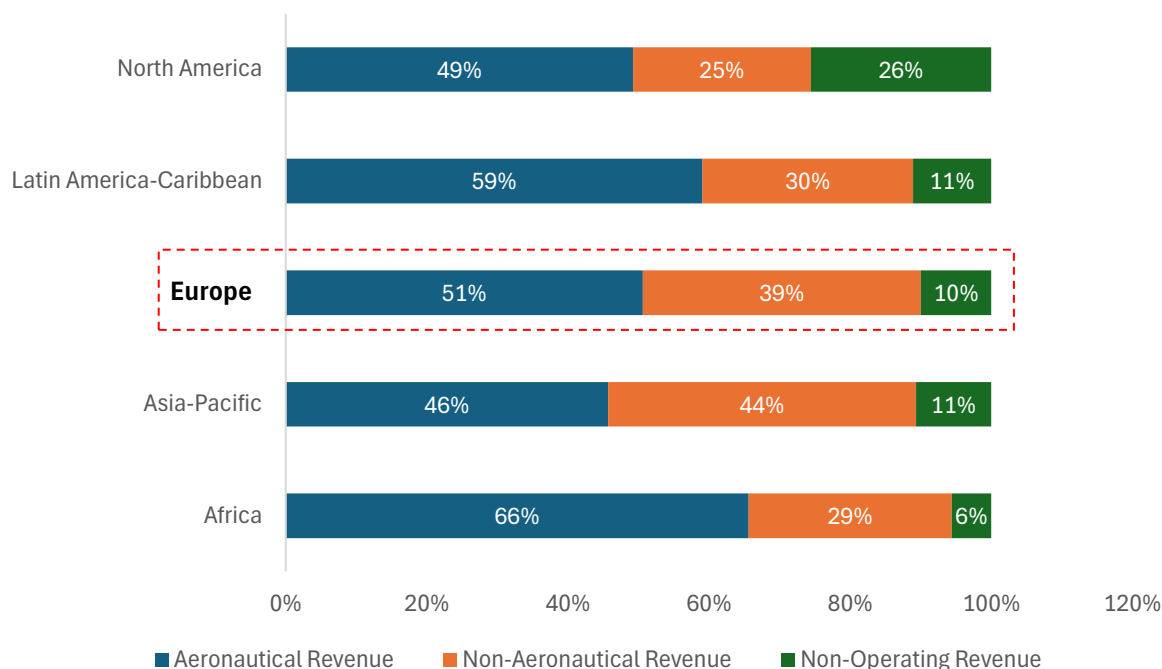


Source: 2023 ACI KPIs and Economics Report.

Revenues at airports in Europe, and indeed around the globe are primarily driven by the passengers that pass through them. Following the onset of the pandemic in early 2021, airports were quickly forced to acquire alternative sources of capital to fund their ongoing activity.

Traditionally, revenues from aeronautical (i.e., charges and fees levied on airport passengers) and non-aeronautical (i.e., commercial businesses) activity have maintained a relative balance. However, in 2021 and as outlined in **Figure 3-4** below, aeronautical activity in Europe drove a majority share of revenue (51%) due to growth of air cargo activity and decline of retail concessions and related retail activity due to the restrictions on passenger travel.

**Figure 3-4: Distribution of Revenue by Region (2021)**

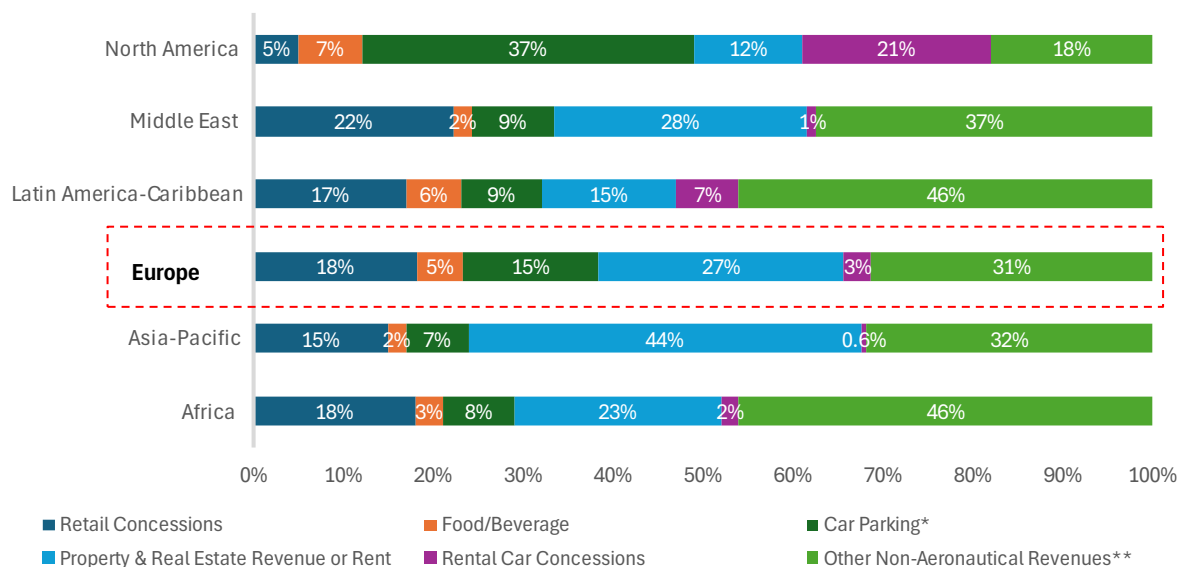


Source: 2023 ACI KPIs and Economics Report.

Non-aeronautical revenue – which includes retail concessions activity – is of considerable importance to airports in Europe and globally as aeronautical revenue tends to be insufficient to cover the cost of capital and related services. Increasingly, airports are diversifying their revenue streams and looking at other ways to distance their reliance on aeronautical activity. As outlined in **Figure 3-5**, Europe ranked second in 2021 amongst global regions for the proportion of non-aeronautical revenue generated by retail concessions. This highlights the importance of the duty free and travel retail industry in Europe to not only passengers, but also to the financial health and quality of services of airports in the region.



**Figure 3-5: Distribution of Non-Aeronautical Revenue by Region (2021)**



Source: 2023 ACI KPIs and Economics Report.

Note (\*): Includes revenue from airport-operated parking lots and car parking concessions revenue.

Note (\*\*): Includes revenue from other unspecified concessions, revenue from other unspecified activities undertaken by an airport and other unspecified non-aeronautical activities.

