



Press Release

Bhutan expands its tourist incentives for visitors, with the daily Sustainable Development Fee reduced by 50% for another four years, until 2027

The lower SDF will benefit Bhutanese people and the many environmental, social, infrastructure projects funded by the tourism levy

(August 26, 2023: Thimphu, Bhutan): The Royal Government of Bhutan is pleased to announce additional incentives and policy measures to boost its tourism sector, introducing a 50% reduction on its tourism levy, known as the daily Sustainable Development Fee (SDF). Bhutan's commitment to high value, low volume tourism is underscored by its SDF, which is now USD 100 per person, per night (down from USD 200 per person per night). The new, lower levy will be in effect until September 2027.

The change was made in view of the important role of the tourism sector in generating employment; earning foreign exchange; realizing the potential for spillover benefits for ancillary industries; boosting overall economic growth; and funding important environmental, social and infrastructure projects.

The new incentives and measures shall consist of the following:

1. A fifty per cent (50%) reduction will be granted on the prevailing SDF of USD 200 for US Dollar-paying guests visiting Bhutan. The effective SDF with the discount will be USD 100 per person per night for US Dollar paying tourists.
2. In addition, a fifty per cent (50%) reduction on the SDF shall be granted on the rates applied to children aged between 6 and 12 years for US Dollar-paying children visiting as tourists. The effective SDF with the discount for children will be USD 50 per person per night for US Dollar-paying tourists. Children who have not yet turned six years old are eligible to visit Bhutan without paying any SDF.
3. The 24 hours SDF waiver for tourists staying in the border towns shall continue.

The above incentives will come into effect from Friday, 1 September 2023 and shall remain effective for four years until 31 August 2027.

Any guests who have already paid the SDF for their upcoming visit to Bhutan are eligible for refunds on any excess SDF amounts paid.

Commenting on the incentives, Dorji Dhradhul, the Director General of the Department of Tourism Bhutan, said: "While the global community continues to heal from the impacts of the Covid-19 pandemic, the conflict persisting in Europe, and the challenges related to the cost of living that are impacting important markets for us, we have listened to the voices of our valued guests, as well as our colleagues in the industry and our global travel partners. As a result, we have taken the decision to temporarily lower our Sustainable Development Fee (SDF) with the aim of revitalizing our tourism sector. Similar to our nation itself, our approach to our tourism policy stands out for its uniqueness. We acknowledge the necessity of embracing



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change and occasionally refining both our policies and strategies to better match prevailing market conditions. The lower SDF represents a great opportunity for more people to visit our beautiful kingdom in the future, which will benefit our people as well as the many projects that are funded by the SDF.”

Bhutan started welcoming foreign tourists in 1974, and guests to Bhutan have always been required to pay a Sustainable Development Fee as part of Bhutan’s ‘High Value, Low Volume’ tourism policy. Funds from the SDF go to the government exchequer and are invested in a range of projects that are designed to support Bhutan’s preservation and progress, and ensure that Bhutan never becomes a mass tourism destination. The projects funded by the SDF include the provision of free healthcare and education for all Bhutanese; a range of sustainability and conservation projects; cultural preservation programmes; infrastructure upgrades; youth development programmes, and more.

Since January 2023, Bhutan has received almost 60,000 guests (including USD and INR paying tourists), which matches what was forecasted for 2023 arrivals. Bhutan’s main source markets are India, the United States, UK, Australia, Germany, Malaysia, France, Singapore, Vietnam and China, among others. It is expected that Bhutan’s tourism numbers will rebound to pre-pandemic figures in 2025.

In June 2023, Bhutan also announced other incentives designed to help stimulate the tourism sector. These have been revoked with the introduction of the new 50% incentive.

SDF fees are paid by guests at the time of visa application. Visas can be applied for at the Department of Tourism’s website: <https://bhutan.travel/visa>

The Royal Government shall conduct periodic assessments of the domestic and international tourism scenarios and may discontinue the above incentives to uphold and promote High Value Low Volume Tourism Policy of Bhutan after 31 August 2027.

For more information, visit www.bhutan.travel

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About the Department of Tourism

The Department of Tourism of Bhutan is responsible for the development and promotion of sustainable tourism in Bhutan. It works to share the Kingdom’s remarkable places, people and experiences with conscious travellers, guided by the principles of high value, low volume tourism.

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