

Tourism and the tariff

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17 April, 2010 - Can Bhutan bring in more tourists at a higher tariff? According to a majority of tour operators in the country that today number around 300 it may not be possible.

In other words, it's going to be difficult to meet the government's target of bringing in 100,000 dollar paying tourists by 2013, when the official tariff goes up from USD 200 to USD 250 a day.

Given the existing policy of 'high value low volume' tourism, USD 200 a day is generally seen as expensive, because it is assumed to be the cost of the daily visa fee.

It's surprising that, even after all these years of opening up to tourism, most prospective tourists do not know that the USD 200 a day also covers the cost for food, lodge, transport and guide services. There's a serious communication gap that needs to be bridged.

Still, the notion that tourists may decide to go some place else instead of coming to Bhutan because official tariffs have gone up by USD 50 does not sound convincing, when every blessed year Bhutan keeps featuring as one of the top tourist destinations in the world.

Whichever way one looks at it, Bhutan, by virtue of being what it is, does offer something unique that is not available anywhere else, starting from a living Buddhist culture to clean air. Such things have not been put in place to impress tourists – it's just there – although keeping it that way has become the priority.

What the revised tariff does is throw a challenge to Bhutanese operators to drastically improve services. Poor service is turning out to be the curse of the Bhutanese tourism industry.

With royalty payable to the government remaining the same at USD 65, the revised tariff actually offers operators a chance to improve services, from food to tour packages, and at the same time make more, if looked at from an optimistic angle.

As it is, there are operators, who are bringing in tourists at USD 300 and more. What is it that they are offering, considering that the living culture and natural environment is there to be enjoyed by all?

Yet, as some sceptics rightly say, revising the tariff means little to a large majority of tour operators, who are in any case marketing Bhutan at rates much lower than the official USD 200 a day, compelling them to cut corners to make the margins.

Still, some operators have pointed out that the new tariff that will be applicable the whole year round would make it difficult to market Bhutan during the lean season, which today has a special concessional rate. If the numbers are to increase, it must happen during the lean season, because tourists are in any case willing to pay more than the official tariff during the season.

Something could be worked out on this, even as the government works to create other compelling reasons to visit Bhutan.

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