While airports continue to invest in generating new commercial opportunities and the diversification of revenue streams, much of the innovation taking place can be found in the duty free and travel retail industry. Many of the current trends in this space look to enhance the passenger experience and increase satisfaction amidst a wide variety of consumer goods and services. A recent industry whitepaper examines a number of these trends, and is summarised below:<sup>16</sup>

- **Digitalisation.** Growing integration and utility of mobile devices and self-service channels. Duty free and other retail goods can be ordered ahead of time and conveniently picked up prior to boarding. Airports are developing apps to help guide the passenger through the travel journey and highlight pre- and post-security commercial offerings.
- **Passenger Focus.** Airports continue to advance their CX (Customer Experience) programs to better define their customer base and further understand key satisfaction drivers. Self-service options throughout the journey and aligning offered products and services to each airports' passenger base will continue to be prioritised.
- **Logistics.** Optimised duty free and travel retail outlets maximise the benefits of passenger dwell time and create a seamless passenger travel journey. Passenger expectations demand a diverse selection of retail offerings and a prompt delivery of goods whether it is through traditional transactions on the floor, or pre-ordering.
- **Advertising.** Airports are leveraging opportunities to maximise advertising revenue through digital media given widespread use by passengers of smartphones. The sale of media spaces throughout

<sup>16</sup> Whitepaper prepared by Skylark Consulting Group.

the passenger journey and the use of dynamic signage to promote products and services is increasingly prevalent.

- **Infrastructure.** Increased focus on design to foster a holistic airport brand. Strategically placed retail outlets and digital tools to customise passenger services and products should be considered. Establishing a sense of place unique to the region in which the airport is situated is becoming increasingly commonplace. Growing dwell time by creating an environment in which the passenger can relax and enjoy design features will positively correlate with retail and general concessions sales.
- **Personalisation of Product.** Increasingly personalised and customised offerings will allow airports to capitalise on passenger dwell time within the airport environment. Data collection of passenger needs and preferences allow for airports to tailor their offerings accordingly and maximise the opportunity to generate non-aeronautical related revenue.

### ***Case Study: Cyprus Duty Free: Showcasing Small Businesses and Local Craftsmanship***

Operating out of Paphos (PFO) and Larnaca (LCA) airports in Cyprus essentially since both opened to the public in 2006, Cyprus Duty Free has dutifully served all passengers who visit their stores with a wide and high-quality selection of products. By working directly with local artisans and small businesses, Cyprus Duty Free is proud to showcase the nation's best handiwork and produce, not just in their selection of products but also through the design of the stores themselves. Though the business is seasonal with 70% of sales occurring between April and October, efforts and investments are being made to attract additional tourism during the shoulder and winter seasons.

#### **The European Market in Focus**

Cyprus Duty Free employs over 500 workers across its two main airports, which are integral to the company's operations and success. Combined, both airports accommodated over 12 million passengers in 2024, up from 11.2 million in 2019. This passenger growth is reflected in the company's steady increase of sales over the past five years, which have now risen substantially higher than 2019 figures. Cyprus Duty Free hosts a wide variety of shops and products which draw in customers, though their main offerings focus heavily on tobacco, perfume, and liquor. However, the company also explicitly works to showcase Cypriot products and craftsmanship, contributing to the growth of the local economy. Embracing the "Cyprica" concept, an idea which aims to showcase the best of Cyprus, the company has established a dedicated concept store that exclusively sells high-quality items made locally. Additionally, Cyprus Duty Free actively collaborates with local vendors to grow product standards and offer a sales window to a broad international consumer market. They engage directly with local Cypriot handicraft associations and invite artists to partner with them and retail their artisanal products. Notably, all the products in the concept store are exclusive to the shop, and some have gone on to win awards.

For Cyprus Duty Free, operations at Paphos Airport account for 25% of the company's business, while the remainder is attributed to operations at Larnaca Airport and digital commerce. Business at Paphos Airport primarily caters to tourists from the UK, who make up approximately 60% of their clientele. The loss of the vast majority of the Russian market in 2022, which had previously been a significant source of business for Cyprus Duty Free, posed a considerable challenge for the company. Nevertheless, the increasing presence of Ryanair's flight operations in Paphos has diversified the passenger profile at the airport to include tourists from all over Europe, including Poland, Budapest, and Rome.



## Future Ambitions

In the coming years, Cyprus Duty Free is eager to expand their company operations further. Airside at Paphos Airport, they are looking to increase their store footprint from 1,000 to 1,500 square metres by 2027 and undertake decorative renovations that will highlight the unique aspects of Cypriot culture and history, similar to the features already present in their Larnaca Airport stores. In continuing with the company's commitment to supporting local goods and businesses, Cyprus Duty Free plans on sourcing much of the construction work to local Cypriot construction companies.

In addition, the company continues to prioritise sustainability and modernisation in their future business development plans. Beginning 2020, the company departed from plastic bags and started sourcing sustainable bags from Greece, an effort that they have continued to this day. Modernisation and digitalisation are also ongoing projects; Cyprus Duty Free is enthusiastic about reaping the benefits from marketing, branding, and client data that come with "click and collect" online shops. This also includes the implementation of digital lockers for "click and collect" services, which allow passengers to purchase duty free products on departure and collect them on arrival. Altogether, these efforts demonstrate Cyprus Duty Free's commitment to serving both international consumers and local businesses. By making the most of their operations in the duty free and travel retail environment, Cyprus Duty Free has been able to directly showcase the best of Cypriot culture.

## 3.2 Ferries Sales Channel

Travelling via ferries is a key mode of transportation for travel in Europe. While travel within the EU does not provide for duty free opportunities, travel to and from the EU does allow for duty free, and since Brexit, travel between the EU and the UK now allows for duty free retail. There are a number of ferry operations that include travel to and from the EU, and this section provides highlights of duty free spending on ferries, where information is available.

### 3.2.1 Importance of Ferry Operations

Ferry operations provide a critical role in Europe by connecting regions and facilitating the movement of travellers and goods, therefore contributing significantly to the European economy. Importantly, the connectivity provided by ferries benefits not only the economy but also communities and families. Particularly in the Nordic region, ferries provide essential transportation between remote islands and mainland regions that may not be served by other modes of transportation. Island and coastal connections in Sweden link residents, businesses, and tourists between islands in the archipelago to Stockholm and other major cities. Similarly in Finland, ferries connect the coastal islands to Turku and other regions.

