Bhutan
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BHUTAN TOURISM MONITOR

2017

Publication of the Tourism Council of Bhutan

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FOREWORD

The Tourism Council of Bhutan is pleased to present the Bhutan Tourism Monitor (BTM) 2017 – an annual statistical publication. This important report presents the performance of the tourism industry in the year 2017, market trends over the years, and various other analysis on the key aspects that provide significant market intelligence and insights about the industry. Tourism research and statistical development is a priority area for the Tourism Council of Bhutan (TCB) to guide policy for sustainable tourism development in Bhutan. The report also seeks to provide the tourism industry with objective information, findings and analyses to meet varied needs to support policy, marketing and commercial decisions relating to the sector.

Bhutan's tourism industry continued to grow in 2017 contributing significantly towards socio-economic development through revenue and foreign currency generation and employment creation amongst others. A total of 254,704 foreign individuals visited Bhutan in 2017 which is an increase of 21.5% over 2016. International arrivals grew by 13.8% to 71,417 over 2016 while arrivals from the regional market grew by 25%. A total of 62,272 international leisure arrivals alone was recorded in 2017 which represents a growth of 14.1% over the previous year and this is the highest number till date. Arrivals from South Korea increased significantly to 6,048 in 2017 compared to 1,035 in 2016 registering a growth rate of 484 % on account of the Bhutan – Korea friendship offer.

Bhutan continues to be an attractive tourism destination which is evident from the growing popularity resulting in increase in arrivals annually. Bhutan also continues to gain impetus in the international community as a sustainable tourism destination as evidenced from the Earth Award won by Bhutan during the Sustainable Tourism Top 100 Awards Ceremony at International Tourismus-Borse (ITB) Berlin 2018.

Despite the growth we still face the problem of seasonality and unbalanced regional spread. Towards this end, the Royal Government has introduced the wavier of Sustainable Development Fee (SDF) for tourist visiting the six eastern districts for a period of 3 years. As a destination with emphasis on sustainability at the core of its development agenda, it is important that appropriate interventions are put in place to further sustainable growth with emphasis on regional spread and in making Bhutan a year round tourism destination.

To this end, it is only imperative that we continue to make concerted efforts to develop and promote sustainable tourism in Bhutan for greater benefits. For this, emphasis will be placed on better visitor management to enhance visitor experiences and spread tourism benefits to wider sections of the population through innovation, service excellence, strong and a diversified product portfolio.

I would like to extend my deep appreciation to all stakeholders for your continued support and contribution to tourism in Bhutan.

Tashi Delek

Chhimmy Pem
Director

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GLOSSARY OF TERMS

1. **Inbound tourism:** Inbound tourism comprise the activities of a non-resident visitor with the country of reference on an inbound tourism trip.
2. **Visitor / Tourist :** A visitor is a traveler taking a trip to a main destination outside his/her usual environment, for less than a year, for any main purpose (business, leisure or other personal purpose) other than to be employed by a resident entity in the country or place visited
3. **Regional Visitors:** Nationals of India, Bangladesh and Maldives arrivals to Bhutan for leisure, official, business and VFR.
4. **International Visitor:** Nationals of all other countries (other than Regional) arrivals to Bhutan for leisure, official, business and VFR.
5. **Leisure Arrivals:** Non-resident arrivals to Bhutan for the purpose of holiday and leisure. They include both international and regional leisure arrivals.
6. **Business Arrivals:** Non-resident arrivals to Bhutan whose main purpose for a tourism trip corresponds to the business category of purpose
7. **Official Arrivals:** Non-residents arrivals to Bhutan whose main purpose for a tourism trip corresponds to professional category of purpose
8. **Others / VFR – Visiting Friends and Relatives** : Personal guests, friends and relatives of Bhutanese and expat residents of Bhutan
9. **Minimum Daily Package Price (MDPP):** The minimum rate paid ($200 per person per night during lean season and $250 per person per night during peak season) by all International Leisure Arrivals for an all-inclusive package tour to Bhutan. The minimum daily package covers all meals , a minimum of 3 star accommodation (4 & 5 star will require an additional premium), a licensed Bhutanese tour guide for the extent of the stay, all internal ground transport, camping equipment and haulage for trekking tours, all internal taxes and charges, and sustainable development fee (royalty) of $65.
10. **Gross Earnings:** Gross convertible currency earnings from international leisure arrivals only and includes royalty.
11. **Sustainable Development Fee (SDF):** Is $ 65 of the MDPP which goes to the government coffer as direct revenue contribution which is used for social welfare of the country. It is calculated / derived as $ 65 x number of international leisure arrivals x number of nights spend in Bhutan.
12. **Tourism Expenditure:** refers to the amount paid for the acquisition of consumption goods and services, as well as valuables, for own use or to give away, for and during tourism trips. It includes expenditures by visitors themselves, as well as expenses that are paid for or reimbursed by others
13. **Travel Group:** is made up of individuals or travel parties travelling together

I EXECUTIVE SUMMARY

The tourism industry across the globe has been the key driver of global economy. In 2017, the industry has contributed a sum of US$ 7.6 trillion to the global economy that tantamount to 10.2% of global GDP and generated 292 million jobs (1 in 10 jobs on the planet) in 2016 (Travel and Tourism Competitiveness Report, 2017). In the Asia-Pacific five out of the 15 most improved countries in the index (Travel and Tourism Competitiveness Index) are Japan (4th), Korea (19th), India (40th), Vietnam (67th) and Bhutan (78th) (TTCR, 2017). Researches have shown that for every 30 new tourists to a destination, one new job is created and of late it has been revealed that almost twice as many women employers are in tourism sector as in other sectors (TTCR, 2017). The international arrivals have increased from just 25 million in the 1950s to 1.2 billion in 2016.

In case of Bhutan, total visitor arrivals comprised of regional (India, Bangladesh and Maldives) and international. The overall visitors have increased to 254,704 in 2017, which represents a growth of 21.5% over 2016. Of the total arrivals, there were 71,417 international arrivals (of which 62,272are international leisure arrivals) and 183, 287regional arrivals. The international arrivals recorded a growth of 14.1% and 24.9% for regional arrivals.

More than half of the international tourists (54.7%) were from the Asia-Pacific followed by 24.8 percent from Europe and North America (18%). Female visitors constituted the majority (59.1%) and most of the visitors were of the age bracket of 41-60 (43.3%), 61-70 (22.1%) and 26-40 (19.9%). The US arrivals recorded 26.44% growth, Singapore with 36.95%, UK 3.91%, Germany 29.3%, Malaysia 50.22% and Australia with 23.71 increase over 2016 arrivals. The most significant growth was recorded for South Korea with 484.35% as a result of the Bhutan-Korea Friendship Offer 2017. However, China (-30.27%), Thailand (-3.11) and Japan (-43.22%) recorded negative growths in 2017.

Cultural tourists comprised of 88.4 percent of the total leisure arrivals followed by Adventure (2.7%) and less than one percent comprised of Spiritual and Wellness and Nature. The exit survey has also revealed that major draw cards for the international tourists are culture and tradition (68.6%) to consider Bhutan as the destination followed by nature and ecology (8.7%). Similarly, some 41.1 percent of the regional visitors were attracted by the same followed by one-third (33.8%) of them attracted by nature and ecology.

India continues to be our main source market in terms of visitor arrivals. For the international segment USA, UK, Germany, China, Japan, Singapore and Thailand continues to be our consistent source markets. The Bhutan – Korea friendship offer resulted in increased arrivals from South Korea propelling it into the top 10 source markets for Bhutan in 2017. In 2017, receipts from tourism has increased by 8.2% or USD 6.07 million as compared to 2016.

II INTRODUCTION

Tourism Council of Bhutan as the apex tourism regulatory body in the country is mandated to ensure development and growth of the tourism sector in a sustainable manner through the implementation of sound national tourism policies, plans and programs and regulations.

The policy and planning decisions and interventions have to be based on research and factual findings as opposed to relying solely on anecdotal evidences that may not give the whole scenario. Towards this end, an annual statistical publication – The Bhutan Tourism Monitor – produced by the Tourism Council of Bhutan seeks to provide quality information, factual findings and forecasts to meet the needs of a diverse group of users.

The primary objective of the annual statistical publication is to provide evidence based findings and analysis to a wide range of tourism stakeholders that have an interest in the development, management and promotion of tourism in the country.

The Bhutan Tourism Monitor 2017 presents a comprehensive analysis of the performance of the tourism sector during the calendar year 2017. The report contains detailed statistical breakdown of visitor arrivals, first-hand feedback from the visitors and market intelligence.

The report is presented in four sections. The first section presents the annual tourism statistics of visitor arrivals, their profile, preferences and activities and changes in comparison to previous years. The second and third section presents results based on the data collected through visitor exit surveys for international arrivals and regional arrivals. Section four presents analysis of the top 10 major source markets for Bhutan during the year.

III STUDY DESIGN AND METHODOLOGY

A multi-stage sampling method was adopted. Four regions (Paro, Phuentsholing, Gelephu and SamdrupJongkhar) were identified for data collection. The first stage is stratified sampling of those four regions. The selection of the PSU (Primary Sampling Unit) from those four regions is done by applying PPS (Probability Proportional to Size) method of sampling. Then a sub-sampling applying the Circular Systematic Sampling (CSS) is being carried out. A total of 3,064 visitors were interviewed at random across four exit sectors viz. Paro, Phuntsholing, Gelegphu and SamdrupJongkhar.

Analysis in the report is based on two data sources. Section 1of this report is based on secondary data obtained from Tashel Information Management System, a database maintained by Tourism Council of Bhutan (TCB) and Immigration database. Data presented in the past annual tourism monitor reports of Bhutan were also used while making trend analysis on various variables.

Analysis of Section II and III is based on primary data collected through visitor exit survey with focus on international and regional tourists. Primary data was collected using separate exit survey questionnaires for international and regional tourists comprising of both open-ended and closed-ended questions. Administered exit surveys were used as the primary survey tool as they provide richer data than un-administered or online surveys. Further it also yields higher response rates, with departing visitors generally more willing to participate in one-to-one interviews over other survey methodologies.

The data analysis was carried out in SPSS version 22.0 after importing from the two different data entry interfaces developed in CSPro 6.2 for both the international and the regional visitors. Separate interface was developed for regional and international exit surveys.

SECTION 1

ANNUAL TOURISM STATISTICS

PART 1: ANNUAL VISITOR ARRIVALS STATISTICS

1.1 2017 visitor arrivals and five years trends

This section presents the total visitor arrivals to Bhutan in 2017 and analysis of their trends and profile. It includes visitors to the country for leisure / holiday, official, business and other reasons.

2017 saw a total of 254,704 visitor arrivals to Bhutan with a growth rate of 21.5% over 2016. Of the total arrivals, there were 71,417 international arrivals and 183,287 regional arrivals. The international arrivals recorded a growth of 14.1% and 24.9% for regional arrivals.

Figure 1.1: Tourists arrivals over the years

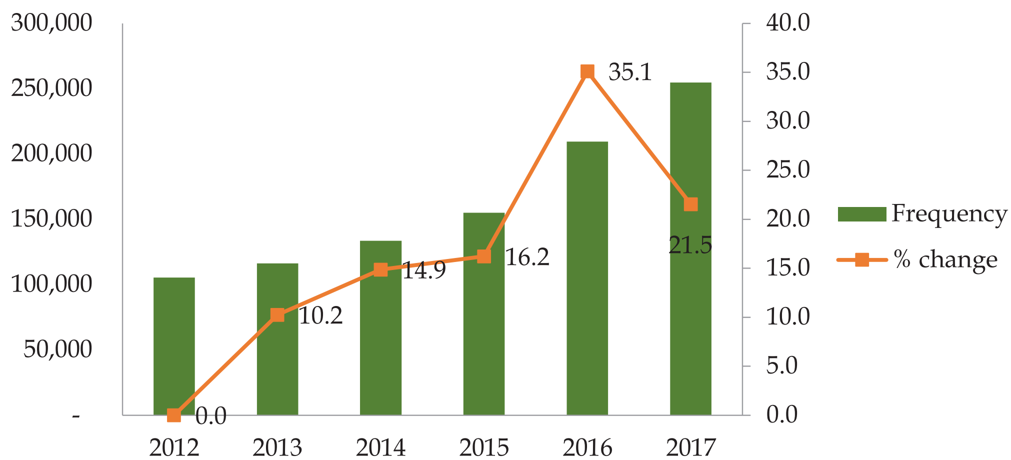


Figure 1.1: Visitor Arrival trends comparison for last 5 years

1.2 Categories of visitor arrivals by purpose of visit and mode of transportation used

Majority of international arrivals to Bhutan has used air as their mode of transport to enter and exit Bhutan while majority of regional arrivals used land. 85% of the total visitors visited Bhutan for leisure / holiday purpose.

Table 1.2: Categories of arrivals by mode of transportation and purpose

	International		Regional			
Purpose of visit	**Air**	**Land**	**Air**	**Land**	**Total**	**% share**
Leisure	57, 704	4, 568	51, 499	104, 776	218, 547	**85.8**
Official	5, 415	110	3, 281	1, 484	10, 290	**4.0**
Business	1, 143	77	2, 481	2, 919	6, 620	**2.6**
Others	2 ,276	124	3, 097	13, 750	19, 247	**7.6**
Total	66, 538	4, 879	60, 358	122, 929	254, 704	**100.0**
% share	**26.1**	**1.9**	**23.7**	**48.3**	**100.0**	

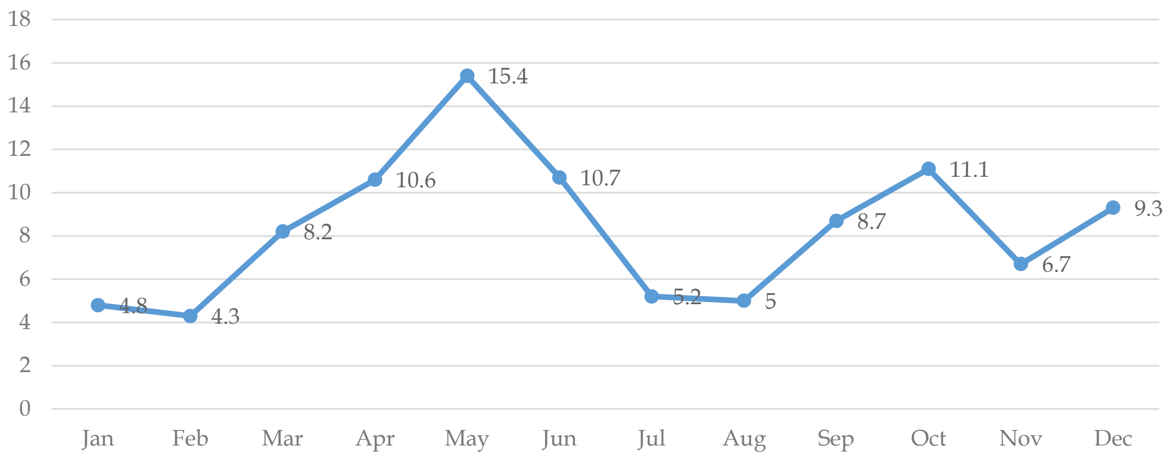
1.3 Visitor arrivals by month and category and mode of transportation

Table 2: Arrivals by month, category and mode of transportation

	International		Regional		Total	
Arrival month	**Air**	**Land**	**Air**	**Land**		**% share**
Jan	2, 515	94	1, 871	7 ,744	12, 224	**4.8**
Feb	3, 276	215	1, 849	5, 600	10 ,940	**4.3**
Mar	5, 178	481	11, 673	3 ,540	20, 872	**8.2**
Apr	8, 636	819	4, 535	13, 125	27 ,115	**10.6**
May	4, 673	230	10 ,211	24, 223	39 ,337	**15.4**
Jun	5, 431	153	7, 469	14 ,210	27, 263	**10.7**
Jul	4, 065	224	2 ,663	6, 181	13, 133	**5.2**
Aug	5, 675	216	2 ,940	3, 931	12, 762	**5.0**
Sep	5, 962	547	4,580	11, 034	22, 123	**8.7**
Oct	9, 846	916	4 ,949	12, 570	28, 281	**11.1**
Nov	5, 937	815	3, 362	6, 953	17, 067	**6.7**
Dec	5, 344	169	4 ,256	13, 818	23, 587	**9.3**
Total	**66, 538**	**4 ,879**	**60 ,358**	**122 ,929**	**254, 704**	**100.0**
% share	**26.1**	**1.9**	**23.7**	**48.3**	**100.0**	

The figure shows that maximum arrivals have been recorded during the months of April, May, June, September, October and December.

Figure 1.3: Visitor arrivals by month (%)



1.4 Major Source Markets

India continues to be our main source market in terms of visitor arrivals. For the international segment USA, UK, Germany, China, Japan, Singapore and Thailand continues to be our consistent source markets. The Bhutan – Korea friendship offer resulted in increased arrivals from South Korea propelling it into the top 10 source markets for Bhutan in 2017.Following table shows the source market for 2017;

Major source markets including regional markets by nationality

Countries	Total	% shared
Indian	172,751	72.7
Bangladeshi	10,536	4.4
American	9,220	3.9
Chinese	6,421	2.7
South Korean	6,048	2.5
Singaporean	4,129	1.7
Thai	4,047	1.7
British	3,246	1.4

German	2,970	1.3
Malaysian	2,956	1.2
Japanese	2,744	1.2
Australian	2,249	0.9
French	1,545	0.7
Canadian	1,524	0.6
Taiwanese	1,491	0.6
Vietnamese	1,423	0.6
Swiss	1,352	0.6
Spanish	1,142	0.5
Italian	978	0.4
Dutch	757	0.3
Total	**237,529**	**100.0**

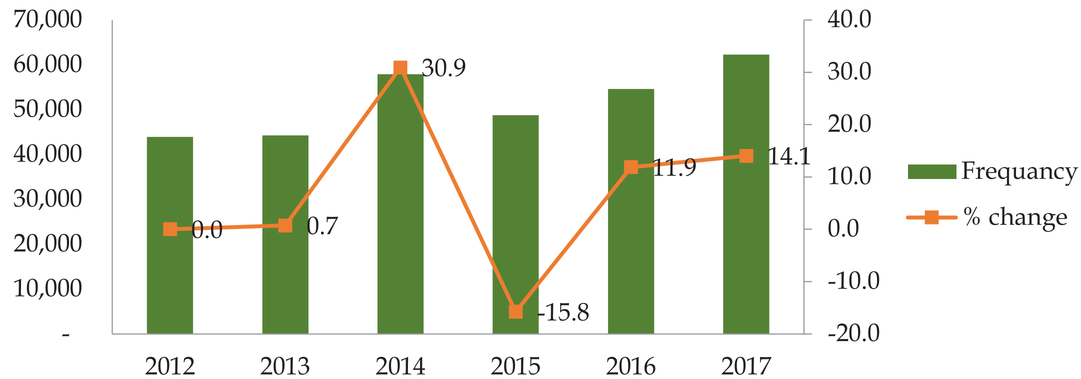
PART II: INTERNATIONAL LEISURE ARRIVALS

This section presents statistics related to international leisure arrivals who visited Bhutan solely for the purpose of holiday paying the minimum daily package rates.

2.1 International leisure arrivals

A total of 62,272 international leisure arrivals were recorded in 2017. 2017 recorded 14.1% increase in international leisure arrivals over 2016 recording a steady growth of international arrivals to Bhutan over the past years as shown in the figure.

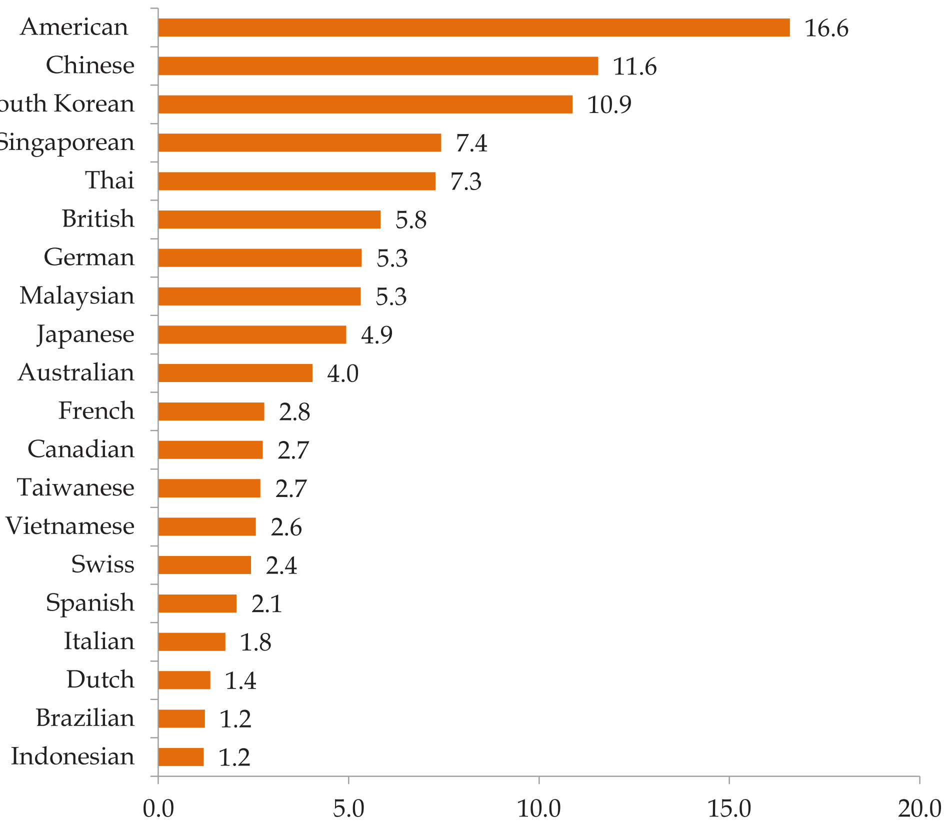
FIgure 2.1: International leisure arrivals over the years



2.2 Major International Source Markets

The US arrivals recorded 26.44% growth, Singapore with 36.95%, UK 3.91%, Germany 29.3%, Malaysia 50.22% and Australia with 23.71 increases over 2016 arrivals. The most significant growth was recorded for South Korea with 484.35% as a result of the Bhutan-Korea Friendship Offer 2017. However, China (-30.27%), Thailand (-3.11) and Japan (43.22%) recorded negative growths in 2017.

