Presentation on tourism in Bhutan
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.
Tourism policy : Characteristics

- Responsible Tourism
- Unique Character
- Authenticity
- Quality
Objectives: Tourism

- Engender a more equitable socio-economic development
- Promoting and conserving our cultural and natural heritage
- Create gainful employment opportunities by harnessing the vast employment potential of the industry
- Contribute to overall socio-economic development
Main Tourism Products

Nature - unexplored beauty

Culture - living culture and heritage

Wellness - spirituality and serenity
For tourist development, four circuits have been identified to offer a combination of nature, culture and wellness.

**Paro, Thimphu and Punakha: Western Circuit**
- Current tourist hub with a mix of all products
  - Focus on culture in the backdrop of natural landscape
  - Complement with range of water and easy trek activities/wellness options

**Bumthang, Trongsa**
- Cultural heartland with elements of nature and wellness
  - Focus key festivals and dzonghs, some of them in the current off seasons.
  - Complement with range of natural exploration in the catchment area: alpine flowers, hot springs and bird watching.

**Trashiyangtse and Trashigang: Eastern circuit – unexplored opportunity under development**
- Elements of culture, nature and wellness accompanied by community based tourism
  - Focus as an unexplored hub for community based tourism offering unique traditions and handicrafts
  - All year retreat for meditation and wellness
  - Complement with Birding and wild life viewing

**Manas and Zhemgang: Southern circuit – unexplored opportunity under development**
- Ecotourism at Manas National Park
  - Focus safari-like eco tourism products
  - Complement with bird watching and river rafting
Strategies

- Price model
- Product diversification
- Promotion and Marketing
- Infrastructure development
- FDI
- Tax and Incentives
- Capacity building
- Addressing seasonality
- Awareness building
- Decentralization
ABSD-Tourism
9 Initiatives to realise tourism aspiration

**Vision 2020**
- To be a premium exclusive long stay destination for culture, nature & wellness tourism
- Contribute to 25% of GDP year on year
- Promote the GNH philosophy

**Exclusivity and unique philosophy of Gross National Happiness**

**Strategic thrusts**

**Flagship projects**

1. **Destination Marketing**
   - Identify 2-3 additional circuits
   - Design value proposition & market Bhutan as an exclusive, year round destination
   - Micro-market to tour operators in key source markets

2. **Aviation**
   - Build adequate international airport and airline capacity
   - Commence domestic helicopter/airline services to key destinations

3. **Supply Creation**
   - Bring FDI through international resort chains to develop properties in identified destinations
   - Identify and develop heritage properties and homestays as private and community partnerships

**Key initiatives Tourism**

4. **Pricing and channel**
   - Deliver consumer value and drive competition by liberalizing the price regime while ensuring high spends and national revenues

5. **Supply up-gradation**
   - Roll out the star classification system
   - Upgrade hotel quality and service delivery in all A & B class hotels

6. **Integrated Destination Infrastructure**
   - Develop integrated infrastructure for the 3 new circuits in the center (Bumthang-Trongsa), east (Trashiyangtse, Trashigang), south (Manas, Zhemgang)

7. **Sustainable and Responsible Tourism**
   - Ensure highest compliance to the protection of environment, culture and communities

**Other enablers**
- Integrated transport infrastructure, land availability, talent development

1 To be addressed by the cross cutting enablers workstream and the vocational educational workstream
Number of arrivals has increased by 60% (58% growth is required to get 65K)

Number of total arrivals*
2010-2011, Jan-December

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>8,192</td>
<td>12,909</td>
</tr>
<tr>
<td>Q2</td>
<td>9,698</td>
<td>17,272</td>
</tr>
<tr>
<td>Q3</td>
<td>9,201</td>
<td>13,938</td>
</tr>
<tr>
<td>Q4</td>
<td>13,909</td>
<td>19,905</td>
</tr>
</tbody>
</table>

Growth

- Q1: 58%
- Q2: 79%
- Q3: 43%
- Q4: 51%

High-end regional tourist arrivals by land accounts for 1,728 visitor which brings the total figure to 65,756

There were 35,077 arrival by land which is not included in the total tourist arrival.

* International tourists, Regional tourists by air, International and regional business (including official and others)
Source: Department of Immigration, Tourism Council of Bhutan
Significant growth has been made especially in the low season and flattening the seasonality.

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

Source: Department of Immigration, Tourism Council of Bhutan

Growth rate:
- Jan-Dec: 60%
- 2011: 63%, 89%, 41%, 75%, 64%, 102%, 111%, 56%, 24%, 37%, 42%, 63%
### Line of sight on overall aspirations

#### Targets in performance compact, '000

<table>
<thead>
<tr>
<th>Year</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. High end arrivals (incl. international and regional high-end)</td>
<td>21</td>
<td>25</td>
<td>35</td>
<td>65</td>
<td>100</td>
</tr>
<tr>
<td>2. Employment</td>
<td>12</td>
<td>13</td>
<td>17</td>
<td>18</td>
<td>25</td>
</tr>
<tr>
<td>3. Supply – number of beds of 3* and above</td>
<td>1,500</td>
<td>2,500</td>
<td>3,300</td>
<td>3,650</td>
<td></td>
</tr>
<tr>
<td>4. Customer satisfaction score (Percent)</td>
<td>&gt;50</td>
<td>&gt;70</td>
<td>&gt;70</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### Achievement

<table>
<thead>
<tr>
<th>Year</th>
<th>Actual</th>
<th>Achievement level vs. target</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>65</td>
<td></td>
</tr>
<tr>
<td>2011</td>
<td>65</td>
<td></td>
</tr>
<tr>
<td>Jun '10</td>
<td>19</td>
<td>23</td>
</tr>
</tbody>
</table>

#### Highlights

- **Total arrival for 2011 is 65,756 including 1,728 high-end regional tourist arrivals by land who have stayed in 3 star and above category hotels.**
- **The actual employment figure of 23,095 could increase since 87 active TO’s and 445 inactive TO’s did not respond to the survey.**
- **The actual bed supply will increase with the development of home stays, campsites, luxury tented accommodations.**
- **Four variables considered are guide satisfaction, hotel satisfaction, Food and Restaurant and value for money from exit survey.**
Sustainable and Responsible Tourism

Gross National Happiness
Four pillars
1. Sustainable Development
2. Preservation and Promotion of Cultural Values
3. Conservation of natural environment
4. Good governance

Regulations implemented
1. Accomodations
   - Green indicators for ratings included
2. Tour Operations
   - Tour Operation Regulations encouraging group visitors
3. Tour Guides code of conduct

4. Regulations in protected areas (60% Forest cover)
   - Nature and Forest Act

5. Incentives for Green technologies
   - Env. Friendly technologies

6. Carbon neutral initiatives
   - Lack of resources (Fund and Technical assistance required)
The Road Ahead....

....harness tourism potential through a “multi-sectoral approach” to fuel socio-economic progress for GNH, by adhering to the “high value, low impacts” concept.
Kadrinche!