UAE is imposing new taxes

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The levy will be applied to the retail price of the drinks and comes into force during the fourth quarter of 2017.

The UAE is imposing the taxes as part of a package of measures which will also see tax introduced on tobacco products. The tax on high-sugar products is a different strategy for UAE which has historically avoided taxing the sale of products directly.

It comes as more and more countries around the world introduce tax on sugary and fizzy drinks. And this is a more aggressive strategy for tackling high-sugar products in the same vein as Mexico's $0.05 per liter tax on sugary soft drinks, approved in 2013.

Countries like Saudi Arabia, Kuwait, the United Arab Emirates, Qatar, Bahrain, and Oman have high smoking levels as well as high rates of obesity and the associated health problems. The government is looking to stem the rising numbers, claiming the tax will incentivize consumers to switch to a healthier lifestyle.