Figure 2.2: Percentage distribution of major international source market by nationality



2.2.1 Top ten major source international markets over the past decade

The countries like USA, Australia, Germany, Japan, UK, Singapore, China and Thailand had remained in the top 10's list over the past one decade. However, Canada has been replaced by Malaysia from 2012 till date. Similarly, France had been replaced by South-Korean from 2017. South-Korea had enjoyed the highest growth in 2017 as compared to 2016 with 484.4% growth rate. Compared to arrivals from France in 2016, South-Korea had overshadowed with 302.9% in 2017 as depicted in table 2.2.1. However, Japan had shown drop in growth rate with -43.2% fall in the arrivals in 2017. Similarly, China has shown a negative growth of 30.3%.

Table 2.2.1: Top ten source market trends over the past decade

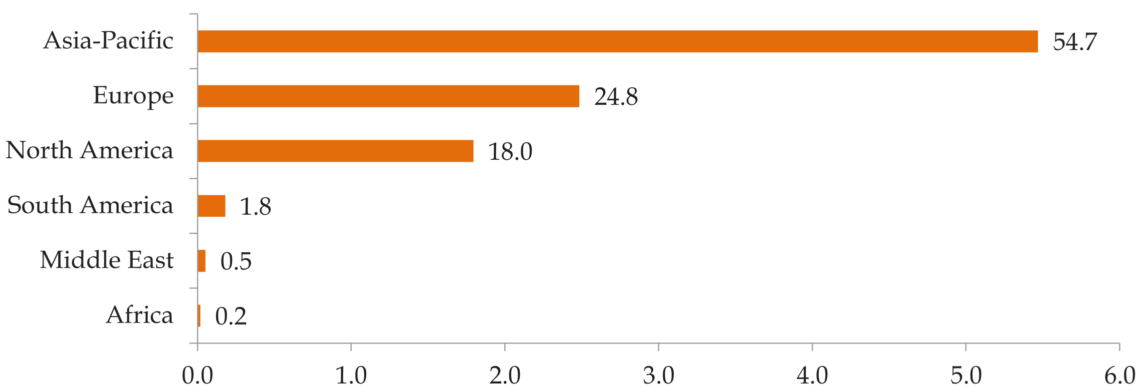
Sl#	Source markets/ Year	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	% change from 2016
1	USA	5,773	6,941	4,786	5,189	6,226	6,007	6,927	7,291	7,137	7,292	9,220	**26.4**
2	Australia	1,181	1,524	970	1,318	1,773	1,926	2,043	2,037	1,833	1,818	2,249	**23.7**
3	Germany	1,456	1,717	1,587	2,250	2,287	2,880	2,753	2,971	2,498	2,297	2,970	**29.3**
4	Japan	2,008	2,745	3,136	2,963	3,943	6,967	4,015	2,707	2,437	4,833	2,744	**-43.2**
5	UK	2,193	2,758	1,968	1,772	2,795	2,466	2,291	2,680	2,958	3,124	3,246	**3.9**
6	Canada/ Malaysia	588	852	556	786	1,061	1,312	2,054	2,067	1,546	1,967	2,956	**50.3**
7	Singapore	444	667	708	785	1,349	1,605	2,037	1,720	2,587	3,015	4,129	**36.9**
8	Thailand	707	627	975	875	2,235	3,573	3,494	12,105	3,778	4,177	4,047	**-3.1**
9	China	504	1069	1,143	1,494	2,896	3,766	4,764	8,111	9,399	9,208	6,421	**-30.3**
10	France/ South-Korea	738	1402	1,189	1,454	1,585	1,847	1,561	1,636	1,563	1,501	6,048	**302.9**
	Total	**17,599**	**22,310**	**19,027**	**20,896**	**28,161**	**34,361**	**33,952**	**45,339**	**37,751**	**41,248**	**46,047**	**11.6**

N.B: From 2012, Canada has been overtaken by Malaysia and the data from 2012 till date belongs to arrivals from Malaysia. Similarly, in 2017, South-Korea has overtaken France and the data on arrival in 2017 belongs to South-Korea

2.3 Global Segmentation of source markets

Asia-Pacific stands as the main region (54.7%) followed by close to one-quarter (24.8%) of the market share from Europe and North-America (18%). Middle-East and Africa comprise less than one percentage.

Figure 2.3: Global segmentation of source market



2.4 Major international source market by months

The majority of the source markets' outbound tourists chose the months of April, October and November to visit Bhutan followed by November, September and December.

Figure 2.4: Monthly number of visitors from all the market source

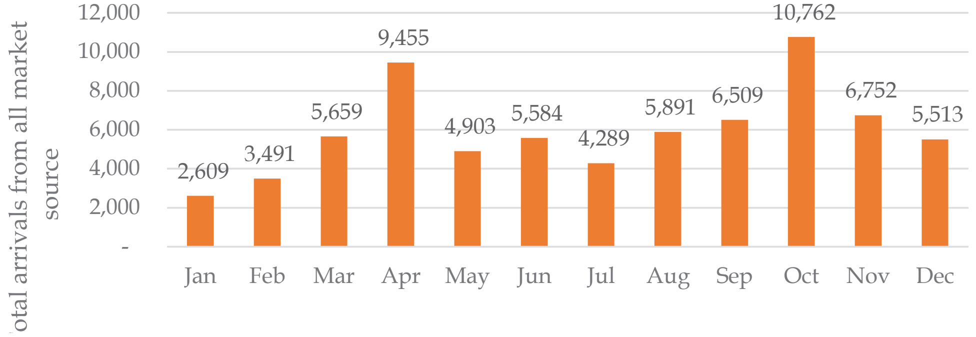


Figure 2.4.1: Number of visitor arrivals from top 20 market source

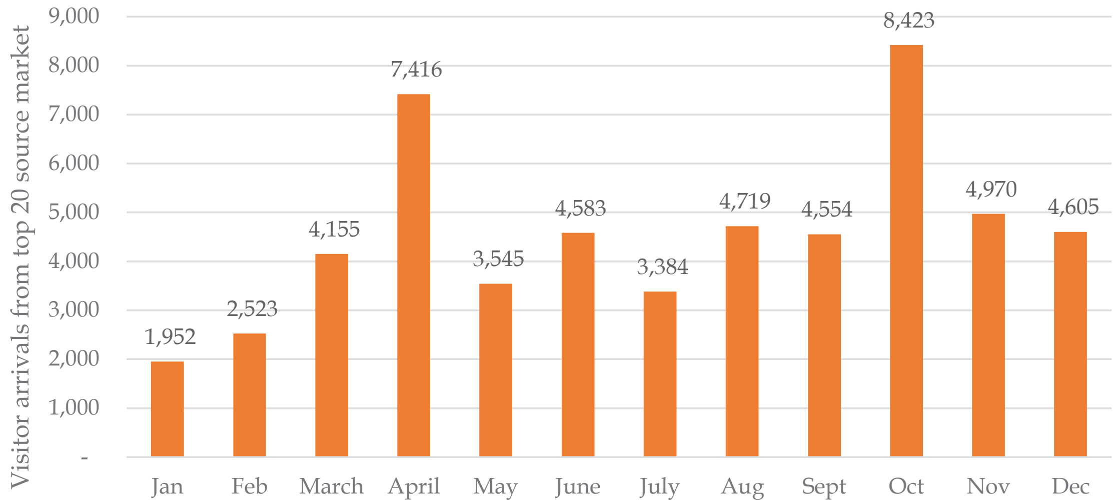


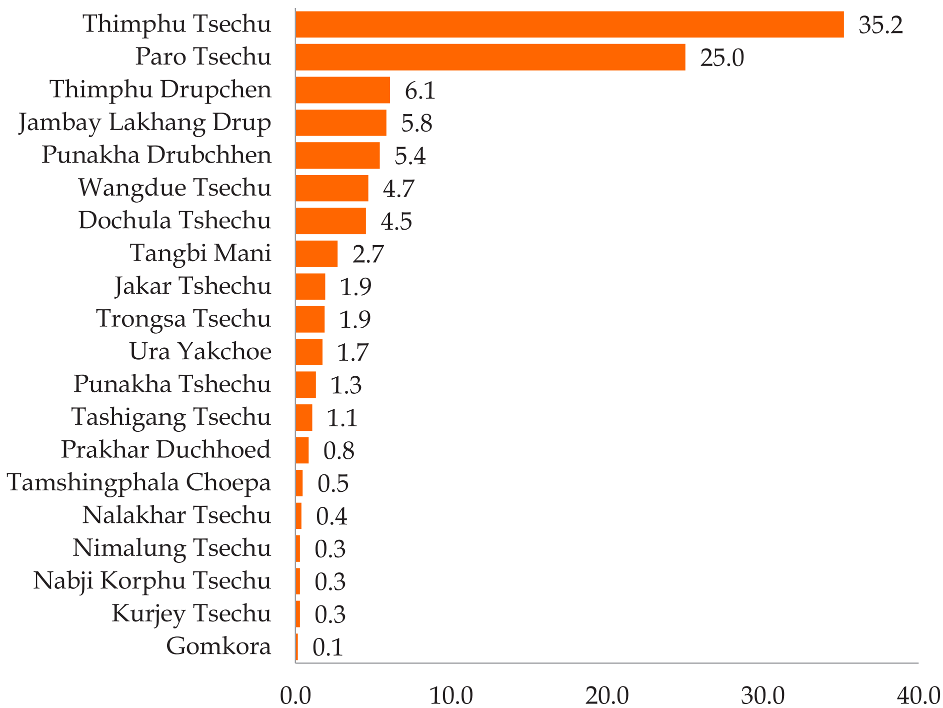
Table 2.2: Monthly visitors arrival from top 20 market sources, 2017

Countries	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Total arrivals in 2017	Arrivals in 2016	% change from 2016
American	280	512	884	1,106	575	496	252	256	1,072	2,109	1,151	527	9,220	7,292	26.4
Australian	110	78	244	388	135	82	50	47	295	414	266	140	2,249	1,818	23.7
Brazilian	37	56	56	132	54	19	13	38	52	97	89	37	680	321	111.8
British	73	157	343	522	158	52	40	78	304	820	517	182	3,246	3,127	3.8
Canadian	57	59	181	163	86	32	51	50	172	412	176	85	1,524	1,110	37.3
Chinese	479	413	490	1,015	532	605	493	367	447	870	365	345	6,421	9,208	-30.3
French	26	48	178	328	67	20	25	51	101	366	266	69	1,545	1,501	2.9
German	55	174	333	511	118	45	39	34	297	761	471	132	2,970	2,297	29.3
Indonesian	11	22	71	92	41	148	40	35	61	54	38	51	664	536	23.9
Italian	22	32	42	171	27	14	23	97	170	165	146	69	978	1,024	-4.5
Japanese	59	121	193	287	222	137	223	602	348	232	144	176	2,744	4,833	-43.2
Malaysian	173	144	137	375	203	225	64	267	231	381	175	581	2,956	1,967	50.3
Singaporean	95	140	173	452	269	610	105	224	282	415	282	1,082	4,129	3,015	36.9
South Korean	116	50	123	103	166	1,629	1,586	1,870	115	125	121	44	6,048	1,035	484.3
Spanish	19	16	38	118	54	40	124	242	120	193	125	53	1,142	787	45.1
Swiss	18	38	119	222	56	10	28	28	121	420	235	57	1,352	1,105	22.4
Taiwanese	62	98	158	380	181	110	30	51	105	161	74	81	1,491	1,812	-17.7
Thai	148	289	298	754	588	243	151	178	177	344	273	604	4,047	4,177	-3.1
Vietnamese	112	76	94	297	13	66	47	204	84	84	56	290	1,423	1,247	14.1
Total	**1,952**	**2,523**	**4,155**	**7,416**	**3,545**	**4,583**	**3,384**	**4,719**	**4,554**	**8,423**	**4,970**	**4,605**	**54,829**	**47,891**	**14.5**

2.5 Popular Festivals

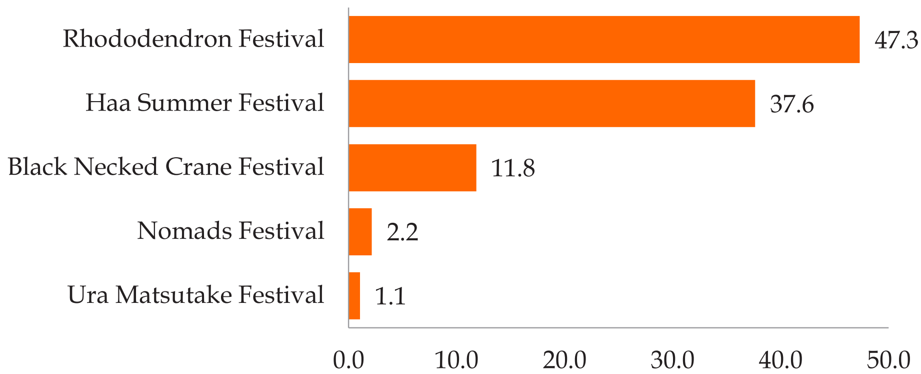
Festivals remain one of most visited attractions in the country. Festivals chiefly comprise of Tshechus – religious festivals – that are performed in the dzongs and temples. Thimphutshechu and Paro tshechus continue to receive maximum visitations with 25% and 35.2% respectively.

Figure 2.5: Percentage distribution of international visitors visiting popular Festival



Local community festival also forms part of the tourist itinerary and attractions. These community festivals are developed and promoted to encourage community participation in tourism activities, tourism attractions diversification to promote lean tourism season and regional spread of visitation.

Figure 2.5.1: Percentage of international visitors visiting local community festival



2.6 Trekkers by Route

Table 2.6: Number of tourists involved in popular trek routes and percentage shares

Trekking	No. of trekkers	% share
Bumdra Trek	905	20.79
Bumthang Cultural Trek	159	3.65
Bumthang Owl Trek	75	1.72
Chelela Trek	47	1.08
Dagala Thousand Lakes Trek	186	4.27
Dongla Trek	7	0.16
Druk Path Trek	1,198	27.51
Gangjula Trek	3	0.07
GangkarPuensum	65	1.49
Gantey Trek	88	2.02
Jomolhari Trek	585	13.44
LayaGasa Trek	319	7.33
Lingmithang - Zhemgang Trek	1	0.02
Masagang Trek	19	0.44
Merak-Sakteng	100	2.30
NabjiKorphu Community Based Trek	33	0.76
NubtsonaPata Trek	38	0.87
Punakha Winter Trek	31	0.71
Royal Manas Trek	22	0.51
Sagala Trek	67	1.54
Samtengang Trek	127	2.92
Sinchula Trek	87	2.00
Snowman Trek	148	3.40
Wild East Rodungla Trek	37	0.85
Dur hot spring trek	1	0.02
Jiligang Pine Trail	6	0.14
Total	**4,354**	**100.00**

2.7 Spread of Tourism Impact

Table 2.7 presents the Dzongkhag wise arrivals of visitors by bed nights. ParoDzongkhag has the highest percentage share of bed nights followed by Thimphu (26.1%) and Punakha (18%).

Figure 2.7: Percentage distribution of international arrivals by Dzongkhag

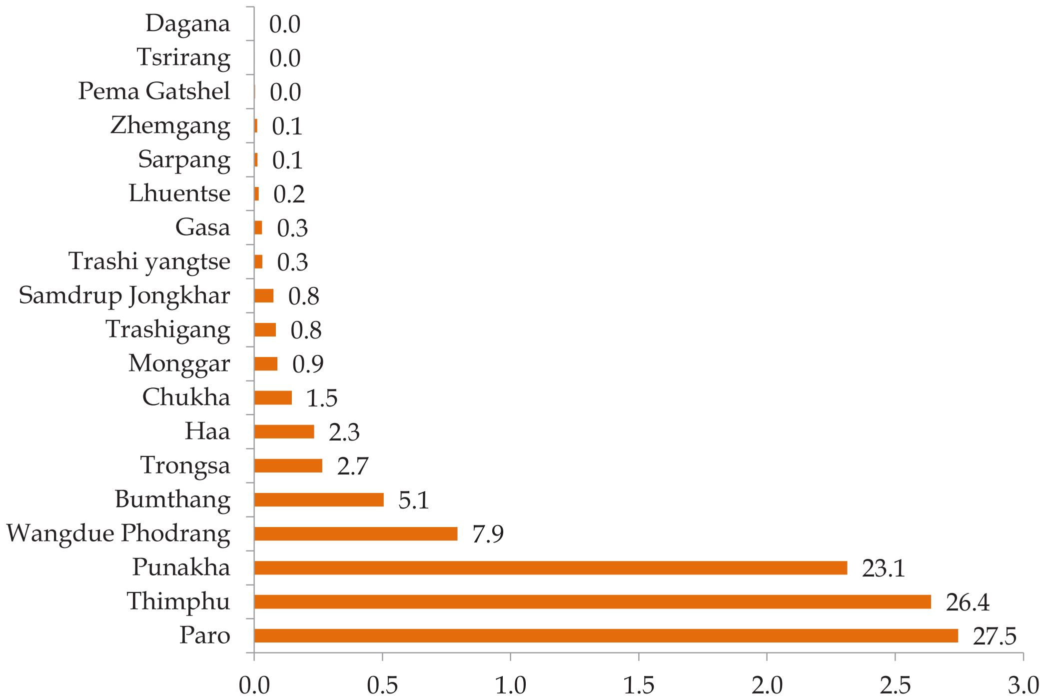


Table 2.7: Dzongkhag wise arrivals by bed nights

Dzongkhag	Tourist Arrivals	Bed Nights	% share of bed nights
Paro	61,523	140,571	34.5
Thimphu	59,164	106,271	26.1
Punakha	51,831	73,179	18.0
Bumthang	11,321	28,942	7.1
WangduePhodrang	17,781	26,333	6.5
Haa	5,225	6,727	1.7
Trongsa	5,956	6,548	1.6
Chukha	3,276	3,605	0.9
Gasa	693	3,733	0.9
Monggar	2,036	3,124	0.8
Trashigang	1,886	3,408	0.8
SamdrupJongkhar	1,682	1,840	0.5
Lhuentse	385	990	0.2
Zhemgang	259	702	0.2

Trashiyangtse	705	894	0.2
Sarpang	284	403	0.1
PemaGatshel	71	199	0.0
Tsirang	27	33	0.0
Dagana	10	15	0.0
Total	**224,115**	**407,517**	**100.0**

2.8 Average length of stay

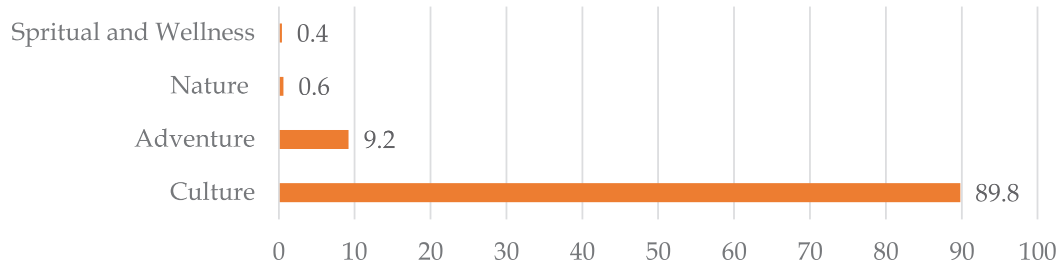
Tourists have spent 6.6 days in Bhutan on an average (national average). However, going by major source markets, the average length of stay measured in number of days, vary from country to country. Swiss visitors have stayed in Bhutan almost 11dayson an average, which comprises the highest followed by French visitors with an average length of stay of 9.3 days. Dutch and German visitors have spent almost an equal number of days (9).

