

Bhutan's 20-Year Economic Development and Transition to Democracy: An Assessment of India's Role

Mihir Bhonsale

ABSTRACT Neighbours India and Bhutan have shared five decades of friendly ties. Using as a backdrop Bhutan's transition from a monarchy to democracy beginning in 1998, this brief makes an assessment of India's role in Bhutan's economic development in the past 20 years. It looks at India's contribution to Bhutan in terms of trade, hydropower enrichment, and development cooperation. The brief argues that India and Bhutan's relations have endured despite the changes that have happened in the latter owing to its shift to democracy. It offers recommendations for strengthening these relations, even after Bhutan's scheduled graduation from a Least Developed Country to a developing one in 2023.

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INTRODUCTION

India and Bhutan share a five-decade-old relationship that has withstood not only changes in government in India but also the unfolding of larger geopolitical events. Beginning in 1998, Bhutan undertook reforms in governance, and has since transitioned from being a monarchy to a multi-party democracy.¹ This transition began when the Fourth King of Bhutan, Jigme Singye Wangchuck, voluntarily gave up his powers despite the absence of any domestic or foreign threat to his authority.² The king then decreed the holding of elections.³

As Bhutan made its way out of the monarchical system, its relations with India underwent changes, too. In 2007, the Indo-Bhutan Friendship Treaty of 1949 was updated: if the original treaty provided that Bhutan was to be “guided” by India in its foreign policy, the amendment stated that the two countries will not let their respective territories be used for activities inimical to the national security and interests of the other.⁴ With the revision, India-Bhutan relations shed their colonial vestiges and the two recognised each other as sovereign states.

This brief examines India's role in Bhutan's economic development in the past 20 years, in the context of political developments in the latter since the beginning of its transition to democracy. It outlines India's contributions to the development, trade, and hydropower sectors of Bhutan.

BHUTAN'S TRANSITION TO DEMOCRACY (1998-2018)

Successive monarchs of the Wangchuck dynasty since 1907 are credited for paving the

way for Bhutan's transition to democracy.⁵ In 1949, the Second King, Jigme Wangchuck signed the Treaty of Friendship with India, opening up the country to cooperation with its neighbour.⁶ The Third King, Jigme Dorji Wangchuck would put the country on the path of modernisation with the adoption of the First Five-Year Plan beginning in 1961. In the 1980s, the Fourth King, Jigme Singye Wangchuck introduced the concept of Gross National Happiness (GNH) to guide the development of the country.⁷ This concept wedded the material well-being of the nation to social and spiritual nourishment, and the preservation of Bhutan's culture and environment.⁸

The watershed event happened in 1998: the fourth king dissolved the council of ministers and removed himself as its chairman, and gave parliament the power to remove the king through a two-thirds vote.⁹ Moreover, the king allowed the legislature to elect majority of the Cabinet, though he reserved the right to assign portfolios.¹⁰

In 2001, the king issued a royal decree for the drafting of a Constitution and appointed a committee for the task. The committee submitted the draft to the king in 2005, following which the first draft was prepared through country-wide deliberations between the king and the citizens.¹¹ While all this was going on, however, the king's subjects were taken by surprise by his announcement in December 2005 that he was abdicating his throne in favour of his son, Jigme Khesar Namgyal Wangchuck.¹² The king called his abdication “timely”, as the country was enjoying stability and peace.¹³

On instructions of the king, civil servants re-organised themselves into political parties, and in December 2007, elections to the National Council were held. This was followed by general elections in 2008, in which two parties contested for seats to the National Assembly.^{a,14} The Druk Pheusum Tshogpa (DPT), led by a decorated former civil servant and ex-foreign minister, Jigme Yoezer Thinley, won the elections. Thinley thus became the first prime minister of Bhutan elected by its people.

The Constitution was presented and adopted by the first parliament of Bhutan in July 2008. It referred to the country as a 'democratic constitutional monarchy',¹⁵ reposing authority in the king as "the head of the state, protector of all religions, and Supreme Commander-in-Chief of the armed forces and the militia."¹⁶ In the Constitution, the king is the upholder of 'Chhoe-Sid' or religious and political values of peace and prosperity;¹⁷ he is the guardian of the nation-state¹⁸ and remains at the helm of Bhutan after the democratic transition. The Constitution provided for the separation of powers of the executive, legislature and judiciary, and barred encroachment on each other's institutional powers.¹⁹ The monarch retains the moral right to reign through the separation of government (*zhung*) from state (*gyalkam*).²⁰ The fifth king, Druk Gyalpo,

positions himself at the helm of *Tsa-Wa-Sum* (translated as "nation, people and the king.")²¹

Bhutan's form of government is different from the West-defined liberal democracy model. Together with Buddhism, the monarchy constrains the arbitrary use of governmental power and nurtures the associative bonds in Bhutanese society.²²

Bhutan's transition has not been without problems. Critics of the monarchy have argued that the former king exercises undue influence in political processes. They argue that the transformation away from monarchy was only a ploy to deviate attention of the international community from the resolution of the refugee problem.^{b,23} They also say that the monarchy's primary interest was to appease political dissent by the political ruling class.²⁴ Indeed, all political parties that contested the 2008 National Assembly elections had pledged their allegiance to the king, including the Peoples' Democratic Party led by Sangay Ndedup, the brother of the Fourth King, Jigme Singye Wangchuck.

