

ANNUAL REPORT 2017

ABRIDGET FINANCIAL REPORT (Jan- Dec 2017)

PLANNED ACTIVITIES 2018

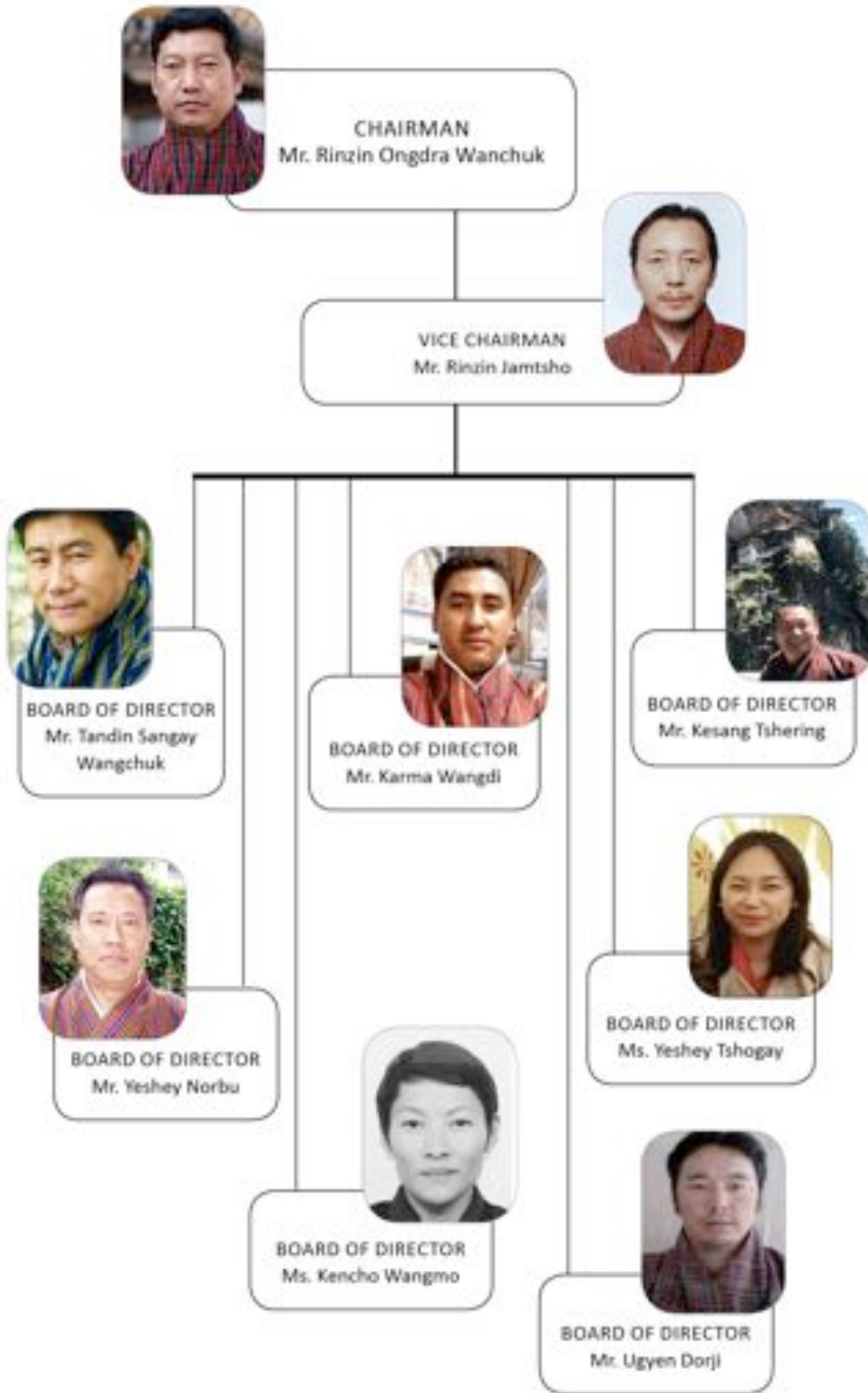


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1 Board of Directors



2 Representation to Boards and Committees

- i. Tourism Council of Bhutan: Mr. Rinzin Ongdra Wangchuk as Council Member
- ii. Better Business Council: Mr. Rinzin Ongdra Wangchuk as Member
- iii. Bhutan Chamber of Commerce and Industry (BCCI): Mr. Rinzin Ongdra Wangchuk as Executive Committee Member
- iv. Committee of Tourism Associations: Mr. Rinzin Ongdra Wangchuk as Chairman and Mr. Sonam Dorji as Member Secretary
- v. Committee of Secretary Generals (BCCI): Mr. Sonam Dorji as Member
- vi. CSO Authority: Mr. Sonam Dorji as Chairman
- vii. RITH Academic Advisory Committee: Mr. Rinzin Jamtsho as Member
- viii. Human Resource Development Committee under MoLHR: Mr. Tek Bahadur Khatiwara as member
- ix. Ecotourism Task Force: Mr. Sonam Dorji as member