Table 2.7.1: Percentage distribution of major international source market by nationality

Source markets	Total arrivals	Bed Nights	% of total bed nights	Avg. length of stay (days)
America	9,220	68,629	18.8	7.4
China	6,421	35,120	9.6	5.5
South-Korean	6,048	30,482	8.4	5.0
Singapore	4,129	25,917	7.1	6.3
Thailand	4,047	17,678	4.8	4.4
Britain	3,246	25,879	7.1	8.0
Germany	2,970	26,638	7.3	9.0
Malaysia	2,956	16,287	4.5	5.5
Japan	2,744	12,074	3.3	4.4
Australia	2,249	18,738	5.1	8.3
France	1,545	14,354	3.9	9.3
Canada	1,524	11,974	3.3	7.9
Taiwan	1,491	9,799	2.7	6.6
Vietnam	1,423	7,285	2.0	5.1
Swiss	1,352	14,197	3.9	10.5
Spain	1,142	7,412	2.0	6.5
Italy	978	7,490	2.1	7.7
The Netherland	757	6,876	1.9	9.1
Brazil	680	3,968	1.1	5.8
Indonesia	664	3,755	1.0	5.7
Total	**55,586**	**364,552**	**100.0**	**6.6**

2.9 Arrivals by Activity

Figure 2.8: Percentage share of international arrivals by activity of visit



2.10 Arrivals by Gender and Age

Figure 2.9: Percentage of international leisure arrivals by age distribution

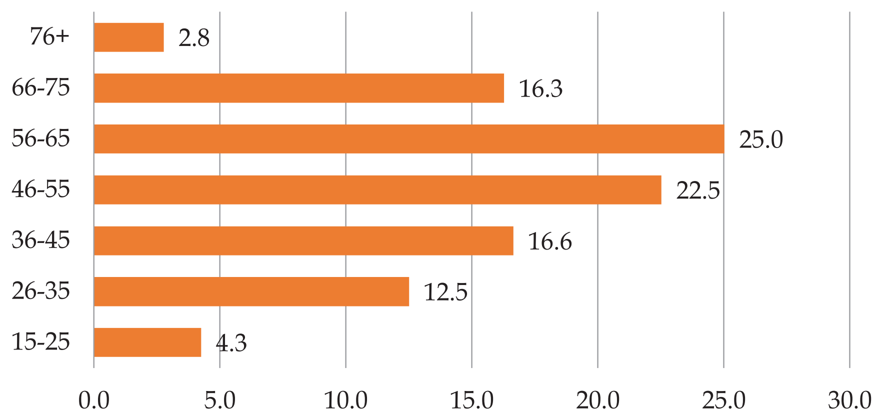
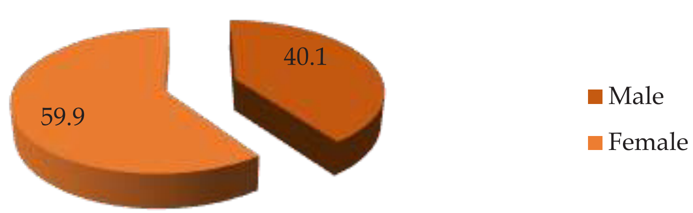


Figure 2.9.1: International arrivals by gender



2.11 Tourism Earnings from International Leisure tourists (in USD Million)

In 2017, the total tourism receipt from the international leisure segment generated USD 79.807million out of which USD 22.361million was direct revenue for the government through Sustainable Development Fee (SDF).

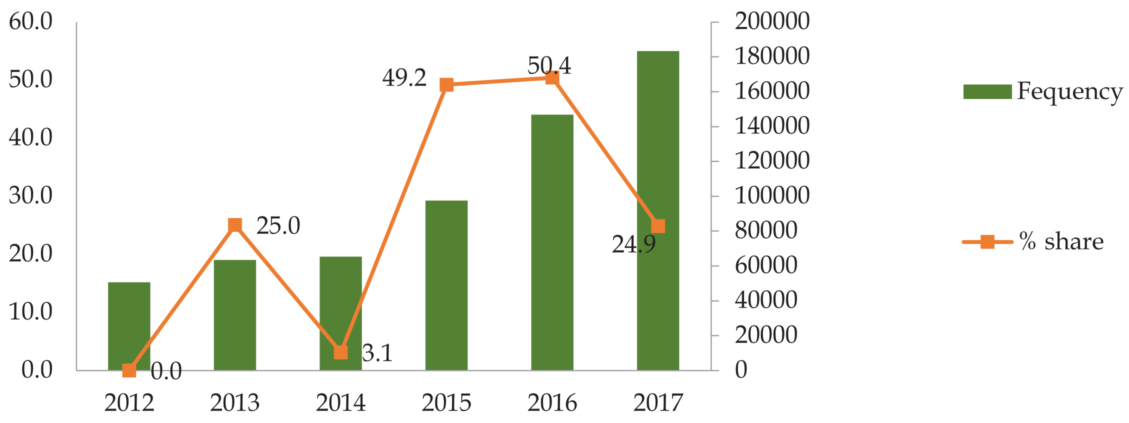
Table 2.9.1: Details of tourism earning from the international arrivals

Sl#	Particulars of earning	Amount (in USD)
1	Gross Earning	79,807,169
2	Sustainable Development Fee (SDF)	22,361,168
3	Visa Fees from Tourists	2,382,920
4	Visa fee from FAM tourists	44,400
5	2% TDS (Tax Deducted at Source)	1,090,074
6	Tour Operator's Net	53,413,626.65

PART III REGIONAL ARRIVAL STATISTICS

This section presents statistics pertaining to regional visitor arrivals and its trends, purpose of visit, mode of transport etc. The data are sourced from Department of Immigration. Inbound arrivals from Bangladesh, India and Maldives are categorized as regional tourists because of different entry requirements.

Figure 3.1: Regional arrivals over the years



The chart presents the regional growths over the last few years. 2017 recorded a growth of 24.9% arrivals over 2016 reaching 156,275 regional arrivals. 94% of total regional arrivals were from India followed by arrivals from Bangladesh.

Figure 3.2: Percentage share of regional arrivals by nationality

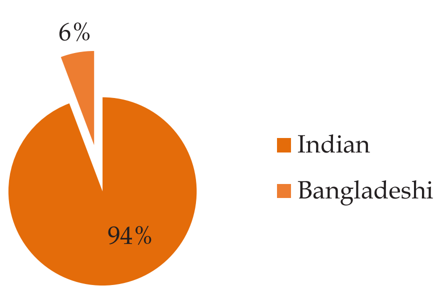
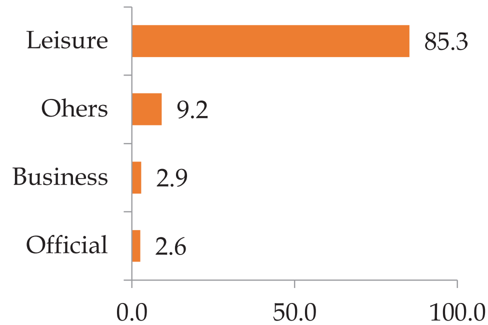


Figure 3.3: Regional arrivals by purpose/activities



Similar to the international trends, majority (85.3%) of regional arrivals visited Bhutan for leisure / Holidays.

SECTION 2

INTERNATIONAL VISITOR SURVEY 2017

This section presents the findings of those international visitor captured through the international visitor exit survey 2017. The findings presented here correspond to the respondents only.

A total of 1,428visitors were surveyed at the Paro International Airport using administered questionnaire survey to gather first-hand feedback. Similarly, a very small number of international tourists had been interviewed at the exits viz. Phuntsholing, SamdrupJongkhar and Gelegphu.

2.1 Demographic, socio-economic and educational characteristics of the respondents

The figure below shows the age pyramid of those international respondents

Figure 2.1: International visitors by gender

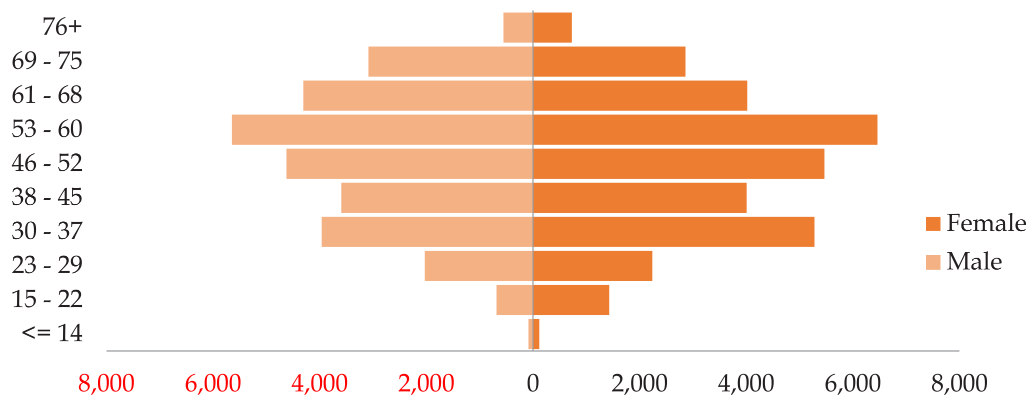


Figure 2.1.1 reveals that about 50.1 percent of them have Masters/Degree and above followed by Bachelors degree (34.6%). Similarly, figure 3 reveals that around four out of every ten (42.9%) arrivals are employed followed by 24.2 percent who are retired.

Figure 2.1.1: Highest level of education

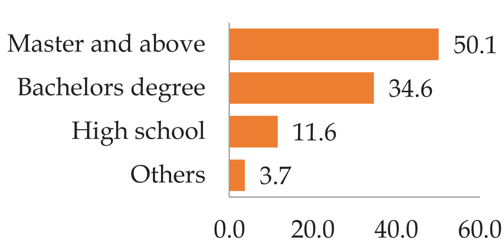
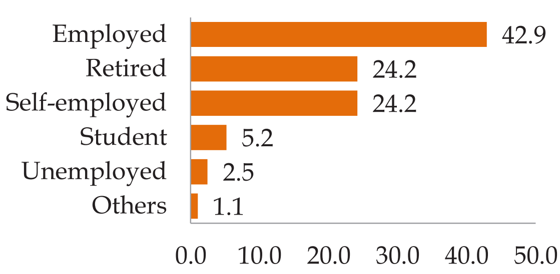


Figure 2.1.2: Employment status



2.2 Frequency of visits to Bhutan by purpose

Figure 2.3.1: Repetition of visits

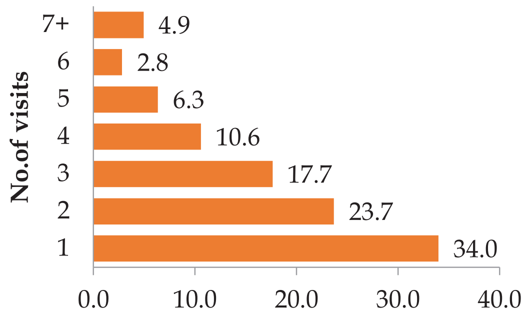
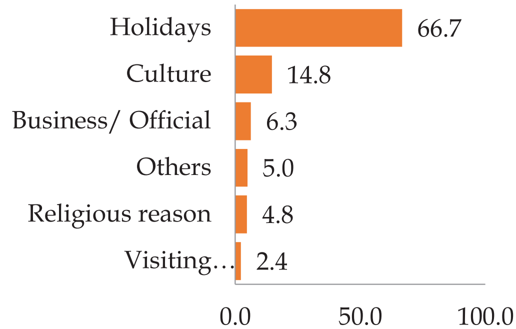


Figure 2.3.2: Purpose of visit



The majority of the respondents (91%) reported that they visited Bhutan for the first time as against 9 percent who visited more than once.

2.3 Travel arrangement and travel party composition

The survey also sought to find out the travel arrangement and party composition. Figure 7 depicts the travel arrangement entities. It shows that more than three-quarters (78.4%) of the international arrivals have come through travel agents followed by about11.4 percent who have arranged by themselves. Some 10.1 percent of them have routed through others viz. arranged by counterpart government and corporations especially those who have visited Bhutan for business and official purposes. The survey reveals that an equal proportion (33.2%) of the international arrivals comprised of group tour followed by companionship comprising of family members (33.2%) and friends (15.9%). Similarly, about 2.4 percent have come along with their business associates. Some 13.2 percent of them have come alone.

Figure 2.3: Travel arrangmnent entity

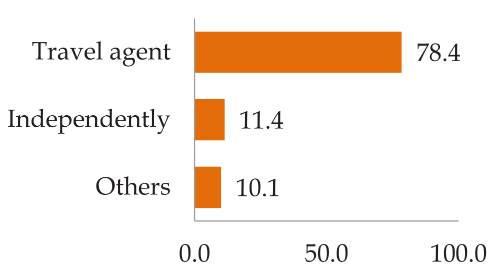
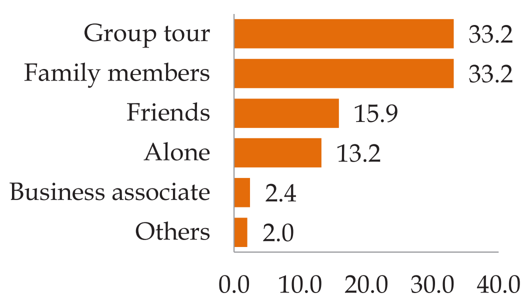


Figure 2.3.1: Travel companion



2.4 Preferred time of visit by reason and attractions

Majority of the international arrivals (27.4%) have reported that they prefer outbound tours in the month of July. The second highest cohort (16.3%) tours in August and the third highest (13%) in June.

Figure 2.4 entails the reason for choosing this time to visit Bhutan. More than one-quarter (26%) have reported that they chose particular period in line with the advice of tour agents in Bhutan followed by 20.8 percent who reported their visit coincided with holiday timing. About 14.4 percent have reported that the time they chose to visit Bhutan coincided with favaourable weather. About 7.4 percent of them have chosen particular time of visit for spiritual tours'.

Figure 2.4: Preffered time of visit

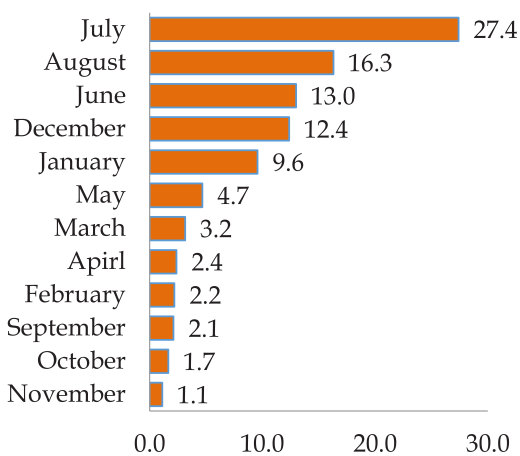


Figure 2.4.1: Reason for choosing this time to visit Bhutan

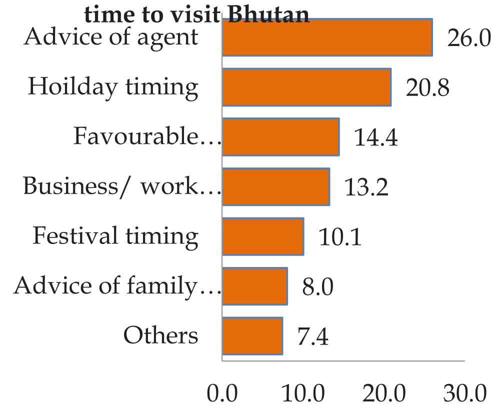


Figure 2.4.2: Tourist attractive force in Bhutan

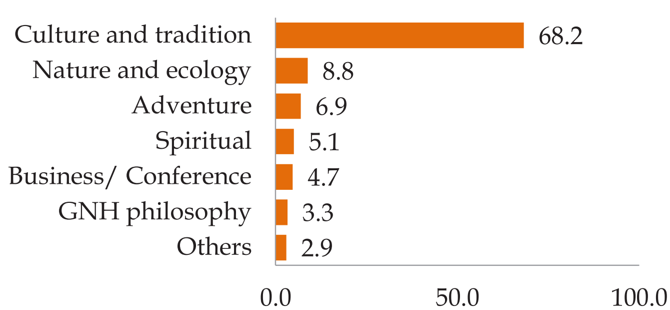


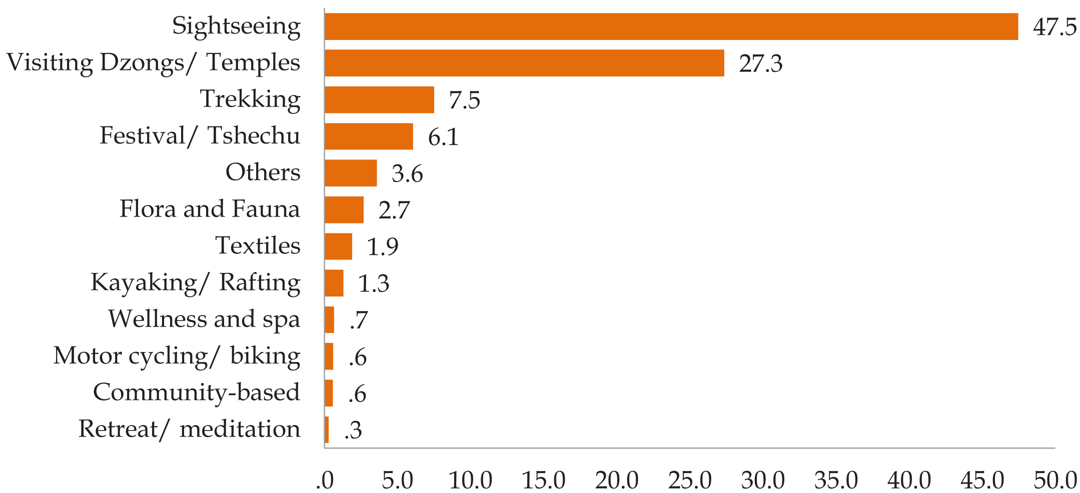
Figure 2.4.2 depicts the tourist attraction or inspiration drawn from various entities to decide visiting Bhutan. 68.2% have been inspired or attracted by the culture and tradition of Bhutan to choose Bhutan as their destination. This is followed by nature and

ecology (8.8%) and adventure (6.9%). Some 5.1 percent are inspired by the spiritual tours. Similarly, about 3.3 percent of the international arrivals had been inspired by the GNH philosophy.

2.5 Activities undertaken during the visit

Respondents cited a diverse range of activities that they had undertaken during their trip, out of the majority 47.5% did general sightseeing followed by visiting Dzongs / Temples. There were also respondents who undertook nature based activities such as trekking, flora and fauna, rafting etc.

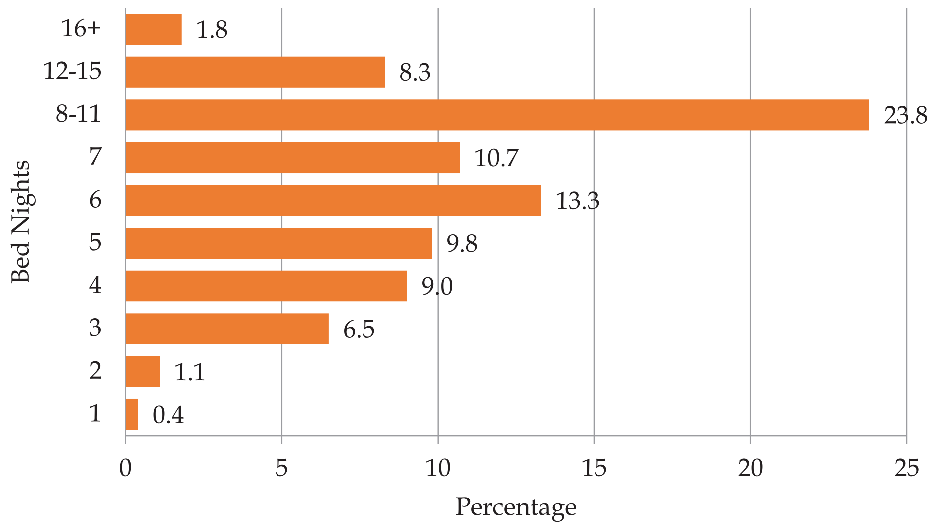
Figure 2.5: Activities undertaken in Bhutan



2.6 Average Length of Stay

Figure 2.6 reveals that about 23 percent of the respondents have spent, on an average, between 8-10 nights. This is followed by 15.6 percent of them who spent 6 nights. Little less than 2 percent have spent between 1-2 nights.

