

**Embassy of India
(Thimphu)

Economic and Commercial Report for the month of September, 2022

1. Bhutan's Trade Volume with India during the period April – June 2022 (Source: Bhutan Trade Statistics, RGoB)

	Total Trade (in cr)			Exports (in cr)			Imports (in cr)		
	April-June 2022	April-June 2021	% Growth Y-O-Y	April-June 2022	April-June 2021	% Growth Y-O-Y	April-June 2022	April-June 2021	% Growth Y-O-Y
Bhutan's Trade with India (including electricity)	3643.93	2775.16	31.31	1220.42	1257.51	-2.95	2423.5	1517.64	59.69
Bhutan's Trade with India (excluding electricity)	3040.24	2177.01	39.65	616.74	662.59	-6.92	2423.5	1514.42	60.03
Trade in Electricity	603.69	598.14	0.93	603.69	594.92	1.47	0.00	3.22	-99.97
Trade Balance including electricity	1203.08 (In India's favour)								
Trade Balance excluding electricity	1806.77 (In India's favour)								

2. Bhutan's Trade Volume with countries other than India during the period (Source: Bhutan Trade Statistics, RGoB)

	Total Trade (in cr)			Exports (in cr)			Imports (in cr)		
	April-June 2022	April-June 2021	% Growth Y-O-Y	April-June 2022	April-June 2021	% Growth Y-O-Y	April-June 2022	April-June 2021	% Growth Y-O-Y
Bhutan's Trade with rest of the world	1410.6	545.1	158.8	245.41	128.61	90.8	1165.17	416.49	179.8
Trade Balance	(919.76)								

3. Bhutan's Overall Trade Volume during the period April – June 2022 (Source: Bhutan Trade Statistics, RGoB)

	Total Trade (in cr)			Exports (in cr)			Imports (in cr)		
	April-June 2022	April-June 2021	% Growth Y-O-Y	April-June 2022	April-June 2021	% Growth Y-O-Y	April-June 2022	April-June 2021	% Growth Y-O-Y
Bhutan's Overall Trade (including electricity)	5054.5	3320.2	52.2	1465.84	1386.12	5.8	3588.68	1934.13	85.5
Bhutan's Overall Trade (excluding electricity)	4450.8	2722.1	63.5	862.15	791.2	9.0	3588.68	1930.9	85.9
Trade Balance including									

electricity	(2122.84)
Trade Balance excluding electricity	(2726.53)

4. Top Ten commodities of Imports from India during the period April-June 2022 (in cr) (Source: Bhutan Trade Statistics, RGoB)

S.No	BTC Code	Particulars	April-June 2022	April-June 2021	% Growth	% of share of Total Global Import
1	2710.19.15	Other light oils and preparations (HSD)	255.02	140.31	81.76	10.52
2	2704.00.10	Coke and semi-coke	106.82	51.35	108.01	4.41
3	2710.12.10	Motor spirit (gasolene) including aviation spirit (petrol)	75.31	41.33	82.24	3.11
4	4402.90.00	Other (Wood Charcoal)	65.09	42.97	51.45	2.69
5	1006.30.00	Semi-milled or wholly milled rice, whether or not polished or glazed	57.14	72.62	-21.31	2.36
6	7203.10.00	Ferrous products obtained by direct reduction of iron ore	44.54	6.84	551.27	1.84
7	1507.90.00	Other (Soya-bean oil and its fractions, whether or not refined, but not chemically modified.)	42.68	51.84	-17.67	1.76
8	8704.21.00	Motor vehicles for the transport of goods: g.v.w. not exceeding 5 tonnes	38.57	16.74	130.36	1.59
9	8410.13.00	Hydraulic turbines, water wheels, and regulators therefor Of a power exceeding 10,000 kW	37.42	1.68	2123.51	1.54
10	2713.20.00	Petroleum bitumen	35.42	9.91	257.29	1.46

5. Top Ten commodities of Exports to India during the period April-June 2022 (in cr) (Source: Bhutan Trade Statistics, RGoB)

S.No	BTC Code	Particulars	April-June 2022	April-June 2021	% Growth	% of share of Total Export to India
1	7202.21.00	Containing by weight more than 55% of silicon	355.02	382.01	-7.07	57.56
2	7202.30.00	Ferro-silico-manganese	54.62	56.58	-3.46	8.86
3	2518.10.20	Dolomite, not calcined or sintered, chips	39.68	27.35	45.1	6.43