Likewise, connectivity between the UK and mainland Europe relies heavily on ferry operations that span the English Channel. Numerous ferry operators based in ports like Plymouth, New Haven, Dover, and other cities in the UK connect to locations across France, Belgium and the Netherlands, providing a quick and cost-effective means of transport. These ferry routes support both passenger and freight movement which contribute to essential tourism and trade industries in the region. It is also important to highlight the employment opportunities generated by ferry and shipping operations, as well as the sustainability of transportation by ferry (relative to air travel).

### 3.2.2 Duty Free Retail Spending on Ferries

Similar to the cruise industry, duty free and travel retail are commonplace now for ferry services (duty free for eligible ferry services). While there is limited data separating cruise and ferry, there are insights from major travel retail companies:

- Travel retailer **Lagardere** noted that 2023 sales growth in the United Kingdom was supported by retail sales on new ferry routes.<sup>17</sup>
- **Viking Line** is a Finnish ferry operator that provide passenger and cargo services in the Northern Baltic Sea. The ferry operator has invested in enabling its duty free offerings to customers, for example, in 2022, Viking Line unveiled a 1,350 square metre tax free space aboard its ship, Viking Glory. The space offers customers more than 20,000 products from 1,500 brands. The shopping area elevates Viking's offerings and its commitment to grow the duty free and travel retail stream.<sup>18</sup>
- **DFDS** is a Danish international shipping and logistics company. DFDS has a ferry division that operates one of the largest networks of ferry routes in Europe that cover the North Sea, Baltic Sea, English Channel and the Mediterranean. They operate over 30 routes. Passenger retail service

<sup>17</sup> Lagardere (2024) 2023 Annual Report, pg. 32

<sup>18</sup> Source: <https://moodiedavittreport.com/viking-line-unveils-high-class-1350sq-m-tax-free-shopping-area-aboard-latest-ship/>

offerings are an important revenue generator for DFDS and has been an aspect that contributes to the company's overall growth and development.

- **Scandlines** is a major ferry operator in Northern Europe, primarily serving routes between Germany and Denmark. Its ferry services include two main routes Puttgarden-Rødby and Rostock-Gedser. The company also operates two bordershops that complement their onboard retail offerings, in Puttgarden and Rostock, respectively. Scandlines has integrated its bordershops at the port terminals, demonstrating its investment in these important revenue streams. In 2023, revenue from the bordershops reached €97 million, equal to 21% of their total revenue, while contributing €4 million in EBITDA.
- **Stena Line** is a Swedish ferry operator that saw a boost in its onboard retail sales due to duty free sales on its routes between the UK and the EU.
- **Tallink** is a major operator in the ferry space. Tallink has been a successful manager of duty free travel retail onboard their ships over the years. The company has seen stable sales per passenger aboard their ferries and increased per passenger spending. See Tallink Case Study below.

### 3.2.3 Ferries Sales Channel Summary

The COVID-19 Pandemic highlighted the importance of diversification in the travel industry, and duty free and travel retail sales are a good example where this is happening. Major companies are

expanding from traditional airport retail into the growing sector of ferries travel, which are natural fits for travel retail experiences (and duty free opportunities when crossing borders).

#### *Case Study: Tallink Grupp: A Unique Duty Free and Travel Retail Provider in the Ferry Industry*

Tallink Grupp has established themselves as a leading provider of marine leisure and business travel across the Baltic Sea region. Tallink's extensive operations include a host of products on the retail and leisure side (including on-board catering, duty free shopping, as well as hotel and travel packages) and the infrastructure side (including overnight ferries, cargo transportation, and shuttle services). With a goal of providing top tier leisure, business, and transportation experiences across Europe, Tallink continues to expand their fleet and route networks to provide quality services while being unafraid to expand to new ones. In addition to providing progressive ferry operations, Tallink is also a key generator of duty free and travel retail sales aboard its ferries.





## Company Operations

In terms of revenue, Tallink ranked 5<sup>th</sup> overall globally in terms of revenue in 2021 and 2<sup>nd</sup> overall in terms of beds available. The group of companies owns 14 vessels—12 passenger vessels and 2 cargo vessels—which provide 5 regular routes on the Baltic Sea, visiting Sweden, Finland, Estonia, and Latvia. In 2023, Tallink welcomed 19.1 million passengers aboard their vessels, with 49% hailing from Finland, making that country the company's largest market. Tallink Grupp also owns 4 hotels, numerous restaurants, and provides countless shopping options onboard, onshore, and online. Tallink's customer loyalty programme, Club One, has over 3.2 million members. Families comprise their largest passenger demographic, with on-board celebration tourists, business travellers, and shoppers trailing closely behind. Nevertheless, the company has also assisted with important chartering in the past few years, including for the 2021 G7 Summit in Cornwall, the COP26 meeting in Glasgow, and asylum seekers from Ukraine. To support these extensive operations, Tallink employs over 4,900 staff, who come from Estonia, Finland, Germany, Sweden, Latvia, and Lithuania.

## Duty Free and Travel Retail, Aboard a Ferry

Tallink ranked as the 14<sup>th</sup> largest duty free and travel retail sales generator in the world, and as the leading ferry operator for duty free and travel retail shops—in fact, they are the only company in the top 20 duty free travel retailers that does not operate airport shops. Both their Tallink Silja Line and Tallink shuttle vessels feature shopping areas for duty free and travel retail. Tallink's cruise vessels feature an onboard shopping area roughly 1,700 square meters in size (roughly four basketball courts), but their biggest shopping area is located on their Tallinn-Helsinki route shuttle ferries, where the walk-through shop area totals to 3,500 square meters (the size of a small soccer field). Top products sold on Tallink's ferry operations include perfumery and cosmetics, confectionery, wines and spirits, as well as other retail products including accessories, fashion, or souvenirs.

Almost half of Tallink's revenue in 2023 came solely from restaurant and shop sales. This figure is almost double their revenue from ticket sales, which comprised 26% of their revenue that year. Tallink's success as a manager of duty free travel retail onboard their ferries demonstrate the company's innovative thinking. The company has seen stable sales per passenger aboard their ferries and increased per passenger spending since before the COVID-19 pandemic.

## Moving Forward After COVID-19

Tallink understands that after the COVID-19 pandemic, the retail market has shifted after being significantly hindered by travel restrictions. Advancements across the e-commerce industry have pushed that market forward, and led to changes in the retail industry, which has also been affected by disturbances to international production and supply chains.