Figure 2.6: Percentage distribution of length of stay by bed nights



2.7 Minimum Daily Package Rate and the corresponding source of information

Figure 2.7: Tourists' awareness on government's daily rate and components

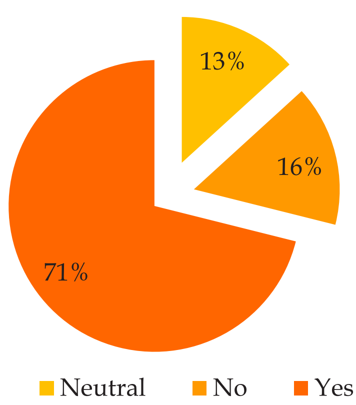
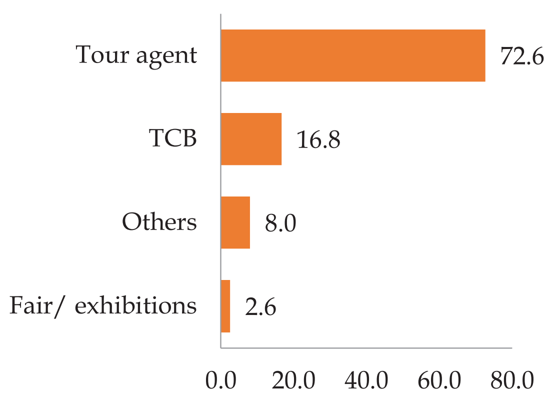


Figure 2.7.1: Source of information receive regarding daily tariff



Respondents were asked if they know about the minimum daily package rate and some 71% said they knew about it with tour agent and TCB being their primary information source.

2.8 Mode of local transport and accommodation

Some 22% respondents mentioned they used domestic air for travelling within Bhutan and rest used land transport.

Majority of the respondents used hotels and resort for their accommodation with some also using village home stays as shown in the graph below.

Figure 2.8.1: Mode of local transport used

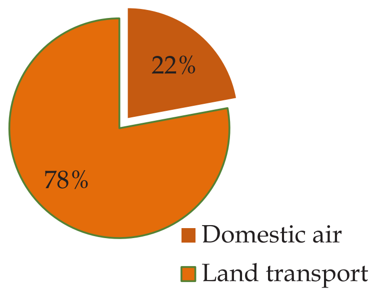
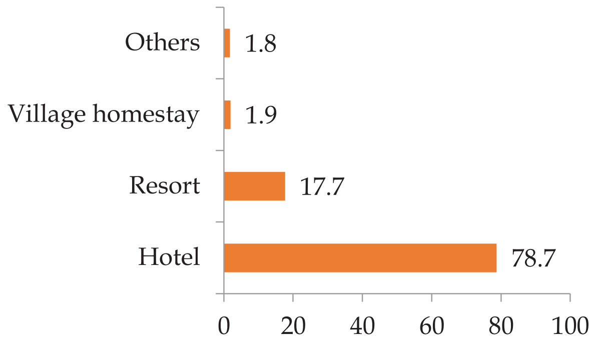


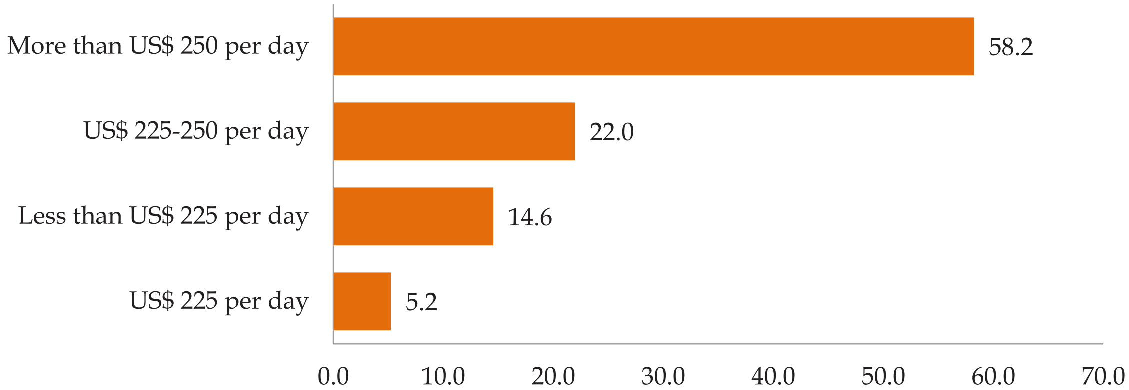
Figure 2.8.2: Type of accomodation used



2.9 Average daily spending

This sub-section explains the total spending disaggregated by out of pocket spending for additional services viz. beverages, communications, personal shopping, tipping, donation & contribution, entertainment and etc. Figure 2.9 reveals that slightly over half of all visitors (58.2%) spent more than $250 per day. About 22 percent of them have spent between $225-250 per day while 14.6 percent have spent less than $225 per day. Some 5.2 percent have spent exactly $225 per day.

Figure 2.9: Overall spending per day



2.10 Out of Pocket Spending

The survey sought to find out the average out of pocket spending on the six specific items as illustrated from figures 2.11 through 2.14. Expenditure by international visitors on beverages, communications, shopping, tipping, entertainment and other services and goods in 2017.

Figure 2.10: Avg. out of pocket spending($) by visitors who paid minimum tariff

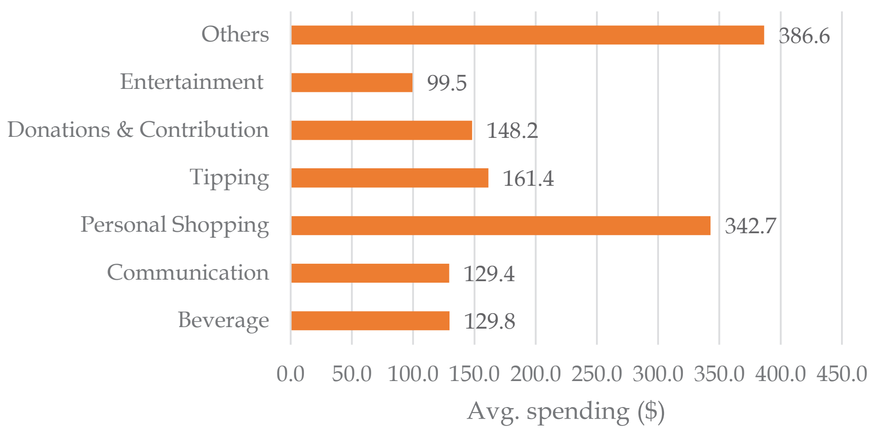


Figure 2.11: Percentage of tourists who paid minimum tariff and out-of-pocket spending ($)

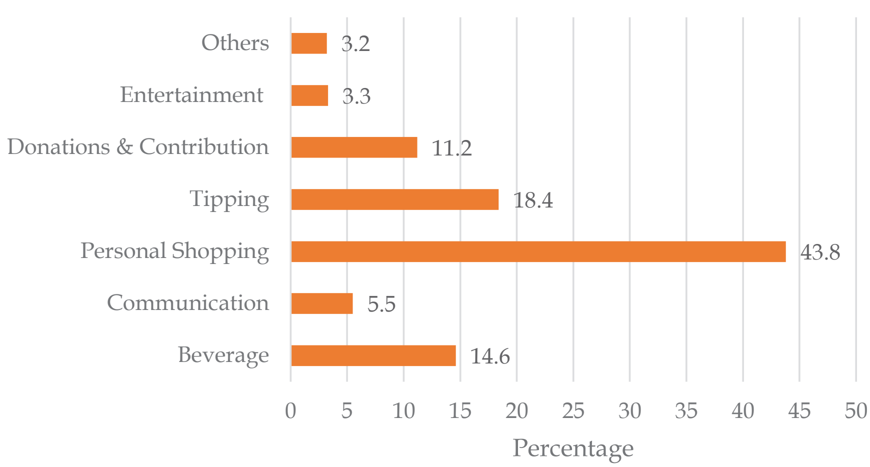


Figure 2.12: Avg. out of pocket spending ($) by the international tourist who have not paid minimum dailly tariff

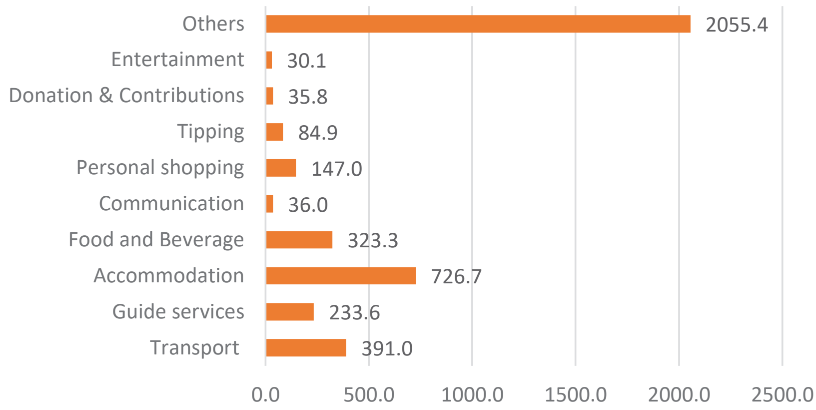
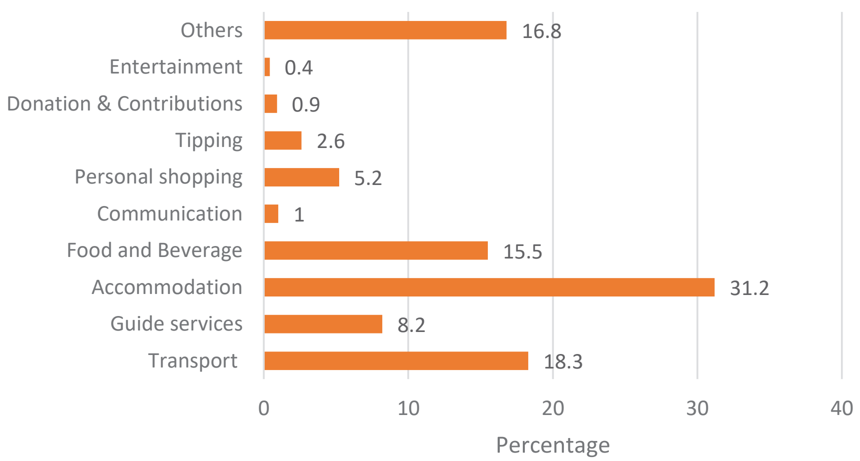


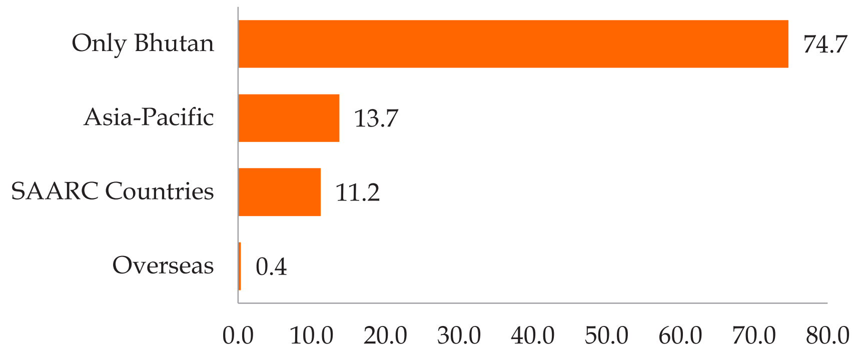
Figure 2.13: Percentage of Avg. out of pocket spending ($) by the international tourist who have not paid minimum dailly tariff



2.11 Circuit Tourism

This sub-section reveals the visitors' plan to visit other countries in the region after Bhutan or as part of the trip. Figure 2.11revealed that a large proportion of the visitors' sole destination was Bhutan (74.7%) followed by Asia-Pacific (13.7%).

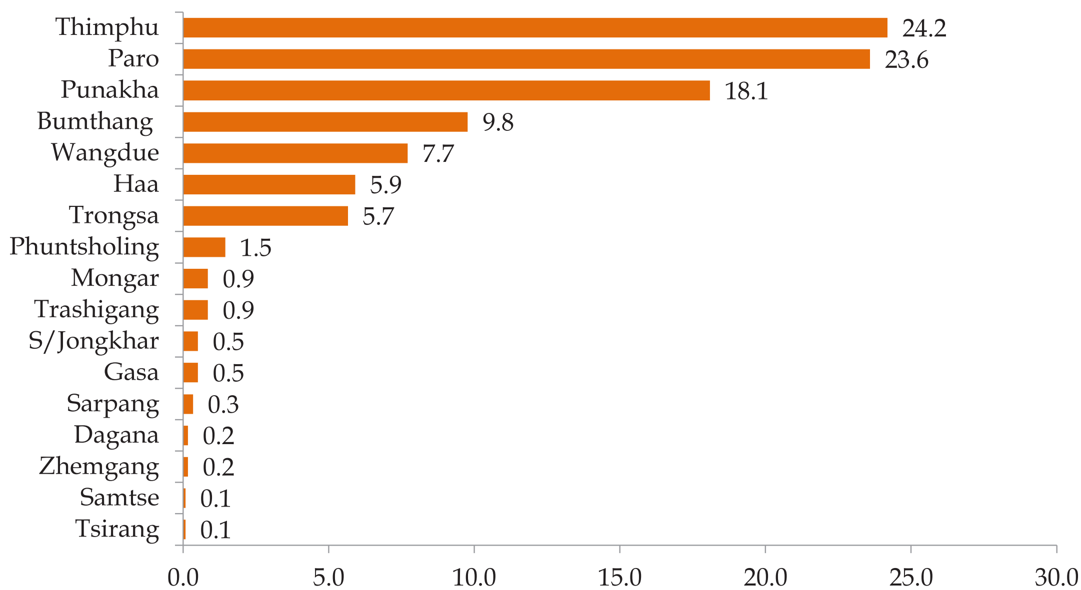
Figure 2.11: Circuit tourism



2.12 Dzongkhags Visited

The respondents were asked to indicate which dzongkhags they visited during their trip and majority (24.2%) respondents visited Thimphu followed by Paro (23.6%), Punakha (18.1%), Bumthang (9.8%). The survey shows that nine out of every ten international visitors visits western and central dzongkhags.

Figure 2.12:Visitors' arrivals by Dzongkhag



2.13 Arrivals by Country of Residence and Nationality

Country of residence of visitor is an important indicator since it is where the decision to travel was initiated. The data on the arrivals is categorized by regions viz. Asia-Pacific, Europe, North America, South America, Middle-East and Others. The arrivals from

Asia-Pacific dominate rest of the regions with a percentage share of 34.5 percent followed by Europe (29.7%) and North America (28%).

Going by the country of nationality of the visitors, Europe tops the pie of arrival with 33.6 percent followed by Asia-Pacific (31.8%) and Asia-Pacific (32.3%).

Figure 2.13: Visitors' arrival by county of residence

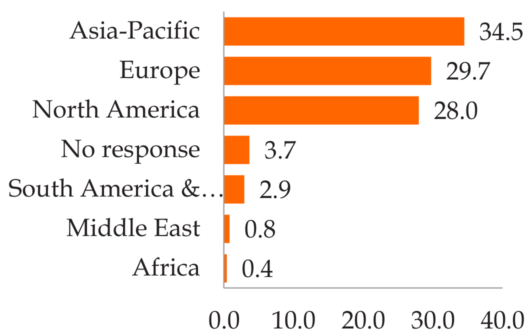
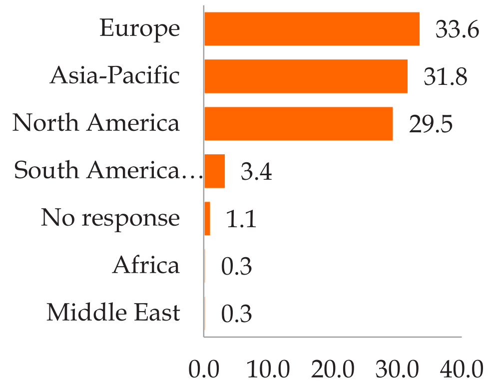


Figure 2.14: Visitors' arrival by Nationality



2.14 Tourism Satisfaction

Attributes contributing to tourist satisfaction

This sub-section presents the results and the findings of the analysis of 43 items taken under consideration to define eight attributes to measure the visitors' satisfaction with the facilities and services available at their disposal during their visit in Bhutan. Eight attributes viz. *value for money, services & facilities, accommodation, transport system, accessibility to services, safety, attractions and guide services* were taken into consideration to define the visitors' satisfaction. Each one of these attributes is defined in turn by various items. The 5-points Likert scale is adopted to measure the satisfaction of visitors corresponding to each item.

1. Value for money

This sub-section elaborates on the visitors' satisfaction commensurate to facilities and services availed by them and the money they paid. There are four items taken into consideration to define the value for money. Figures 2.15-2.18 depict these four items.

Figure 2.15: The minimum daily tariff rate is worth the whole visit

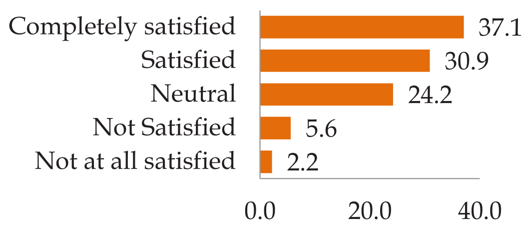


Figure 2.16: Local transport is made worth the payment we made

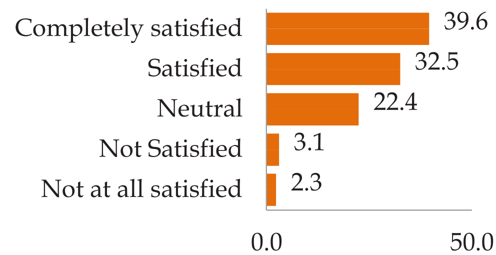


Figure 2.17: Accommodation provided is worth

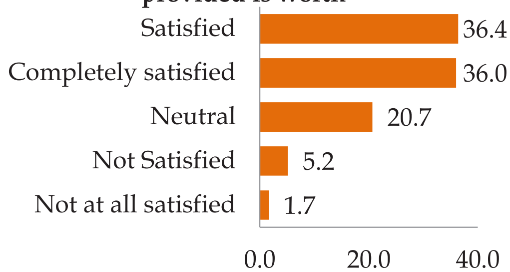
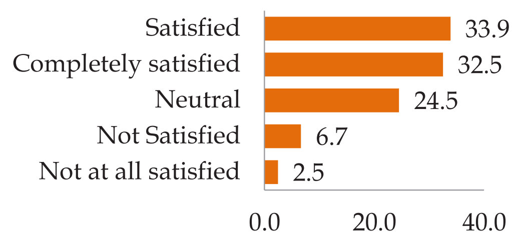


Figure 2.18: Food and Beverages served is worth



2. Services and Facilities

This sub-section attempts to measure the visitors' satisfaction level in terms of services and facilities provided to them. To gauge this, five items were taken into consideration to rate the satisfaction level using the same 5-points Likert scale. Figures 2.19-2.23 define the services and facilities availed by the visitors and the satisfaction derived out of them.

Figure 2.19: Ease of organizing trip

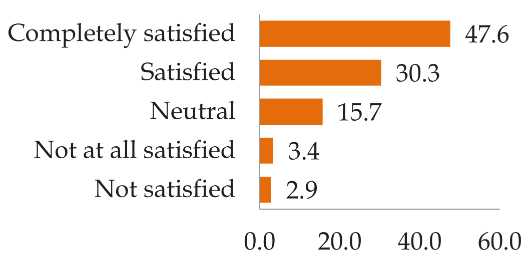


Figure 2.20: Immigration security procedures

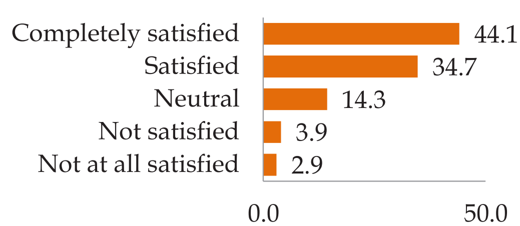


Figure 2.21: In-country amenities

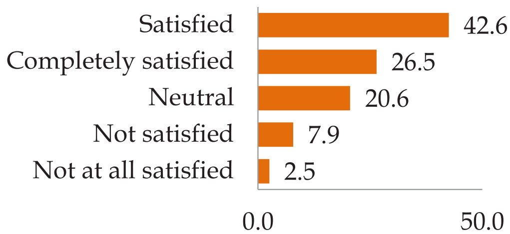


Figure 2.22: Accessibility to Visitor information facilities

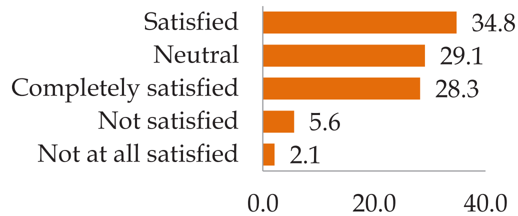
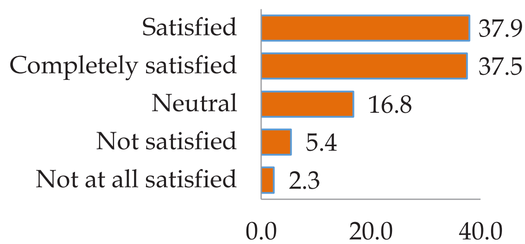


Figure 2.23: Airport & Entry point and Procedures



3. Accommodation

This section deals with the quality of accomodation, food and beverages and other related services. Most visitors expressed satsifaction with quality of accomodation, quality of food & beverages and service quality. A little more than three-quarters (78.2%) have expressed their satisfacton with quality of accomodation as opposed to 7.3 percent of them who reported otherwise. Similarly, little close to three-quarters (71.9%) have expressed their satisfaction with the qulaity of food and beverages. expressed their satisfacton with quality of accomodation as opposed to 7.3 percent of them who reported otherwise.

