



Espace Voyageur

Questions and Answers

Q1. What is Espace Voyageur?

A. Espace Voyageur is a concept initially developed by the French travel retail industry, post abolition of intra-EU tax and duty free sales, that establishes a legal framework to support the principle that all retailing to consumers travelling by air and sea is a separate market from domestic high street retailing.

It is a geographically delineated area at airports, beyond security or immigration controls, accessible only to travellers with a valid travel document, such as a ticket or boarding card, providing general services dedicated to passengers who are undertaking an intra-EU or international journey. The Espace Voyageur concept applies equally to aircraft and ferries that are undertaking an international or intra-EU flight or voyage.

Q2. What are the key arguments for a separation in the markets?

A. The international traveller has always been considered as a separate consumer that demands a specialised service that is specific and exclusive to them.

The principle argument for recognition that Espace Voyageur is a separate market is that it is a specifically designated area, exclusively reserved to meeting the demands of travellers, and that access to the goods and services available in these areas are only accessible at a price; the cost of purchasing a valid travel document. High street retailing is, by contrast, accessible to all consumers.

Moreover, any goods purchased will be transported away from the home market into the jurisdiction of another country (although it is of course possible that, in some cases, such goods may subsequently be returned to the country of origin by the traveller).

Additional arguments are the specific requirements of catering to the international travelling consumer, including a 24/7 trading environment, the need for multi-language communication in marketing and promotional presentations, such as shopping brochures and catalogues, the requirement for multi-lingual sales and promotion staff, and the special product packaging made available in travel retail outlets, exclusive in many instances to the travel retail sector.

Q3. Have the EU competition authorities accepted that retailing in Espace Voyageur is a distinct and separate market from downtown domestic market retailing?

A. The European Commission has been approached regarding the concept of Espace Voyageur. In an initial exchange of letters, the Commission accepted the principle of a market specific to travellers.

In a second series of meetings, no objection was expressed regarding the implementation of Espace Voyageur. As it was considered that the concept was consistent with existing European and national legislation, no official statement from the Commission was deemed necessary.

Q4. Will Espace Voyageur provide any exemption from other EU rules and regulations?

A. No. The Espace Voyageur criteria specifically provide that the operating regulations may not contravene EU law. Therefore, EU laws, including national implementing legislation, will apply to Espace Voyageur, as it does to the domestic market. There are no exemptions for the travel retail trade.

However, some EU Member States have already established special rules applicable for retailers operating in the travel retail environment, such as exemptions from domestic licensing regulations and derogations from national language labelling requirements for certain products supplied to duty free and travel retail outlets.

Q5. Will special tax regimes apply to Espace Voyageur?

A. No; contrary to some reports, there will be no special tax regime within Espace Voyageur with lower excise or VAT rates than on the domestic market, as this is not possible within EU legislation.



National rates of excise duties and VAT will continue to apply to the products retailed to consumers travelling within the EU, whilst sales to passengers whose final destination is outside the EU will remain free of VAT and excise duties.

Even so, a unique feature of the international travel retail environment is that, at some stage during the journey, the traveller will become subject to a different tax regime and to different rates of taxation.

Whilst this has no material impact on sales made to departing passengers at airports, it is of direct relevance to sales made by mobile outlets, on board ships and aircraft travelling between EU Member States.

Operators of mobile outlets will have to apply excise duty to tobacco and alcohol beverage products at the rate of the Member State in whose territory the sale takes place (or, the lowest rate on the route if the simplified procedure is used / applicable, provided that no sales are made in the territorial waters / airspace of the other country.) They also need to apply VAT to all products at the rate of the country of departure.

Q6. Will I need to agree / discuss / negotiate the implementation of Espace Voyageur with my national authorities?

A. We believe that gaining acceptance for the principles of Espace Voyageur with national administrations, customs authorities, etc., will be beneficial to airport operators, airlines and the ferry companies; to provide protection against anti-competitive challenges that may arise if you negotiate specific and/ or exclusive trading conditions for the supply of goods and services made available to the travelling consumer within Espace Voyageur.

Q7. Is Espace Voyageur a marketing tool?

A. In itself, no. The Espace Voyageur criterion has been established to define a legal framework that would sanction the separation of the travel retail sector from national domestic markets.

Espace Voyageur is marketed as being “exclusively for travellers” but it is intended to complement the marketing tools being used by the trade to promote the travel retail market, such as “Travel Value” or any of the other branding used by travel retail operators to promote travel retailing.

Q8. How will Espace Voyageur areas be identified?

A. Principally through signage / logos that can be applied to the entry points to the geographically designated Espace Voyageur areas, such as at all airside entry points at airports, beyond immigration or security control check points. Signage could also be applied to the shops / retail outlets, or in marketing brochures used to promote travel retailing on board of ferries and aircraft.

There is a range of branded posters / stickers that are available for all purposes, but individual specific requirements for alternative branding means will be considered upon request.

Q9. As an airport authority, will I need to advise my concessionaires of the decision to implement Espace Voyageur?

A. As most airport operators already work in partnership with their concessionaires, we recommend that all concessionaires are involved in the decision process regarding the implementation of Espace Voyageur.

The principle benefit that could be expected from the legal recognition of the Espace Voyageur concept by national administrations would be that specific commercial arrangements negotiated with the suppliers of goods and services, exclusive to travel retail, would not be considered to be anti-competitive when compared to the trading conditions applicable to high street retailing.

(This could even include exclusive arrangements for a single concessionaire to manage all travel retail activity at a specific location.)

Q10. Will the concessionaires need to advise their suppliers of the decision to adopt Espace Voyageur?

A. We believe that in general, concessionaires today, like airport authorities, work in partnerships with their suppliers. It will benefit commercial trading relationships if the concessionaires fully involve their suppliers in the process leading up to adoption of the Espace Voyageur concept.

Q11. Will contracts between operators, concessionaires and suppliers need to change?

A. The legal framework of Espace Voyageur provides the possibility for operators and concessionaires to negotiate alternative commercial conditions with suppliers of goods and services to those that would be applicable to high street traders.

The guiding principle behind Espace Voyageur is that, as travel retail would not be seen as being directly in competition with the high street, due to the specific conditions and restrictions that apply to Espace Voyageur, they would not be subject to challenges on anti-competitive grounds.

Some suppliers, particularly those with dedicated travel retail departments, have already begun to include a specific "Espace Voyageur clause" in their commercial sales contracts.

It remains, however, for individual commercial partners to negotiate their commercial arrangements for the supply of goods and services.

All trading terms and conditions must, however, comply with EU rules and regulations, where these are applicable (for example, where trade margins within a particular product category are established in law).

Q12. Why is the term "Espace Voyageur" only in French?

A. A special industry working group, originally set up to consider the extension of the original French concept across the EU, addressed this question at an early stage in its deliberations. After considerable consultation, it was agreed that there was no satisfactory direct translation of Espace Voyageur, particularly into English, the tradition global language for the duty free and travel retail industry. Like "Bureau de Change", we believe that the original French will communicate the essential message behind the Espace Voyageur concept.

"Espace Voyageur" has been registered as an official trademark across the EU.