4	2202.99.90	Nonalcoholic Beverages, Others (including Milk-based Drinks)	20.55	6.63	209.72	3.33
5	2518.10.30	Dolomite, not calcined or sintered, lumps and slabs	20.01	20.96	-4.54	3.24
6	2523.29.10	Ordinary portland cement	15.38	16.62	-7.45	2.49
7	0908.31.00	Cardamoms- Neither crushed nor ground	13.8	20.87	-33.87	2.24
8	2849.20.00	Carbides, whether or not chemically defined of silicon	13.59	7.98	70.26	2.2
9	2520.10.00	Gypsum; anhydrite	10.54	9.14	15.41	1.71
10	2523.29.30	Portland pozzolana cement	9.05	36.84	-75.43	1.47

6. **Top Ten commodities of Imports from countries other than India during the period April – June 2022 (in r)**
(Source: Bhutan Trade Statistics, RGoB)

S.No	BTC Code	Particulars	April-June 2022	April-June 2021	% Growth	% of share of Total Import from Countries other than India
1	8471.50.00	Processing units other than those of subheading 8471.41 or 8471.49, whether or not containing in the same housing one or two of the following types of unit : storage units, input units, output units	529.85	173.88	204.72	45.47
2	3002.41.00	Vaccines for human medicine	54.35	N.A	N.A	4.66
3	2602.00.00	Manganese ores and concentrates, including ferruginous manganese ores and concentrates with a manganese content of 20% or more, calculated on the dry weight	51.14	N.A	N.A	4.39
4	8523.80.90	Media, recorded, incl. matrices and masters for the production of discs (excl. magnetic, optical and semiconductor media, and products of chapter 37	33.15	0.05	N.A	2.84
5	8471.30.00	Portable automatic data processing machines, weighing not more than 10 kg, consisting of at least a central processing unit, a keyboard and a display	29.74	20.86	42.58	2.55
6	8517.13.00	Smartphones	19.83	N.A	N.A	1.70
7	2619.00.00	Slag, dross (other than granulated slag), scalings and other waste from the manufacture of iron or steel	18.87	2.23	744.59	1.62

8	8517.62.00	Machines for the reception, conversion and transmission or regeneration of voice, images or other data, including switching and routing apparatus	15.50	7.83	97.99	1.33
9	8517.61.00	Base stations of apparatus for the transmission or reception of voice, images or other data	15.18	4.93	207.86	1.30
10	8430.31.00	Self-propelled coal or rock cutters and tunnelling machinery (excluding hydraulically operated self-advancing supports for mines)	11.89	N.A	N.A	1.02

7. **Top Ten commodities of Exports to countries other than India during the period April-June 2022 (in cr)/(Source: Bhutan Trade Statistics, RGoB)**

S.No	BTC Code	Particulars	April-June 2022	April-June 2021	% Growth	% of share of Total Export to Countries other than India
1	7202.21.00	Containing by weight more than 55% of silicon	84.3	12.03	600.58	34.35
2	2516.90.10	Boulders	37.41	48.81	-23.35	15.25
3	2517.10.00	Pebbles, gravel, broken or crushed stone, of a kind commonly used for concrete aggregates, for road metalling or for railway or other ballast, shingle and flint, whether or not heat-treated	32.67	19.08	71.27	13.31
4	0908.31.00	Cardamoms- Neither crushed nor ground	26.94	19.85	35.66	10.98
5	2521.00.90	Limestone and other calcareous stone	16.34	6.74	142.29	6.66
6	7202.30.00	Ferro-silico-manganese	13.83	0.55	2431.2	5.64
7	1211.90.50	Cordyceps sinensis (yertsha gein bhup)	6.82	1.81	277.33	2.78
8	0908.11.00	Nutmeg- Neither crushed nor ground	2.68	N.A	N.A	1.09
9	0910.11.00	Ginger- Neither crushed nor ground	2.27	0.31	627.48	0.92
10	2518.10.10	Dolomite, not calcined or sintered, Powdered	2.19	2.03	8.34	0.89

9. **Border - trade point wise trade with India during the period April-June 2022 (in cr) (Source: Bhutan Trade Statistics, RGoB)**

Region/Checkpost	Export to India	Import from India	Total trade	Percentage share of total trade with India
Gelephu	27.84	234.14	261.98	8.62
Paro	0	3.16	3.16	0.1
Phuentsholing	369.66	1836.67	2206.33	72.57
Samdrupjongkhar	132.76	251.14	383.91	12.63
Samtse	86.48	97.13	183.61	6.04
Thimphu	0	1.25	1.25	0.04