Figure 2.24: Quality of accommodation

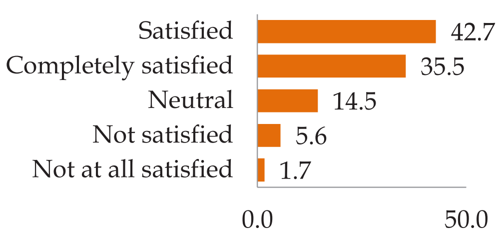


Figure 2.25: Quality of food & beverages

Figure 2.26: Quality of hotel services by the staff

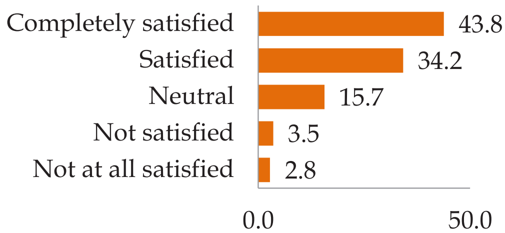
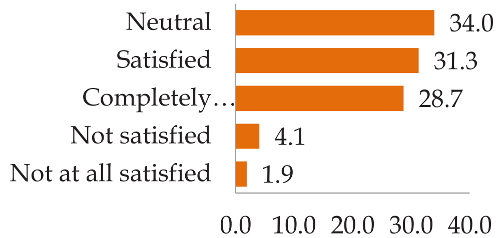


Figure 2.27: Quality of other services



4. Transportation

Most respondent visitors expressed satisfaction with transportation system. Close to three-quarters (72.6%) of visitors expressed their satisfaction with transportation system and service quality.(70.6%) of respondent visitors expressed satisfaction with safety and comfort of the local transport services.

Figure 2.28: Organization of local transport services

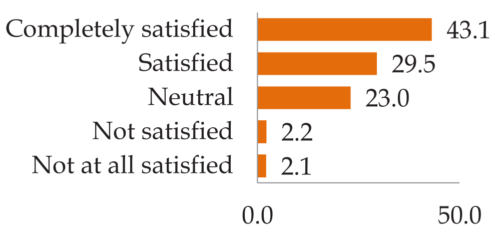


Figure 2.29: Safety & Comfort of the local transport services

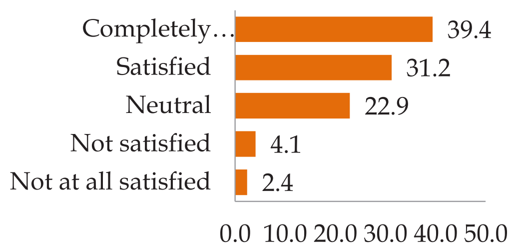


Figure 2.30: Road & trail safety

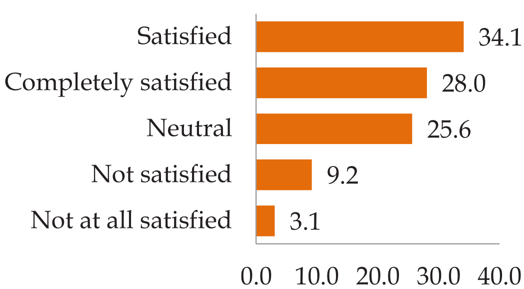
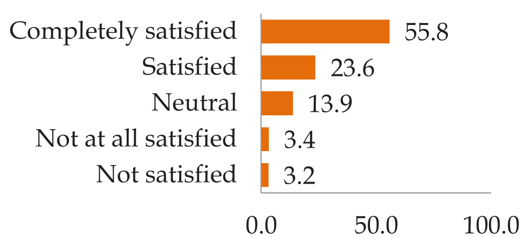


Figure 2.31: Driver's professionalism



5. Accessibility to Services

This section pertains to the visitors' access to services like banking system, communication facilities, toilet facilities, taxi services and shopping etc. A little more than one in every two visitors (56.7%) expressed satisfaction with the banking system viz. money exchange, point of sale, ATM services, and etc. With regard to the communication facilities (internet & telephone), about 60.6 percent of the visitors expressed satisfaction.

Figure 2.32: Banking System (Exchange,Point of sale & ATM service)

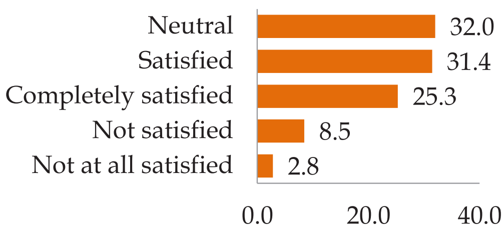


Figure 2.33: Communication (internet & telephone)

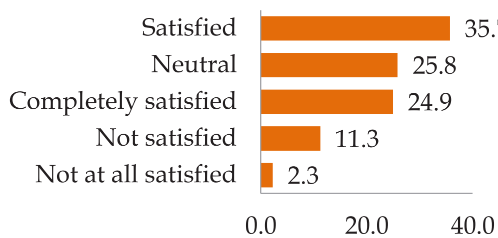


Figure 2.34: Toilet Facilities

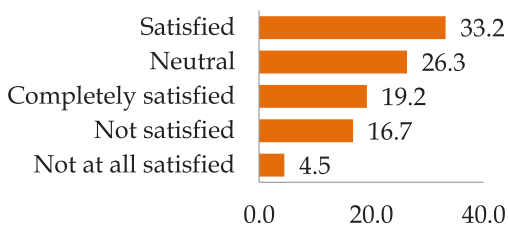
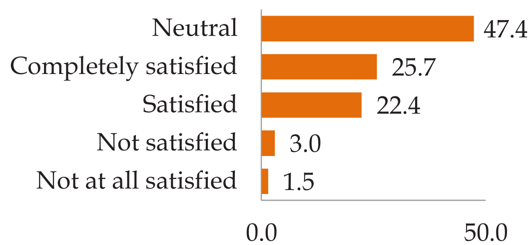


Figure 2.35: Taxi services



6. Safety

This section is intended to gauge the degree of safety measures in place for visitors.

Figure 2.36: Emergency service response

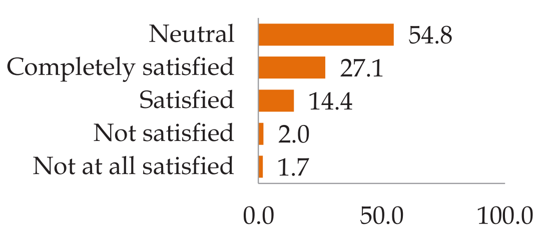


Figure 2.37: Medical safety & preventation

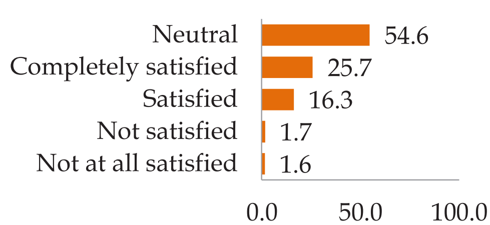


Figure 2.38: Security procedure(Hotels,Sights & Destination)

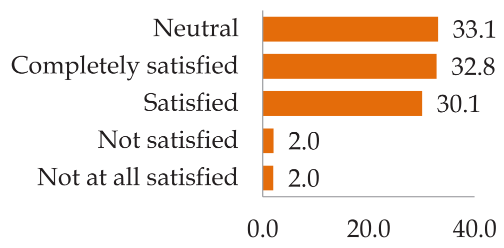


Figure 2.39: Availability of safety information

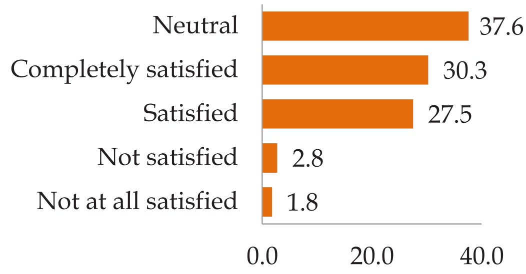
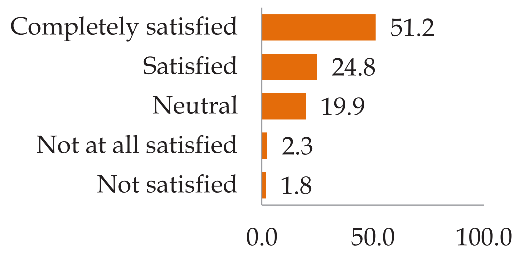


Figure 2.40: Friendliness of the local people



7. Attractions

This section entails the main attractions that inspired visitors to choose their destination as Bhutan. Majority (80.4%) of the visitors has expressed culture and traditional charm in Bhutan attracted them to Bhutan.

Figure 2.41: Culture and Traditions

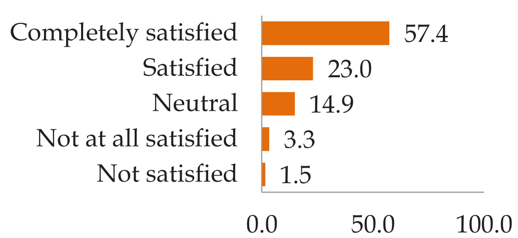


Figure 2.42: Adventure

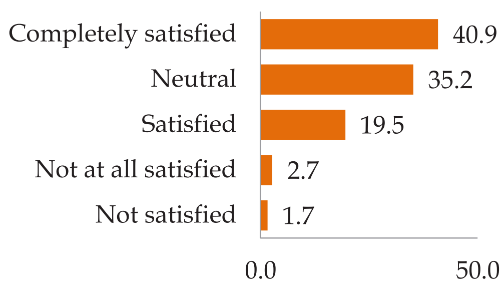
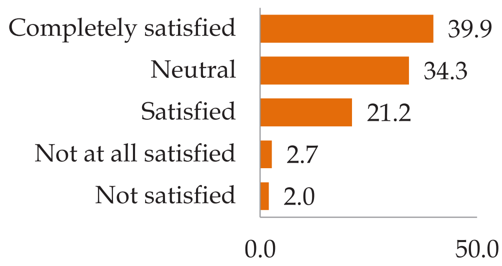


Figure 2.43: Nature and Ecology



Figurer 2.44: Spiritual

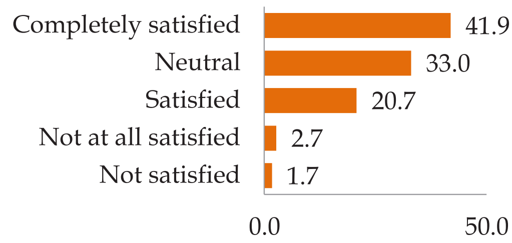


Figure 2.45: GNH philosophy

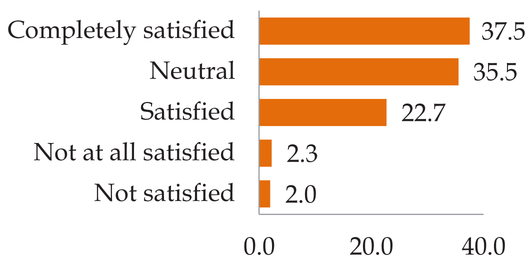
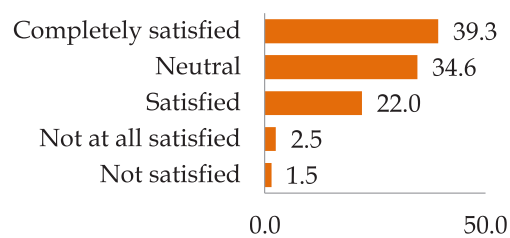


Figure 2.46: Hobbies



8. Guide Services

This sub-section is intended to delve into the degree of guide services to the visitors since it is perceived as one of the key factors responsible for tourist loyalty. Figure 2.47 shows eight out of every ten visitors (81.7%) have found the guides professional and of good quality. Only about 4.6 percent of the visitors were not satisfied with the service quality of guides.

Figure 2.47: Guide services quality (Professionalism

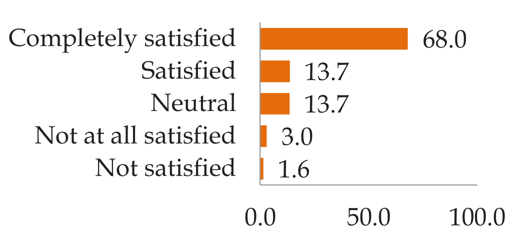


Figure 2.48: Knowledge content of the guide

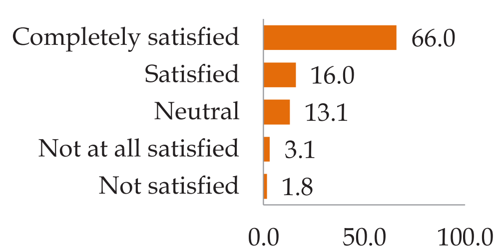


Figure 2.49: Guides' communications skills

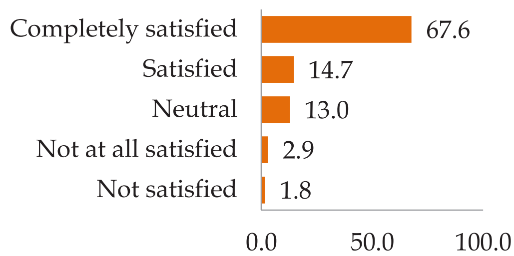
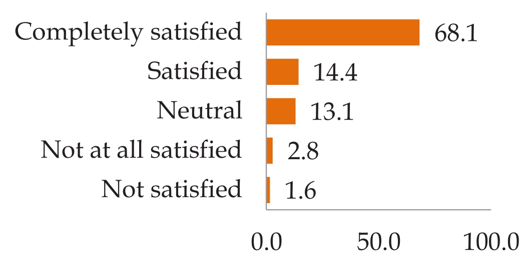


Figure 2.50: Client care knowledge & skill



General Image of Bhutan as a destination

The survey has revealed that close to nine out of every ten visitors (89.6%) have expressed that Bhutan is a safe tourist destination. Only less than 3 percent of the visitors have reported otherwise. About 89.3 percent of the visitors have expressed in a similar manner that Bhutan has a unique destination image in the region that attracts tourists.

Figure 2.51: Bhutan is a safe tourist destination

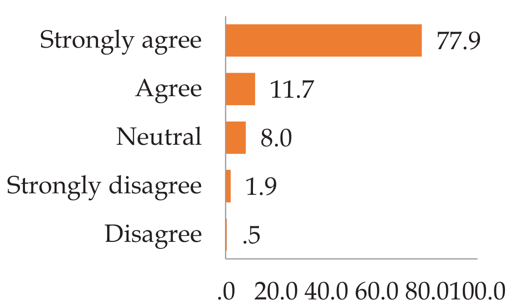


Figure 2.52: Bhutan has a unique destination image in the region

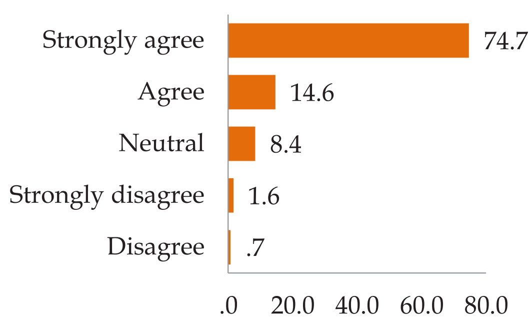


Figure 2.53: Bhutan is known for its GNH philosophy

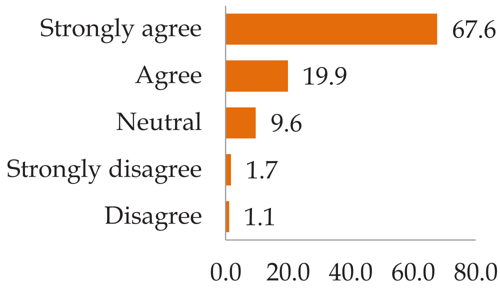


Figure 2.54: Bhutans' pristine environment is an attraction

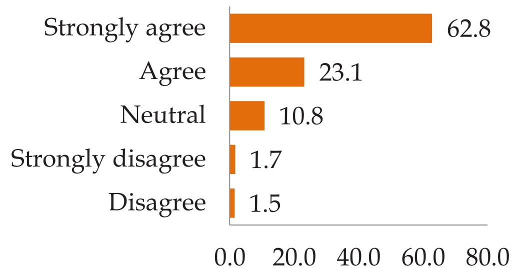


Figure 2.55: Bhutan's People and culture is a tourist's attraction

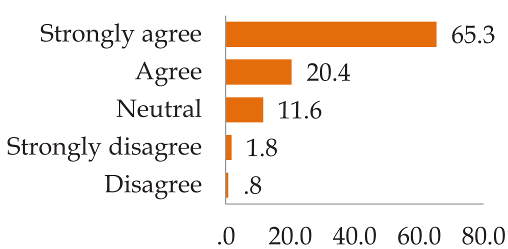


Figure 2.56: Bhutan offers wide range of visitors productsl services

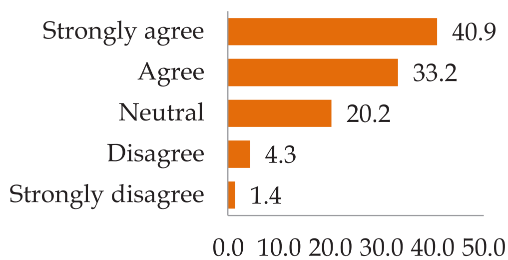


Figure 2.57: Bhutan offers affordable travel destination

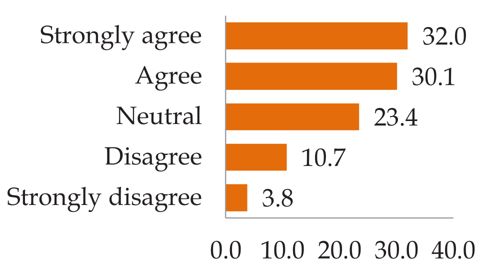


Figure 2.58: Tourist hotspots had disable-friendly services

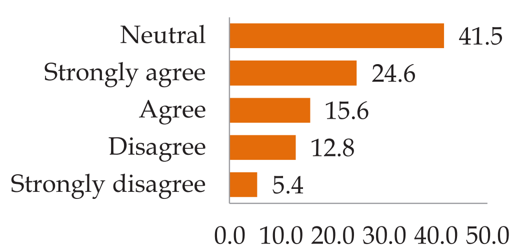


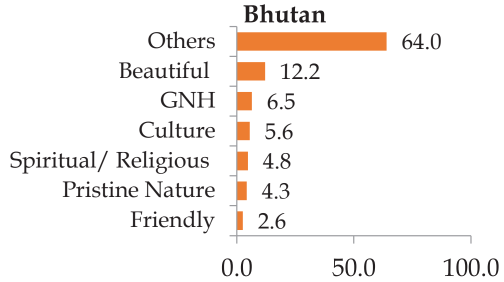
Table 2.15: General Images of Bhutan by international visitors

Item	Mean score	Satisfaction (Strongly agree +agree)
Bhutan is a safe tourist destination	1.36	89.6
Bhutan has a unique destination image in the region	1.39	89.8
Bhutan is known for its GNH philosophy	1.49	88.1

Bhutan's pristine environment is an attraction	1.56	86.5
Bhutan's people and culture is a tourist attraction	1.53	86.3
Bhutan offers wide range of visitors' products/services	1.91	74.9
Bhutan offers affordable travel destination	2.23	62.8
The tourist hotspots had disable-friendly service	2.59	40.1

Key words to describe Bhutan

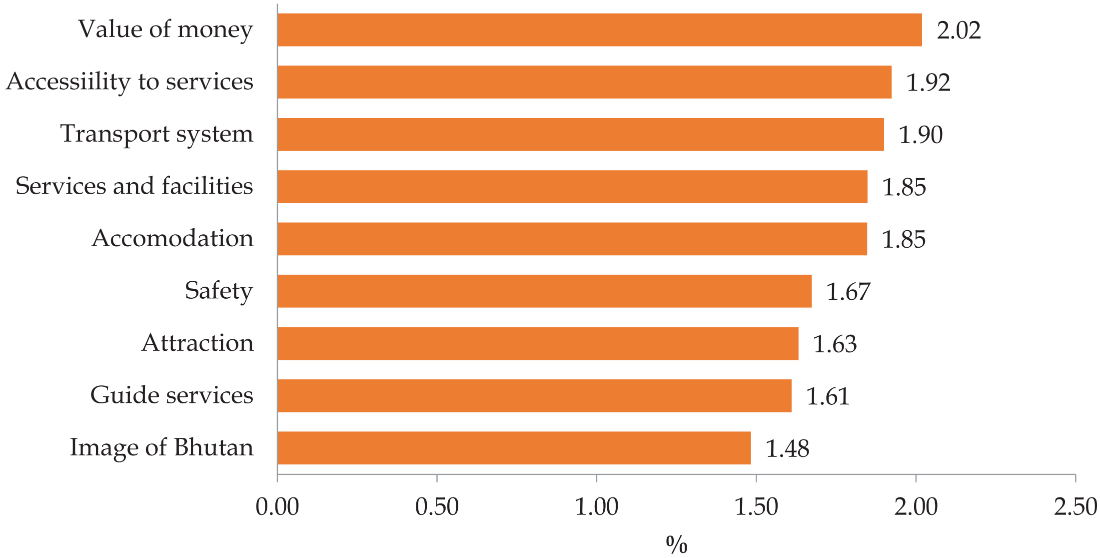
Figure 2.59: Key words describing Bhutan



Mean importance scores of attributes that explain the quality of tourist satisfaction

Figure 2.60 illustrates the mean importance scores of nine attributes taken into account to gauge the tourist satisfaction with all available facilities at their disposals. Among these nine attributes, the attribute, *value for money* stands the highest that describes tourist satisfaction meaning tourists expect the equal return for the money they paid for their visit (mean score = 2.02 rated out of a scale of 5). This is, however, a subjective evaluation on the part of the tourists. The second highest attribute, *accessibility to services* has an average mean score of 1.92 rated out of a scale of 5. The third highest attribute pertains to *transport system,* which tourists place great importance.

