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Money Matters

Airport duty free shopping: An Irish innovation gone global

The inspiration for these articles can come from various sources; this one happens to have been prompted by observing the prices of goods last week at Dubai Duty Free (DDF). As the sole operator at Dubai International Airport, DDF is the largest airport retailer in the world. In 2014, DDF generated over 5% of global duty-free sales, with revenues of almost \$2 billion or €1.8 billion. Although DDF is a subsidiary of the government-owned Investment Corporation of Dubai, it owes a lot to Ireland. It is well known that the world's first duty-free shop was established at Shannon Airport in 1947 as a service for transatlantic passengers whose flights stopped for refuelling on both legs of their journeys. Shannon Duty Free was an immediate success and has since been emulated worldwide. Indeed, Aer Rianta advised

the Dubai government on their initial proposal to operate a duty free operation at Dubai International Airport. Another connection between DDF and Ireland is that the day-to-day operations of DDF are managed by a Galway man, Colm McLoughlin. Finally, DDF sponsors the Irish Open golf tournament and a number of high-profile horse races in Ireland.

Although the scale and growth of DDF is hugely impressive, it is only mirroring what is happening elsewhere in duty free sales. Airport "travel retail" is integral to both the brand strategies of big multinationals and of airports' own revenue-generating strategies. Duty-free has moved on from being simply about cheap alcohol and cigarettes; instead, it has been dubbed the "sixth continent" and the "Formula 1" of retail by various international brand managers.

Since 2009, the value of sales at airports worldwide has increased more than 12% a year. Some of this is attributable to the increase in global airline travel, particularly from countries such as China and India. However, a significant percentage of this growth has been driven by airports' ability to get existing travellers to spend more on the go, which has been matched by a corresponding increase in retail space at airports.

As a passenger, once you clear security, you are a captive customer of airport retailers. Some airports even plug data about passenger nationalities and destinations into dedicated software so that speakers of the right languages and cultural sensitivities will be on hand in duty-free shops to assist passengers. Indeed, as cosmetics and perfumes are now the biggest-selling cat-

egory of goods sold, such personal service becomes more and more essential.

One of the more intriguing economic aspects of airport retail is why certain goods are bargains in duty-free, while certain other goods and services at airports are considerably more expensive than "downtown prices". Duty Free Americas, the largest US duty-free retailer, estimates that consumers can expect savings ranging from 10-50% on goods, with the "old reliables" (alcohol and cigarettes) offering the best savings. In Dubai, the absence of the local "sin tax" on alcohol certainly makes it far more affordable than downtown (a €10 bottle in DDF could easily cost €60-70 in a hotel restaurant).

On the other hand, although a giant Toblerone bar or other box of chocolates may be free of import or customs duty, if the duty-free operator has a local monopoly in the airport, the retailer may mark up the goods so that they cost the same as in a local supermarket. Indeed, for last-minute souvenirs and other travel-related goods, duty-free prices can tend to be higher as the retailer knows they are dealing with a captive market. That is even more prevalent with food and beverages at airports, where the retailers and airport operators both take a significant margin so that an identical coffee in well-known international chains can be more expensive than on the high street. So, just because it says "duty-free", don't bank on getting a bargain around every corner.

Galway's SSE Cleaning nominated for national awards

SSE Cleaning has been shortlisted for three awards at this year's Facilities Management Awards. The cleaning specialists, who have been in business for over ten years, have experienced year on year growth and now employ over 300 people from their headquarters in Mervue.

The company has been shortlisted for three awards: 'Best Cleaning Service Provider', 'Excellence in Customer Service' and 'Client & Service Provider Collaboration'. Overall winners will be announced at an awards ceremony to be held in Dublin on Wednesday 24 June.

Speaking about the nominations, Joanna Farragher, Operations Director said, "We are delighted to be nominated across these three areas. We strive to ensure the quality of our work and the high level of customer service we provide is the best in the industry. These nominations reflect the dedication of our staff and the hard work they put in every day. We are really looking forward to the awards ceremony."