Tallink responded by adapting quickly, establishing a web shop that allowed connection to their Club One members and ultimately served as a leading example for other travel retailers. When issues with over-production and over-stocking became prominent due to reduced consumption, their e-commerce channel became an invaluable tool to manage gaps in supply chains. The company's logistics centre also played a crucial part, managing supply chain issues with unreliable production during the pandemic as well as handling surges in demand as travel restrictions loosened.



## Plans for Expansion

Though Tallink's current operations are dominated by European customers, the company has identified many international markets for expansion since the pandemic has lessened its impact. More than 14% of the company's passengers hail from outside Tallink's Baltic home market, and Tallink is eager to see this statistic increase. Their Silja Line international main markets include the United Kingdom, Italy, and France in Europe; India, Korea, and China in Asia; as well as the United States, Australia, and Canada.

The company's current strategy is to continue providing high quality travel experiences onboard their vessels. Travel retail is a significant part of this goal, and Tallink works to ensure that passengers are provided information about different shopping opportunities available to them online, onshore, and onboard their vessels, while ensuring quality product assortment and customer service. By placing customer satisfaction first and incorporating digitalisation considerations into their future strategies, Tallink is prepared to adapt to changes in customer behaviour as the world continues to handle the lasting impacts of the COVID-19 pandemic.

## 3.3 Other Shops & Sales Channel

As per Generation Research's definition, other Shops & Sales includes cruise lines, downtown shops, seaports/ship chandlery, diplomatic shops & military and border shops. According to the Excise Duty Free Directive (*Council Directive (EU) 2020/262, 19 December 2019*) which provide the general arrangements for excise duties. Passengers may buy duty and tax-free retail goods when departing the EU by air and sea travel (i.e., duty and tax-free retail outlets are permitted at airports, ports, on aircraft and ferries), as well as in the French terminal of the Channel Tunnel in Coquelles following the United Kingdom's withdrawal from the European Union

Within the EU, there are a variety of land border retail outlets where consumers may take advantage of favourable excise duty rates between countries on products, but these outlets are not duty and tax-free.

### 3.3.1 Duty Free Retail Spending on Cruises

The cruise industry in Europe provides significant economic benefits, including economic output, jobs, wages, and passenger spending. Based on analysis completed for Cruise Lines International Association (CLIA), passengers in 2022 spent € 3.8 billion at European ports.<sup>19</sup> Based on information from CLIA, cruise traffic is in a rebound period following the COVID-19 pandemic, and global growth is expected looking out to 2027, shown in **Figure 3-6** (reaching almost 40 million passengers).<sup>20</sup> That is almost double the level of passengers in 2012, and growth of 34% over 2019 levels.

<sup>19</sup> [https://europe.cruising.org/wp-content/uploads/2024/05/Economic-Impact-of-Cruise-in-Europe-2022\\_final.pdf](https://europe.cruising.org/wp-content/uploads/2024/05/Economic-Impact-of-Cruise-in-Europe-2022_final.pdf), prepared by Tourism Economics.

<sup>20</sup> The TFWA Handbook, 2023

Figure 3-6: Global Cruise Passenger Traffic and Forecast, 2012-2027



Source: 2012-2018, TFWA Handbook 2023, pg. 29; 2019-2027F, CLIA, 2024 State of the Cruise Industry Report, pg. 8

While information is not available for the entirety of the cruise sector in Europe, there is information for some of the major companies operating in the space. This includes cruise specific travel retail companies, and general travel retail companies that are moving into the cruise space.

- **Avolta** – the company, operating duty free and travel retail operations in countries around the world, reported in 2023 that over 40% of turnover occurred in Europe, Middle East and Africa (EMEA) (11% in each of the United Kingdom and Italy).<sup>21</sup> By sales channel in EMEA, the company generates most sales through airports, with cruise and seaports only accounting for 1% of net sales in 2023.<sup>22</sup>
- **Gebr. Heinemann** – the company operates largely in airports but has grown into other distribution channels including cruise and ferry. Based on 2023 financials, 7% of the company's turnover is attributed to sales in cruise and ferry (versus 74% for airports).<sup>23</sup> The company has presence globally but has its largest revenue base in Europe (attributing to 59% of turnover).
- **Starboard Retail Group** – the company, in operations for more than 65 years, has largely been focused specifically on cruise travel retail, and continues to innovate and grow their services throughout partnerships globally.<sup>24</sup>
- **Harding+** – the company is a major travel retailer focused specifically on the cruise industry and has been in business for more than 90 years.<sup>25</sup>

<sup>21</sup> Avolta (2024) Consolidated Financial Statements, pg. 183,

[https://annualreport.avoltaworld.com/2023/downloads/en/Consolidated\\_Financial\\_Statements.pdf](https://annualreport.avoltaworld.com/2023/downloads/en/Consolidated_Financial_Statements.pdf)

<sup>22</sup> Ibid., pg. 189

<sup>23</sup> Gebr. Heinemann (2024) Financial and Nonfinancial Key Figures, <https://reports.gebr-heinemann.de/2023/facts-and-figures>

<sup>24</sup> Starboard Retail Group, <https://www.starboardretailgroup.com/starboard-announces-future-forward-corporate-structure-evolution-and-land-based-retail-expansion-plan/>

<sup>25</sup> Harding+, <https://www.hardingretail.com/about-us/>

- **MSC Cruises** – this is another major operator, focusing on cruise services with experiential retail travel offers. As noted in the 2023 TFWA Handbook, MSC Cruises follows and adapts to the changing needs of the growing industry.<sup>26</sup>

The mix of both cruise specific and growth of cruise channels for travel retail companies traditionally focused on other channels (such as airports) is a testament to the growth potential of the cruise channel. This was also highlighted in the 2023 TFWA Handbook, noting it is “an attractive proposition for diversification for the duty free and travel retail sector.”<sup>27</sup>

## Case Study: Loacker: Sustainability and Growth

A renowned name in the confectionery business, Loacker was founded in 1925 by Alfons Loacker in Bolzano, Italy, with a mission to create natural and delicious sweets. As Loacker approaches their 100th anniversary, the company reflects on their storied and influential history in both the confectionery and travel retail sectors. Eight years ago, in 2016, Loacker became the number one wafer brand worldwide with presence in more than 100 countries, and since then, the company has strengthened its presence across Europe and initiated global expansion by leveraging the advantages of travel retail and with a focus on the airport channel for product sales and distribution.