Figure 2.60: Mean importance scores of attributes responsible for tourist satisfaction



Destination loyalty intentions to return of international visitors

To measure the destination loyalty intentions of the international visitors, two sets of questions were asked as to whether the visitor has any intention to return to Bhutan or is willing to recommend Bhutan to others. The survey has revealed that a little more than one out of every ten international visitors (91%) has intention to revisit Bhutan. Similarly, more than three quarters (85%) of the international tourists want to recommend Bhutan to others.

Figure 2.61: Revisit Intention

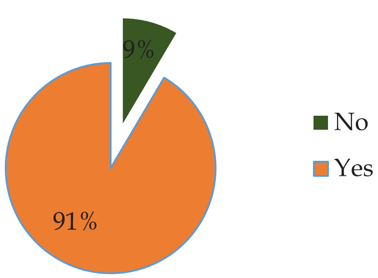
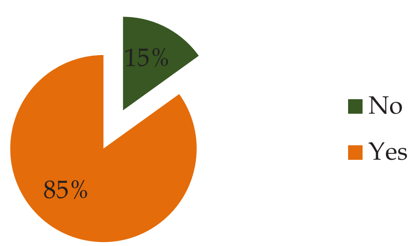


Figure 2.62: Recommend Bhutan as destination



SECTION 3

REGIONAL VISITOR EXIT SURVEY 2017

This section comprehensively discusses the findings from the exit survey for regional visitors conducted mostly in exit points viz. Phuntsholing, Paro, Gelegphu and S/Jongkhar. However, Gelegphu and S/Jongkhar's interview pertains to infinitesimally negligible number of visitors. The visitors from India, Bangladesh and Maldives are considered as regional tourists.

A total of 1,534 visitors were surveyed using administered questionnaire survey to gather first-hand feedback.

3.1 General Profile, Demographics

3.1.1 Visitor by country of residence and nationality

Figure 3.1: Regional visitors by their country of residence

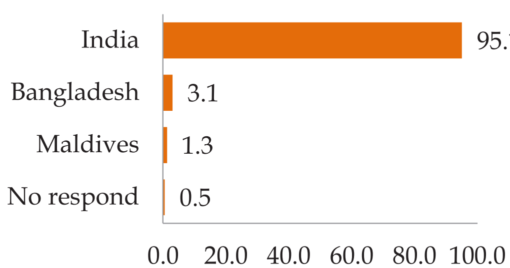
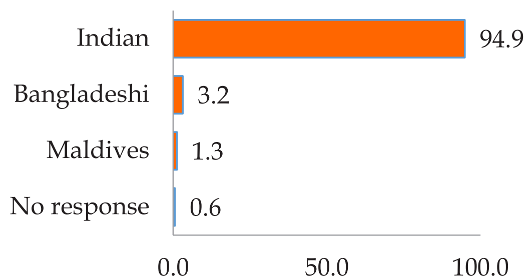


Figure 3.2: Regional visitors by their country of nationality



3.2 Frequency of visit and purpose

Figure 3.4: Number of times visited in the past

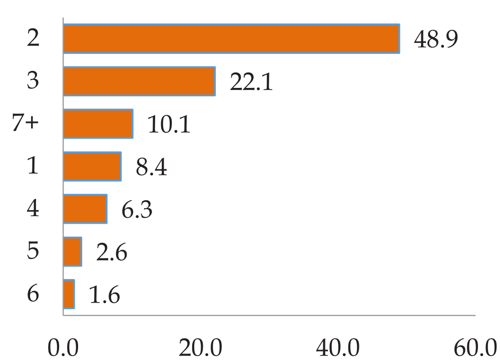
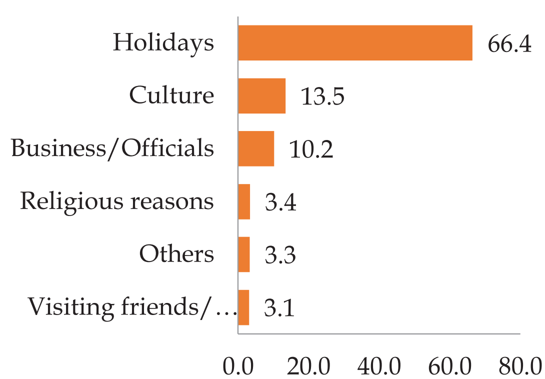


Figure 3.5: Reason for visiting to bhutan



3.3 Travel arrangement and travel party composition

The survey has found out that nearly half of the total regional visitors has toured the country with family (42.7%) followed by friends as their travel companion (28.2%).

Almost three-fourth of the visitors has arranged their trips through travel agents (72.6%) whereas around a quarter of the total visitors have travelled independently without having travel agents involved in their trip (24.1%).

Figure 3.6: Travel arrangements of Bhutan

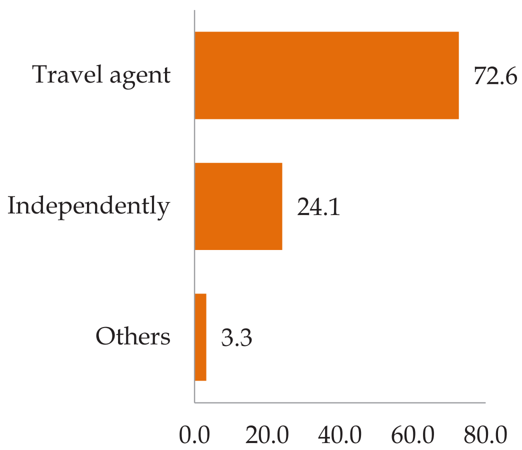
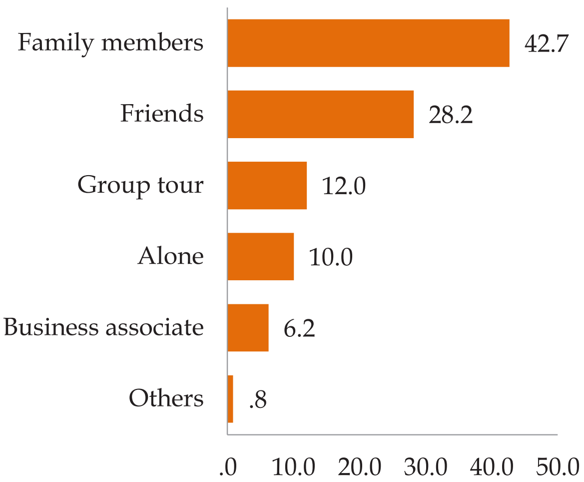


Figure 3.7: Travel companion



3.4 Preferred time of visit by reason and attractions

The survey has found out that most of the regional visitors preferred to visit Bhutan in spring and early summer season.

Culture and Tradition of Bhutan is what inspired them the most to visit Bhutan (41.2%) followed by natural and ecological factor (33.8%).

Figure 3.8: Perferred month for vacation

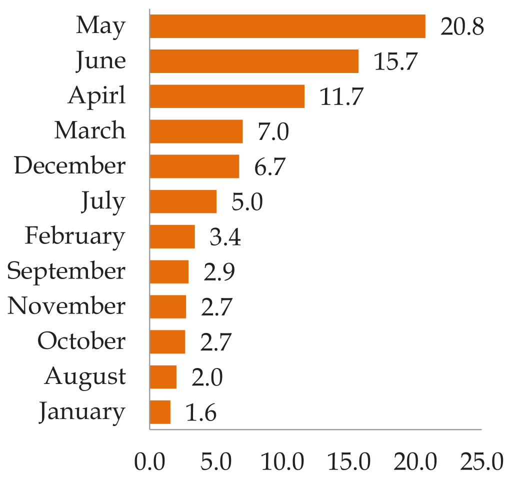


Figure 3.9: Reasoning for choosing Bhutan to visit this time

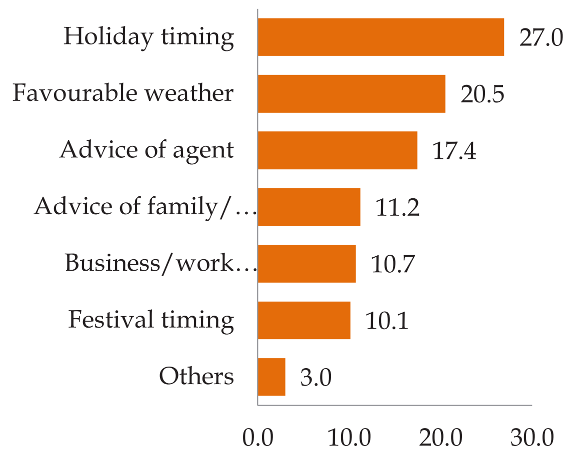
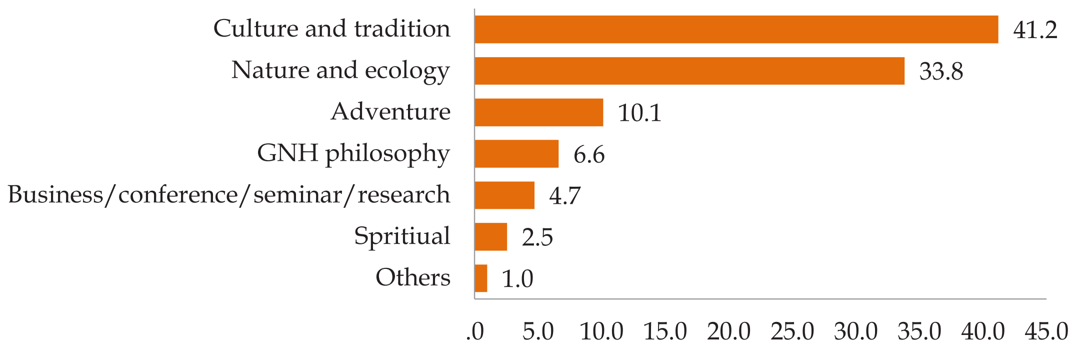


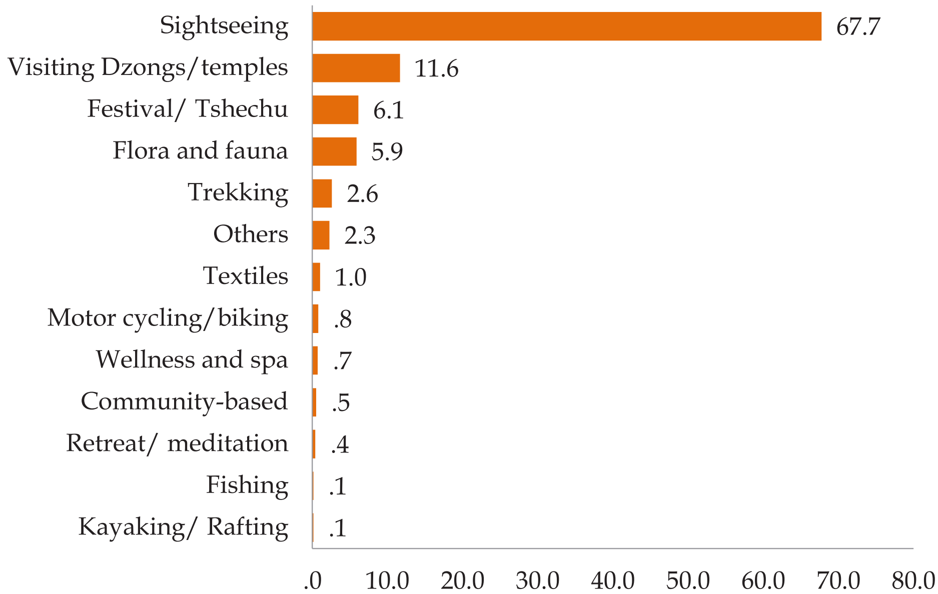
Figure 3.10: Attraction or inspired to visit Bhutan



3.5 Activities undertaken during the visit

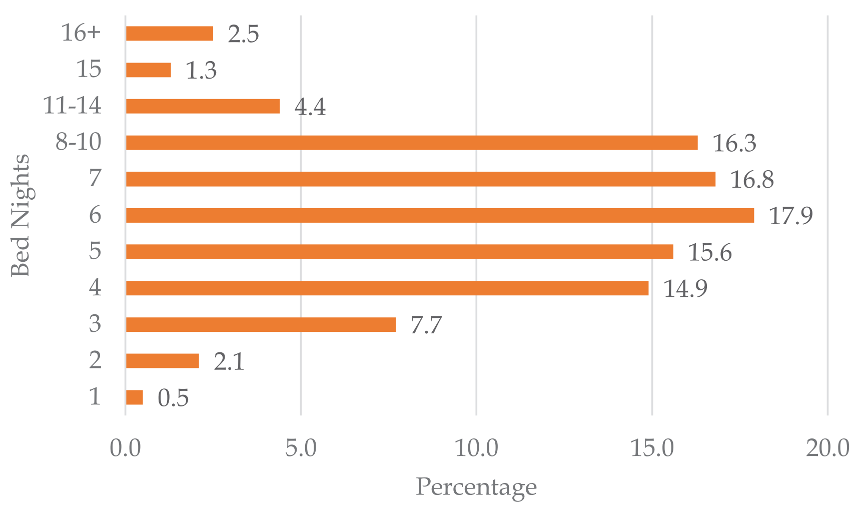
Sightseeing has been the main activity for the regional visitors (67.7%). Visiting Dzongs/Temples, festivals, flora and fauna, and trekking accounts to one-quarter of their activities (11.6%, 6.1%, 5.9%, and 2.6% respectively).

Figure 3.11: Activities undertakenduring the visit



3.6 Length of stay (bed nights)

Figure 3.12: Percentage distribution of length of stay by bed nights



3.7 Mode of local transport and accommodation

Figure 3.13: mode of local transportation

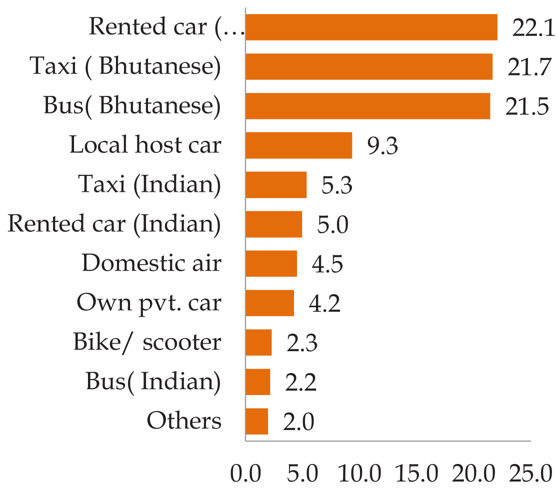


Figure 3.14: Have you appliedonline for route permit

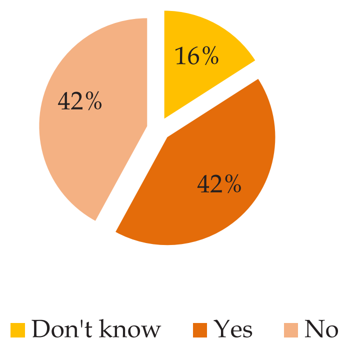
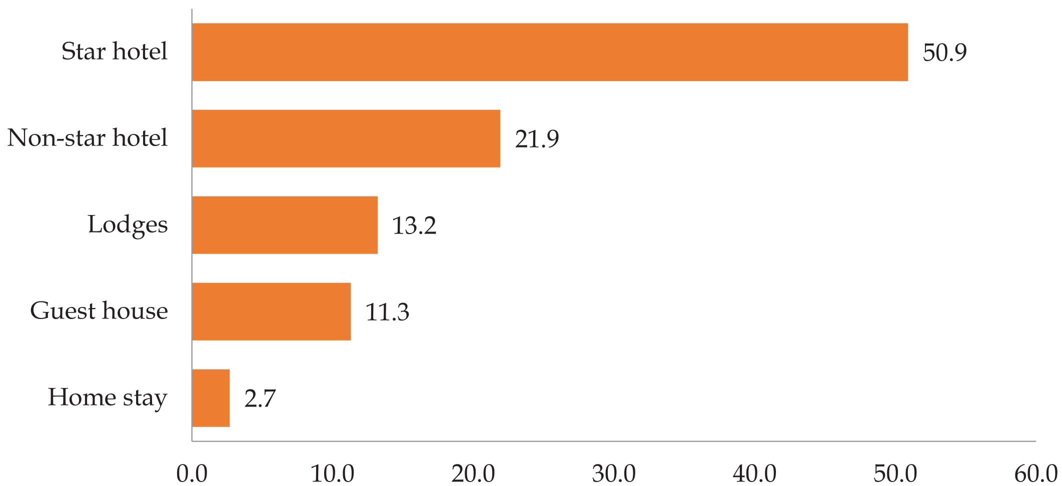


Figure 3.15: Type of Accomodation



3.8 Travelling of package tour

More than half of the total respondent visitors have travelled on package tour (44%) with 67% of this through Bhutanese travel agents.

Figure 3.16: Travelling on package tour

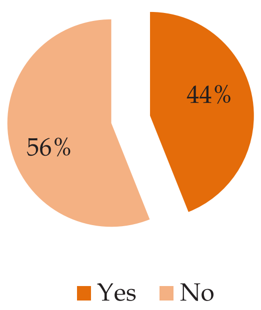
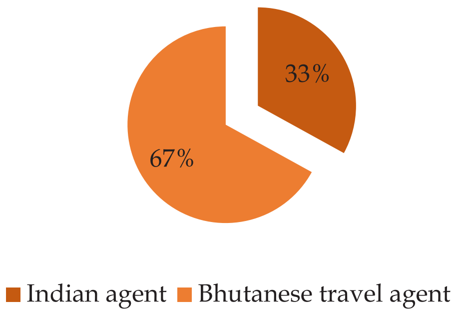


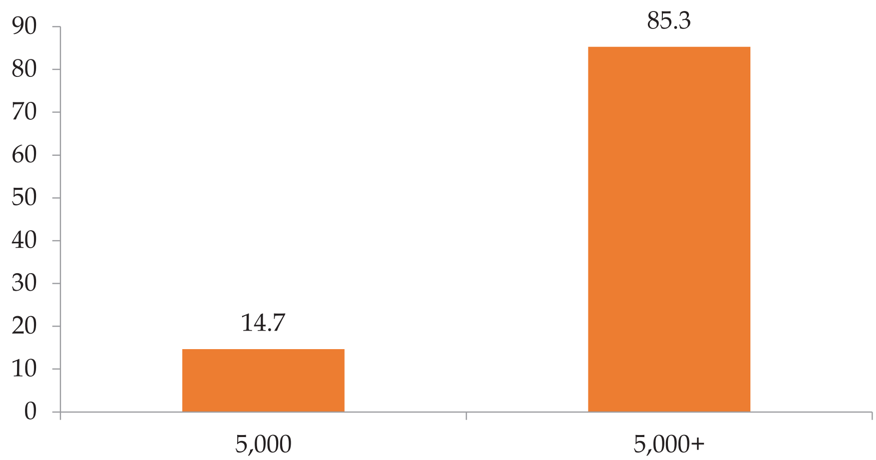
Figure 3.17: Travel agent



3.9 Average Daily Spend

The regional visitors were asked to mention their total spending during the entire trip. Almost 2 out of every ten regional visitors have spent on an average about 5,000. The remaining 85.3 percent have spent more than Nu. 5,000.

Figure 3.18: Percentage distribution of total spending by the regional tourists



3.10 Out of pocket spending

This sub-section deals with the out of pocket spending by regional visitors during their entire trip in Bhutan. Two varieties of questions were administered to the regional visitors on out of pocket spending viz. out of pocket spending of those who visited through a package tour and those who visited on their own. The regional visitors both who visited own their own and the ones through package tour have spent highest on other goods and services like massage, spa, visiting parks, hiking and etc, as depicted in figures 3.19 and 3.21 respectively.