3 PART A: Follow Up Activities 2017

3.1 Operational

3.1.1 Listing of Places in Tashel Online System

The standard day-wise itinerary does not give visitor varied choices and enriching experiences of an attraction. Hence, in the process of offering multiple choices and products within the standard itinerary, few tour operators were penalised by the Department of Immigration (DoI) for reason being that particular place was not mentioned in the travel itinerary. The concerned tour operators immediately alerted ABTO and the issue was deliberated during TCB-ABTO meeting held on 28th February 2018 where ABTO requested TCB either to list down all the places of touristic attractions in Tashel system or come up with a negative list of places and open the rest for promoting tourism. TCB expressed their concern and practical difficulty for listing all the places in Tashel system and decided to discuss with DoI.

3.1.2 Accommodation Issues for Southern and Eastern Bhutan

The limited number of TCB certified hotels in *Gelephu* town and penalty imposed by TCB to some of the tour operators failing to use such accommodation due to unavailability of rooms during peak tourists' season raised concern to both tour operators and ABTO for promoting Southern and Eastern Bhutan. The matter was extensively deliberated during ABTO-TCB meeting held on 28th February 2018 whereby ABTO was instructed to submit the list of uncertified accommodation currently being used by tour operators for consideration as an interim measure for alternative arrangement. Accordingly, ABTO in-consultation with tour operators submitted the list of hotels to TCB. TCB then verified and approved majority of the proposed accommodations and informed ABTO. ABTO shared the approved list of hotels for both *Gelephu* and Eastern Bhutan with tour operators for implementation.

3.1.3 Royalty Waiver for Eastern Bhutan

As part of *Tourism Review and Recommendation 2016*, ABTO proposed royalty waiver for tourists entering through *SamdrupJongkhar* and *Nganglam*. The recommendation was deliberated during 7/2 and 8/2 Council meeting held on 13th April 2017 and 22nd June 2017 respectively and decided that royalty

henceforth referred as *Sustainable Development Fund (SDF)* will be waived off for tourists visiting the six eastern Dzongkhags for a period of three years. The council instructed TCB to develop the implementation plan and submit to Cabinet for approval. Accordingly, TCB made the submission and Cabinet decided to table it during the forth coming parliament, which was conveyed during 9/2 Council meeting held on 31st October 2017.

On 16th November 2017, the matter was deliberated in the parliament and endorsed for implementation. The Hon'ble chair during 10/2 council meeting held on 15th February 2018 informed that the SDF waiver received royal assent and will be effective from the day it was introduced in the parliament (16/11/2017). Accordingly, TCB was instructed to initiate SDF refund directly to the clients based on evidence from travel agents as a gesture of goodwill.

The decision was conveyed to ABTO and thereby shared SDF waiver procedures and guideline to tour operators for processing the refund. Some of the members sought clarification on few sections of the guideline in particular on tariff component for implementation. ABTO then proposed a bilateral meeting with TCB on 28th February 2018 and the decision was emailed to tour operators for information and reference. However, for the purpose of implementation in a transparent manner, TCB devised a *Tourism Levy Exemption Act of Bhutan 2018*, which came into force on 8th January 2018 and is valid until 31st December 2020. For more information, refer www.tourism.gov.bt.

3.1.4 Industry Status

ABTO proposed tourism to be recognized and given industry status so that tourism will be featured as an economic indicator and can be organized, structured and better regulated. The Council during 7/2 meeting instructed TCB to write to Hon'ble Tengye Lyonpo on the recommendation. Hon'ble Tengye Lyonpo will discuss on the recommendation within its Ministry and other relevant agencies including TCB for further deliberation and consideration.

3.1.5 Tour Payment Parking

Tour payment parking is the total amount of tour payment of a tour operator that remains in TCB account at any given time. It is the combination of future tour

group(s) payment and also access money, if any, from the previous group(s). Some tour operators were of the view that such payment helps undercutting and therefore tabled it as one of the agendas during 10/2 Council meeting and after extensive deliberation the Council decided to maintain it as status quo. However, TCB was instructed to discuss the matter with Royal Monetary Authority (RMA) on the legality of tour payment parking and accordingly plan and update the Council.

3.1.6 Marketing Expenses

Marketing being one of the core activities of tour operation business, tour operators have no choice but to invest on marketing. However, the existing 2% allowable marketing expenses is not at all encouraging tour operators for making investment on marketing, which impacted tourism promotion leading to limited growth on arrival and revenue generation for both tour operators and government. This is one of the outstanding issues that ABTO has been constantly following up with the government with a request to make it either 5% of the gross income or allow to book on actual expenses. The matter was deliberated during 7/2, 9/2 and 10/2 Council meeting thereby instructed ABTO to submit a proposal to TCB for onward submission to the Cabinet. Accordingly, ABTO submitted the proposal and Cabinet decided to deliberate in the parliament.

3.1.7 Tax Incentive for Vehicle and Equipment

ABTO proposed following recommendation to the government for consideration.