## Operations in Europe and Internationally

After its inception in the Dolomites, Loacker established its first operations in Europe and focusing primarily on distributing within the country of Italy as well as the rest of the continent. The company prides itself on its regional commitment and dedication, employing nearly 1,200 staff members predominantly from Europe and sourcing a large portion of its suppliers from Italy, Germany, and Austria. In the 1970s, Loacker significantly expanded throughout Europe and began gaining international recognition. While Italy remains the country's largest sales region (comprising roughly 23% of turnover in 2022), the United States, Saudi Arabia, and China also constitute a substantial portion of Loacker's business, which highlights the company's global presence.

In 2023, Loacker produced over 1 billion items and generated approximately €436 million in net sales, with wafers being the company's leading products and patisserie goods leading their travel retail market. The company continues to experience significant growth, seeing almost 50% increased net sales between 2022 and 2023. Currently, airports account for about 70% of their travel retail sales, and locations at border crossings contribute roughly 20%, which emphasises the dominance of travel retail in Loacker's sales strategy.

<sup>26</sup> The TFWA Handbook, 2023

<sup>27</sup> Ibid., pg. 86

## Sustainability Efforts

Loacker has prioritised sustainability to be at the forefront of the company's future plans. The company reported a reduction of roughly 5.2 tons of CO2 in 2023 through the use of green electricity throughout all of their production sites. These goals are not only applied to their in-house production efforts, but also throughout their supply chain operations and in the products that they source from other farms, and for example through the introduction of paper packaging in their products. Produce at the forefront of their sustainability commitments include:

- **Hazelnuts** – When the hazelnuts are not taken from their own orchards planted in Tuscany, the company collaborates with local farmers to ensure 100% traceability.
- **Cocoa** – Loacker's cocoa farming program supports farmers in Ecuador and the Ivory coast in producing fresh cocoa. The company also ensures 100% traceability with their cocoa products, and met their 2021 goal of sourcing entirely from sustainable contract farmers.
- **Milk** – The milk Loacker uses in their cream and chocolate products comes entirely from small and Alpine farmers, is kosher and halal certified, and is 100% non-GMO.
- **Vanilla** – Loacker ensures that the vanilla the company sources from Madagascar is both socially and environmentally sustainable. The Bourbon vanilla pods the company exclusively uses are sourced from small Malagasy farmers, and provide fair pay to the companies' workers.

## Future Growth and Role of Duty Free and Travel Retail

Looking forward, Loacker is eager to expand sustainably within Europe and beyond. Presently, travel retail comprises 2% of Loacker's sales, a figure which the company is looking to increase by pushing their products to local and international markets. Their company has seen significant success in the Middle East and North Africa (35% of 2023 net sales) and Asia (18% of 2023 net sales), along with a rapidly growing presence in North America (a 48% increase compared to 2022). Considering their successes in targeting the Middle East and Asia, thus far, Loacker is eager to expand within their home continent. Within Europe, the company seeks to strengthen its presence in the United Kingdom, Central Europe, and Eastern Europe. Internationally, Loacker is targeting Southeast Asia as well as the Middle East and North Africa. By focusing on the duty free and travel retail sectors of their sales which is strong but has plenty of room to grow, Loacker anticipates reaching more international clients than ever before. With double-digit growth over the past five years and increased visibility in duty free travel retail locations, the company is poised for continued expansion.

## 4 Economic Impact of Duty Free and Travel Retail in Europe

### Summary of the European Duty Free and Travel Retail Industry

- European duty free and travel retail sales have witnessed notable growth and recovery since the COVID-19 pandemic, with a steady increase from **€ 16 billion** in 2022 to nearly **€ 21 billion** in 2023. This compares to **€ 69 billion** globally in 2023. The industry in Europe is estimated to support a total of **136,400 jobs**.
- It is estimated that **74%** of European duty free and travel retail sales occur in the **aviation channel (predominantly airports)**, compared to 54% globally, in 2023.
- European duty free and travel retail sales have recovered since the negative effects of travel restrictions implemented during the pandemic, with 2023 sales surpassing 2019.
- Europe's share of duty free and travel retail sales has gradually increased since 2019, now forming an estimated 30% of the global market, up from 25%.
- Fragrances/cosmetics, wines/spirits, and fashion/accessories accounted for approximately **67%** of total sales in the duty free and travel retail sector in 2023. Fragrances/cosmetics comprise just under 36% of sales, with both wines/spirits and fashion/accessories totalling to about 15% each.
- Duty free and travel retail sales activities in Europe are estimated to directly support **61,900 jobs** which generate **€7.7 billion in GDP**.

### 4.1 Definitions

Economic impact is a measure of the employment, spending and economic activity associated with a sector of the economy, a specific project (such as the construction of new infrastructure), or a change in government policy or regulation. In this case, economic impact refers to the economic contribution associated with duty free and travel retail sales within Europe.

In this study, economic impact is measured in two ways:

- **Employment:** The number of people employed by businesses directly or indirectly linked to duty free and travel retail activities in Europe. It includes employees of duty free operators, as well as personnel of supplier industries.
- **Gross Domestic Product (GDP):** A measure of the money value of final goods and services produced by or associated with duty free and travel retail activities. It includes operating surplus of businesses, employee remuneration and capital consumption.<sup>28</sup>

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<sup>28</sup> The GDP contribution of an individual business or industry is sometimes referred to as Gross Value Added (GVA). GVA is broadly equivalent to GDP, whereby national GDP is the sum of the GVA of all industries plus taxes less subsidies on production. In this report, the term GDP is used to refer the contribution to GDP provided by the duty free and travel retail industry.

