

COVID-19: Survival and Revival

Call-in Forum for Airport Concessions Industry – No. 9

June 3, 2020, 4:00 PM EST

Phone Number 408-418-9388; Access Code 791-700-478#

About this Session: ARRA is issuing “Facing Facts: The Survival of Airport Shopping and Dining” to further illuminate the realities of what concessionaires are facing and what steps must be taken to preserve our industry, companies, and our collective livelihoods. Dr. Steve Van Beek and ARRA Executive Director Rob Wigington will discuss the “Facts,” offer insights into current events and the actions needed to ensure a path to recovery.

The last three months have been the most challenging in aviation industry history. Airport concessions were dealt a catastrophic blow as sales plummeted, closures and furloughs increased. In these uncertain times, airports and concession operators rallied to stem the damage and assess the future.

Taking stock of their balance sheets and P&L’s, concession operators appealed to airports for waivers of fixed rent through 2020. Airport responses have run the gamut, from short- or longer-term waivers of fixed rent (MAGs), to varying periods of rent deferral, to “a contract is a contract.” The FAA has urged airports to consult and collaborate with tenants and issued guidance on how airports may grant waivers and deferrals.

This crisis threatens the existence of concessions companies and the very future of shopping and dining in airports as we know it. The concessions industry has had to face difficult truths about where we are today and about the challenges which lie ahead. What has emerged are a set of realities that, regardless of operator or airport, we must accept as the basis for future planning, and for the survival and ultimate revival of our industry. We hope these “Facts” will help build greater understanding and discussion and lead to solutions for our industry.

For more information about ARRA and AMAC programs or membership please contact us at info@arra-airports.com or info@amac-org.com, respectively.



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