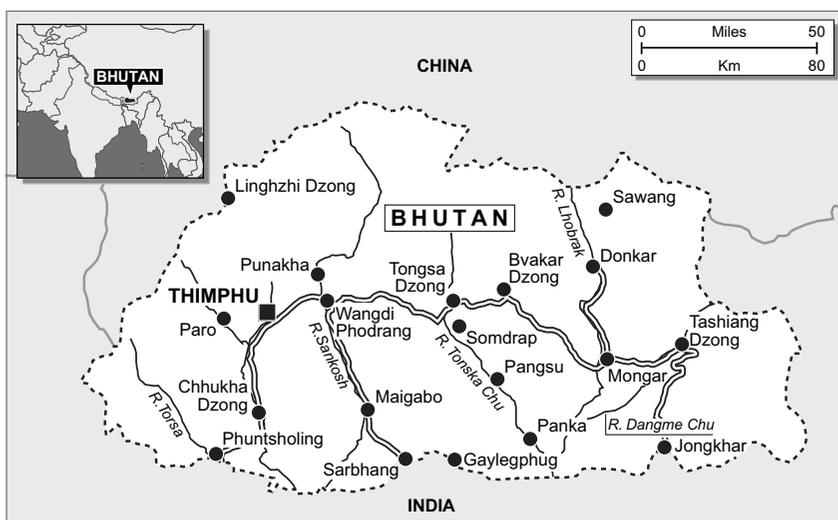


# Bhutan



In an article entitled *Bhutan is no Shangri-La*, Vidhyapati Mishra of the Bhutan News Service provided a helpful analysis of some of the racial divisions that have shaped modern Bhutan. In the mid-1980s the Bhutan government conducted a census in the south of the country and blithely declared that some 100,000 inhabitants of Nepalese descent – the Lhotshampa, approximately one sixth of Bhutan’s population – were ‘illegal’ and would have to leave the country forthwith. None were excepted, even though their families had lived in Bhutan for generations. How this squared up to the government’s ‘International Days of Happiness’ wasn’t quite clear.

Not that the Lhotshampa were the only people to suffer from this high handed approach. In 1989 the then King imposed a ‘One Nation, One People’ policy, which imposed elitist Drukpa mores on the entire population. The Nepali language was banned in schools, and Hindu *pathshalas*, or seminaries, which taught the Sanskrit scriptures, were closed. Two years after King Jigme Singye Wangchuck abdicated in favour of his son, Jigme Khesar Namgyel Wangchuk in 2008, Bhutan became a constitutional monarchy – in principle. The new constitution meant that all the Lhotshampa still in Bhutan were entitled to full citizenship and the right to vote. The

Lhotshampa who had been expelled were also allowed to return. Talks between Bhutan and Nepal over the future of the Lhotshampa have made little progress.

## Election relief?

In the final round of voting in parliamentary elections on 13 July 2013, Bhutan’s opposition People’s Democratic Party (PDP) defeated the incumbent Druk Phuensum Tshogpa (DPT) (Bhutan Peace and Prosperity Party) by 32 seats (out of 47) to 15 seats. PDP leader, Tshering Tobgay, became Bhutan’s new prime minister. Among the factors attributing to the defeat of the ruling party were the dynamism of the PDP leader, who holds a master’s degree in public administration from Harvard University, and the party’s decision to challenge the concept of Gross National Happiness as being an empty slogan. This appeared to strike a chord with Bhutan’s voters.

The PDP victory meant, *inter alia*, that Bhutan’s ties with India would probably see a renaissance after the tensions with the DPT over the removal of subsidies for liquefied petroleum gas and kerosene. Bhutan had been India’s closest ally and supporter until the election victory of the DPT in 2008.

