



The Middle East Conflict

GLOBAL IMPLICATIONS FOR DUTY FREE AND TRAVEL RETAIL

REGIONAL PERSPECTIVE



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The Middle East Conflict



مطار الكويت الدولي
Kuwait International Airport

**Kuwait Airport
closed Until Further Notice**

Kuwait's Directorate General of Civil Aviation (DGCA) announced on Wednesday the activation of its emergency response plan at Kuwait International Airport after Terminal One (T1) was targeted by Iranian drones and missiles, resulting in significant damage to several airport facilities and causing casualties.

Overview Since 28 February

Impact assessment across 9 major Middle East Airports

Avg. operational rate~
~ 50%

of pre-conflict scheduled flights

Recovery
~ 60%

1st week of April

PAX shortfall
27M



\$100 M est. retail sales loss
driven by the loss of transit pax.

Overview Since 28 February

Recovery of major regional carrier



usual global network

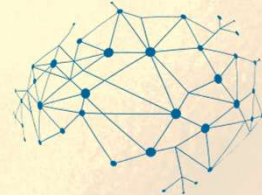


pre-conflict capacity



destinations worldwide

flydubai



reduced schedule



expect 160 dest. per week



Regional connectivity is building back

But, majority of Int'l Airlines have not yet lifted the suspension of flights to key destinations in the region

Overview Since 28 February

Recovery vs/Reality

Recovery Signals

- Emirates 96% network
- Etihad 80 Destinations
- Qatar expanding Routes
- Connectivity improving

Ongoing Challenges

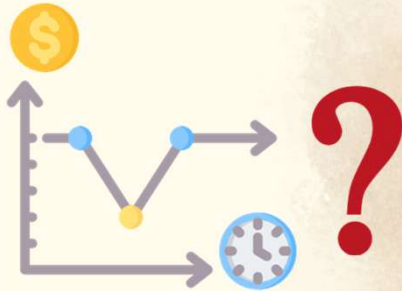
- Tourist arrival down
- The corridor Dubai X Saudi down
- Hotel Occupancy Weak
- Airfares increasing
- International carriers remain cautious



Recovery is underway, but remains fragile and uneven

Overview Since 28 February

Gradual recovery



Major challenge steep fall in tourist traffic

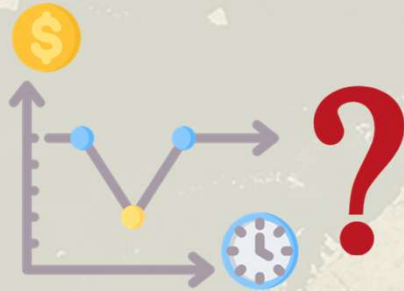
- ME Hotel occupancy dropped significantly
- ME Arrivals fell by 14% in Q1
- Airfares increasing across key markets



If air fares continue to rise, and air travel becomes once again available only to a privileged few, then our ability to increase sales will be impacted.

Overview Since 28 February

Gradual recovery



Major challenge DISRUPTION of Supply Chain

- Longer lead times
- Higher logistics costs
- Inventory uncertainty



The Long-term impact on supply chains remains uncertain
Agility and adaptability will be critical across the industry

Overview Since 28 February

Partnerships Matter



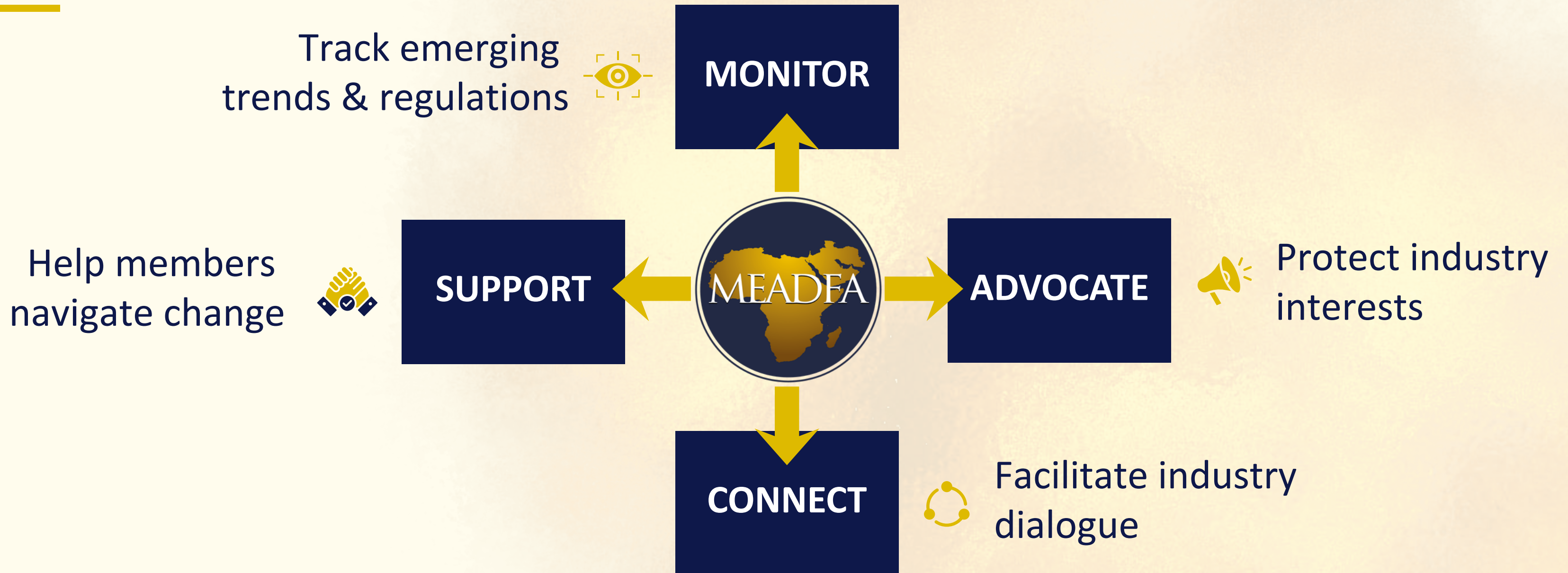
- Airport landlords
- Retailers
- Brands
- Marketing support & co-funded recovery



**Together, we need to show flexibility and agility TODAY,
to fully benefit from the recovery TOMORROW**



MEADFA's Role



**Through cooperation and mutual understanding,
we can navigate and support recovery**

THE MEADFA CONFERENCE

15 - 17 NOV. 2026
FOUR SEASONS HOTEL
RABAT AT KASR AL BAHR

POWERING **GROWTH**
SHAPING TOMORROW

THANK YOU



MANAGED BY