10. Border-trade point wise trade with rest of world during the period April – June 2022 (in cr) (Source: Bhutan Trade Statistics, RGoB)

Region/Checkpost	Export to other countries	Import from other countries	Total trade	Percentage share of total trade with rest of world
Gelephu	20.09	0	20.09	1.42
Paro	1.68	175.26	176.94	12.54
Phuentsholing	144.41	898.07	1042.48	73.9
Samdrupjongkhar	30.35	3.42	33.77	2.39
Samtse	42.94	8.77	51.71	3.67
Thimphu	5.95	79.65	85.6	6.07

11. **Trade Policy development (TBT/SPS/Anti dumping etc.)** : NIL during the period

12. **Tender information :**

Information on tender Notice for projects and procurement of interest to Indian project exporters/suppliers (USD 15 million & above)

Sl. No.	Tender/procurement notice no. and date	Sector	Value of tender/procurement
	NIL during the period		

13. Development -

1. **Bhutan unveils new national brand: 'Believe'**

For a transformative tourism sector, the new brand Bhutan with the tagline 'Believe' was unveiled on 22 September by the Tourism Council of Bhutan (TCB). Under the banner brand Bhutan, the tourism strategy will be focusing on the enhancement of Bhutan's sustainable development policies, infrastructure, and services upgradation and elevation of guest experiences. With the new brand, Bhutan will no longer have a separate destination brand Bhutan-Happiness is a place. The new tagline "Believe" reflects the determined focus on the future. The Prime Minister said the new Brand Bhutan will ensure that the communities and streets are clean and safe, the environment protected and cherished and that Bhutan has everything it needs in place.

2. **Bhutan reopens for tourists from September 23**

After a two-year pandemic break, Bhutan is now open to international tourism without quarantine from September 23. Bhutan will now levy a 'sustainable development fee' of \$15 (Rs 1,200) per person per day for Indians and \$200 (Rs 16,000) per person per day for other nationalities. Every Indian and Bangladeshi has to pay the Sustainable Development Fee (SDF), which costs Rs 1200 per day per person. They also have to pre-register at the border (<https://bms.doi.gov.bt>), which generates a QR Code and people will have to show this QR Code at the terminal for scanning.

As per Tourism Council of Bhutan (TCB), 737 tourists arrived in the country from 23 – 30 September 2022. A total of 183 tourists who arrived in the country are paying the full USD 200 Sustainable Development Fee (SDF), with 384 guests paying the old SDF of USD 65, and 170 guests paying the SDF of Nu 1,200.

3. **India relaxes norms to allow import of arecanut from Bhutan**

India has allowed the import of green (raw) areca nut from Bhutan without the minimum import price (MIP), which was Nu 251 per kg. Bhutan can now export 17,000 metric tonnes (MT) of fresh areca nuts to the Indian market every year. The department of commerce, ministry of commerce and industry, India announced this policy change on September 28. However, this is allowed only through Jaigaon Land Customs Station (LCS).

4. **Consumer Price Index, August 2022**

The price of consumer goods and services in August 2022 was 5.60 percent costlier than the same month last year, however, the year-on-year rate has dropped compared to the previous month which recorded 6.61 percent. Food prices contributed to 44 percent of the overall inflation, recording 5.20 percent increase while non-food went up by 5.95 percent contributing to 56 percent of the overall inflation. Both food and non-food recorded lower rate of increase compared to previous month of July.

Month-on-month CPI in August decreased by 0.72 from July with both food and non-food decreasing by 0.60 percent and 0.83 percent respectively. Drop in food price was due to decrease in price of vegetables and fruits while drop in non-food was associated with the drop in price of fuel (petrol and diesel) by around 14 percent.

5. INR reserve below central bank's required threshold

Bhutan's rupee reserve (INR) has dropped below the central bank's required threshold of INR 10 billion (B) for all time to come. From March this year to June, the reserve has plunged by over 50 percent. The reserve was at INR 20.38B in March and fell to INR 9.68B by June, according to the Royal Monetary Authority's provisional figure.

The available reserve can meet only 1.4 months of the essential imports. It was mainly because the imports from India doubled in the same period. Imports from India increased to Nu 24.24B in the second quarter (April to June) from Nu 16.04B in the first quarter (January to March). This has also increased Bhutan's trade deficit with India from Nu 8.48B in the first quarter to Nu 12.03B in the second quarter. If there was no increase in the export to India by Nu 4.65B in the same period, the deficit could have been much higher. Bhutan also has to pay INR for the external debt with India. The country's INR debt as of June this year stands at INR 155.4B.

