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TOURISM COUNCIL OF BHUTAN  
ROYAL GOVERNMENT OF BHUTAN

*Vision: A green, sustainable, inclusive and a high value tourism destination*



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## About Tourism Council of Bhutan

Tourism Council of Bhutan is the National Tourism Organization responsible for development and promotion of sustainable tourism guided by the prescient wisdom of high value low volume policy.

## ANNEX – FREQUENTLY ASKED QUESTIONS (FAQ)

### 1. Why is the Bhutan tourism sector undergoing a revamp?

The revamp is part of a nationwide transformation initiative that is happening across sectors, from the civil service to finance. Anchored in the nation's longstanding tourism policy's guiding principles – “High value, Low volume” – the transformation looks to upgrade infrastructure and services, professionalise the skills of all those working in the sector, and elevate the travel experience of tourists. The long-term goal is to build a competitive tourism sector that is both innovative and professional, and that generates highly-skilled and well-paying jobs for Bhutanese.

### 2. Why is the tourism sector's revamp happening now?

Tourism was adversely affected by the pandemic. While some level of uncertainty and unpredictability remains, the gradual re-opening of borders around the world provides hope that normalcy will soon return to the sector. A careful decision was made to reopen Bhutan's borders in September to ride on the global momentum. This reopening will provide a much needed opportunity to reset the sector. The gradual return of tourists will allow for the progressive upgrading of infrastructure and services.

### 3. How will the tourism sector be upgraded?

The standards and certification process for service providers, including hotels, guides, tour operators, and drivers, as well as other businesses such as handicraft shops will be revised. The new requirements will be more robust and ensure a minimum quality standard across the tourism sector. Persons employed in the industry will be required to undergo skills training where necessary. Government support will be provided for infrastructure upgrades. Details on the training platforms and certification process will be shared with the industry at a later date.

### 4. What is the rationale behind lifting the Minimum Daily Package Rate (MDPR)?

The MDPR had its limitations. Tourists, for instance, often had to choose from packaged tours offered by tour operators, which controlled the travel experience for them. By doing away with the MDPR, greater flexibility will be afforded to both tourists and service providers.



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Tourists will be able to engage their desired service providers directly, and pay for their services accordingly. This will also open up new opportunities for service providers to offer innovative new products and programmes. Overall, this will raise the travel experience enjoyed by tourists, and the service standards of the industry.

#### **5. Why is the Sustainable Development Fee being raised?**

Bhutan is a carbon negative country. The country also sequesters 9.4 million tons of carbon against its emission capacity of 3.8 million tons. With climate change, it is imperative that Bhutan continues to conserve its environment.

Based on our careful calculations, we believe the current SDF will put us in good stead to mitigate climate change and maintain carbon-neutral tourism. The SDF will be channelled towards activities that offset carbon footprint and maintain the carbon sinks in Bhutan through the replanting of trees. It will also be used to reduce the country's reliance on fossil fuels by, for instance, enhancing its hydropower capacity and electrifying its transport sector.

Beyond protecting the country's natural environment, the SDF will be directed towards activities that preserve Bhutan's built and living cultural heritage, including architecture and traditional values. These include well-managed community-led projects that promote the sharing of authentic experiences and understanding of Bhutan's traditions and culture.

The SDF will also ensure viable, long-term economic operations, which provide socio-economic benefits to all stakeholders. This includes the development of tourism activities that help local communities thrive economically, and the creation of stable employment with fair wage and working conditions.

#### **6. Are there any tourists who can be exempted from the SDF?**

The SDF is applicable to all tourists. However, tourists from India will at present pay a previously stipulated fee, which will be revised at a later date.