

Market release | 20 December 2022

Auckland Airport signals future shift to single duty-free operator model, in line with global industry norms

Auckland Airport announced today it has selected global duty-free operator Lagardère AWPL as its duty-free partner as it transitions to a single duty-free operator next year.

From September 2023 onwards, Aelia Duty Free (owned by Lagardère Travel Retail SAS) will be the main duty-free retailer operating at Auckland Airport, after successfully winning an extension of its contract until mid-2025.

It's expected that both Aelia Duty Free and The Loop Duty Free (operated by Aer Rianta International) will continue trading at Auckland Airport until their licences expire and the transition to a single operator takes place.

Property and Commercial General Manager Mark Thomson said duplicated duty-free offerings are a rarity in international airports, with only two of 112 other international airports similar in size to Auckland Airport operating dual models.

"The competitive retail landscape has shifted dramatically in recent years and the pandemic has only accelerated this. With the evolution of online shopping and smart phones, shoppers are far more savvy and sophisticated, and the scope of competition between retailers has fundamentally changed.

"In this ever-changing environment, we need to look for ways to make duty-free shopping even more relevant and exciting for travellers, providing them with a greater range of product choices and a retail experience they can't easily find elsewhere on the high-street at competitive prices," Mr Thomson said.

"LagardèreAWPL and Aer Rianta International each put forward fantastic proposals for short-term extensions, and it was a tough decision as both are world-class operators. However, we are confident that transitioning to a single duty-free operator with Aelia Duty Free will

invigorate the duty-free experience at Auckland Airport and enable further investment by top international brands, a world-class range of products on offer at competitive market prices, and increased innovative experiences for shoppers.”

Mr Thomson said Auckland Airport had opted to extend only one duty-free licence until June 2025, when a full tender process will complete for a longer-term contract.

“We have enjoyed a successful seven-year partnership with Aer Rianta and would like to acknowledge the fantastic service the team at The Loop Duty Free continue to provide customers.

“They are valued members of the wider Auckland Airport team, who stepped up to serve passengers during the Covid-19 pandemic and as the border gradually reopened earlier this year. Auckland Airport will work with the Aer Rianta International team to plan an orderly transition of operations to the successful operator later in 2023.”

Auckland Airport has communicated its intention and rationale for moving towards a single duty-free operator to the Commerce Commission, which made no objections to the proposed change.

Auckland Airport sought to move to a single duty-free operator 13 years ago, however this did not take place at the time following Commerce Commission concerns about the nature of market competition at that time.

“Since this review took place, the competitive landscape for retail trading has shifted significantly. We are confident a single operator model will deliver a greater customer experience that is no less competitive when compared against the current dual operator model.”

Based in France, Lagardère is one of the largest duty-free operators in the world, with stores in both the departures and arrivals area of Auckland Airport’s international terminal. More than 150 people currently work across duty-free stores at Auckland Airport, with the transition to a single operator expected to take place in nine months. The overall number of employees in duty free is expected to grow as passenger volumes continue to recover.

Notes:

- Interim duty-free operator (LagardèreAWPL) has been appointed ahead of full single-operator re-tender completing mid-2025.
- Duty-free shopping will continue to be available in the terminal (both arrivals and departures) as well as online for when travellers fly in or out of Auckland via [The Mall](#), [The Loop](#) and [Aelia Duty Free](#).
- Pre-covid, more than 350 people were employed by duty-free operators at Auckland Airport.
- There are currently an estimated 1600 jobs on offer across the Auckland Airport system.

For further information, please contact:**Investors:**

Stewart Reynolds

Head of Strategy, Planning and Performance

+64 27 511 9632

stewart.reynolds@aucklandairport.co.nz

Media

Libby Middlebrook

Head of Communications and External Relations

+64 21 989 908

Libby.middlebrook@aucklandairport.co.nz