While Bhutan was undergoing political transition, it recognised the important role of a stable economy. India provided assistance in this regard, in terms of grants, trade cooperation, and collaboration in the hydropower sector.

a According to the Constitution, a 47-member National Assembly is elected on a first-past-the-post (FPTP) basis, from single-member constituencies. A person shall have the right to vote by direct adult suffrage through secret ballot. The voter turnout for the first general elections held on 24 March 2008 was 79.4 percent.

b People of Nepali origin living in Southern Bhutan (estimated to be a little over 100,000) were allegedly evicted in 1990s forcing them to stay in camps mainly in Nepal and India. The displacement came following protests from the ethnic Nepali population as a reaction to Bhutan's enactment of a series of laws including the Citizenship Act, 1985 and Driglam Namza Code of Social Etiquette, 1989. Through United Nations efforts, a sizable number of refugees were resettled in countries such as USA and Australia, leaving as many as 18,000 to continue to stay in camps in Nepal and their plight continuing to draw attention from the world.

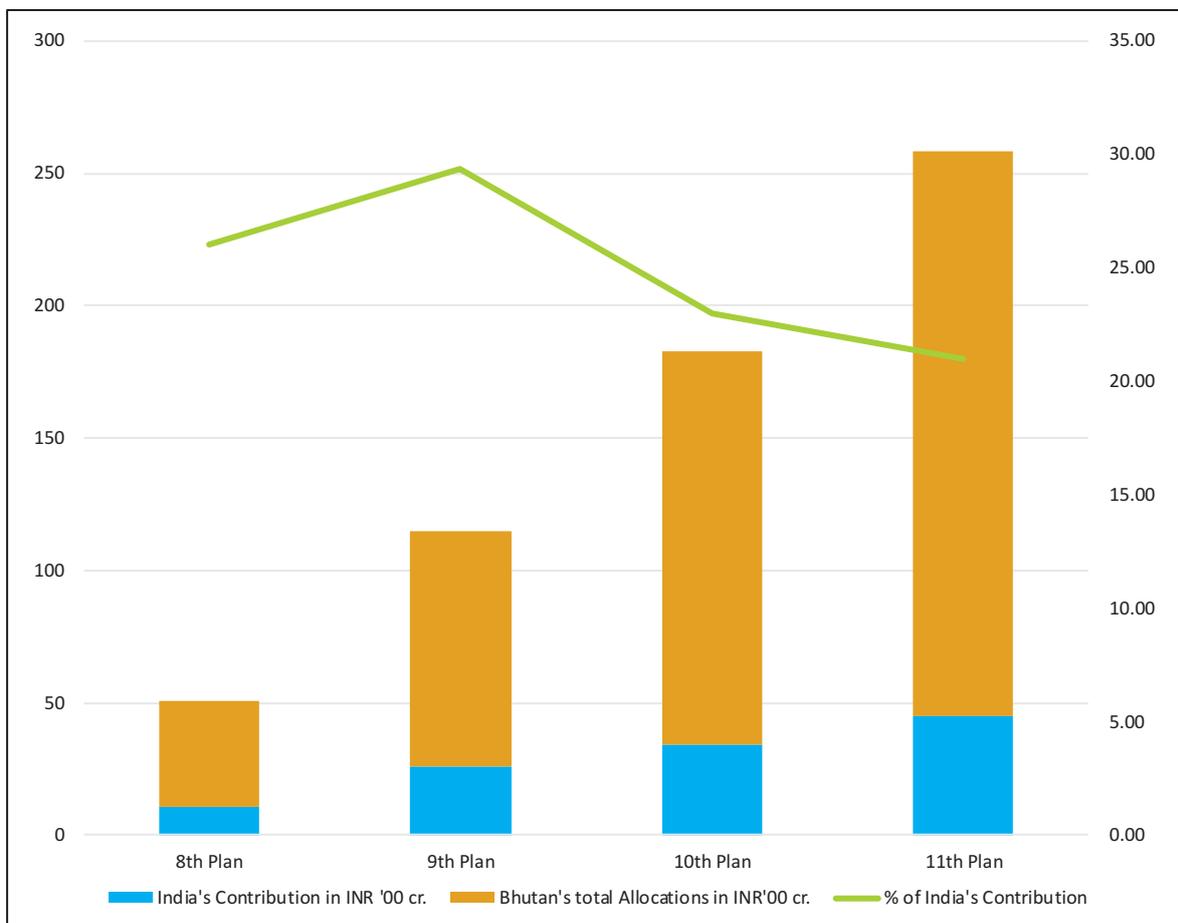
INDIA-BHUTAN DEVELOPMENT COOPERATION

India's contribution to Bhutan's socio-economic development began in 1961 with India funding Bhutan's entire first (1961-1966) and second (1967-1972) Five Year Plans. India is Bhutan's largest development partner and the highest recipient of India's overseas aid. Bhutan received from India a total of \$ 4.7 billion in grants between 2000 and 2017.²⁵

Overall, at a time when Bhutan's total Plan allocations increased from INR 40 billion to INR 213 billion from 8th Plan to 11th Plan, India's contribution increased from INR 10.5 billion to INR 45 billion (See Table 1 in Appendix).