To save the country's foreign currency reserve, the finance ministry put a moratorium on the import of vehicles from August this year. This could save the country around INR 4B in a year.

6. Bhutan is 127th on human development index

Bhutan has been ranked 127th out of 191 countries in the United Nations Development Programme's (UNDP) Human Development Index (HDI). The 2022 report was launched yesterday. Bhutan's ranking has moved up by two ranks from 129 from the previous year.

Bhutan is among some of the countries that have improved their standings. There has been a consistent rise across all human development indicators that include life expectancy, education, and gross national income. Among the SAARC countries, Sri Lanka and the Maldives are ranked above Bhutan, 73 and 90, respectively. Bhutan falls under the medium human development category together with neighbouring countries like India, Bangladesh, Nepal, and Pakistan.

BILATERAL

Bhutan:Bangladesh:

1. 8th Commerce Secretary Level Meeting

The 8th Commerce Secretary Level Meeting (CSLM) between the Royal Government of Bhutan and the Government of the People's Republic of Bangladesh was convened from 13-14 September 2022, in Dhaka, Bangladesh. The CSLM reviewed the progress in the areas of trade and economic cooperation since the last CSLM held in 2019. Both sides noted that trade and economic cooperation had been adversely affected by the pandemic and committed to work towards the strengthening of bilateral trade and economic cooperation.

The meeting, among others, 1) Endorsed the Agreement on Movement of Traffic-in-Transit and its Protocol for signing; 2) Endorsed the renewal of the MoU on the use of inland waterways 3) Endorsed the signing of the amended SoP with regard to the MoU on the use of inland waterways 4) Endorsed to proactively enforce the Preferential Trade Agreement; 5) Agreed to issue necessary notifications for the use of Sonarhat, Gobraura, Koraitoli and Akhaura by Bhutan and 6) Agreed to enhance engagements among trade associations, in standards and certification matters, in agriculture through the renewal of existing MoUs, in tourism through the existing MoU and in trade facilitation.

2. The amended Standard Operating Procedure (SOP) for the MoU on the Use of Inland Waterways between the Royal Government of Bhutan and the Government of the People's Republic of Bangladesh was signed on September 15 2022, in Dhaka, Bangladesh. The amended SoP designates Aricha, Chilmari, Sirajganj, Mongla, Chattogram and Payra Port as the new ports of call for use by Bhutan. Bahadurabad was also agreed as an extended port of call of Chilmari. Earlier, there was only one port of call designated for use by Bhutan.

The amended SOP is expected to provide alternative transit routes and modes of transportation (with increased ports of call) for export and import. It will also help to promote, facilitate, expand and deepen trade relations between Bhutan and Bangladesh and be complementary to the Preferential Trade Agreement that came into effect from July 1, 2022.

Trade Fair/Seminar :

S. No.	Nature of activity (trade research, information dissemination, seminars etc.)	Details (date, venue and number participants; copy of research t sent to DOC)
1	6 th IEEMA Reverse Buyer Seller meet in ELECRAMA 2023-18-22 February 2023 at India Expo Mart Ltd., Delhi NCR, India	Information on these events was disseminated to Business Chambers of Commerce, sector Associations and the Royal Government of Bhutan.
2	National MedTech Expo 2022, from 08-10 December 2022 at Pragati Maidan, New Delhi	
3	India Steel 2023 from 20-22 February 2023 at Mumbai Exhibition Centre, Mumbai	
4	6 th Edition of Advantage Healthcare India 2023 from 20-22 February at Pragati Maidan, New Delhi	
5	9 th edition of SVUM 2022 International Trade Show at Rajkot from 16-20 December 2022	
6	India Electronic Expo (INDEE), an international B2B Networking Meet” during 27-29 March 2023 at Pragati Maidan, New Delhi	
7	India ITME 2022, 11 th Edition – 8 – 13 December 2022, Greater Noida, India	
8	11 edition of Stonemart 2022 International Stone Industry Exhibition from November 10-13, 2022 at Jaipur, India	

16. Trade query :

S. No.	Enquiry originator	Product (with HS Codes)	Nature(Import/export) and values (\$ mln)	Action taken
	74 nos of enquiries from Indian manufactures/ exporters were handled during the month of September 2022.	Pharmaceutical, Hardware, tiles, agro products, readymade garment, etc	Export from India	Contact details of Bhutanese importers /dealers were provided by the Mission and in some cases the Embassy forwarded the query to Bhutan Chamber of Commerce and Industry (BCCI).