

Incheon International Airport duty free sales hit US\$2 billion in 2016

SOUTH KOREA. Incheon International Airport posted KRW2,300billion (US\$2 billion) in duty free sales in 2016, the airport company has reported. The figure is a leap of +14.7% year-on-year. It means that Incheon reclaims the crown as the world's leading duty free sales location, ahead of Dubai International. The airport previously hit US\$2 billion in sales in 2014.

Incheon International Airport Corporation said that sales had recovered from 2015 when they were affected by “negative impacts due to MERS and a duty free renovation period”.

Cosmetics & fragrances continued to be the best-selling category with US\$770 million in sales, accounting for 39% of the business.

Liquor & tobacco followed with US\$440 million and leathersgoods was next with sales of US\$280 million.

IIAC said in a statement today: “There were general concerns in 2016 due to volatile market environments in East Asia derived from geopolitical issues and excessive competitive market in Korea from [the increasing number of] downtown duty free shops.

“Confronting these challenges, however, Incheon Airport Duty Free led an increase in sales by enhancing the shopping environment through renovation, offering customer-friendly promotions with [new] experiences, and providing diverse global and local brands, not to mention increasing passenger traffic. Also, partnerships with seven duty free operators including four SMEs (Small and Medium Enterprises) contributed to the success.”



Incheon Airport: Double-digit surge in duty free sales in 2016 after a tough year in 2015

The airport company hailed the “qualitative and quantitative growth” in the business, noting that Incheon Airport Duty Free was last year acknowledged with global awards from Business Traveller US and Asia Pacific for the sixth year in a row, Business Traveller China for the fourth consecutive year, plus a Frontier Award.

Looking ahead, IIAC President & CEO Il-Young Chung said: “Incheon Airport is expecting to open T2 duty free shops in 2017. Along with T1 duty free, we will do our best to satisfy passengers visiting Incheon Airport and lead the global travel retail business with an unprecedented, fascinating and enthralling airport shopping environment.”



“An unprecedented, fascinating and enthralling airport shopping environment”: IAC pledges to deliver more choice and value in 2017

As we [reported](#) in recent days, tenders for the new T2 have been beset with uncertainty after Korea Customs Service (KCS) intervened in the bid process. KCS wants to create a licensing committee to evaluate the T2 bids and judge the offers according to different criteria than those used by IAC.

The move has caused a major headache for IAC, which has been forced to delay the publication of the tender. It had been slated initially for November or December last year. Bidding for the five-year contracts was originally due to close by mid-February 2017 with awards expected to be announced by the end of the same month. With this impasse, it is uncertain when the tender will be issued and how it will be evaluated.

The tight timeline recognises that the first phase of the ambitious T2 development will open in October, with ultimate project completion in 2023.