Bhutan’s geographic location has long been considered by Delhi to be so

## KEY FACTS

**Official name:** Druk-yul (The Kingdom of Bhutan)

**Head of State:** Druk Gyalpo (Dragon King) Jigme Kesar Namgyal Wangchuk (since 14 Dec 2006).

**Head of government:** Prime Minister Tshering Tobgay PDP (from 13 Jul 2013)

**Ruling party:** People’s Democratic Party (PDP) (from 13 Jul 2013)

**Area:** 47,000 square km

**Population:** 743,000 (2012)\*

**Capital:** Thimphu

**Official language:** Dzongkha

**Currency:** Ngultrum (Nu) = 100 chetrum

**Exchange rate:** Nu60.36 per US\$ (Jul 2013) (pegged to Indian rupee)

**GDP per capita:** US\$2,954 (2012)\*

**GDP real growth:** 9.72% (2012)\*

**GDP:** US\$2.20 billion (2012)\*

**Unemployment:** 3.20% (2012)\*

**Inflation:** 9.69% (2012)\*

**Balance of trade:** -US\$522.47 million (2011)\*

**Visitor numbers:** 173,300 (2009)

\* estimated figure

strategically important that it merited extraordinary economic aid as well as political consolidation. The special relationship between the two countries survived revisions to the bilateral treaty in 2007, when Bhutan loosened its ties with India as well as the end of the absolute monarchy in 2008, when Bhutan's first elections were held.

## The economy

In its 2012 overview of Bhutan's economy, the Asian Development Bank (ADB) considered that after a solid year, the outlook remained favourable with growth staying robust, in part driven by the construction of large hydro-power projects. Current account deficits were likely to remain high, however, reflecting import requirements – but associated capital inflows were expected to keep the overall balance of payments in surplus. A main challenge for the government was to implement policies that would rapidly expand private sector activity to boost job opportunities and broaden the country's economic base.

## Economic prospects

Growth was forecast by the ADB at 8.0 per cent for 2012 and 8.5 per cent for 2013 largely on the account of continued hydro-power construction. The 2012 budget would support high growth with total planned expenditure to increase by about 11 per cent. More than half the budget is allocated to capital expenditure, which is set to rise by about 13 per cent, with about

two-thirds of it financed by grants. Current expenditure is forecast to grow by 9 per cent, mainly on account of public servants' salary revisions and higher operations and maintenance expenses. The overall deficit is projected to rise to 6 per cent of GDP.

Inflation is expected to moderate to 7.3 per cent in FY2012 and 6.5 per cent in 2013, broadly in line with assumed price developments in India. The *Asian Development Outlook* baseline forecast of relative stable global oil and food prices underpins the favourable outlook. The current account deficit is projected to stay high at 20 per cent and 22 per cent of GDP in 2012 and 2013, mainly owing to continued high imports for power plant construction. The overall balance of payments is expected to remain in surplus reflecting continued substantial project loans and capital grants. The tight overall balance with India is not expected to improve and pressures on rupee liquidity will persist.

## Risk assessment

Politics	Fair
Economy	Fair
Regional stability	Fair

## COUNTRY PROFILE

### Historical profile

1907 The first hereditary king was enthroned.

1910 The Anglo-Bhutanese Treaty was signed, granting the government of British

India full control of Bhutan's foreign relations.

1949 India became independent and the 1910 treaty was re-negotiated. Bhutan became free to pursue its own foreign policy, although it agreed to seek India's advice.

1952 King Jigme Dorji Wangchuk was enthroned and established the Tsogdu (National Assembly) in 1953.

1958 The Lhotshampa population of the southern districts of Bhutan was granted Bhutanese citizenship and tenure of lands.

1965 The Lodoi Tsokde (Royal Advisory Council) was established.

1972 King Jigme Singye Wangchuk was enthroned.

1979 Bhutan supported China in preference to India at the UN, beginning a gradual reorientation of foreign policy away from India.

1987 Bhutan's Sixth Five Year Plan included a policy of 'one nation, one people'. A code of traditional *Drukpa* dress and etiquette (*Driglam Namzhag*) was introduced.

1988 A census based on ethnicity branded many domiciled Nepalis as illegal immigrants, as a new citizenship law was enforced. Tibetan-based Bhutanese culture was officially emphasised.

1989 Nepali language was banned for use in schools.

1990 Anti-government protests in southern Bhutan led to ethnic violence as Bhutan People's Party began a campaign of violence; around 80,000 ethnic Nepalis fled to Nepal.

1998 King Wangchuk handed over full executive power to a Lhengye Zhungtshog (Council of Ministers).

1993 Talks between Bhutan and Nepal attempt to resolve the refugee problem.

1999 The King granted the Tsogdu the right to dismiss a reigning monarch. The WTO Working Party on Accession for the Kingdom of Bhutan was established.