Figure 3.19: Avg. spending ($) by regional visitors visited through a package tour

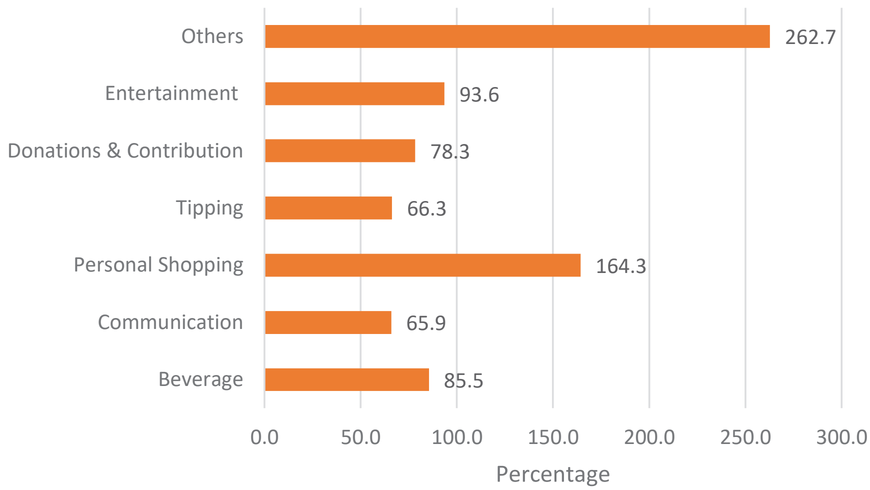


Figure 3.20: Percentage distribution of avg. spending ($) by regional visitors who visited on package tour

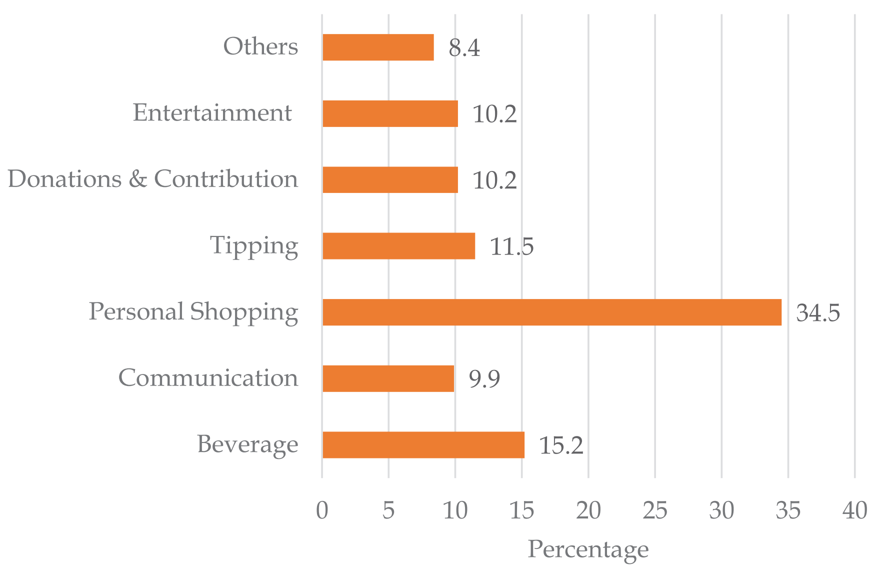


Figure 3.21: Avg. out of pocket spending ($) by regional visitors visited on their own

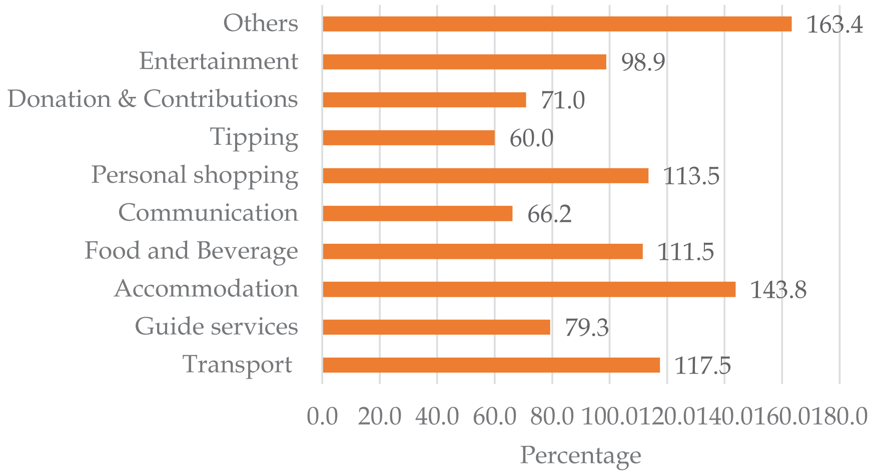
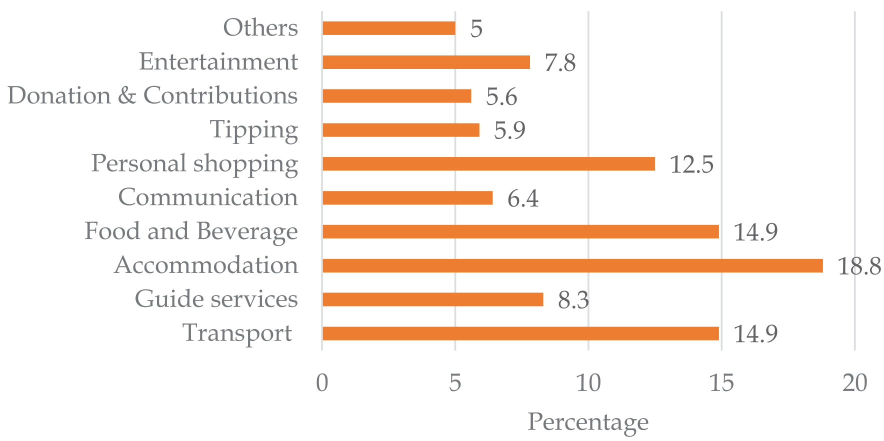


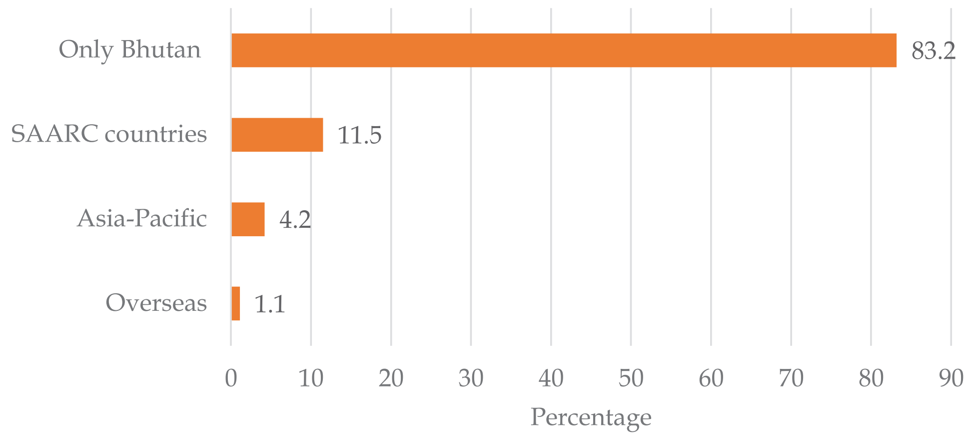
Figure 3.22: Percentage distribution of regional visitors who visited on their on and their avg. spending ($)



3.11 Circuit Tourism

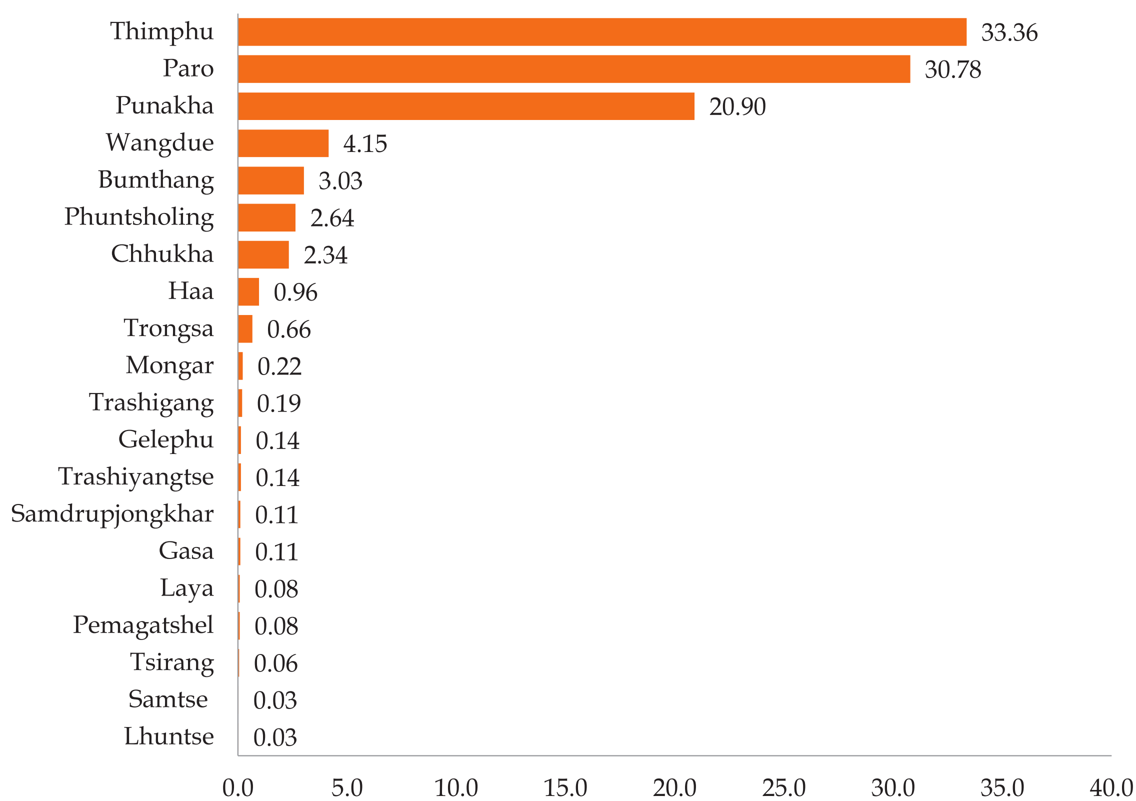
The survey had also sought to unearth the linkages of tours besides Bhutan amongst the regional visitors. Upon asked the regional visitors which other countries they would be visiting after Bhutan, slightly more than eight out of every ten (83.2%) visitors have reported that their ultimate destination was Bhutan.

Figure 3.23: Circuit Tourism



3.12 Dzongkhags visited

Figure 3.24: Visitors' arrivals by Dzongkhag (Regional)



3.13 Entry / exit ports

Figure 3.25: Exit Sector

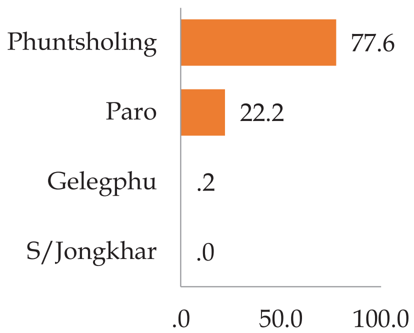
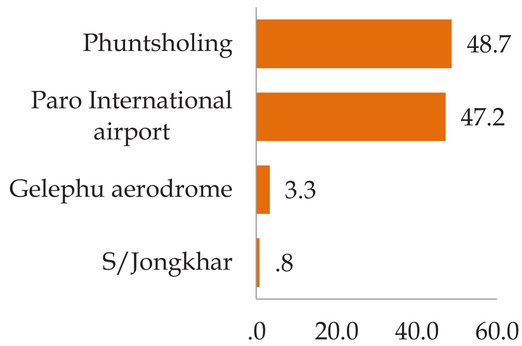


Figure 3.26: Port of entry



3.14. Tourism Satisfaction

A Attributes contributing to Satisfaction

This chapter entails the detailed analysis of all those eight attributes attempted to define the overall satisfaction of the regional visitors. Similar to the international visitors' case, the regional visitors' overall satisfaction is as well gauged through eight attributes under consideration viz. *value for money, services & facilities, accommodation, transport system, accessibility to services, safety, attractions* and *guide services.* All these eight attributes are defined by various items corresponding to them.

1. Value for money

Figure 3.27: Local transport is wirth the payments made

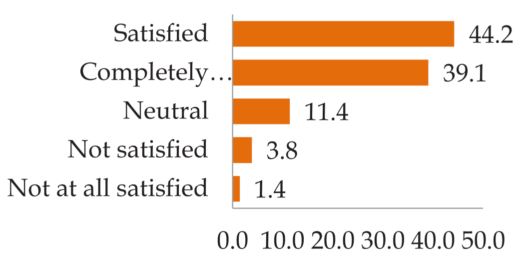


Figure 3.28: Acommodationprovided is worth the payments made

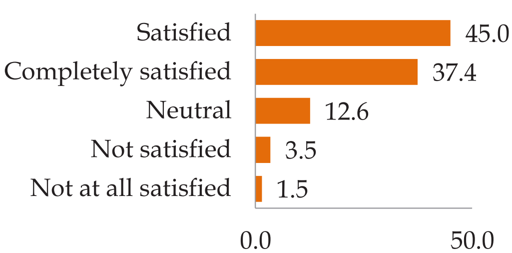


Figure 3.29: Food and Beverages served is worth the payments made

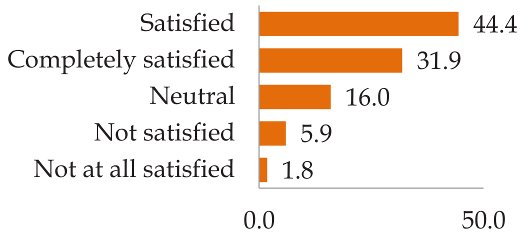


Figure 3.30: Ease of organising trip

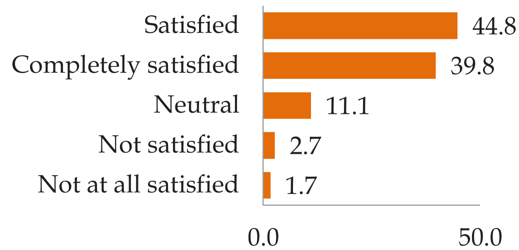
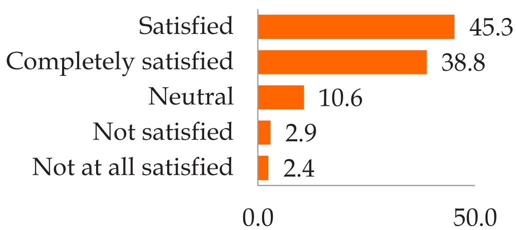


Figure 3.31: Immigration security procedures



2. Services and Facilities

Figure 3.32: In-country amenities (walk area, parks,washroom, rest room

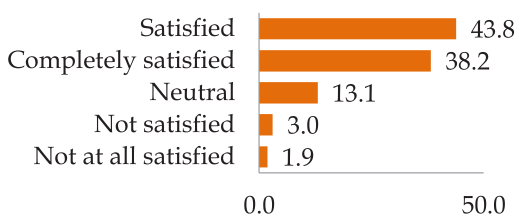
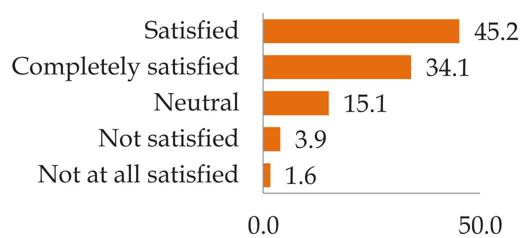


Figure 3.33: Accessibility to visitor information facilities



Fgure 3.34: Quality of acommodation

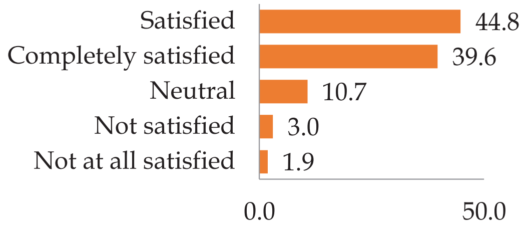
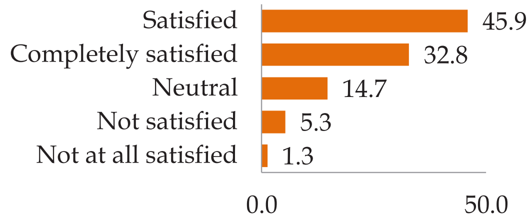


Figure 3.35: Quality of food & beverages



3. Accommodation

Quality of accommodations, food & beverages are one of the key items that are supposed to contribute to the overall satisfaction of the visitors irrespective of the regions they belong. To this effect, four items under the attribute accommodations are chosen to gauge the quality of accommodation.

Figure 3.36: Quality of hotel services by the staff

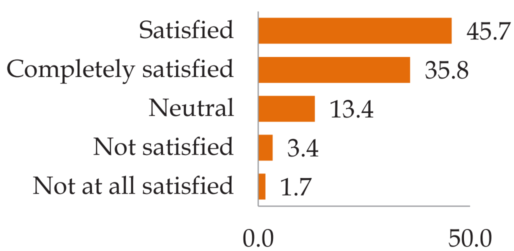


Figure 3.37: Quality of other services (entertainment, wellness, sports, fitness etc.)

Figure 3.38: Organization of local transport services

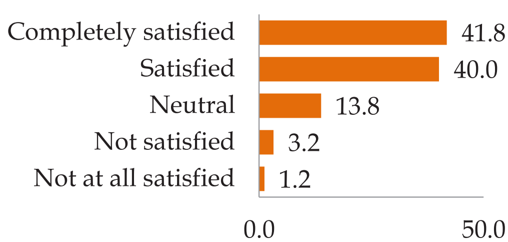
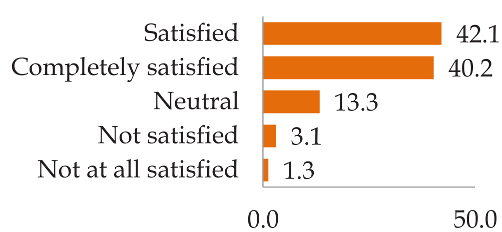


Figure 3.39: Safety & Comfort of the local transport services



4. Transport

This sub-section pertains to the transport system that is vested on safety and comfort expected by the visitors.

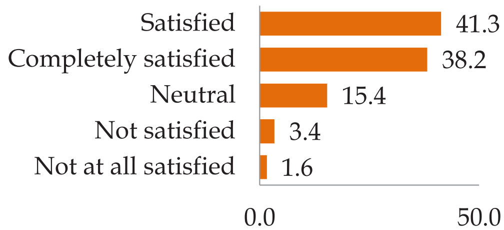


Figure 3.40: Road & trail Safety

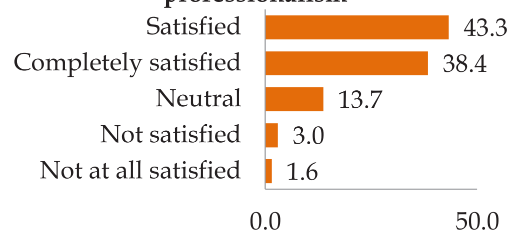


Figure 3.41: Driver's professionalism

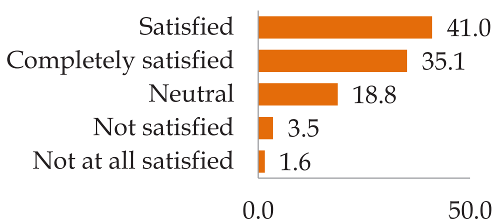


Figure3.42: Banking system (Money exchange, point of sale & Atm services etc.

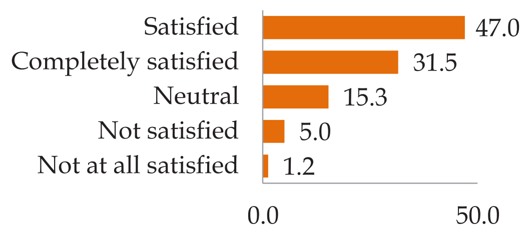


Figure 3.43: Communication (Internet & Telephone)

5. Accessibility to services

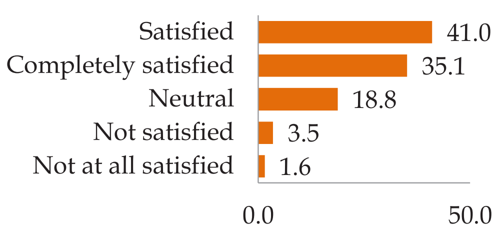


Figure3.44: Banking system (Money exchange, point of sale & Atm services etc.