However, India's contributions as a proportion of Bhutan's total allocations decreased from the 10th Plan onwards (See Fig. 1). Contribution rate decreased from 29.33 percent in the 9th Plan to 23 percent in the 10th Plan. It continued to decrease to 21 percent in the 11th Plan. This trend of falling rates of India's contribution to Bhutan's Plans is likely to continue even in Bhutan's ongoing 12th Plan. Declining share in India's contribution is a characteristic of Bhutan's overall decrease in the share of grants in Bhutan's Plans beginning from the 10th Plan. India's share in total grants received by Bhutan increased from 65.02 percent in the 9th Plan (2002-2008) to 66.22 percent in 10th Plan (2008-2013) (See

Fig. 1: India's Contribution in Bhutan's total allocations from 8th to 11th Plans



Source: Author's own, using data from "Economic and Commercial", Embassy of India-Thimphu Bhutan, <https://www.indembthimphu.gov.in/pages.php?id=4>

Table 2 in Appendix). The grants received by Bhutan from the rest of its donors, decreased from 34.98 percent in 9th Plan period to 33.78 percent in the 10th Plan period. India's share of grants in the 11th Plan period (2013-2018) was 74.54 percent and the share of the rest of the donors stood at 25.46 percent. India's share in grants received by Bhutan increased in the latter's democratic transition, while the share of other donors (excluding India) saw a decrease in the same period.

The bulk of the grants (82 percent) that Bhutan received from India were in the period from 2008-09 to 2017-18 (See Fig. 2).

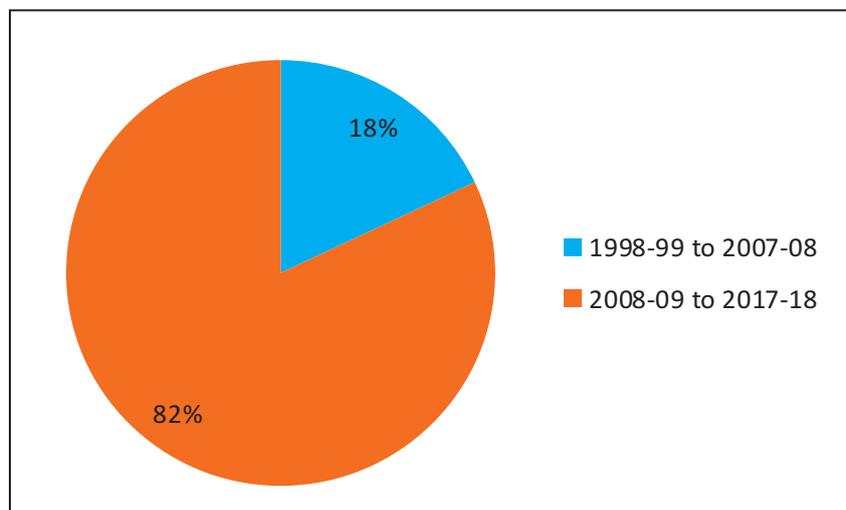
Bhutan received in grants and loans from India, a total of INR 253,555.57 million from 1998-99 to 2017-18 (See Table 3 in Appendix). Out of the total received by Bhutan from India, INR 171,292.40 million were in grants and INR 8,226.93 million were loans. From 1998-99 to 2007-08, the total value received by Bhutan in the form of grants from India was INR 30,464.3 million, averaging INR 3046.43 million per year. From 2008-09 to 2017-18,

the grants received by Bhutan from India were valued at INR 140828.1 million, averaging INR 14,082.81 million per year. The entire loans disbursed by India to Bhutan were in the decade from 2008-09 to 2017-18. To help Bhutan bridge its Rupee liquidity shortages, India in 2009 granted INR 3 billion as Standby Credit Facility to the Royal Government of Bhutan following an agreement between the two countries.²⁶ Later in 2012, at the request of the Royal Government of Bhutan (RGoB), India enhanced the Standby Credit to Bhutan from INR 3 billion to INR 10 billion.²⁷

TRADE AND INVESTMENT

Bhutan's trade with India is guided by the Agreement on Trade, Transit and Commerce signed in 1972 (and renewed every 10 years since then). Article I of the 1972 treaty agrees on free trade and commerce to be carried out through their respective territories.²⁸ Bhutan also uses India's territory for third country trade. India has always been Bhutan's largest trading partner. In 2001, about 94 percent of Bhutan's exports and 78 percent of its imports

Fig. 2. India's Grants to Bhutan (1998-2018)



Source: Author's own, using data from "Previous Union Budgets", Ministry of Finance-Government of India, https://www.indiabudget.gov.in/previous_union_budget.php

took place with India.²⁹ In 2018, India's share in Bhutan's exports was 72 percent, and in imports, 84 percent.³⁰