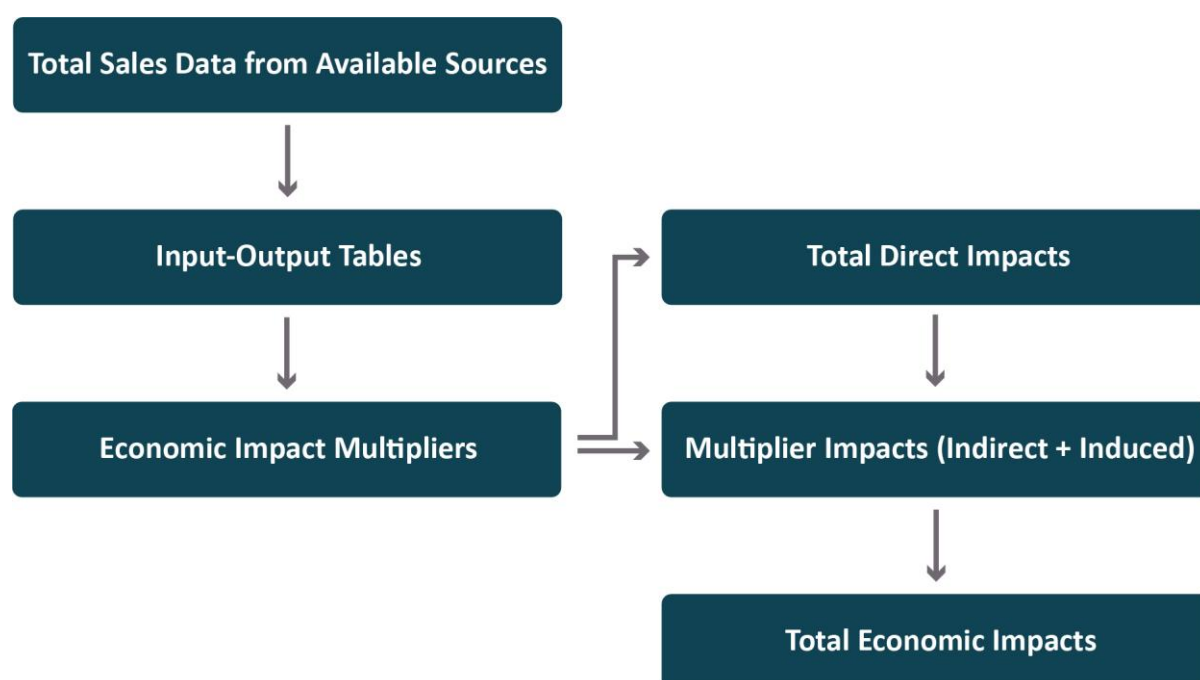
These measures attempt to assess the gross level of activity or expenditure associated with duty free and travel retail in Europe.<sup>29</sup> As such, they are not “net” measures that weigh benefits against costs; nevertheless these measures can be useful in demonstrating the economic contribution of the industry to the region.

## 4.2 Methodology

A data-driven methodology was applied to evaluate the economic impact of duty free and travel retail in Europe. Reliable and recognised data sources were used as the basis of the analysis, and established quantitative techniques were used to generate the estimates.

The study methodology is summarised in **Figure 4-1**. The key elements are described in the sections below.

**Figure 4-1: Economic Impacts Methodology**



## 4.3 Estimating Total Duty Free and Travel Retail Sales

The total duty free and travel retail spending for the Europe region, sourced from Generation Data, served as the primary input to estimate associated jobs and GDP contributions. With the associated spending for 2023 estimated at € 20.6 billion in Europe across all product groups, direct, indirect, and induced job and GDP impacts were calculated based on the previously outlined methodology.

<sup>29</sup> Europe is defined to include 59 countries in British Isles, Eastern Europe, Nordic/Baltic Countries, Southern Europe, and Western Europe. The list of countries is provided in **Appendix A**.



Detailed information on the source and derivation of the associated multipliers is summarised in the following section.

## 4.4 Economic Multipliers and Economic Impacts

Economic multipliers were applied to the total sales figures to estimate the associated direct employment and GDP contribution impacts. Indirect and induced effects were also estimated using economic multipliers, as is common practice for economic impact studies.

These multipliers were based on the FIGARO Input-Output tables for European countries obtained from Eurostat, also known as Full International and Global Accounts for Research in Input-Output Analysis,<sup>30</sup> and also references other comparable studies. An Input-Output (I-O) model is a representation of the flows of economic activity. The model captures what each business or sector must purchase from every other sector to produce a euro's worth of goods or services. Using such a model, flows of economic activity associated with any change in spending may be traced either forwards (spending generating income which induces further spending) or backwards (e.g. visitor purchases of meals leads restaurants to purchase additional inputs - groceries, utilities, etc.). By tracing these linkages between sectors, I-O models can estimate indirect and induced impacts. These indirect and induced impacts are represented by economic multipliers, normally expressed as a ratio of total impacts (i.e. direct plus indirect plus induced) to direct impacts. Using the I-O model, multipliers can be produced for employment and GDP contribution, normally expressed in terms of a unit of direct impact (e.g. per direct job).

The size of these economic multipliers is a function of a number of factors:

- The nature of the industry or economic sector under consideration. Multipliers vary across different industries within the economy based on the mix of labour and other inputs, and the propensity of each industry to buy goods and services from within the economy. Some industries require large amounts of goods and services from other sectors of the economy, and therefore, have large multiplier impacts. Other sectors are more labour intensive and require fewer inputs from other sectors of the economy, resulting in smaller multiplier impacts.<sup>31</sup>
- The amount of imports needed as an input to production. Industries or economic sectors that require large amount of imports have lower multiplier impacts as this part of the spending goes outside of the national economy (in essence, this part of the multiplier impact is occurring in another country).
- Propensity to consume domestic goods. The spending patterns of consumers in the national economy will affect the induced impacts. The greater the propensity to consume domestically produced goods and services, the greater is the multiplier effect. Similarly, higher spending on imports or higher savings rates will dampen the induced multiplier.<sup>32</sup>

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<sup>30</sup> <https://ec.europa.eu/eurostat/web/esa-supply-use-input-tables/database>. The monetary economic impacts for GDP were inflation adjusted to 2023 dollars.

<sup>31</sup> In such a case, the indirect impacts may be smaller than the induced impacts, as induced impacts are based on the spending of labour income.

<sup>32</sup> In the case of savings, this is a function of the time period examined. The multiplier impacts capture the economic impact occurring in a particular year. Savings represent deferred spending that will occur at some time in the future. However, there is no reliable technique for estimating these longer term multiplier impacts.

- Government taxation and spending has a complex influence on the size of the multiplier impacts. Higher taxation rates can dampen multiplier impacts, although this can be offset by how the government chooses to spend these tax revenues.

As with any model of a complex economy, I-O models have their limitations. Nevertheless, I-O models are the most widely accepted and well-established means for estimating indirect and induced impacts, and are based on real data unparalleled in its detail and breadth.

## 4.5 Overall Economic Impact

Duty free and travel retail spending in Europe supports a considerable number of jobs, and, in turn, GDP to the broader regional economy. It is estimated that duty free and travel retail in Europe directly supported **61,900 jobs** in 2023, directly contributing **€7.7 billion to GDP**.

