

# DUBAI SUSPENDS ALCOHOL TAX TO BOOST TOURISM



The Emirate of Dubai in the United Arab Emirates (UAE) has suspended the 30 percent tax on alcohol sales for one year to stimulate tourism. According to the statement, Dubai authorities will also stop charging for personal alcohol licenses that anyone considering consuming alcohol must carry.

The emirate has been loosening alcohol bans for some time now. **It was previously allowed to sell alcohol during the day during Ramadan**, and delivery of alcohol orders to peoples' homes was approved during the Covid-19 pandemic.

## Alcohol Tax Cut Will be Noted by Consumers

Two companies that distribute alcohol in Dubai, Maritime and Mercantile International (MMI) and African & Eastern, said they will pass the tax cut to consumers. "Since we started our operations in Dubai more than 100 years ago, the emirate's approach has remained dynamic, sensitive and inclusive for everyone," MMI spokesperson Tyrone Reid noted. "These recently updated regulations are critical to continuing to ensure the safe and responsible purchase and consumption of alcoholic beverages in Dubai and the UAE."

## The Decision Has a One-year Trial Period

It is not yet clear whether the decision, which took effect at the beginning of this year, is permanent. So far experts have emphasized that the decision would have a one-year trial period, basing it on industry officials. Although Dubai is known as the "party capital" of the Gulf, with a mostly foreign-employed population, **Dubai residents have long traveled to Umm al-Quwain and other emirates for bulk, tax-free alcohol purchases.**

Historically, Dubai has managed to attract more tourists and wealthy foreign workers than its neighbors, thanks in part to its tolerance towards a more liberal lifestyle. But now it faces growing competition from rivals that are developing the hospitality and finance sectors.

To consume alcohol in Dubai, non-Muslims must be at least 21 years old and have an alcohol license issued by the police. Bars and nightclubs are rarely asked to show these cards, but those who don't can face fines or jail time.

Recent data show that in 2022 Dubai recorded almost 23.7 million traveler arrivals, which was 89 per cent more than in 2021. Of the total arrivals, 21.8 million arrived at airports, 1.6 million came through the Hatta Border Crossing between the UAE and Oman and 242,700 used seaports. The city, famous for its ultra-luxury hotels and fine dining, attracted more than 107,082 passengers on New Year's Eve alone.

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