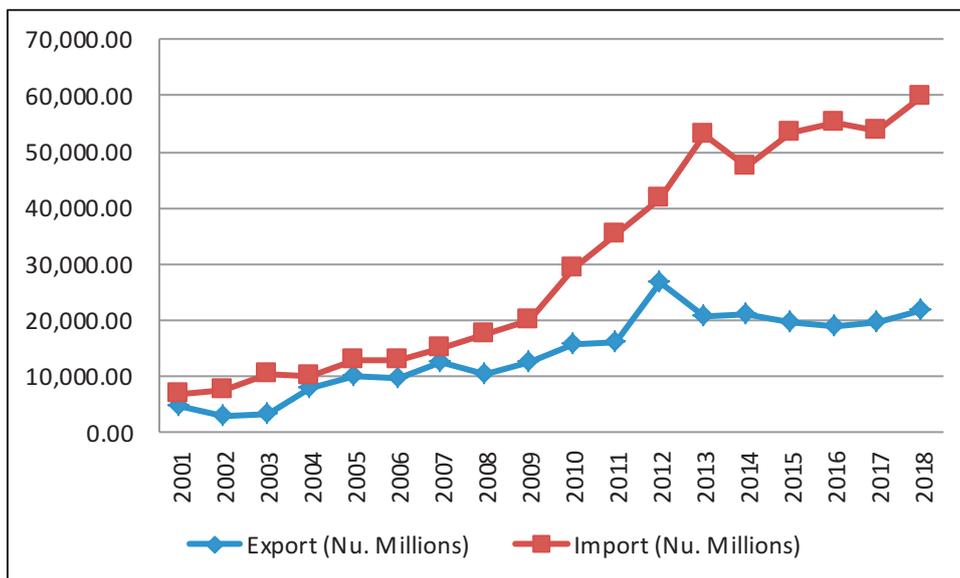
India is also the biggest source of Bhutan's Foreign Direct Investment (FDI). From 2002, when the Himalayan kingdom allowed FDI into the country, India had the maximum 51 percent share in the total FDI in the country.³¹ The other major sources of Bhutan's FDI are Singapore and Thailand. Between India and Bhutan, a total of 73 projects have been approved by the end of 2018 out of which 64 have begun commercial operations.³²

India-Bhutan bilateral trade for the period 2001 to 2007 shows a steady growth of imports and exports. Since 2008, Bhutan's imports from India have increased, while

exports to India have also declined (See Table 4 in Appendix).

From the year 2006 to 2009 in bilateral trade with electricity included, Bhutan exports were higher than imports and it enjoyed a trade surplus with India (See Fig.4). However, continuing with the general trend of Bhutan's decline in exports and increase in imports, the value of exports (with electricity included) decreased from Nu. 22,723.72 million in 2007 to Nu. 21,480.02 million in 2008 (See Table 5 in Appendix).^c In the corresponding period, Bhutan's imports increased from Nu.15,099 million in 2007 to Nu. 17,339 in 2008. From 2010 onwards, Bhutan's imports from India exceed its exports hence again turning the trade balance in favour of India.

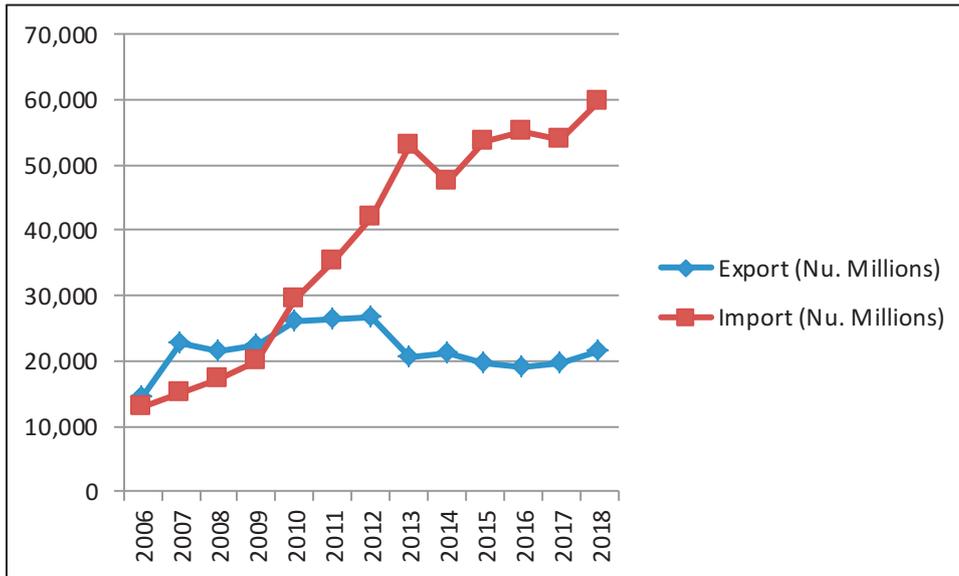
Fig. 3: Bhutan's Trade with India (Excluding Electricity, 2001 to 2018)^d



Source: Author's own, using data from "Bhutan Trade Statistics", Ministry of Finance, Royal Government of Bhutan, <https://www.mof.gov.bt/publications/reports/bhutan-trade-statistics/>