2001 A draft constitution included proposals for a democratic system of government. Further talks took place concerning refugees between Bhutan and Nepal.

2002 The Ninth Five-Year Plan was drawn up to continue Bhutan's decentralisation process and promote 'Gross National Happiness'.

2003 A new government was installed with Jigme Yozzer Thinley as prime minister.

2004 Indian insurgents entered Nepal and were reported to be working with Nepalese Maoists with a view to attacking Bhutan's royal palace.

2005 A draft constitution was unveiled that aimed to transform the country's absolute monarchy into a two-party democracy. Sangey Ngedup took office as prime minister. Crown Prince Jigme Khesar

## KEY INDICATORS

## Bhutan

	Unit	2008	2009	2010	2011	2012
Population	m	0.72	*0.74	*0.73	*0.70	*0.74
Gross domestic product (GDP)	US\$bn	1.13	1.34	1.41	1.49	*2.20
GDP per capita	US\$	1,647	1,921	2,009	2,121	*2,954
GDP real growth	%	4.7	6.7	10.6	5.9	*9.7
Inflation	%	8.3	4.4	7.0	8.6	*9.7
Unemployment	%	3.7	4.0	3.3	3.1	*3.2
Exports (fob) (goods)	US\$m	457.0	457.0	539.9	662.2	–
Imports (fob) (goods)	US\$m	616.0	601.6	843.3	1,184.7	–
Balance of trade	US\$m	-159.0	-144.7	-303.4	-522.5	–
Current account	US\$m	160.0	-112.9	-142.2	-354.9	*-410.0
Total reserves minus gold	US\$m	764.8	890.9	1,002.1	–	954.7
Foreign exchange	US\$m	762.6	879.2	990.7	–	943.2
Tourist numbers	'000	202.8	172.3	–	–	–
Exchange rate	per US\$	43.50	48.40	45.73	41.91	54.15

\* estimated figure

Namgyel Wangchuk undertook responsibilities held by the King, to gain experience before the King's abdication.

2006 The king appointed a chief elections commissioner and other officers to prepare for the first national elections. A mock election was held to train officials in the procedure. Khandu Wangchuk took office as prime minister. King Jigme Singye Wangchuk abdicated in favour of his son, Crown Prince Jigme Kesar Namgyal.

2007 Bhutan and India signed a treaty allowing Bhutan more control of foreign policy and military purchases. India was asked to provide increased security in border regions to prevent Assam Ulfa insurgents carrying out attacks in Bhutan. Lyonpo Khandu Wangchuk resigned as prime minister and Lyonpo Kinzang Dorji took office as the acting prime minister before the formation of the interim government and the first parliamentary general elections. Elections for the National Council of Bhutan (the upper house), were held for the first time since the King dissolved his absolute monarchy. Of the 25 members, 20 independent candidates were directly elected and five appointed by the King. Elections in five constituencies were postponed for one month as the minimum two candidates per district was not achieved.

2008 In the first parliamentary elections ever held in Bhutan, the Druk Phuensum Tshogpa (DPT) (Bhutan Peace and Prosperity Party) won 67.04 per cent of the vote (winning 45 seats out of 47), the People's Democratic Party (PDP) had 32.96 per cent (two seats); turnout was 79.4 per cent. Jigme Y Thinley (DPT) became prime minister. King Jigme Khesar Namgyel Wangchuk was crowned. He became, at that time, the world's youngest monarch.

2009 Exiled Bhutanese in seven UNHCR-administered camps in Nepal launched a campaign for repatriation. An estimated 8,000 people were still awaiting a resolution of their plight; thousands more had already been offered access to third countries.

2010 Two domestic airports at Bathbalathang and Dungphu Yonphula were opened with a domestic air service.

2011 In May, King Jigme announced to parliament his intentions of marrying commoner Jetsun Pema. They were married in a Buddhist ceremony on 12 October in a monastery in the capital Thimpu. Construction of a new domestic airport in Gelephu began on 2 July.

