

**Embassy of India
(Thimphu)

Commercial Report for the month of February, 2023

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.):** (1) Import of live pigs and pork products into Bhutan has been banned w.e.f. 27 July 2022 to prevent introduction of African Swine Fever (ASF).

Based on request from APEDA, Mission has been following up with Bhutan government authorities to permit import of pork products from M/s Mayur Piggery Farm located in Pune, along with documentary evidence to prove that there are no reports of ASF in pigs from M/s Mayur Piggery Farm.

(2) The Royal Government of Bhutan has banned the conduct of consumer trade fairs and general fairs that involve external parties and imported goods with effect from 23.12.2022. Only thematic fairs meant for promoting local goods and services and for export purposes will be allowed with prior approval from the Royal Government of Bhutan.

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 -

INTERNAL

1. The 5th Bhutan-India High Impact Community Development Project Committee (HICDP) Meeting was held on 28th February in Thimphu. The Committee reviewed progress of 524 Projects being implemented across 20 Dzongkhags and 4 Thromdes in Bhutan. INR./Nu. 8.5 billion has been earmarked for implementation of High Impact Community Development Projects (HICDPs) in the 12th FYP.
2. 25th February 2023: Government of India has extended a grant assistance of INR/Nu 2 billion for the Gyalsung Infra Project. This grant assistance will be used for the De-suung for Gyalung program as a special India-Bhutan Friendship Project. H.E. Sudhakar Dalela, Ambassador of India, presented the first tranche of grant assistance of INR 1 billion to the Project Director of Gyalsung Infra.
3. 20.02.2023: The overall unemployment rate for Bhutan in 2022 is estimated at 5.9 percent which is an increase by 1.1 percent as compared to 4.8 percent in 2021. According to the report, the first high unemployment rate of 5.0% was observed in 2020, which could be attributed to COVID-19 pandemic where it has greatly reduced the employment opportunities for those unemployed as the businesses and service sectors remained closed. It was further aggravated by the oversea returnees and those laid off employees by the affected sectors
4. 17.02.2023: The ministry of finance (MoF) imposed a moratorium on import of selected vehicles on August 18, 2022. The existing moratorium on the import of vehicles extended by six months from 18th February to 18th August, 2023. In order to uphold the Constitutional provision of maintaining a minimum foreign exchange reserve adequate to meet the cost of not less than one year's essential import .
5. 09.02.2023: Revised Food and Nutrition Security Policy to be implemented in 13th FYP. If everything goes as planned, the agriculture and livestock sectors could contribute about 8% of the country's GDP annually. Currently, the sector contributes only about 3% of GDP growth rate.
6. 07.02.2023: The Royal Government of Bhutan's Ministry of Finance (MoF) forecasts that this year, the country's economy will expand on average by 5% over the medium term. The recovery in services, manufacturing, and hydropower will be the main drivers of the growth.
7. 07.02.2023: Druk Green Power Corporation (DGPC) has asked for a loan from the Power Finance Corporation (PFC), Rural Electrification Corporation (REC), and other financial institutions of India to finance 600MW Kholongchhu Hydro Energy Limited (KHEL). Nu 4.5B was spent on the project so far. The project's total cost is estimated at Nu 54.4B at the 2020 price level. The first joint-venture hydropower company, KHEL, is now dropped.
8. 06.02.2023: The Ministry of Finance, Royal Government of Bhutan is projecting a budget outlay of Nu 72 billion for the fiscal year 2023–2024. Nu 41 billion of the total estimated budget will be used for recurrent costs, and the remaining Nu will be used for capital budget.
9. 06.02.2023: Bhutan will need to import 500 MU of winter electricity this year, double the amount imported last year, and the cost of imports could be around Nu 1.6 billion based on consumption in January

2023, as Bhutan continues to witness an increase in energy needs. In January 2023, the country purchased 88 MU of power from the Indian Energy Exchange (IEX) at the cost of Nu 292 million (mn), which is Nu 3.3 per unit of electricity.

10. The 40-bedded Jigme Dorji Wangchuck Military Hospital (JDMH) in Dewathang, Samdrupjongkhar was inaugurated on 5th February, 2023 by Finance Minister of Bhutan. The ceremony was also attended by Deputy Chief of Mission, Embassy of India, Thimphu. The new hospital will benefit the the two neighbouring districts of Trashigang and Pemagatshel. The project was initiated in 2016 with a budgetary support of Nu 511 M from the Government of India.

11. Bhutan received Indian rupees (Rs) 2,400 crore in aid from India's Finance Minister Nirmala Sitharaman's Union Budget declaration on February 1, 2023, a slight increase from last year's Rs 2,266 crore. This accounts for 41.04% of development assistance provided by India's Ministry of External Affairs (MEA) and is the highest among other countries.

12. The Government of India is supporting the Royal Government of Bhutan with the establishment of a third international internet gateway, an optical fibre backbone, and a peering arrangement between India's National Knowledge Network (NKN) and Bhutan's Druk Research and Education Network (DrukREN). India is also contributing Nu 1.98 billion to support Bhutan's digital transformation through several people-centric projects.

13. February 01 2023: As of December 2022, Bhutan's external hydro power debt has increased compared to that of September, 2022. The debt stood at Nu 164.4bn constituting 69.2% of the total external debt and 80.1% of the Fiscal Year (FY) 2022-23 Gross Domestic Product (GDP) estimate. The hydro debt comprises the debt stock of six hydro-power projects.

14. 3rd February 2023: With 87.75% of the project completed, the 118th MW Nikachhu Hydropower Project in Trongsa is expected to commission by December this year. The cost of the project is likely to increase to Nu. 13Billion. The tariff as per Power Purchase Agreement with Power Trading Company India Ltd is Nu. 330/Kwh.

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	7 th FarmTech Asia from 22 – 24 September 2023 in Bhopal, Madhya Pradesh	Information on these events was disseminated to Business Chambers of Commerce (<i>BCCI is an apex body of private business communities in Bhutan</i>)
2	3 rd Edition of International SME Convention – 19-21 March 2023, New Delhi	

16. Trade query :

S. No.	Enquiry originator	Product (with HS Codes)	Nature(Import/export) and values (\$ mln)	Action taken

	72 nos of enquiries from Indian manufactures/ exporters were handled during the month of February 2023.	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).
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