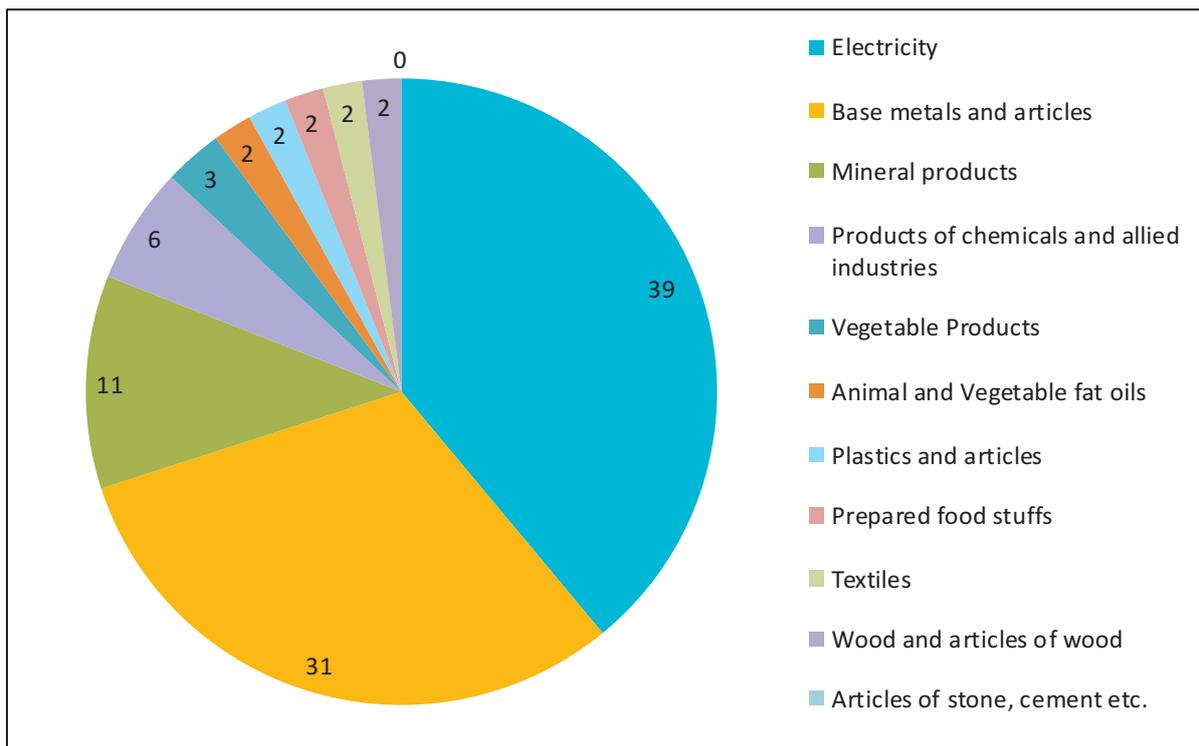
- c Bhutan's Ngultrum (Nu.) is pegged at par with Indian National Rupee (INR).
- d Electricity remains Bhutan's highest traded item in terms of value. India-Bhutan bilateral trade excluding electricity varies significantly from electricity trade included. The annual trade statistics published by the Ministry of Finance, Royal Government of Bhutan (RGoB) publishes separate datasets of Bhutan's bilateral trade- one, excluding electricity and other with electricity trade included. The author choose to go with the RGoB's practice of showing figures separately.

Fig. 4: Bhutan's Trade with India (including Electricity, 2006 to 2018)



Source: Prepared by author based on “Bhutan Trade Statistics”, Ministry of Finance, Royal Government of Bhutan, <https://www.mof.gov.bt/publications/reports/bhutan-trade-statistics/>

Fig. 5: Average Share of Bhutan's Top 10 Export items to India(2004- 2016)



Source: Author's own, using data from “Twelfth Five Year Plan 2018-2023 Volume I: Main Document”, Gross National Happiness Commission, Royal Government of Bhutan, <https://www.gnhc.gov.bt/en/wp-content/uploads/2019/05/TWELVE-FIVE-YEAR-WEB-VERSION.pdf>

Electricity exports had the highest value share in the average comprising of 39 percent of Bhutan's total exports (See Fig. 5). Base metals and articles followed with 31 percent in

the average share of Bhutan's top 10 exports. Mineral products were third in the top 10 items of Bhutan's exports to India. The rest of the seven export commodities in the chart had

a single digit share. The value of Bhutan's electricity export to India increased from Nu. 4,982 million to Nu.10,234 million in 2007 (See Table 6 in Appendix). The commissioning of the Tala hydropower project in 2007 and the export of electricity generated by this power plant to India was the reason behind Bhutan's favourable trade balance with India. The value of electricity exported to India more than doubled from Nu. 4,982 million in 2006 to Nu.10,034 million in 2007. However, in 2008 it increased marginally to Nu. 11,033 from the previous year. Beginning in 2009, the annual value of electricity exports did not increase significantly, despite being the top export item. The highest value of electricity exports was recorded in 2016, when it reached Nu. 13,032 million.

Bhutan's top imports from India in the period from 2004 to 2018 included Machinery, Mechanical/Electrical Appliances & Equipment and Parts, Base Metals and Articles of Base Metals, Mineral products inclusive of oils and fuels, Transport Vehicles and Aircraft and Engines and parts. Most of these imports were on account of construction of huge hydropower projects that increased the value of imports considerably from 2010 onwards. In turn, Bhutan's imports increased, turning the trade balance in favour of India. Moreover, there was severe compression on imports by Bhutan for many years owing to the Rupee crunch.³³

HYDROPOWER COOPERATION

Cooperation in the hydro-power sector, begun in 1988, with the commissioning of the first project, the 336 MW Chukha hydropower plant that was funded by India with 60 percent

grant and 40 percent loan at an interest rate of 5 percent payable over a period of 15 years.³⁴ The Chukha hydropower plant completed at the cost of INR 2.46 billion had proved to be the backbone of the Bhutanese economy and had contributed more than 35 percent of Bhutan's revenues.³⁵