1. Allow all types of standard vehicles under the tax waiver scheme.
2. Tax waiver for tourist vehicles should not be limited to only 10-seater and coaster buses.
3. Monitor and curb the misuse of vehicle incentive and develop standards like tourist vehicle registration plate
4. Revise upwards the existing tax deductible marketing expense of 2%.
5. Update the list of trekking and adventure equipment regularly for tax waiver list

The above submission was discussed during 7/2 Council meeting and instructed TCB to study the proposal and submit to the Cabinet. The Hon'ble Chairman also

shared that the government could look into the incentives for tour operators wishing to buy hybrid 4 by 4 vehicle. It was decided that ABTO will be consulted as and when the list is updated by the Ministry of Finance.

3.1.8 Road Side Amenities

The requirement of proper amenities along roadside is one of the concerns of tour operators, which was proposed to the government for facilitation. The issue was deliberated during 10/2 Council meeting whereby TCB was instructed to provide details such as current status, future needs and plan for Road Side Amenities (RSA). Accordingly, ABTO was informed and in-consultation with tour operators provided the feedback on the current status and the need for future

3.1.9 Conflicting Policies

The local government using its power of decentralisation to create rules that impacts national policies in particular targeting tourism facilities and services such as pack ponies. Such issues were repeatedly raised to the government for clarity and intervention. The issue was discussed during 10/2 Council meeting, wherein Hon'ble chair cited past issues where the local government deliberations had national impact and instructed the Secretary, MoHCA to study how far local government Act empowers them to decide on policies impacting the nation.

The decision of Thimphu *District Yargay Tshogdue (DYT)* to initiate village to village pack pony services managed by the communities and the requirement to submit tour itineraries to gewogs for facilitation alerted both ABTO and TCB as such initiative definitely have ramification on tour operation business. However, it was learnt that the main issue seems to be destruction caused to the herders' camps in their absence during winter and to address this issue, proposal was submitted for initiating pack pony services by gewogs.

The Council directed TCB and Secretary of MoHCA to discuss the matter with *Dasho Dzungda* and *Thrizin* of Thimphu in particular the proposal on mandatory requirement of itinerary by the gewogs. The Council decided that for the deliberation of tourism related development and issues in the DYT, concerned *Dzongkhag Thrizin* should consult TCB.

Therefore, on 9th March 2018, TCB invited Hon'ble Secretary, Ministry of Home and Cultural Affairs (MoHCA), ABTO and representatives from Thimphu Dzongkhag including *Thrizin* and concerned Gups for a consultation meeting. ABTO provided background about pack pony services, system of operation and management involving communities around 1980's and the tour operators' bitter working experiences with the communities leading to a doable existing pack pony contractual system in light of the proposal and thereby requested to look into carrying capacity and technical issues for submitting itinerary to the gewogs. The meeting deliberated and resolve itinerary issues and instantly decided to form a team comprising of a representative from TCB, ABTO and Thimphu Dzongkhag. TCB was instructed to lead and organise site visit immediately to re-confirm carrying capacity of the villagers. Accordingly, site visit was conducted, verified the data and extensively deliberated the issues, limitations and conditions during DYT of Thimphu held on 26th March 2018 wherein some of the gewogs (Daga and Geney) decided to step back while *Lingtsi* and *Naro* gewogs wanted to go head with the proposal for providing pack pony services. Accordingly, pack pony *Tshogpa* was formed under *Naro* gewog and submitted the proposal to ABTO for supporting their initiative. Then ABTO organised a meeting between *Naro* community group and tour operators specialised on trekking and with intense discussion agreed to support the initiative provided community offer better services and reasonable rates for tour operators by resolving internal or territorial issues, if any, such as *Chamdo*, changing pack pony etc. within themselves so that tour operation business should not be impacted at any point.

3.1.10 Award and Excellence

ABTO proposed the government for initiating award system to recognize individuals, companies and destinations for their invaluable contribution towards supporting promotion and development of high end tourism in the country. To this effect, the Council during 7/2 meeting endorsed the proposal for an annual tourism conference to be organized by TCB starting from 2017 if possible.

3.1.11 Access and Accessibility

Access is one of the bottlenecks for increasing arrival as well as balanced tourism development. Hence, as part of *Tourism Review and Recommendation 2016*,

ABTO proposed government for upgrading the existing domestic airports (*Yongphula* and *Bumthang*) to international at-least for ATR and establish Bhutan Consulate office at *Guwahati* for facilitation. The government informed that the proposal for upgrading *Yonphula* and *Bumthang* as international airport can be reviewed once the domestic flights are fully functional and a Consulate office at *Guwahati* is set up. Although, government informed about the establishment of Consulate office at *Guwahati*, domestic flights were not fully stable and thereby defer the submission.