2012 In September, four new political parties prepared to register with the Election Commission of Bhutan (ECB) as soon as the date of the 2013 elections is announced. They include, Druk Nyamrup

Tshogpa (DNT), Bhutan Kuen-Ngyam Party (BKP), and Druk Chirwang Tshogpa (DCT) and Druk Me-ser Tshogpa (DMT). 2013 On 13 May voters took part in elections to determine which two out of four parties will participate in the second and decisive stage of the vote on 13 July. The opposition PDP won Bhutan's second-ever parliamentary election held on 13 July. The result was 47 seats to the PDP with the remaining 15 to the DPT. Turn out was estimated at 80 per cent.

## Political structure

### Constitution

A draft constitution aiming to transform the country's absolute monarchy into a two-party democracy was drawn up in April 2005. It was approved by the people in a referendum during 2007.

### Independence date

8 August 1949

### Form of state

Hereditary monarchy

### The executive

On 20 July 1998, King Jigme Singye Wangchuk handed over full executive power to the six-member Lhengye Zhungtshog (Council of Ministers). The King is Head of State, assisted by the 10-member Lodoi Tsokde (Royal Advisory Council), the Tsogdu (National Assembly) and the monastic head of the kingdom's Buddhist priesthood.

### National legislature

The bicameral parliament consists of the National Assembly (lower house) with between 47–55 directly elected members (dependent on the proportion of the population in each district) who serve five-year terms. The National Council (upper house) consists of 25 members (20 directly elected and five appointed by the monarch), all of which must be non-partisan; members serve five-year terms. The Druk Gyalpo (Dragon King) is also a member of the National Assembly.

### Last elections

13 July 2013 (parliamentary)

**Results:** National Assembly (13 July 2013): the People's Democratic Party (PDP) won 32 seats, Druk Phuensum Tshogpa (DPT) Bhutan Peace and Prosperity Party (15 seats); turnout was 80 per cent.

### Next elections

2018

## Political parties

### Ruling party

People's Democratic Party (PDP) (from 13 Jul 2013)

### Main opposition party

Druk Phuensum Tshogpa (DPT) (Bhutan Peace and Prosperity Party)

## Population

743,000 (2012)\*

**Last census:** May 2005: 634,982

In 2000 the United Nations (UN) *Statistical Yearbook* gave the population of Bhutan as 1,034,774, the CIA's *World Fact Book* had a figure of 2,005,222 and the World Bank's *World Development Report 2000/01* 782,000. Then in 2005 the Office of the Census Commission of the Royal Government of Bhutan conducted a census which gave a 2005 population count of 672,425. This figure does not include any Bhutanese refugees in camps outside Bhutan, which is put at over 100,000 by international aid agencies.

There are two possible reasons for the discrepancies in these figures. Firstly that in the early 1970s the government of Bhutan gave the UN an inflated figure so that Bhutan could become a member – at the time there was a cut-off point of one million. Thereafter a normal growth rate was added each year. A second possibility is that the western and central districts inflated their numbers to ensure their dominance over the southern and eastern districts. Again, once a figure had been established, each year an estimated figure was produced by using the population growth rate.

This publication has previously used the UN *Statistical Yearbook* figures. However, it now seems more realistic to start with the 2005 census figure. We have therefore taken the census figure of 672,425 and will increase the figure each year, until the next census, using the population growth rate, although even this figure (the World Health Organisation estimates 2.6 per cent 2000–15) is debatable. The *World Economic Outlook Database* of the International Monetary Fund, published in April 2009, has similar figures, although they start with a 2005 figure of 637,000 and increase by around 1 per cent per annum.

**Population density:** 18 inhabitants per square km (2010). Urban population 35 per cent (2010 Unicef).

**Annual growth rate:** 1.3 per cent, 1990–2010 (Unicef).

### Ethnic make-up

There are many ethnic groups: the Sharchhop in the east (the largest group), the Ngalong in the west, the Lhotsampas, who speak Nepali, in the south and the Bumtaps, Khengpas, Layaps, Doyas and other nomadic groups.

### Religions

Mahayana Buddhism is the state religion; Hinduism. Christianity is banned.

### Education

The United Nations Children's Fund (Unicef) reported that in four decades, the government established 343 primary schools and a college that offers undergraduate degrees in arts and commerce.

Since education remains a national priority in the country's development process, more than 150 community schools are available from which every school-age child may choose. However, classrooms are in short supply and most schools lack basic sanitation facilities. Each teacher may have an average of 37 students but in some schools, class sizes can reach 70 pupils.