During the period 1998 to 2007, two projects were commissioned viz. the 1,020 MW Tala Project and 60 MW Kuricchu plant both built by India with a 60:40 grant to loan ratio.³⁶ An agreement between the two countries for 1020 Tala Hydropower project was reached in 1996 and construction begun in 1998.³⁷ In 2003, the two countries signed a Memorandum of Understanding (MoU) for preparation of Detailed Project Report (DPR) for Punatsangchhu- I Hydro-electric Project.³⁸ In 2005, another MoU was signed for preparation of DPR's for the Punatsangchhu- II and Mangdecchu projects.³⁹ Within months following the abdication of the Third King in December 2006, in July 2007, the two governments agreed on implementation of the 1095 MW Punatsangchhu-I hydropower project then estimated to cost INR 35.1481 billion to be funded by India through 40 percent grant and 60 percent loan.⁴⁰ An autonomous body was set-up for implementation of this project in the same year. The estimated target capacity of hydropower projects to be developed jointly by the two countries by 2020 was 5,000 MW (See Table 7 in Appendix).⁴¹

The second phase or the decade following democratic transition both countries doubled the target capacity of projects from 5,000 MW to 10,000 MW to be developed jointly by 2020 and saw 7 more projects agreed between the

two countries excepting the Punatsangcchu-I and Mangedechhu that were already agreed for implementation. The doubling of the target capacity to 10,000 MW was announced by former Prime Minister of India, Manmohan Singh during his state visit to Thimphu in 2008.⁴² Keeping in view the target of 10,000 MW by 2020, agreements for implementation of the Punatsangchhu-II and Mangedechhu projects were signed in 2010.⁴³ Also, a MoU for preparing of Detailed Project Reports of the Amochu Reservoir, the KuriGongri Hydropower project, the 770 MW Chamkharcchu-I project and the 600 MW Kholongchhu projects was signed in 2010.⁴⁴ A total of 10 projects (that included 3 agreed prior to 2008) were identified by the two countries with a total capacity of 11,636 MW i.e. beyond the 10,000 MW by 2020 initiative.⁴⁵ Except the Kuri Gongri Project, the DPR's of all the other projects were completed by 2013.

In April 2014, the two countries signed an Inter-governmental Agreement on four hydropower projects totalling a capacity of 2120 MW (See Table 8 in Appendix).⁴⁶

The four projects to be taken up under the joint venture model were 600 MW Kholongchu, 180 MW Bunakha, 570 MW Wangchhu and 770 MW Chamkharchhu-I.⁴⁷ The joint venture projects were to be financed on a 70:30 debt equity ratio, the equity portion of which is again 50:50 between Druk Green Power Corporation (DGPC) and a public sector unit from India.⁴⁸ This required that DGPC and the public sector unit from India would be investing 15 percent each to make the 30 percent equity.⁴⁹ The two investors would resort to debt financing for the remaining 70 percent of the project's cost. DGPC's 15 percent equity would come in as

grant from Government of India.⁵⁰ Prime Minister Narendra Modi's maiden visit to Bhutan as the Indian Prime Minister in June 2014 laid the foundation stone for the 600 MW Kholongchu project.⁵¹

There were four other hydropower projects that were targeted under the 10,000 MW initiative between the two countries. These projects are the 2585 MW Sankosh Hydroelectric Project, 540 MW Amochu Reservoir Project 2640 MW Kuri-I and 2640 MW KuriGongri project (Table No.9 in Appendix).⁵²

A major change in course in India-Bhutan hydropower cooperation before and after 2008 was the doubling of 5,000 Mega Watt (MW) target capacity of joint hydropower development by the two countries to be attained by the year 2020.⁵³ Three projects out of the 10 new projects taken under the 10,000 MW initiative following democratic transition were already agreed upon by the two countries for implementation before 2008. The doubling of the target capacity followed a natural course owing to an increase in India's electricity demand and Bhutan's untapped hydropower potential waiting to be harnessed. The initiative to double the hydropower target came following the commissioning of the Tala hydropower project, by far the largest project to be commissioned up to 31 December 2018. Alongside, the protocol for purchase of power generated by the Tala power plant in 2006, the two countries also signed an intergovernmental agreement laying down the framework of future cooperation in hydropower sector.⁵⁴ The format of the 2006 hydropower agreement was similar to the 1,020 megawatt Tala hydropower project agreement between the two countries.⁵⁵

It was this very protocol or inter-governmental agreement between the two countries that was modified in 2009 in effect doubling the target to 10,000 MW. Thus, the protocol for purchase of power from the Tala hydropower project signed in 2006 had laid down the template for subsequent hydropower agreements and thus democratic transition had little consequence upon the doubling of the hydropower target.

Moreover, despite the doubling of capacity for development by the two countries, the decade following democratic transition saw no new addition in installed hydropower capacity harnessed. The hydro installed capacity in Bhutan with Indian technical and financial assistance up to 31st March 2018 was 1416 MW from 3 projects commissioned before change in regime in Bhutan.⁵⁶ Also there was an evident change in the funding pattern from 60:40 grants to loan ratio in the projects right from Chukha to Punatsangcchu-I. This, changed to 70:30 loan to grants ratio for the Punatsangcchu-II and Mangdecchu projects agreed upon in 2010 and yet again changed for the four joint venture projects announced by the two countries in 2014. But, the change in financing pattern was owing to Bhutan's increased capacity for repaying loans through revenues generated by electricity trade. Loans disbursed by India to Bhutan were self-liquidating in nature i.e. such loans are to be repaid only through revenue earned by electricity exports from Bhutan.