The demonstrative effect to accessibility contributing to seasonal and regional balance of tourism in the country can only happen by enhancing the existing gateways, connectivity and building external and internal hubs. So exploring the airlines' connectivity to major hubs and linking to less visited areas through internal hubs like *Paro*, *Yongphula*, *Bumthang* and *Gelephu* will make Bhutan more accessible. Therefore, strengthening collaboration between the airlines and the industry by establishing facilities and services at major hubs to promote areas in and around that hub by putting in place basic facilities and roadside amenities such as rest rooms, resting places and scenic spots to enhance driving experience besides breaking the arduous journey for enriching experiences were some of the additional recommendations made to the government for deliberation and consideration. The submission was deliberated during 7/2 Council meeting and instructed TCB to review for implementation.

3.1.12 Intermediary Committee

ABTO proposed an intermediary committee between TCB and TCBS since frequency and quality of the meetings are compromised due to high profile council members. In light of the proposal, TCB during 7/2 Council meeting informed that Tourism Advisory Group (TAG) was formed informally and is being piloted after which the proposal will be put up to the Council. The Council decided to review the proposal and submit recommendations to the Cabinet for approval.

3.1.13 Structure Reform

ABTO proposed some structural changes within the existing structure of TCB for

effective operation, management and dynamism in achieving aspirations of the tourism industry. In a short term, TCB to be made as Department under MoEA as was before and for long-term a Ministry for Tourism to be made in combination with Culture and Environment. The Hon'ble Chair during 7/2 Council meeting informed that the recommendation of establishing a Ministry of Tourism in the long run could be explored in future.

3.1.14 Rephrase the term, “Royalty”

The term, “Royalty” in tourism tariff does not go along with the high value low impact policy since it has different connotation and interpretation. Hence, ABTO proposed for an alternative term. During 7/2 Council meeting, TCB informed that ‘Sustainability Development Fee’ (STF) is being used instead of royalty, which was endorsed.

3.1.15 Children Discount

ABTO proposed substantial discount on children to encourage family travellers for increasing arrival and revenue. The submission on no charge for children under the age of 5 and below and no royalty for children of 6-12 years was deliberated during 9/2 Council meeting and instructed TCB to submit for Cabinet approval. Accordingly, TCB sought approval and implemented effective from January 2018.

3.1.16 Incentive for Tour Leader

ABTO proposed waiver of tariff including royalty for tour leader who visits Bhutan with a group of 10 pax and above. The matter was discussed during 7/2 Council meeting whereby TCB informed that such incentive is being availed by some tour leaders under the FOC scheme. However, TCB was instructed to get the name of the senior most tour leader who led groups to Bhutan even before the start of Drukair. Such a tour leader could be given recognition during tourism events.

3.1.17 Royalty Free Zone

ABTO proposed Gelephu, Manas, Nganglam to be made royalty free zone similar to Phuentsholing and Samdrup Jongkhar for transit purposes. The Council during 7/2 meeting instructed MoHCA to carefully study the Immigration policy

and see if the recommendation can be considered for Manas and Nganglam. It was decided that check posts could be established in Manas and Nganglam if there are no major issues. However, with limited number of official entry and exit hubs between Bhutan and India, the recommendation cannot be pursued further.

3.1.18 Tariff and Review Committee

The unique all-inclusive tariff system was introduced since the inception of tourism in 1974 by our far-sighted beloved the fourth Druk Gyalpo, which is working so well and perfectly fits within the existing governing development policy and philosophy. Often populist politics take advantage to create rules that aspires popular short-term economic benefit over long-term socio-economic development needs, which poses greater risks for tour operation business in particular and sustainable promotion and development of tourism industry at large. Therefore, maintaining existing tariff system for the benefit of vast majority of tour operators is an increasing concern and a challenge for ABTO both at present and future. Hence, ABTO in-consultation with tour operators came up with three bold recommendations, which was submitted to the government for review and consideration (Refer *Tariff Scenario* under *Tourism Review and Recommendation 2016* of ABTO for detail information). The submission was extensively deliberated during 7/2 Council meeting and endorsed the foremost tariff option i.e. *status quo with adjustments*, which majority of tour operators were looking for. It was decided that the recommendation to constitute tariff review committee will be incorporated in the tourism policy.

However, future of tourism cannot be predicted with changing government and governance and therefore unity and effective communication between ABTO and its members is crucial in-order for tour operation business to grow and develop in a responsible and sustainable manner.

3.1.19 Regional Tourism

As part of *Tourism Review and Recommendation 2016*, ABTO proposed following recommendation for supporting promotion and development of regional tourism, which was deliberated during several council meetings and the resolution is given against each recommendation below.

