

DUTY FREE SHOPPING - DOES IT STILL PAY OFF?



One can make a bargain in a duty free shop but not always. In Europe it pays off to buy alcohol and tobacco in these stores but if you are an EU citizen traveling within the EU duty free shopping is not an option for you.

Duty free shopping has become an important part of traveling for some people. **The idea originated in Ireland in 1947 at Shannon Airport** where Dr Brendan O'Regan founded the very first duty free shop, which is open even today. The idea is obvious - many people wait long time, sometimes hours, at airports while traveling between countries or even continents. Passengers who are waiting for their flight, e.g. from Europe to the U.S., are not officially entering the country. Thus the goods sold at the neutral territory is not subject to any taxation therefore it is cheaper. The idea spread worldwide and duty free shops are selling all kinds of goods all around the world.

According to many the best duty free stores are located at the biggest hubs like the international airport of Dubai. You can buy almost everything here including luxury cars and the prices are also very favorable. What is surprising it is possible to buy here Swiss watches that are even 20 percent cheaper than in Switzerland's own duty free stores. Dubai Duty Free is also the world's biggest earner in duty free business as it recorded US\$1.1 billion in sales last year.

Duty free shopping does not, however, always pay off. Generally, **you can make a bargain buying alcohol, tobacco or perfumes.** These are the three most popular categories of goods. Taxation of these products is very high in most countries therefore the duty free prices are very favorable.

Nevertheless, prices of other products in European duty free shops are often the same as the prices in the city stores or even higher. A customer needs to be aware they can make a bargain in a duty free shop but that it is not guaranteed. If you are an EU citizen traveling within the Union, duty free shopping does not apply to you since it was abolished in 1999.

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