CONCLUSION

Throughout Bhutan's transition to democracy from 1998 to 2018, India provided the country with steadfast support in various ways. The ties that have bound the two countries continue to hold, providing help to Bhutan in its efforts to achieve economic stability especially when it had just began its transition away from monarchic rule. India and Bhutan have carried forward their special relationship which was first officially forged with the signing of the Indo-Bhutan Friendship Treaty in 1949. Today, India is Bhutan's largest partner in its pursuit of development goals. By intensifying cooperation in hydropower cooperation, the two countries have been able to increase their bilateral trade in a substantial manner.

To be sure, India, too had benefitted from its relationship with Bhutan. For one, the country has been able to meet its growing demand for electricity, partly through its energy imports from Bhutan. In the past 20-years, Bhutan has shifted from being a recipient of aid to a partner not only for India but for other countries as well.⁵⁷ This change has helped Bhutan achieve its economic targets, and indeed, the country is scheduled to "graduate" from the category of Least Developed Country to a developing economy in 2023.^e As Bhutan traverses this path, India should remain a steadfast contributor to its development. 

ABOUT THE AUTHOR

Mihir Bhonsale is a Junior Fellow at ORF, Kolkata.

e The United Nations Economic and Social Council (ECOSOC) in 2018 adopted a resolution with the effect that Bhutan would graduate from the Least Developed Country (LDC) status by 2023. Bhutan was accorded the LDC status in 1971. In the Trinneal Review of ECOSOC, Bhutan met the graduation threshold in two categories.

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APPENDIX

Table 1: Bhutan's Five Year Plan Allocations and India's Contributions therein

Plan No.	Year	Total Allocations (in Rs./Nu. crores)	India's Contribution (in Rs./Nu. crores)	% of India's Contribution
8 th Plan	1997 – 2002	4000.00	1050.00	26%
9 th Plan	2002-2008	8900.00	2610.14	29.33%
10 th Plan	2008-2013	14900.00	3400.00*	23%
11 th Plan	2013-2018	21300.00	4500.00	21%

Source: "Economic and Commercial", Embassy of India- Thimphu Bhutan, <https://www.indembthimphu.gov.in/pages.php?id=4>

* Excludes India's assistance towards mega projects in Bhutan undertaken with Indian assistance in the past that include 1020 MW Tala Hydroelectric Project, 336 MW Chukha Hydroelectric Project, 60 MW Kurichhu Hydroelectric Project, Penden Cement Plant, Paro Airport, Bhutan Broadcasting Station, Major Highways, Electricity Transmission and Distribution System, Indo-Bhutan Microwave Link, Exploration of Mineral Resources, and Survey and Mapping.

Table 2: Plan-wise grants received by Bhutan and India's share in it from 2002-03 to 2017-18

Year	FY 2002 -03 to 2007-08 in Nu. Million	FY 2009-10 to 2012-13 in Nu. Million	2013-14 to 2017-18 in Nu. Million
India	18,272	33,280.879	49,083.291
Other	9,829.09	16.974.95	16,766.5
Total	28,101.09	50,255.829	65,849.791
% share of total Grants by India	65.02	66.22	74.54
% share of grants by Other funders	34.98	33.78	25.46

Table 3: India's Grants and Loans to Bhutan

Year	Aid to Bhutan (in Rupees crores) Revised/Actual	Loans to Bhutan (in Rupees crores) Revised/Actual	Total Aid (in Rupees Crores)
1998-99	187	-	187
1999-2000	190	-	190
2000-01	200	-	200
2001-02	255	-	255
2002-03	231.45	-	231.45
2003-04	240	-	240
2004-05	313.65	-	313.65
2005-06	412.11	-	412.11
2006-07	487.22	-	487.22
2007-08	530	-	530
2008-09	554.92	300	854.92
2009-10	782.22	-	782.22
2010-11	1091.29	-	1091.29
2011-12	991.31	-	991.31
2012-13	400	1138	1538
2013-14	1119.44	1468.49	2587.93
2014-15	3062.99	-	3062.99
2015-16	2127.66	3240.80	5368.46
2016-17	2159.91	1281.97	3441.48
2017-18	1789.47	800.67	2590.14
Total	17, 129.24	8,226.93	25,355.57

Source: Prepared by author based on "Previous Union Budgets", Ministry of Finance- Government of India, https://www.indiabudget.gov.in/previous_union_budget.php

Table 4: Bhutan's Trade with India (Excluding Electricity) from 2001 to 2018

Year	Export (Nu. Millions)	Import (Nu. Millions)
2001	4,700.75	6,988.78
2002	2,789.64	7,573.57
2003	3,322.40	10,228.52
2004	7,761.56	10,193.90
2005	12,795.08	9,969.83
2006	9,506.00	12,982.00
2007	12,689.39	15,078.67
2008	10,447.40	17,323.50
2009	12,343.67	19,840.76
2010	15,589.43	29,329.11
2011	15,936.51	35,190.84
2012	41,838.29	26,627.35
2013	20,625.72	53,050.06
2014	21,160.00	47,520.00
2015	19,676.86	53,490.85
2016	19,020	55,112
2017	19,635	53,898
2018	21,592	59,812

Source: Compiled by the researcher based on "Bhutan Trade Statistics", Ministry of Finance, Royal Government of Bhutan, <https://www.mof.gov.bt/publications/reports/bhutan-trade-statistics/>