1. Licensed local tour operators to be allowed to process route permits for non-tariff tourists in advance: TCB has introduced the online permit system on trial by granting privilege to both hoteliers and tour operators for using the system.
2. Monitoring of hotel occupancy by TCBS, Thromde, Department of Trade: The Council agreed that all regional tourists will be required to stay only in the TCB certified accommodations. The accommodations are required to upgrade in-order to accommodate regional tourists once the online permit system becomes mandatory. It was decided that TCB will write to Ministry of Economic Affairs (MoEA) on the need for standard guidelines and monitoring mechanism for budget hotels. MoEA was instructed to restrict issuing of new licences to budget hotels.
3. Requirement of passport, Voter Identity Card for checking-in into the hotels: Passport is required to process online permit system. However, the deliberation for the acceptance of other document such as voter card, adhar card, citizenship identity card etc. was deferred.
4. Important attractions like Dzongs and trekking to always be accompanied by licensed guide: Engaged licensed guides by introducing fees for popular attractions such as Taktsang, Tashichhodzong etc.
5. Monitoring of vehicle road-worthiness including capacity by RSTA and the traffic police: Online permit holders traveling by Indian vehicles require permit from RSTA.
6. Introduce green fee for non-Bhutanese vehicles plying into Bhutan: deferred.
7. Research, development and promotion of non-tariff tourists: Ongoing process.

It was decided that the above recommendation will be reviewed and a management board will be constituted if required.

The meeting also deliberated on the need to expand the online permit facility for entry through Samdrup Jongkhar and Gelephu. It was decided that MoEA will take up the issue with the Ministry of Foreign Affairs and the Department of Immigration.

For the benefit of monitoring and meaningful implementation of online permit system, clarity was sought whether other types of regional visitors (business, official, visiting friends and relatives) will also be required to avail online permit and pay Sustainable Development Fee (SDF). If yes, which agency? It was directed that the Hon'ble Tengye Lyonpo and Director, TCB to discuss the matter with the Department of Immigration and the Ministry Foreign Affairs.

TCB was instructed to incorporate these concerns in the online permit roll out proposal and submit it to the Cabinet for approval. Accordingly, TCB submitted the proposal but the Cabinet could not take decision since the current government was nearing its term and the decision being a policy matter, the issues could be submitted to the new government for endorsement.

3.1.20 Tourism Diversification

Under this broad subject, ABTO proposed various recommendation as follows for government to consider.

1. Review of tourism supply strengths and gaps through Tourism Supply Inventory.
2. Develop a product development guideline.
3. Explore opportunities within the popular tourism activity i.e. the culture segment.
4. Diversification of nature and adventure based segment.
5. Development of special interest tours based on changing trends, demands and source market segment.
6. Establish the Bhutan Convention Bureau to harness the potential of MICE segment.

The aforementioned recommendations were deliberated during 7/2 council

meeting and directed TCB to look into all the recommendations and instructed to set up a MICE unit under the Tourism Promotion Division of TCB. The unit will look into the recommendations provided under MICE tourism and start with a list of inventories and other information available at present for MICE including product development guidelines and shared with tour operators and hoteliers. Accordingly, TCB drafted product development guideline by engaging relevant stakeholders in December 2017.

3.1.21 Marketing and Promotion

Promotion of lean season and shoulder months, joint marketing, incentives, identification of new source and emerging markets including development of strategies to increase average length of stay were some the major highlights for establishing the facts in-order to make submission below.

1. Establishment of National Committee for Tourism Promotion and Marketing.
2. Development of Strategy.
3. Marketing and promotional activities based on market intelligence.
4. Public private partnership to achieve strategic objectives of all stakeholders.
5. Identification of promotional and marketing tools including markets.
6. Research and analysis on source markets and their trends.
7. Consultation with private sector stakeholders on market segments, potential and opportunities.
8. Monitoring and evaluation.

The above recommendations were deliberated during 7/2 Council meeting and instructed TCB to develop a strategy for tourism marketing and promotion and submit it to the Council. International platforms such as TED talks could be included as a strategy. Further TCB was instructed to develop a system or a mobile app where a tourist can share feedback and suggestions and study the impact of the Royal visits from other countries to Bhutan and the Royal visits from Bhutan to other countries.

3.1.22 Infrastructure

ABTO proposed following recommendation, which was discussed during 7/2 Council meeting and instructed TCB to study the recommendations for consideration.

1. Assessment of existing tourism related infrastructure.
2. Develop, protect and maintain tourist sites and places of scenic beauty
3. Condition and quality of roads and other access facilities to and at destination
4. Roadside Amenities like rest-rooms, resting places and viewpoints
5. Public finance and PPPs in tourism deficient areas and on major tourism infrastructure

3.1.23 Tourism Statistic

Reliable data, facts and figures play is essential for effective tour operation business planning and making way forward decision including policy intervention. Hence, ABTO proposed government for establishing a reliable statistical database system for tourism sector and make real time data available to industry people. The proposal was deliberated during 7/2 Council meeting whereby TCB was instructed to discuss the proposal with NSB and update council accordingly for endorsement.

3.1.24 Waste Management

ABTO submitted following recommendations, which was deliberated during 7/2 Council meeting.

1. Develop a body to oversee common wastes and litters that impact the tourism industry
2. Efforts should be made to educate and advocate locals and the regional visitors on littering and involve local government officials for waste management advocacy
3. Encourage tour operators to adopt trekking routes.
4. Introduce a price for pet bottles or make the pet bottles valuable for people to return them for recycling.
5. Upward revision of the existing tax deductible marketing expense of 2%

6. Update the list of trekking and adventure equipment regularly for tax waiver list

The Hon'ble Chairman informed the meeting that an official will be appointed in the Prime Minister's Office who will be responsible for monitoring the issue of litter.