Beyond the direct impacts, other sectors and industries in the economy benefit from operations associated with duty free and travel retail sales activity. This includes indirect impacts of businesses that supply goods and services to the direct activities linked to duty free and travel retail across all sales channels. The induced impacts are associated with the direct and indirect employment spending their earned wages in the general economy.

When considering the direct, indirect, and induced impacts associated with duty free and retail spending activity in Europe, the industry supports an estimated **136,400 jobs**, contributing approximately **€13.6 billion in GDP** to the broader European economy.

**Figure 4-2: Total Economic Impacts Associated with Duty Free and Travel Retail Spending in Europe (2023)**

Sector	Jobs	GDP (€ Euros, Billions)
Direct	61,900	€7.7
Indirect	30,100	€2.4
Induced	44,300	€3.5
<b>Total</b>	<b>136,400</b>	<b>€13.6</b>

Note: Figures may not sum to totals due to rounding.

## 4.6 Economic Impact by Sales Channel

This section provides further detail on the associated economic impacts of duty free and travel retailing in Europe by sales channel.

While channel-specific sales data provided detail for the global region in 2023, sales by channel within Europe was unavailable, and estimates for this profile were taken from the latest available year (2017). As such, approximately 74% of total duty free and travel retail sales were attributed to aviation and predominantly at airports, with 16% for other shops, and the remaining 9% for ferries activity, as shown previously in **Figure 2-5**, that shows the estimated European duty free and travel retail spending by channel, 2023.

The associated impacts by each sales channel in Europe are summarised in **Figure 4-3**. When considering duty free and travel retail sales within the aviation sector, the associated economic impact is estimated at a total of **101,400 jobs**, and **€10.1 billion in GDP** contributed to the broader regional economy. For both the ferries and other shops sales channels, the associated impacts are estimated at **34,900 jobs**, and **€3.5 billion in GDP**.

**Figure 4-3: Total Economic Impacts Associated with Duty Free and Travel Retail Spending in Europe, by Sales Channel (2023)**

Sector	Total Jobs	Total GDP (EUR billion)
<b>Aviation</b>		
Direct	46,100	€5.7
Indirect & Induced	55,300	€4.4
<b>Aviation Total</b>	<b>101,400</b>	<b>€10.1</b>
<b>Ferries</b>		
Direct	5,900	€0.7
Indirect & Induced	7,100	€0.6
<b>Ferries Total</b>	<b>12,900</b>	<b>€1.3</b>
<b>Other Shops &amp; Sales</b>		
Direct	10,000	€1.2
Indirect & Induced	12,000	€1.0
<b>Other Shops &amp; Sales Total</b>	<b>22,000</b>	<b>€2.2</b>
<b>All Sales Channels</b>		
Direct	61,900	€7.6
Indirect & Induced	74,400	€6.0
<b>Overall Total</b>	<b>136,400</b>	<b>€13.6</b>

Note: Figures may not sum to totals due to rounding. The Aviation Channel (includes airport shops and airlines), Ferries and Other Shops & Sales (includes cruise lines, downtown shops, seaports/ship chandlery, diplomatic shops & military and border shops).

## Case Study: Gunpowder Irish Gin: Connecting Local Businesses to International Markets

For over a decade, the Shed Distillery has produced unique liquor products with Irish flair. A family-run business based in rural Ireland—specifically Drumshanbo in County Leitrim—the company has grown significantly to employ over one hundred local staff. The Shed Distillery credits duty free shopping and travel retail with playing a significant role in their financial growth bringing international opportunities to showcase their brand, generate sales, and continue growth in domestic markets. The international exposure achieved through duty free and travel retail has been pivotal in the extensive distribution of their flagship product, Drumshanbo Gunpowder Irish Gin. Thanks to European duty free and travel retail markets, the company now finds it much easier to access markets that were previously challenging to reach.

### Company Operations

Gunpowder Gin is sold in over 100 markets worldwide, but the Shed Distillery maintains their product manufacturing (including distillation and bottling) in Drumshanbo in rural Ireland, where the company began and continues to be headquartered. Their best-selling product is aptly named Drumshanbo gin; a smooth and exotic liquor which demonstrates the company's desire to innovate in both packaging and product, and has also received numerous industry awards. Specifically, the liquor is crafted using a meticulous procedure that involves



12 different botanicals and a slow distillation process using custom-built copper pot stills. This product continues to contribute to the Shed Distillery's success as a company, though the distillery has also gone on to manufacture many more high-quality liquor products. The Shed Distillery has achieved a 23% compound annual growth rate since its inception, with the showcasing of products like this Irish gin in travel retail playing a significant role in this impressive growth.

### Unique Benefits of Duty Free and Travel Retail Markets

Duty free and travel retail environments serve as a showcase for Gunpowder Gin and other products, offering opportunities to generate sales and profits while building brand awareness. This exposure has certainly assisted brands with entering international markets and growing locally. The Shed distillery estimates that duty free and travel retail segments represent around 15-20% of their total business, making it a significant part of their overall sales. Although the airport channel accounts for the largest proportion of these sales, other channels include border shops and ferries. The Shed Distillery acknowledges the intense competition in the duty free and travel retail sector, but managed to thrive in this sales environment.

The Shed Distillery already boasts a broad distribution footprint, which is primarily focused around Europe, specifically Ireland, the UK, France, Portugal, the Baltic nations, and Scandinavia; but also includes North America, South America (in partnership with Avolta), Asia, Oceania, and the Middle East. The duty free and travel retail environment continues to facilitate rapid distribution growth for the company, proving highly beneficial for their sales. Duty free and travel retail store operators have proven keen on ensuring successful sales and delivery for all stakeholders, and the Shed Distillery demonstrates their commitment to maintaining these high standards, contributing to a beneficial partnership for both stakeholders.

### **Growth Despite the Pandemic**

Although COVID-19 and the halting of international travel throughout the pandemic posed a challenge for many businesses that relied on travel and tourism, this period proved to be a unique opportunity for The Shed Distillery and their premium products. During the pandemic, Gunpowder Gin performed surprisingly well, with the company finding that customers were spending more time considering their liquor purchases, which worked really well for the company given the premium nature of their products.

Looking forward, the Shed Distillery is eager to continue growing their footprint and expanding the distribution of Gunpowder Gin internationally. Their next goals include extending their presence into North America, distributing to border shops and further into Asia, becoming wider-known in Europe and Africa, as well as expanding into new airports in India. Utilising the international reach that the duty free and travel retail environment provides is at the heart of these business development plans.