Table 5: Bhutan's Trade with India inclusive of Electricity

Year	Export (Nu. Millions)	Import (Nu. Millions)
2006	14,488	13,053.00
2007	22,723.72	15,099.54
2008	21,480.02	17,339.55
2009	22,434.39	19,968.01
2010	26,000.89	29,338.00
2011	26,377.97	35,201.07
2012	26,627.35	41,838.29
2013	20,625.72	53,050.06
2014	21,167.80	47,520.00
2015	19,676.86	53,490.85
2016	19,020	55,112
2017	19,635	53,898
2018	21,592	59,812

Source: Compiled by the researcher based on "Bhutan Trade Statistics", Ministry of Finance, Royal Government of Bhutan, <https://www.mof.gov.bt/publications/reports/bhutan-trade-statistics/>

Table 6: Ranking of Bhutan's Top exports to India (Nu. in millions)

Export Commodities	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	Avg (%)
Electricity	2,712	3,439	4,982	10,034	11,033	10,091	10,411	10,411	9,382	11,227	10,634	12,125	13,032	39
Base metals and articles	1,737	2,491	4,098	6,302	5,251	7,013	9,833	10,044	10,800	10,005	10,826	9,606	8,875	31
Mineral products	674	984	1,587	1,809	2,162	2,519	2,782	2,573	2,924	3,309	4,800	4,814	4,646	11
Products of chemicals and allied industries	712	714	587	783	894	1,051	1,454	1,476	1,639	1,885	1,954	1,990	1,715	6
Vegetable Products	286	243	277	307	242	607	453	595	585	977	1,475	1,132	1,536	3
Animal and Vegetable fat oils	0	224	1,448	1,875	605	4	13	24	7	3	14	8	10	2
Plastics and articles	271	293	247	276	213	308	246	309	331	462	635	678	677	2
Prepared food stuffs	408	389	414	368	276	319	318	407	391	579	838	897	1,067	2
Textiles	536	787	476	445	291	66	41	32	46	44	30	11	1	2
Wood and articles of wood	280	310	254	303	300	313	311	306	350	297	365	333	304	2
Articles of stone, cement etc.	24	15	25	113	122	81	74	121	127	152	196	168	150	0
Total	7,641	9,890	14,395	22,616	21,388	22,371	25,937	26,329	26,581	28,941	31,768	31,763	32,013	100

Source: Gross National Happiness Commission, Royal Government of Bhutan,
<https://www.gnhc.gov.bt/en/wp-content/uploads/2019/05/TWELVE-FIVE-YEAR-WEB-VERSION.pdf>

Table 7: Status of Hydropower Projects and their Cost from 1998 to 2007

Sl. No.	Name of the project	Installed capacity (MW)	Total Cost (Rs. Crores)	Funding pattern (Rs. Crores)		Status
				Loan	Grant	
1	Chukha H.E. Project	336	246.00	98.40 (40%)	147.60 (60%)	Commissioned in 1986-88
2	Kurichu H.E. Project	60	555.00	222.00 (40%)	333.00 (60%)	2001-02
3	Tala H.E. Project	1020	4125.85	1650.34 (40%)	2475.51 (60%)	2006-07
4	Punatsangchhu-I	1095	3514.81	2108.88 (60%)	1405.92 (40%)	2022
5	Punatsangchhu-II	990	3777.80	2644.46 (70 percent)	1133.34 (30 percent)	2021
6	Mangdechhu	720	2896.30	2027.01 (70 percent)	868.89 (30 percent)	2019
	Total	4,241				

Source: "Note on Cooperation with Bhutan", Central Electricity Authority, <http://cea.nic.in/reports/monthly/hydro/2018/bhutan-03.pdf>

Table 8: India-Bhutan Bilateral Projects under Joint Venture Mode in 2014

Name of the Project	Capacity MW	Project Cost (in Rs. Crores)	Mode	Status
Kholongchu	600	3868.88	Joint Venture of SJVNL & DGPC	Pre-Construction stage
Bunakha	180	2685.16	Joint Venture of THDC & DGPC	
Wangchhu	570	3291.19	Joint Venture of SJVNL & DGPC	
Chamkharchhu-I	770	5058.01	Joint Venture of NHPC & DGPC	DPR appraised in 2014
Total Capacity	2120			

Source: "Note on Cooperation with Bhutan", Central Electricity Authority, <http://cea.nic.in/reports/monthly/hydro/2018/bhutan-03.pdf>

Table 9: Other Hydropower Projects agreed by the two countries under 10,000 MW Initiative

Name of the Project	Capacity MW	Project Cost (in Rs. Crores)	Mode	Status
Amochu Reservoir	540	3738.37	Authority Model	DPR prepared
Sankosh	2585	12382.04	Authority Model	DPR prepared
Kuri-I	1125			DPR prepared
KuriGongri	2640			DPR yet to be prepared
Total	4,584			

Source: "Note on Cooperation with Bhutan", Central Electricity Authority, <http://cea.nic.in/reports/monthly/hydro/2018/bhutan-03.pdf>



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20, Rouse Avenue Institutional Area, New Delhi - 110 002, INDIA
Ph. : +91-11-35332000 Fax : +91-11-35332005
E-mail: contactus@orfonline.org
Website: www.orfonline.org