

Tour operators confused over tariff liberalisation



January 14: An executive order from the cabinet to liberalise tariff for tourists has left many tour operators in the country in a state of confusion. The executive order was issued in November last year.

The order says that this is being done to attract at least 100,000 tourists by 2012. Most tour operators said this will have a serious impact on the culture and identity of the country.

While many tour operators welcomed and appreciated the government's initiative to promote the tourism sector, they said the decision to liberalise the tariff was never consulted with the tourism industry.

Many tour operators BBS spoke to including the well established as well as some of the new companies said that the liberalisation of tariff for tourist is not the right thing that the government is heading towards.

While most said the new system will attract cheap tourism, some said that the new order will place the sovereignty of the tour operators at risk.

The Managing Director of Sakteng Tours and Treks, Tshewang Rinzin, said that with the liberalisation there will be lots of backpackers. "Once we liberalise the rates, the tourist will walk freely in the villages and this is going to have a serious implication on our culture."

"We fear that the major operators abroad will ask smaller operators to function as commission agents, this way the sovereignty of the tour operators here is at risk," said Karma Galey of Khamsa Tours & Treks.

Liberal tariff for tourists according to the tour operators will also have a serious impact on the country's culture.

On the question of identity, most tour operators said that liberal tariff will mean putting at risk the government's own policy of high value- low volume tourism.

"People abroad look up to Bhutan as an exotic destination but the liberalisation of tariff contradicts the brand name of high value- low volume policy that Bhutan has carried for so long," said Kinley Gyeltshen, Co-partner Gangri Tours & Treks.

"As of now, we all know that we get quality tourists who are responsible and who respect our culture, tradition, the policies and the environment, this will be gone."

Asked upon what is best for the tourism industry, most preferred sticking to the existing tariff rate of a minimum of US\$ 180. They said this system has been in smooth operation without any problem since the early seventies.

"I would say, we should maintain the same rate. Last year when the government wanted to revise the tariff, we requested to keep on hold because of the global economic recession and the government respected our concerns. So once the recession is completely over, the government can increase slightly on the existing rate because liberalising it would definitely mean destruction for us," said Tshewang Rinzin, MD, Sakteng Tours & Treks.

Meanwhile, there were also some new tour companies who welcomed the executive order to liberalise tourism tariff. Deepak Tamang, the Managing Director of Raven tours says that the new system will allow an equal platform for competition and disagreed to the list of negative impacts that majority of the tour operator felt.

"The tourism industry is already seeing competition and the liberalisation of rates will mean providing an equal platform for the small and the big companies to compete. The negative impacts my friends are mentioning will not be felt strongly as we have a good system in place to take care of the tourists," said Deepak Tamang, MD, Raven Tours.

The Tourism Council and the Association of Bhutanese tour operators in the meantime are discussing this with the tour operators to request the government to re-visit its decision.

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