## Saudi Arabia

## Saudi Arabia plans new alcohol shops to woo foreigners

Kingdom to add liquor stores in Jeddah and Dhahran after outlet for non-Muslim foreigners opened in Riyadh last year



A staff member pours a glass of non-alcoholic beer at a café in Riyadh, one of several hotels and restaurants that offer virgin cocktails and other non-alcoholic drinks © Reuters

## Ahmed Al Omran in Jeddah

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Saudi Arabia is preparing to expand access to alcohol in the conservative Muslim country with plans to open two liquor stores in Jeddah and Dhahran, according to people briefed on the plans.

It follows the opening of a first outlet last year in the capital Riyadh's diplomatic quarter that allowed non-Muslim staff of diplomatic missions to purchase alcohol.

The move is the latest step by authorities to regulate alcohol as Crown Prince Mohammed bin Salman pushes to open up the country to attract more tourists and highly skilled foreign workers. Saudi Arabia, the birthplace of Islam and home to its two holiest sites in Mecca and Medina, has maintained a decades-long ban on alcohol before the Riyadh outlet opened last year.

The kingdom has identified tourism as a pillar of an ambitious programme to diversify the country's economy away from its dependence on oil revenues, targeting 150mn tourist visits by 2030.

The <u>Public Investment Fund</u>, the kingdom's sovereign wealth fund, has invested billions of dollars in several tourism mega-projects, including an entertainment district west of Riyadh and multiple luxury island resorts in the Red Sea.

A large number of hotels and restaurants developed in the kingdom over the past few years have built-in bars that at present offer virgin cocktails and other non-alcoholic drinks.

The kingdom is also set to host major events in the coming years, including Expo 2030 and the 2034 Fifa World Cup.

Neighbouring Qatar allowed fans to have alcohol in designated zones when it hosted the 2022 World Cup but, despite speculation to the contrary, Saudi officials have indicated that the kingdom will uphold its restrictions.

The opening of the Riyadh store last year centralised access to alcohol that foreign embassies used to receive through diplomatic shipments.

The store has also recently allowed some holders of premium residency (PR) status to buy alcohol, said one of the people, in a move first reported by Semafor. The PR programme, launched in 2019, offers certain benefits to expats who earn more than \$20,000 a month and to highly skilled individuals.

The programme said more than 8,000 people were granted PR permits last year. It is unclear how many of those are non-Muslims who would be eligible to access the liquor store.

The two new stores are expected to open next year but no clear timeline was given.

The liquor store in Dhahran — where many expats working in the oil industry live — will be set up inside a residential camp owned by state-owned oil company Saudi Aramco, one of the people said, while the location for the Jeddah store is still unknown.

The port city, which historically served as a base for foreign embassies and companies in the early years after the kingdom was founded in the first half of the 20th century, lacks an equivalent to the diplomatic quarter.

There was no official announcement of the changes. The Saudi government communications office and the Premium Residency Center did not immediately respond to a request for comment.

Saudi Arabia has lifted curbs on many forms of public entertainment and music in recent years as part of a social liberalisation programme aimed at opening up the country and stimulating economic growth. Authorities have also eased gender segregation rules and lifted a ban on women driving in 2018.

While speculation has grown in recent years about plans to legalise alcohol as part of the tourism push, authorities have repeatedly played it down.

"We're doing pretty well without it at the moment," a senior official at the Ministry of Tourism told the Financial Times last year, adding that the majority of tourists come to the kingdom to experience its nature and local culture. Alcohol had "never been part of our culture", the official said.

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