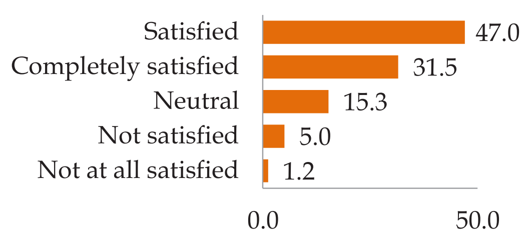


Figure 3.45: Communication (Internet & Telephone)

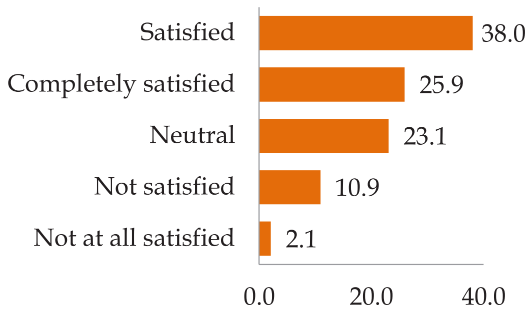


Figure3.46: Toilet Facilities

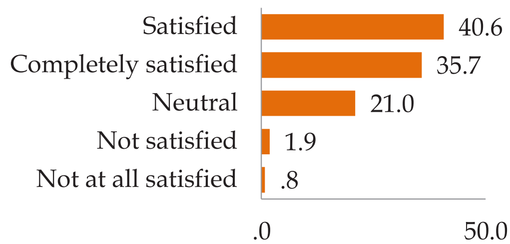


Figure 3.47: Medical safety & preventions

6. Safety

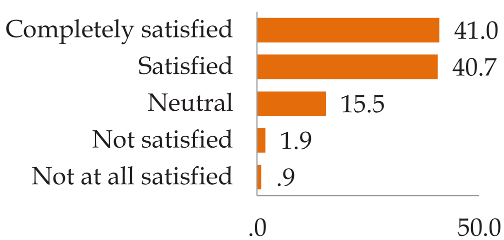


Figure 3.48: Security procedures (Hotels,Sights & Destinations

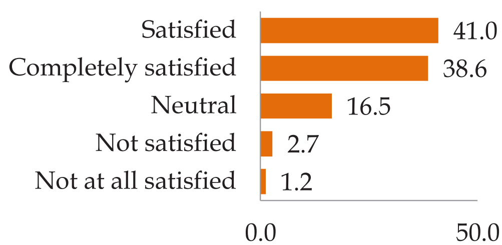


Figure 3.49: Availability of safety information

7. Attractions

This sub-section elaborates on the a-priori image visitors have in their mind before visiting Bhutan.

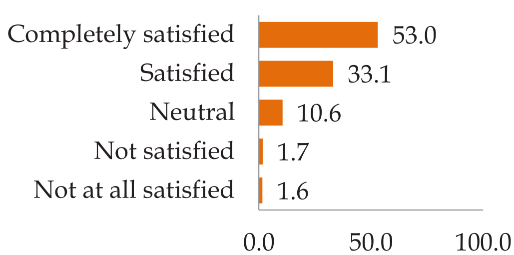


Figure 3.50: Culture & tradition (festivals, sight-seeing, visiting monuments, textiles etc)

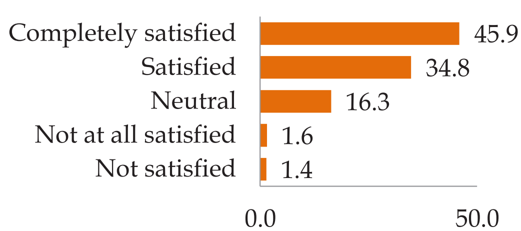


Figure 3.51: Adventure (Trekking,kayaking, rafting, motorcycle, biking, fishingetc.)

Figure 3.52: Nature & Ecology (botanical tours,zoological tours, bird watching etc)

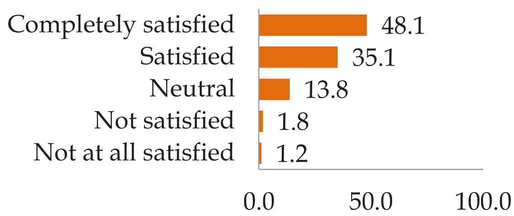


Figure 3.53: Spiritual (medtition, religion, retreat, pilgrimage etc)

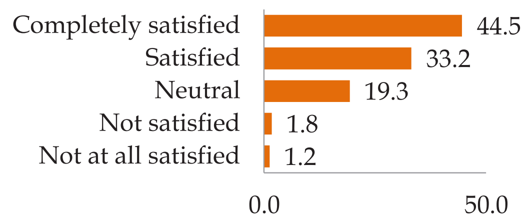


Figure 3.54: Spiritual (medtition, religion, retreat, pilgrimage etc)

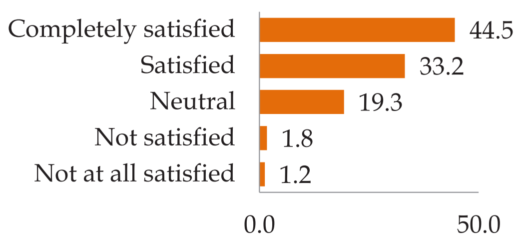
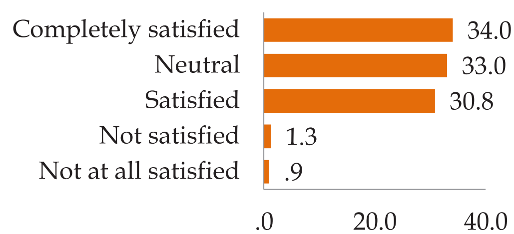


Figure 3.55: Hobbies (photography, filming, travel writing etc)



8. Guide Services

Figure 3.56: Guide services quality (professionalism)

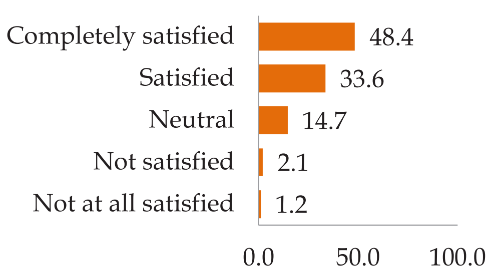


Figure 3.57: Knowledge content of the guide

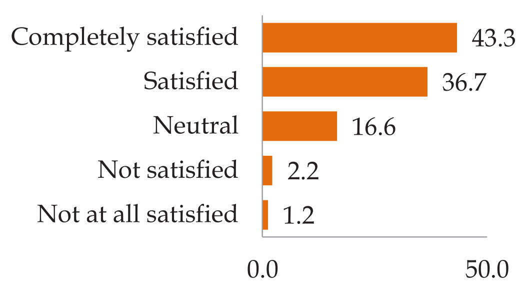


Figure 3.58: Trust worthiness of the guide

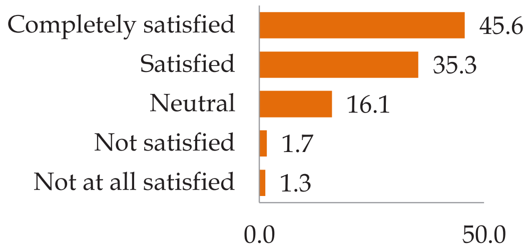


Figure 3.59: Guide's behavior and presentation

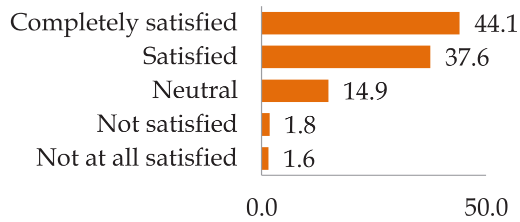


Figure 3.60: Guide's communucation skils

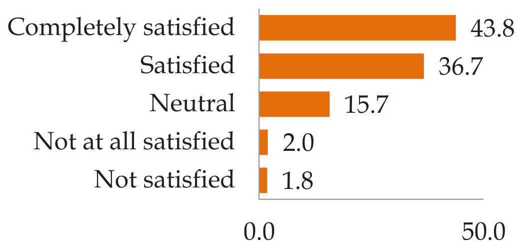


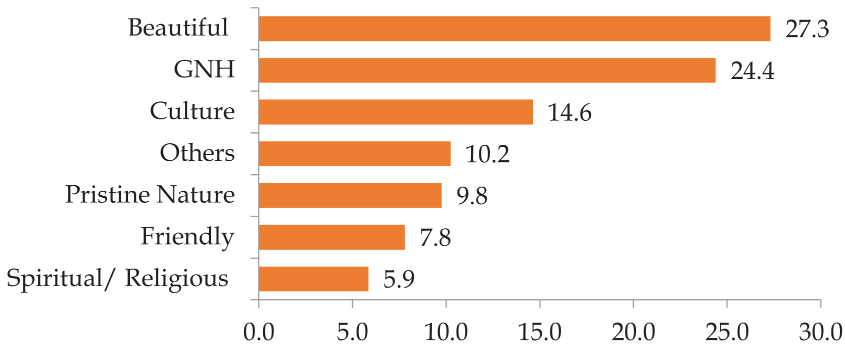
Figure 3.61: Client care knowledge & skills

General Image of Bhutan

Item	Mean score	Percentage agreement (strongly agree +agree)
Bhutan is a safe tourist destination	1.42	91.0
Bhutan's pristine environment is an attraction	1.60	88.7
Bhutan's people and culture is a tourist attraction	1.63	87.1
Bhutan is known for its GNH philosophy	1.59	86.8
Bhutan offers wide range of visitors' products/services	1.78	81.7
Bhutan offers affordable travel destination	1.80	80.7
The tourist hotspots had disable-friendly service	2.01	71.5
Bhutan has a unique destination image in the region	1.56	68.5

Key words to describe Bhutan

Figure 3.62: Key words describing Bhutan



Destination loyalty intentions of regional arrivals

Figure 3.63: Intention to return

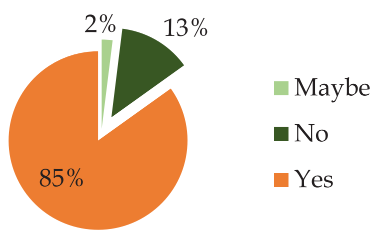
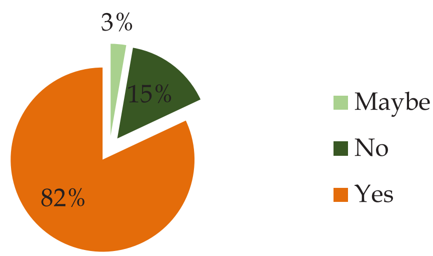


Figure 3.64: Willingness to recommend Bhutan to others

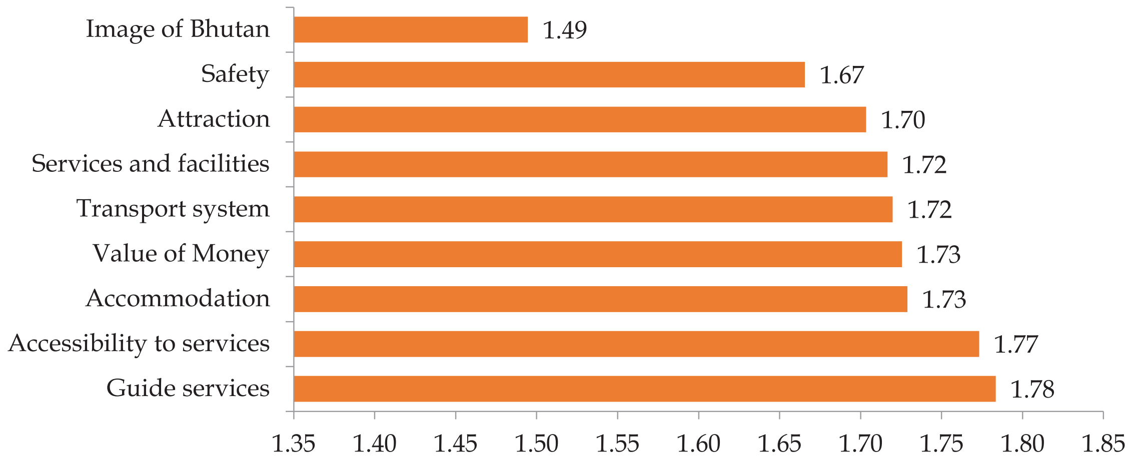


B Regional Tourism Satisfaction Measurement

This section elaborates on the regional visitors' satisfaction and the computation of index. Similar to the international visitors' measure of overall satisfaction, for the regional visitors as well the survey instrument had taken into account eight attributes responsible for explaining the overall satisfaction of the regional visitors.

Figure 3.65 depicts the mean importance scores of attributes responsible for tourist satisfaction. The highest mean score is attributed to the attribute, Guide Services (1.78) followed by accessibility to services (1.77). Accommodation and value of money have equal mean scores of 1.73. This connotes the three most important attributes contributing to the satisfaction of tourists are *Guide Services, Accessibility to services* and *Accommodation.*

Figure 3.65: Mean importance scores of attributes responsible for tourist satisfaction



SECTION 4

TREND ANALYSIS OF TOP TEN SOURCE MAKETS

This sub-chapter presents the results of the trend analysis of the top ten source markets. However, the ranking of the top ten source markets keep changing yearly. To this effect, this sub-chapter deals with some of the most repeated top ten source markets over the years. Some source markets like the USA, Australia, Germany, UK, and etc, have remained constant over the years. From 2012, Malaysia has taken over country like Canada. Similarly, South-Korea has overtaken France from 2017.

Table 4: Top ten source market trends over the years

Sl#	Source markets/Year	2012	2013	2014	2015	2016	2017	% change from 2016
1	USA	6,007	6,927	7,291	7,137	7,292	9,220	**26.4**
2	Australia	1,926	2,043	2,037	1,833	1,818	2,249	**23.7**
3	Germany	2,880	2,753	2,971	2,498	2,297	2,970	**29.3**
4	Japan	6,967	4,015	2,707	2,437	4,833	2,744	**-43.2**
5	UK	2,466	2,291	2,680	2,958	3,124	3,246	**3.9**
6	Malaysia	1,312	2,054	2,067	1,546	1,967	2,956	**50.3**
7	Singapore	1,605	2,037	1,720	2,587	3,015	4,129	**36.9**
8	Thailand	3,573	3,494	12,105	3,778	4,177	4,047	**-3.1**
9	China	3,766	4,764	8,111	9,399	9,208	6,421	**-30.3**
10	France	1,847	1,561	1,636	1,563	1,501	6,048	**302.9**
	Total	**34,361**	**33,952**	**45,339**	**37,751**	**41,248**	**46,047**	**11.6**

N.B: From 2017, South-Korea has overtaken France and the data on arrival in 2017 belongs to South-Korea

Table 4.1: Top ten source markets respondents by country of nationality/ residence

Country of nationality	% share	Country of residence	% share
USA	33.7	USA	32.7
Australia	15.9	Australia	15.6
Germany	15.4	Germany	14.5
China	6.2	United Kingdom	7.4
Canada	5.9	China	6.6
United Kingdom	5.9	Thailand	6.4
Thailand	5.5	Canada	5.7
France	4.0	Brazil	3.8
Brazil	4.0	France	3.7
South Korea	3.5	Austria	3.7

4.1 Top ten source markets by bed nights (length of stay)

The length of stay ranges from less than a week to more than two weeks. Table 4.1 illustrates the percentage distribution of top ten source markets by length of stay. Little more than four out of every ten (44.6%) visitors stayed less a week followed by about 26.8 percent who stayed between 6-9 days or bed nights. About 22.5 percent stayed between 10-13 days in the country followed by the remainder 6.2 percent who stayed more than two weeks. Amongst those who stayed more than two weeks, USA tops the rank with a percentage share of 27.7 percent followed by Australia (24.6%) and Germany (14.2%). On the other hand, close to one-thirds (32.9%) of visitors from USA had stayed up to 5 days followed by China (15.5%) and Germany (13.9%).

Table 4.1: Bed nights by top ten respondent source markets

Top ten source markets	**<= 5**	**6 - 9**	**10 - 13**	**14+**	**Total**
USA	32.9	31.5	37.1	27.7	**33.2**
Australia	7.7	16.8	21.5	24.6	**14.4**
Brazil	3.1	6.0	2.5	1.5	**3.6**
Canada	3.8	5.6	7.9	12.3	**5.7**
China	15.5	3.5	1.2	4.6	**8.2**
France	2.6	4.2	2.5	13.9	**3.7**
Germany	13.9	13.8	17.4	6.2	**14.2**
South Korea	5.7	4.2	0.4	0.0	**3.7**
Thailand	9.5	2.8	4.2	3.0	**6.0**
United Kingdom	5.3	11.6	5.4	6.1	**7.1**
% share	**44.6**	**26.8**	**22.5**	**6.2**	**100.0**

4.2 Preferred time of visit by the Top Ten Markets

Table 4.2: Preferred month of visit by top ten source markets respondents

Preferred month of Visit	USA	Australia	Brazil	Canada	China	France	Germany	South Korea	Thailand	United Kingdom	% share
January	4.2	24	47.5	1.6	12.1	0	3.1	2.5	6.1	7.6	9.6
February	1.7	1.2	5	8.2	5.5	5.1	0.6	2.5	3	1.3	2.5
March	1.7	1.2	0	8.2	3.3	0	1.9	10.3	6.1	6.3	3
April	1.1	1.2	0	1.6	1.1	0	2.5	2.5	13.6	1.3	2.2
May	5	1.8	10	3.3	3.3	2.5	3.1	0	16.7	1.3	4.5
June	23.5	7.1	2.5	4.9	13.2	10.1	13.7	36	13.6	5.1	15.6
July	32.7	18	12.5	37.7	29.6	48.7	31.4	0	10.6	24.1	28
August	14.1	13.2	0	18.1	3.3	30.9	25.5	15.3	10.6	39.3	17.3
September	1.9	0.6	2.5	1.6	6.5	0	3.1	0	0	2.5	2.1
October	1.7	0	0	0	1.1	0	1.8	10.3	3	1.3	1.6
November	0.8	0.6	0	1.6	3.3	2.5	0.6	0	1.5	0	1
December	7.5	26.4	15	8.2	16.7	0	10.2	0	12.1	6.3	11.9
Total	100	100	100	100	100	100	100	100	100	100	100

4.3 Visitors by Gender

Table 4.3: Top ten source markets' arrivals by gender

Country/Gender	Male	Female	Total
USA	34.9	31.1	32.8
Australia	12.0	17.6	15.0
Brazil	2.9	4.2	3.6
Canada	5.0	6.1	5.6
China	8.5	7.8	8.1
France	4.5	3.2	3.8
Germany	15.9	13.3	14.5
South Korea	2.5	4.4	3.5
Thailand	5.8	6.1	6.0
United Kingdom	8.0	6.4	7.1
% share	**46.4**	**53.6**	**100.0**

4.4 Arrivals by status of employment

Table 4.4: Top ten source markets by status of employment

Top ten source markets	Employed	Self-employed	Unemployed	Retired	Student	Others
USA	27.1	29.4	21.8	44.9	40.9	20.1
Australia	16.0	12.9	13.1	17.2	7.6	0.0
Brazil	2.3	4.2	13.1	4.0	7.7	0.0
Canada	6.2	5.4	4.3	3.4	13.4	9.9
China	10.0	12.3	21.8	0.7	7.5	9.9
France	4.1	2.1	0.0	5.7	0.0	0.0
Germany	16.3	17.6	4.3	10.4	9.6	20.1
South Korea	2.9	4.6	13.1	2.0	3.8	30.0
Thailand	7.6	8.3	4.3	1.7	5.7	0.0
United Kingdom	7.6	3.3	4.3	10.1	3.8	9.9
% share	**43.8**	**21.7**	**2.1**	**26.8**	**4.7**	**0.9**

Repeat visitation

The survey administered the question pertaining to the repetition of visits by the visitors in general to gauge the loyalty and the satisfaction derived out of their entire visits. The survey had revealed that top ten source markets like USA, Germany, China and Australia had repeatedly visited Bhutan ranging from one to four visits in the past.

Table 4.5: Repetition of visits by top ten source markets' visitors

Top ten source markets/No. of visits	1	2	3	4+	% share
USA	23.0	10.0	56.5	24.1	26.2
Australia	17.2	10.0	12.6	12.0	13.6
Brazil	8.6	0.0	0.0	0.0	3.1
Canada	2.8	0.0	0.0	4.0	2.1
China	19.9	29.8	6.2	4.0	15.6
France	2.8	20.1	0.0	8.1	7.3

Germany	22.8	19.9	6.2	11.9	16.6
Thailand	0.0	10.0	6.2	24.1	9.4
United Kingdom	2.8	0.0	12.4	11.9	6.2
% share	**36.5**	**20.9**	**16.7**	**26.0**	100.0

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Tourism Council of Bhutan

P.O Box 126, GPO

Thimphu Bhutan

Tel: +975 2 32325/323252

Fax: +975-2-343695

Email: info@tourism.gov.bt

Facebook.com/destinationbhutan

twitter@toursimbhutan

www.tourism.gov.bt/ www.bhutan.travel