## 5 Conclusion

The COVID-19 pandemic caused significant disruptions to the European travel and tourism industry, leading to business closures, job losses, and reduced revenue. These impacts resulted in changes to travel behaviour and operational adjustments for tourism-related businesses. Workforce composition, labour productivity, and inter-industry interactions were notably affected and continue to influence the current economy. The economic impact on the duty free and travel retail industry in Europe reflects these changes, along with inflation and productivity increases.

The total global sales for duty free and travel retail in 2023 are estimated at € 69 billion, marking a notable 18% increase over 2022. Europe, with a market share of 30%, saw duty free and travel retail spending reach over € 20 billion across all channels and product groups.<sup>33</sup> European duty free and travel retail sales have recovered since the negative effects of travel restrictions implemented during the pandemic, with 2023 sales surpassing 2019. Europe's share of duty free and travel retail sales has gradually increased since 2019, now forming an estimated 30% of the global market, up from 25%.

Duty free and travel retail spending in Europe supports significant employment, and, in turn, GDP to the broader European economy. It is estimated that duty free and travel retail in Europe directly supported **61,900 jobs** in 2023, contributing **€ 7.7 billion to GDP**, as shown in **Figure 5-1**.

When considering the direct, indirect, and induced impacts facilitated by duty free and retail spending activity in Europe, the industry supports an estimated **136,400 jobs**, contributing approximately **€ 13.6 billion in GDP** to the broader European economy.

**Figure 5-1:**  
**Total Economic Impacts Associated with Duty Free and Travel Retail Spending in Europe for all Sales Channels (2023)**

Sector	Jobs	GDP (€ Euros, Billions)
Direct	61,900	€7.7
Indirect	30,100	€2.4
Induced	44,300	€3.5
<b>Total</b>	<b>136,400</b>	<b>€13.6</b>

Note: Figures may not sum to totals due to rounding.

<sup>33</sup> The data on duty free and travel retail sales is sourced from Generation Research. The total global sales are attributed to the Aviation Channel (includes airport shops and airlines), Ferries and Other Shops & Sales (includes cruise lines, downtown shops, seaports/ship chandlery, diplomatic shops & military and border shops)



Duty free and travel retail goods purchased within the aviation channel account for nearly 75% of the total job and GDP impacts. This is followed by the other sales channel (16%), with the balance accounted for by the ferries sector sales channel (9%), as shown in **Figure 5-2**.

**Figure 5-2:**  
**Total Economic Impacts Associated with Duty Free and Travel Retail Spending in Europe, by Sales Channel (2023)**

Sector	Total Jobs	Total GDP (EUR billion)
<b>Aviation</b>		
Direct	46,100	€5.7
Indirect & Induced	55,300	€4.4
<b>Aviation Total</b>	<b>101,400</b>	<b>€10.1</b>
<b>Ferries</b>		
Direct	5,900	€0.7
Indirect & Induced	7,100	€0.6
<b>Ferries Total</b>	<b>12,900</b>	<b>€1.3</b>
<b>Other</b>		
Direct	10,000	€1.2
Indirect & Induced	12,000	€1.0
<b>Other Total</b>	<b>22,000</b>	<b>€2.2</b>
<b>All Sales Channels</b>		
Direct	61,900	€7.6
Indirect & Induced	74,400	€6.0
<b>Overall Total</b>	<b>136,400</b>	<b>€13.6</b>

Note: Figures may not sum to totals due to rounding. The Aviation Channel (includes airport shops and airlines), Ferries and Other Shops & Sales (includes cruise lines, downtown shops, seaports/ship chandlery, diplomatic shops & military and border shops).

## Appendix A: Data Definitions

A total of 59 countries / locations are included in the analysis of economic impact of duty free and travel retail in Europe, as based on the underlying duty free and travel retail data provided by Generation Data. The sales channels covered in the dataset, include airport shops, airlines, ferries, and other shops & sales (i.e., cruise lines, downtown shops, seaports/ship chandlery, diplomatic shops & military and border shops.)

	<b>Sub-Region</b>	<b>Countries</b>
1	British Isles	Guernsey - Channel Islands
2	British Isles	Ireland
3	British Isles	Isle of Man
4	British Isles	Jersey - Channel Islands
5	British Isles	United Kingdom
6	Eastern Europe	Armenia
7	Eastern Europe	Azerbaijan
8	Eastern Europe	Belarus
9	Eastern Europe	Bulgaria
10	Eastern Europe	Czech Republic
11	Eastern Europe	Georgia
12	Eastern Europe	Hungary
13	Eastern Europe	Kazakhstan
14	Eastern Europe	Kyrgyzstan
15	Eastern Europe	Moldova
16	Eastern Europe	Poland
17	Eastern Europe	Romania
18	Eastern Europe	Russia
19	Eastern Europe	Slovakia
20	Eastern Europe	Tajikistan
21	Eastern Europe	Turkmenistan
22	Eastern Europe	Ukraine
23	Eastern Europe	Uzbekistan
24	Nordic/Baltic	Denmark
25	Nordic/Baltic	Estonia
26	Nordic/Baltic	Faeroe Islands
27	Nordic/Baltic	Finland
28	Nordic/Baltic	Iceland
29	Nordic/Baltic	Latvia
30	Nordic/Baltic	Lithuania
31	Nordic/Baltic	Norway
32	Nordic/Baltic	Sweden
33	Southern Europe	Albania

	<b>Sub-Region</b>	<b>Countries</b>
34	Southern Europe	Andorra, Principality of
35	Southern Europe	Bosnia & Herzegovina
36	Southern Europe	Croatia
37	Southern Europe	Cyprus
38	Southern Europe	Gibraltar
39	Southern Europe	Greece
40	Southern Europe	Israel
41	Southern Europe	Italy
42	Southern Europe	Macedonia
43	Southern Europe	Malta
44	Southern Europe	Montenegro
45	Southern Europe	Portugal
46	Southern Europe	San Marino
47	Southern Europe	Serbia
48	Southern Europe	Slovenia
49	Southern Europe	Spain
50	Southern Europe	Turkey
51	Southern Europe	Vatican State
52	Western Europe	Austria
53	Western Europe	Belgium
54	Western Europe	France
55	Western Europe	Germany
56	Western Europe	Luxembourg
57	Western Europe	Monaco
58	Western Europe	Netherlands
59	Western Europe	Switzerland

Source: Generation Research



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