TOURISM

Bhutan’s Perspective

A presentation by:
Tourism Council of Bhutan
The Vision

To create a vibrant and dynamic industry making significant contribution to **Gross National Happiness** and be a positive force for conservation of the environment and promotion of our culture, tradition and sovereign status.
1974: - Tourism was Introduced

1991: - Tourism privatised with only 33 tour operation licenses issued

1999: - Tour Operation license was liberalised

2008: - Autonomous and independent body established, Tourism Council of Bhutan
Tourism Development Philosophy

• Develop the tourism sector as a national priority
• Unique system – With emphasis on sustainability through
  “High value low negative impact”

• Socially and culturally acceptable
• Positive force for a holistic development
• Promotion of culture and tradition
• Economically viable
Tourism policy: Guiding Principles

- Responsible Tourism
- Unique Character
- Authenticity
- Quality
10th FYP Policies

- Promote positive image
- Promotion of Bhutanese tradition and culture
- Conservation of the environment
- Employment generation
- Revenue and hard currency generation
- Equitable and regionally balanced development
Tourism Sector Targets in 10th FYP

– Increase tourism contribution of 13% to the GDP
– Increase annual tourism arrivals to 100,000
– Increase employment growth to 25,000
Unique Tariff structure

• All visitors must route through a local tour operator

• Fixed minimum all inclusive package tariff

• Requirement to maintain/ provide minimum standards of services and facilities

The package includes:

• Government Tax (Royalty)
• Overseas Agents’ Commission of 10%
• Accommodation on twin sharing basis
• Transport with driver
• Meals (Breakfast, Lunch and Dinner)
• Evening Tea
• Guide
Arrivals : 2000-2010
Arrivals: 2000-2010

Number of Visitor Arrivals

Years

2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010

7,559 6,393 5,599 6,261 9,249 13,626 21,094 27,636 23,480 40,873
Major Source Markets (2010)

- USA: 19.08%
- Japan: 10.89%
- Germany: 8.27%
- UK: 6.52%
- China: 5.49%
- France: 5.35%
- Australia: 4.85%
- Italy: 3.78%
- Thailand: 3.22%
- Netherlands: 3.11%

Legend: Major International Source Markets
Tourism Gross Earnings: 2002-2010

- International Tourism Earnings in Million USD

- Years:
  - 2002: 7.98
  - 2003: 8.32
  - 2004: 12.5
  - 2005: 18.55
  - 2006: 23.9
  - 2007: 29.85
  - 2008: 38.83
  - 2009: 31.88
  - 2010: 35.98
Arrival in 1st Qtr; 2011

Source: Department of Immigration, Tourism Council of Bhutan (Visa section)

* International tourists, Regional tourists by air, International and regional business (including official and others)

58% growth is required to get 65K in 2011
### Breakdown of monthly arrivals

<table>
<thead>
<tr>
<th>Month</th>
<th>International business*</th>
<th>Regional business*</th>
<th>Regional tourists**</th>
<th>International tourists</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan</td>
<td>1,666</td>
<td>552</td>
<td>1,255</td>
<td>786</td>
</tr>
<tr>
<td>Feb</td>
<td>4,021</td>
<td>1,303</td>
<td>212</td>
<td>1,000</td>
</tr>
<tr>
<td>Mar</td>
<td>4,401</td>
<td>1,106</td>
<td>89%</td>
<td>459%</td>
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<tr>
<td>Apr</td>
<td>3,520</td>
<td>758</td>
<td>924%</td>
<td>124%</td>
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<tr>
<td>May</td>
<td>6,087</td>
<td>892</td>
<td>41%</td>
<td>564%</td>
</tr>
</tbody>
</table>

* including official and other arrivals (Data from DoI)

** By Air only (Data from DoI)

Source: Department of Immigration, Tourism Council of Bhutan (Visa section)
Tourism
Employment
Tourism Employment

Number of jobs in tourism sector in Bhutan

- **3,222**

- **2,858**

- **3,222**

- **12,773**

- **8,516**

- **20,200 – 22,400**

1. 300 active TOs and 390 inactive TOs
2. Includes Druk Air, Airport staff, TCB, civil aviation ministry, hotel maintenance, cultural event teams, horse contractors, etc.
3. Assumed as 1.5 times the direct jobs; includes restaurants, taxi drivers, other side businesses to support tourism industry
4. +5% variation on overall estimated jobs assumed

SOURCE: Hotel survey, TO survey, Guide survey, TCB
Major attraction to Bhutan
Major attraction to Bhutan

- Culture: 67.1%
- Buddhism: 32.5%
- Trekking: 15.5%
- Undiscovered: 24.7%
- Nature: 48.7%
- Flora/Fauna: 11.1%
- Work/Business: 7.3%
- Others: 5%

Bhutan's Major Drawcards
Challenges

- Continue maintaining the long term sustainability
- The limited air transport option including adverse weather conditions
- Effective coordination among government agencies and other stakeholders
- Seasonality problems
- Balanced and equitable development throughout the country
- Increasing quality in services level and generating added value
- Monitoring
Strategies

1. Price Policy
2. Standards/Inspection/Monitoring
3. Product Diversification
4. Accommodation
5. Guides Service
6. Spreading of Benefits
7. Promote Nature Tourism
8. Improved Marketing
9. Infrastructure Development
Strategies

10. Tourism Zoning/Resources Identification
11. Tax and Incentive
12. Regional Tourists
13. FDI
14. Domestic Tourism
15. Developing Cluster Destinations
16. Development of SMEs
17. Community Based Tourism
The Road Ahead....

....harness tourism potential through a “multi-sectoral approach” to fuel socio-economic progress by adhering to the concept of “high value, low negative impact”
Bhutan
Happiness is a place