

**Embassy of India  
(Thimphu)  
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**Economic and Commercial Report for the month of October, 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
1	Supply, Installation and Commissioning of a Liquid Nitrogen Plant at Regional Livestock Development center, Kanglung, Trashigang, Bhutan, 24 October 2022	Animal Husbandry	USD 45,000

13. **Development -**

1. Ambassador inaugurated the India Pavilion at the 11th Bhutan Construction & Wood Expo on architecture, building, construction & design which was held from 14 – 17 October, 2022 in Thimphu. He interacted with over 60 Indian and Bhutanese companies at the Expo and discussed ways to strengthen bilateral economic cooperation.
2. During the virtual meet the press on 14 October, the Prime Minister of Bhutan said that the main strategy to protect Bhutan's convertible currency reserves is to obtain loans from international financial institutions and bilateral partners, He added that the best projects in Bhutan are renewable energy projects such as solar power and small and medium hydropower.
3. Responding to concerns surrounding depleting foreign reserve, Prime Minister of Bhutan (Dr.) Lotay Tshering told the press on 14 October 2022 that there are still around USD 850 million as reserve against the requirement of USD 668 million. Lyonchhen said while the current reserve is not a comfort, the reserve is still on the positive side. The moratorium on vehicle import and the reopening to tourism have also helped maintaining the reserve. According to Lyonchhen, if the situation does not improve, import ban on non essentials will also be implemented.
4. Between September 5 and October 25 this year, 2,571 metric tonnes (MT) potatoes (worth INR 6.3 crore) and 917 MT of other vegetables (worth INR 1 crore) were exported to India, for which INR 8.5 crore were received. Pursuant to Article 24 of the Foreign Exchange Regulation 2020 (FERR), Bhutanese exporters have been issued an RMA directive that from September 5 this year, all receipts with respect to trade in goods with residents of India must be received in Indian rupees through official banking channels.
5. Jaigaon's parity rate between Ngultrum and INR has reached about 7% to Nu, meaning that Nu 107 is equivalent to about INR 100.
6. Anyone entering or leaving the pedestrian terminal at Phuentsholing will be charged a nominal fee of Nu 10 per person with effect from November 01. The fee will be applied each time a person enters or leaves the country. This fee is for the maintenance and upkeep of the terminal. This applies to both Bhutanese and foreigners.
7. Union Finance Minister of India Smt. Nirmala Sitharaman and Finance Minister of Bhutan Lyonpo Namgay Tshering met on the sidelines of the IMF-WB Annual Meetings in Washington DC on 12 October 2022. They discussed bilateral development and cooperation issues including hydro power and Covid assistance. Lyonpo Namgay Tshering expressed gratitude to GoI for providing assistance in implementing Bhutan's 12th Five Year Plan and the additional USD 200 million currency swap arrangement. He also thanked India for the BHIM UPI App and RuPay rollout already done in Bhutan.
8. The Sustainable Development Fee (SDF), which was earlier applicable only for foreign tourists, is now applicable to all international travellers visiting Bhutan including potential FDI investors during feasibility visits; participants of MICE (meetings, incentives, conferences & exhibitions); journalists & media personnel; official guests of government, civil society, religious organizations, corporations, etc. Certain categories are exempted such as expatriate traders holding a valid business license and trader card and their direct dependents.
9. Bhutan is now open to international tourism without quarantine from 23 September 2022. 737 tourists arrived in the country from 23-30 September 2022. 183 tourists who arrived in Bhutan are paying the full USD 200 Sustainable Development Fee (SDF), with 384 guests paying the old SDF of USD 65, and 170 guests (Indian nationals) paying the SDF of Nu 1,200.
10. Re-opening of Bhutan's border gates has spurred economic activities in the southern districts of Bhutan, including in Phuentsholing, Nganglam, Samtse, Gelephu. At the same time, many people from Bhutan are crossing over to the Indian side to shop for goods, as these are comparatively cheaper.
11. Despite the central bank's initiative to improve remittance inflow from Bhutanese living abroad, the first six months this year saw a decrease in remittance inflow by about 30 percent compared to the same period last year. Bhutan

received remittance of Rs. 283 crore, equivalent to USD 38.12 million, in the first half of this year, a decrease of Rs. 122 billion. During the same period last year, the remittance received was Rs. 403 crore, equivalent to USD 54.72 million.

12. GoI has allowed the import of 17,000 MT of green (raw) areca nut from Bhutan every year without the minimum import price condition. However, local media have noted that this trade is permitted only via Jaigaon Land Customs Station (implying that Bhutanese farmers / traders based in other regions, such as Samtse, would need to come via Phuentsholing/Jaigaon to export areca nut to India).

13. The overall hydropower generation of the Druk Green Power Corporation (DGPC) power plants - Tala, Chhukha, Kurichhu, and Basochhu – is expected to decrease by over 4 percent this year projected at 6,947.27 million units (MU), compared to last year’s hydropower generation recorded at 7,249.35 MU. The generation forecast is mainly based on trends in hydrological flows and actual generation at each of the power plants.

14. According to the September 2022 CPI Bulletin released by the National Bureau of Statistics (NSB) on 31 October 2022, the prices of consumer goods and services increased by 6.05% in September 2022 compared to the same month last year.

#### EXTERAL

1. ADB approved a US\$37.35 million (M) policy-based loan (about Rs. 300 crore) to support Bhutan's green and resilient economic recovery from the Covid-19 pandemic. The loan will finance the first sub-program of the fiscal sustainability and green recovery program.

2. ADB also approved US\$18.26 million in additional funding for construction of the first utility-scale solar power plant on October 19. The power plant, with a total capacity of more than 17.38 megawatts, will be built in midwestern Bhutan. Annual power generation is expected to be 25 gigawatt hours.

3. The Government of Japan's support of US\$1,497,471 (Nu. 119.7M) is utilized in the procurement and installation of cold chain equipment. Cold chain is the backbone of the immunization programme, and a high quality cold chain allows health workers to deliver life-saving vaccines to every child. This was handed over to the Ministry of Health, on 26<sup>th</sup> October in Thimphu.

#### 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	5 <sup>th</sup> Uniform & Garment Manufacturer’s Fair 2022, 7-9 December 2022 at Hitex Exhibition Center, Hyderabad-Telangana - India	Information on these events was disseminated to Business Chambers of Commerce, sector Associations and the Royal Government of Bhutan.
2	India ITME 2022, 8-13 December 2022, at IEMML, Greater Nodia, India	
3	6 <sup>th</sup> IEEMA Reverse Buyer Seller meet in ELECRAMA 2023-18-22 February 2023 at India Expo Mart Ltd., Delhi NCR, India	
4	National MedTech Expo 2022, from 08-10 December 2022 at Pragati Maidan, New Delhi	
5	India Steel 2023 from 20-22 February 2023 at Mumbai Exhibition Centre, Mumbai	
6	6 <sup>th</sup> Edition of Advantage Healthcare India 2023 from 20-22 February at Pragati Maidan, New Delhi	

7	9 <sup>th</sup> edition of SVUM 2022 International Trade Show at Rajkot from 16-20 December 2022
8	India Electronic Expo (INDEE), an international B2B Networking Meet” during 27-29 March 2023 at Pragati Maidan, New Delhi
9	India ITME 2022, 11 <sup>th</sup> Edition – 8 – 13 December 2022, Greater Noida, India

**16. Trade query :**

<b>S. No.</b>	<b>Enquiry originator</b>	<b>Product (with HS Codes)</b>	<b>Nature(Import/export) and values (\$ mln)</b>	<b>Action taken</b>
	71 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).