It was agreed that tour operators could adopt trek routes and government may reward such tour operators and impose heavy fines to the defaulters.

3.1.25 Department of Immigration

Strengthening working relationship between ABTO and the Department of Immigration (DoI) is crucial for better understanding and promoting the common interest of both the agencies for ensuring travel related formalities, facilitation of tour operation business and travel within the country as DoI being the main regulatory and monitoring government agency. Hence, ABTO proposed bilateral meeting with the new management of DoI on 19th December 2017 wherein ABTO presented some of the areas of common concern and the need to strengthen working relationship between the two agencies towards supporting promotion and development of tourism in Bhutan. The meeting discussed issues related to entry- exit, weekend and long holidays, requirement of focal person at DoI for facilitation, penalising tour operators for visiting place(s) not listed in the approved itinerary, front liners unprofessional services for visitors and the requirement of continuous awareness creation and training to immigration staff including front liners for effective and professional service delivery and the need to have a unique visa sticker stamp in the passport that serves as a memory for visiting Bhutan.

3.1.26 ABTO Membership

The sustenance of ABTO was extensively deliberated in the several council meetings. However, it was during 10/2 Council meeting, TCB generously supported at source collection by facilitating through banks based on the consent from tour operators. The meeting directed TCB to explore possibility of facilitating the request and legality issues and inform the chair accordingly. Based on the directives, TCB communicated with the banks and since there was

no legal issues, TCB informed ABTO to get consent from the members and submit the list along with bank details for facilitating collection. Accordingly, ABTO informed tour operators, started signature campaign and submitted the list to TCB for facilitation. TCB has agreed to provide tour operator-wise arrival list to the banks on a quarterly basis in-order for banks to transfer US\$ 3 per tourist per visit equivalent in Ngultrum from tour operator's account to ABTO accounts as membership fee. Accordingly, ABTO will issue receipt to the concerned tour operator for information and book keeping. The collection will commence from July 2018 based on tour operator-wise quarterly arrival list (April-June 2018) submitted to the banks by TCB.

3.2 Human Resource Development

Human Resource Development (HRD) is one of the priority areas for membership services. Such activity requires advance planning and budgeting, which is currently lacking due to lack of sustainable funding source at ABTO. However, with membership contribution from invaluable members and TCB's support to facilitate collection through banks effective from July 2018, ABTO would be in a better position to prepare HRD plan as required by active members in consultation with them. Nevertheless, ABTO has been instrumental for influencing both internal and external donors through awareness creation, representation and projects. Some of the major highlights are summarised below.

3.2.1 Tourism Coaching Program

ABTO facilitated 16 tour operators to join Tourism Coaching through CBI in 2014. CBI is the Netherlands Centre for Promotion of Imports for developing countries, an agency of the Netherlands Ministry of Foreign Affairs. Since then CBI has been extending support services and skilling to 15 tour operators in areas such as business operation, management, networking, marketing including business to business services in collaboration with TCB and ABTO. The program was successfully implemented and officially closed on 29th June 2018.

3.2.2 Tourism Management Information System

Tourism Management Information System (TIMS) is an integrated tourism management system designed and being developed for the benefit to tour

operation business. The system automates and streamlines almost all records, data analysis and reporting requirements of a tour company while reducing usage of paper and improve efficiency in management and business operation. It has four broad modules such as tour management, accounts, inventory and human resource. 139 people from 93 companies, the system was introduced to 110 companies who attended the event on TIMS. Most of them are engaged for live testing until December 2017. The live testing is necessary to improve the system and also to gain confidence for tour operators who were trained to use the system and bug fixation.



3.2.3 Rural Ecotourism Products and Services

ABTO in-collaboration with TCB, GAB, HRAB, RSPN and NCD through financial support from the Canada Fund for Local Initiatives (CFLI) successfully implemented Rural Eco-Tourism Products and Services (REPS) project. Through this project an online system was developed and currently being used to promote home stays tourism products and services including nearby attractions of Ura, Phobjikha and Haa by developing capacity of 8 community representatives and 4 officials from intermediary agencies for supporting the initiative. Hence, the system is designed and being maintained on a sustainable way by extending

opportunity to rural communities from across the country towards promotion of ecotourism products and at the same time it serves as a communication tool, booking engine and a repository of information for tour operators to develop value added rural tourism products package. Refer www.communitytourism.bt for more information.

3.3 Publications

3.3.1 Festival Program Brochures

The festival program booklets on Thimphu Tshechu (1000 copies), Paro Tshechu (1000 copies), Jambay Lhakhang Drup (500 copies) and Punakha Tshechu (400 copies) were published for sale and distribution on a self-sustenance basis as part of value added services.

