Sustainable mountain tourism and financial solutions
Towards green, inclusive, and resilient tourism economy
June 7, 2021

BHUTAN’S Experience on…
Policy & Practices on sustainable tourism

…Dorji Dhradhul, Tourism Council of Bhutan
Kingdom of Bhutan

TSAWA SUM

The Crown

The Country

The Citizen
POLICY

- Gross National Happiness (GNH) – development with values - Pillar on the sustainability of environment & natural resources & natural resources

- Constitution – Mandates 60% forest cover for all times ((72% & the only carbon negative country in the world) - Pledge to carbon neutrality

- Restricted mountaineering - above 6000 m not allowed - highest unclimbed mountain in the world - Gangkar phuensum @ 7,570 m

- Organic farming

- High value, Low Volume Tourism – sustainable tourism development
“… our leadership resisted the temptations to harness the quick fortunes from mass tourism and instead was prescient to formulate a visionary policy of “HIGH VALUE LOW VOLUME TOURISM” - His Majesty The King, 2019

Policy Vision
A green, sustainable, inclusive and a high value tourism destination
High value Low volume Tourism

✓ Sustainable (Social, Environment and Economic)
  ✓ Mindful
  ✓ Responsible
  ✓ Guided tour
  ✓ Avoid mass/over tourism

✓ Non material (Citizens and Tourists)
  ✓ Exclusive & Immersive
  ✓ Wellness and wellbeing
  ✓ Spiritualism

✓ Economic
  ✓ Gross National Happiness (Revenue and receipts plus)
  ✓ Less is More
  ✓ Quality over quantity
PRACTICES (sustainable..)

- Minimum Daily Package Rate (MDPR)
  - pre-arranged with Bhutanese Tour operator
  - pre-paid tour costs for tourist visa, meals, 3-star accommodation, chauffeured SUV ground transport, full time guide

- Sustainable Development Fee (SDF)
  - A tourist is levied a fee to ensure the participation of a tourist in the global agenda of sustainable tourism
PRACTICES (sustainable...) contd

- Organic farming
- Tax free for electric cars
- Ban single use of plastic bags
- Green tax on automobiles using fossil fuels
- Free electricity in the rural community
- Green CSO part of the decision making
- Designated camp sites
- Certified tour operators, accommodations, guides
As pandemic kicks mass tourism, islands (Hawaii) tends to mend ties with nature – June 2020.

The future is not mass tourism – Sept 2020

Is COVID 19 a beginning of the end of mass tourism for NZ – April 2020

Need to promote high end tourism – learn from Bhutan - May 2019

Smaller number of HV visitors to ease environmental and social burden – Tourism Minister, NZ, May 5, 2021

It’s time to end extractive tourism. The pandemic presents us with a great opportunity to do away with the destructive mass tourism industry – Feb 2021

Southern European countries (Spain, Greece, Portugal, Italy) are using part of the €750 billion EU recovery fund to progressively switch from mass to premium and more wellness-focused forms of tourism. - May 2021
Towards green, inclusive, and resilient tourism economies

Re-thinking Policy & Practice

Policy
• Can Bhutan’s HVLV tourism of the last half century can be that new model?

Practice
✓ Products – Wellness and wellbeing, Spiritualism, Gross National Happiness, Community tourism, Eco, Agro & Rural tourism
✓ Promote Green Hotel Management System
✓ Promote Smart Mobility in the tourism industry
Better (lower) interest rates by tourism related businesses (restaurants, hotels, transport etc.) for both capital investment credit and working capital credit.

National CSI Development Bank provides lower interest rates to CSIs.

National Credit Guarantee Scheme (NCGS), the government cover the collateral guarantee with upto 50% for large and medium 70% for small and cottage.

Overall access to financial schemes are successful, but tourism represents one of the largest credit including non-performing loans (NPLs).

Digital / online payment platforms and services including international payment.
Recommendations for financing:

- COVID 19 has changed the situation altogether..
- Coordination among the relevant stakeholders (public-private - FIs etc)
- Research and availability of information on the financial instruments
- Exchange of knowledge and best financing and investment practices among the countries
- Digital and analytics transformation within the tourism sector

- New financing mechanism
  - Green financing schemes for special sustainable and inclusive growth
  - Regional financing mechanism to promote green growth
- Differentiated interest rates based on geographical areas, viz. urban and rural and investment types (digitalization, waste management, solar power, water management, green hotels, green transport etc)
BRAND BHUTAN - Global recognitions
SNOWMAN RACE – The Ultimate Race For Climate Action

www.snowmanrace.org

- Envisioned and Blessed by His Majesty The King
- The Ultimate Race For Climate Action
- to bring the world’s attention to climate change and its impacts
- Aspires to be World toughest ultra Race
- October 13, 2021
Kadrinchela

Thank You

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adventure

tradition

rejuvenation

mystery

well-being

authenticity