The Facilities Man-



Marie Davidson, SSE Regional Services Manager, and George Joseph, SSE Site Supervisor, at the RCSI building where SSE have been nominated for three awards.

agement Awards recognise and celebrate those demonstrating excellence in the facilities management industry in Ireland.

SSE Cleaning has seen much growth since its inception in 2003. The company has recently won large scale contracts with Musgrave Group, the Royal College of Surgeons Ireland and numerous multinational medical device companies.

SSE Cleaning works in a variety of industrial sectors including, medical device companies, retail, education centres, hospitals, pharmaceutical companies and companies in the ICT sector. Their services include general cleaning, contamination control, auditing and training and infection control in addition to contract cleaning and facilities management.

On Yer Bike

Cyclists are vulnerable road users and personal injury awards in the area tend to reflect this, writes solicitor Emer Mulry.

There has been a significant increase in the number of cyclists on our roads over the past number of years with the introduction of various incentives to encourage people to get on their bikes. While cycling is a great mode of transport, cyclists are involved in 5% of accidents on the roads, according to the Road Safety Authority. Cyclists are very vulnerable to serious injury because they do not have the protection that a passenger in a car has. And so, cyclists tend to receive substantial compensation in accident and personal injury claims where injuries are serious. Many of the cases seen before the courts involve cyclists who have suffered head injuries, neck and back injuries, shoulder injuries and leg injuries. In 2014, in the case of *Looby -v- Gregorz Damien Fatalski & Motor Insurers Bureau of Ireland*, the High Court awarded €50,744 to a cyclist who sustained significant injuries to his lower back as a result of a collision where he was knocked from his bicycle by a vehicle in April 2010. Because cyclists are often not seen by other drivers until it is too late, they are often hit at much higher speeds and can sustain much more serious injuries.

Bicycle accident claims are like any other type of road accident: if you have sustained an injury and feel that it was caused by the fault of another party, you may have a claim for personal injury compensation. If you have been physically injured as a result of the actions of a motorist or from a fall from your bike and it was not your fault, you may be entitled to compensation for your injuries and/or out of pocket expenses such as medical expenses and /or loss of earnings. You may also be able to claim for the damage caused to your bike. The courts take a dim view of cyclists who are not wearing helmets or have lights on their bikes in such claims and these two factors can reduce the amount of compensation you are entitled to. Just like all personal injury actions, a claim is processed by way of an application to the Injuries Board. The vehicle owner responsible for the collision should have insurance and it is against this insurance that you are entitled to claim compensation for your injuries or loss. If you are involved in a crash and the driver fails to stop or leaves the scene immediately, you may still be able to claim compensation through the Motor Insurers Bureau of Ireland (MIBI) which deals with claims involving uninsured or unidentified drivers.

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Galway business wins National Enterprise Award



Gerry McCarthy of Vision Built, supported by Local Enterprise Office Galway, Breda Fox, Head of Enterprise, Local Enterprise Office Galway, and Kieran Comerford, Chair of Network of Local Enterprise Offices.

Galway business Vision Built Manufacturing, supported by Local Enterprise Galway, has won the Export Award at the 18th annual National Enterprise Awards.

Co-founded by Gerry McCarthy in 2013, the light steel gauge manufacturer is based in Oranmore and represented County Galway in the awards at Royal Hospital Kilmainham in Dublin last week.

Vision Built designs, manufactures and prefabricates structures compliant with building re-

quirements in the UK and Ireland.

Breda Fox, Head of Enterprise at the Local Enterprise Office Galway, paid tribute to Gerry McCarthy and his team at Vision Built Manufacturing, saying, "These awards showcase local business heroes Vision Built on a national stage. The Local Enterprise Office Galway is here to help identify and support the heroes in our society, who take the brave step of starting and developing their own enterprises."

Ms Fox added, "Small business owners are the risk-takers, the innovators and the job creators that form a key part of the enterprise ecosystem here in Ireland. Vision Built have all demonstrated true grit and determination, choosing not just to survive but to grow and establish their businesses even further."

Further details about the supports available to start-ups and small businesses are available through www.localenterprise.ie/Galway.