3.3.2 Bhutan Travel Directory 2018

1500 copies of annual Bhutan Travel Directory of ABTO for 2018 were published for free distribution without any financial implication from ABTO budget.

3.3.3 Promotional Flyers

Published and distributed in total 1000 copies of TIMS and REPS flyers for promotion. Refer below for more information.

Profiles of Individual Product and Services

Each product and service provider in the community is listed with its description, location, contact numbers, services offered to tourists, overview of the facilities, activities that guests and participate in , attractions near the community, image gallery of the establishment and its facilities and attractions, rates and easy booking options.

Bookings

After reviewing the establishments, booking is made very easy, requiring the client to fill up a very simple form that takes just a few information and clicks.

Partners

The Project partners are the Tourism Council of Bhutan (TCB), Guide Association of Bhutan (GAB), Hotel and Restaurant Association of Bhutan (HRAB), Handicraft Association of Bhutan (HAB), Royal Society for Protection of Nature (RSPN), Nature Conservation Division (NCD) under Department of Forests and Park Services and ABTO. The partners will work together to guide the overall management and sustenance of the project.



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Rural Eco-tourism Products and Services



Background

There are plenty of rich nature and culture tourism resources in rural communities but the products are either not made aware of or promoted adequately. Therefore, tourist arrivals in these communities are significantly low, which is not very encouraging for the communities to take advantage of tourism based livelihood. Consequently the communities lose confidence and are not encouraged to invest their efforts to tourism related activities any further.

The communities on the one hand have generally little or no resources as well as capacity to promote and market their products and services, while on the other hand tour operators and tourists have inadequate or no knowledge of the existence of these products and services offered by the rural communities. Therefore, chances are that most of these tourism offers remain obscure and untapped.

Overview of the Project

ABTO with support from the **Canada Fund for Local Initiatives** took up the Project to create an ICT platform to showcase rural community tourism products and services for promotion through tour operators. This is expected to bridge the gap and help rural providers and clients to congregate online and mutually translate these products and services into viable and profitable tourism business. The proposed system is developed as part of ABTO website (www.abto.org.bt) interface for visibility, effective marketing and creating immediate impact on the project since tour operators are familiar with

Overview

TIMS is an integrated tourism management system designed to streamline tour operators. The TIMS system with seamlessly integrated modules helps automate and streamline almost all records, data analysis and reporting requirements of a tour company while significantly reducing usage of papers. TIMS will be a fully integrated package having seamless flow of information among different sections of your tour company. It is expected to completely automate and streamline operation of your tour company.

Specific Benefits

- Your operation will have following benefits of using the system but not limited to:
- Secure and centrally managed software system.
 - No need to maintain IT Dept.
 - No requirement to invest in high-end servers, computers and related server software.
 - Not required to invest in expensive back-up solution.
 - Not required to invest in Firewall (This is not really TIMS requirement but a business wise threat is always recommended).
 - Accessible from anywhere and any device (cloud based system).
 - Continuous maintenance and up-gradation of the system to keep up with technologies, laws and regulations without any cost.
 - Professional management and operation of business.
 - Office automation (reduce use of papers, forms, communication, etc.)
 - Access to advanced analytics and business intelligence reports.
 - Reduced time/cost for software, installation, maintenance, communication, etc.
 - Reduced e-waste considerably in the long run.
 - Repository of information and one window platform for the performance of tour operation business.

Overall Benefits



Modules of the System



Hosting

- TIMS is hosted in a cloud hosting plan with:
- Unlimited Disk Space
 - Unlimited Bandwidth
 - SSD (Solid State Drive) Storage
 - Dedicated IP Address
 - 24x7 Data Center (Singapore/India)
 - Available CPU & Core
 - Available Memory RAM
 - CodeGuard Data Backup and Restore
 - Secure Security (Mal Scan and malware removal, data scanning)

Security Features

- Extended Validation Security Socket Layer (EV SSL)
- Steady, the global leader in website security, protects you from hackers, spam, viruses and worms, removes malware, and provides PCI Compliance.
- COMODO Secure - certificate to secure online transactions for customers.

Overview of the System

Login



TIMS Menu



Menus

Groups page

New Program

Tour Reports

Reports with charts

Accounts Module

Accounts - Reports Menu

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WITH FUNDING FROM
AUSTRIAN
DEVELOPMENT
COOPERATION



Tourism Information and Management System

Overview

TIMS is an integrated tourism management system designed for Bhutanese tour operators. The ERP system with seamlessly integrated modules helps automate and streamline almost all records, data analysis and reporting requirements of a tour company while significantly reducing usage of papers.

TIMS will be a fully integrated package having seamless flow of information among different sections of your tour company. It is expected to completely automate and systematize operation of your tour company.

Benefits

It makes tour operation much more dynamic through effective use of your company's resources, streamlining administrative functions for higher efficiency and productivity, higher visibility, and easy overview of your tour company's operations to facilitate better planning and decision making processes.

It is a great tool to spot areas where savings can be made, operations streamlined, and opportunities lost due to lack of overall integrated view.

As a cloud based system it is accessible from anywhere and from any platform. Ultimately an APP for the system will be developed for its provisions and features to be used through smart phone/ tablets and enable instant important alerts.

3.4 Financial Report- 2017

3.4.1 Income and Expenditure Statement

ASSOCIATION OF BHUTANESE TOUR OPERATORS		
INCOME AND EXPENDITURE STATEMENT		
For the period ending 31/12/2017		
PARTICULARS	SCHEDULE	AMOUNT (Nu.)
INCOME:		
Opening Balance		830,660.31
Subscription Fees	1	2,987,699.00
Registration Fees	2	55,500.00
Sale of Brochures	3	54,250.00
Project Fund	4	700,000.00
Others	4	71,163.51
Interest from Fixed Term Annuity	5	1,350,000.00
TOTAL INCOME		6,049,272.82
EXPENDITURE:		
	6	
1. Pay & Allowances		3,252,003.00
1. Wages		35,000.00
2. Utilities		382,958.13
3. POL Expenses		225,106.89
4. Rental		252,000.00
5. Supplies & Materials		361,195.00
6 Repairs & Maintenance of Property		21,375.00
8. Annual General & Other Meetings		525,014.00
9. Travel		12,800.00
10. Subscription		7,665.00
13. Bank Charges		150.00
16 Depreciation	7	75,960.68
17. Refund		728,216.00
TOTAL EXPENDITURE		5,879,443.70
Defecit/Surplus		169,829.12


 (Tshering Wangmo)
Finance Officer


 (Sonam Dorji)
Executive Director



3.4.2 Balance Sheet

ASSOCIATION OF BHUTANESE TOUR OPERATORS STATEMENT OF AFFAIRS

As at 31st December 2017

PARTICULARS	SCHEDULE	AMOUNT (Nu.)
ASSETS:		
NON-CURRENT ASSETS:	7	
Office Equipment		157,606.13
Furniture & Fixture		100,722.76
Vehicle		172,114.96
Investment: Annuity Scheme (RICBL)		15,000,000.00
TOTAL NON-CURRENT ASSETS		15,430,443.86
CURRENT ASSETS:		
Cash		7,748.54
Bank (Bhutan National Bank Ltd.)		75,140.12
Advances	8	346,132.74
TOTAL CURRENT ASSETS		429,021.40
TOTAL ASSETS		15,859,465.26
LIABILITIES:		
General Fund:		
Surplus from 2000-2016	9	15,689,636.14
Deficit/Surplus for the Year		169,829.12
TOTAL LIABILITIES		15,859,465.26


(Tshering Wangmo)
Finance Officer


(Sonam Dorji)
Executive Director



4 PART B: Planned Activities for 2018

4.1 Operational Matter

1. Listing of places in Tashel system
2. Tourism Industry status
3. Tax Incentive (marketing, vehicle and trekking equipment)
4. Incentive for repeated tour leaders
5. Training provider registration for supporting development of human resource activity for travel companies.
6. Regional tourism
7. Trash/Litter
8. Pack pony services
9. Dog Issues
10. Tourism conference

4.2 Human Resource Development

Build up capacity of at-least 15 people as trainers from relevant stakeholders including guide training institute on mountain rescue services and organise workshop to 25 guides for awareness creation towards supporting mountain rescue services through financial support from Austrian Coordination Office (ACO).

4.3 Project

1. The capacity building project on *Mountain Rescue Services (MRS)* aimed at promoting safety in tourism through building capacity as training of trainers and awareness creation to industry people by November 2018.
2. Enhancement of Tourism Information Management System, an ongoing project for tour office automation.
3. Enhancement of Rural Eco-tourism Product and Services (REPS), an ongoing project for updating and uploading additional rural tourism product, packages and services.
4. Enhancing the Welfare of Underprivileged Women in Bhutan through Capacity Development and Showcasing Rural Bhutanese Way of Life is a 7 months' project proposed to Canada Fund for Local Initiatives (CFLI). The

aim of the project is to showcase rural Bhutanese way of life as community tourism products and packages for promotion through tour operators. The implementation is subject to approval of the project.

4.4 Publication

The main publication includes Punakha Tshechu booklet, Paro Tshechu booklet, Thimphu Tshechu booklet, Bhutan Travel Directory 2018, Safety Guidelines and TIMS user manual.

5 Work Plan 2018

Activity	Jan-Feb	Mar-Apr	May-June	Jul-Aug	Sep-Oct	Nov-Dec
Operational						
Listing of places in Tashel system						
Tourism Industry status						
Tax Incentive						
Incentive for repeated tour leaders						
Training provider registration						
Regional tourism						
Trash/Litter						
Pack pony services						
Dog Issues						
Tourism Conference						
HRD Programme						
Projects						
Mountain Rescue Services (MRS)						
TIMS						
REPS						
Rural Life tourism product development and promotion						
Publication						
Punakha Tsechu Booklet						
Paro Tshechu Booklet						
Thimphu Tshechu Booklet						
Bhutan Travel Directory 2019						