**Literacy rate:** 61.1 per cent and 33.6 per cent for men and women respectively; adult rates (World Bank 2002).

**Enrolment rate:** 88.4 per cent net primary enrolment; 89.6 per cent, male, 87.2 per cent, female (2009).

**Pupils per teacher:** 37 in primary schools.

### Health

Although improvement in the primary healthcare system has reduced the maternal mortality rate the figure is still one of the highest in south and east Asia. The United Nations Children's Fund (Unicef) reports that about four out of five women still deliver at home, without professional help.

Bhutan conducts national and regional immunisation days annually to achieve 90 per cent coverage. Unicef estimates that 22.2 per cent of households do not have safe drinking water.

Out-reach clinics spread across rural Bhutan provide low cost health care. A network of 145 basic health units supports the clinics, with each unit serving communities of 2,000 to 5,000 people. There are 28 hospitals, which provide more advanced and referral treatment.

The Asian Development Bank (ADB) provided the government with a loan of about US\$10 million covering the five years 2001–2005 to improvement of the health sector.

Unicef initiated model villages established in almost all the 202 sub-district blocks in the country have adopted a variety of health and education programmes. Its initial success has prompted Unicef to expand the model village experience into a more general community development programme.

### HIV/Aids

In 2009, the disease was not a serious problem, with less than an estimated 1,000 were living with HIV.

**Life expectancy:** 67 years, 2010 (Unicef 2012)

**Fertility rate/Maternal mortality rate:** 2.4 births per woman, 2010 (Unicef 2012)

**Child (under 5 years) mortality rate (per 1,000):** 45 per 1,000 live births (WHO 2012); around 19 per cent of children aged under five are malnourished (World Bank).

### Welfare

In October 2001, the Bhutan government and the Asian Development Bank (ADB) signed a partnership agreement aimed at poverty reduction by 2012 through income and employment generation led by the private sector. Emphasis will be put on lifting monthly average rural incomes to about Nu3,000 (about US\$65) per head. In March 2002, the ADB agreed to provide a US\$700,000 grant to prepare a rural electrification and network expansion project.

There is a national pension plan and provident fund plan that currently provides for government employees and members of the armed forces. Between 16 per cent and 24 per cent of monthly earnings are paid into the funds, to provide for workers and their dependents. The amounts paid are split evenly between the employer and employee. These schemes are expected to be offered to other salaried workers over the next few years.

### Main cities

Thimphu (capital, estimated population 99,021 in 2012), Phuntsholing (23,915), Geylegphug (10,416), Wangdue (7,507), Somdrup Jongkhar (6,709).

### Languages spoken

There are 19 dialects and languages in Bhutan. Dzongkha bears similarities to Tibetan. English (the working language), Bumthangkha, Sharchop, Nepali and other dialects also spoken.

### Official language/s

Dzongkha

### Media

The government regulates the freedom of the media, excluding most private broadcasters.

### Press

**Weeklies:** Weekly newspapers include, in Dzongkha *Kuensel* ([www.kuenselonline.com](http://www.kuenselonline.com)); in English *Bhutan Observer* ([www.bhutanobserver.com](http://www.bhutanobserver.com)) and *Bhutan Times* ([www.bhutanimes.bt](http://www.bhutanimes.bt)) is published on Sunday.

### Broadcasting

The government-operated Bhutan Broadcasting Service (BBS) ([www.bbs.com.bt](http://www.bbs.com.bt)) is the only terrestrial television broadcaster.

**Radio:** The only independent radio station is Kuzoo FM ([www.kuzoo.net](http://www.kuzoo.net)), broadcasting in Dzongkha and English.

**Television:** The majority of programmes on the BBS are broadcast in Dzongkha (the national language and English (the working language). While the BBS is the only broadcaster, there is cable TV with many channels on offer.

### Economy

This small landlocked country has achieved good economic growth and considerable improvement in its social

indicators since the mid-1990s. According to the Bhutan Living Standard Survey (BLSS), the poverty headcount ratio was 23 per cent in 2007 and by 2010 Bhutan had either met or was on track to meet its Millennium Development Goals. Government policy includes revitalising industry, expanding strategic infrastructure and investing in human capital (through healthcare and education). In 2009, agriculture, of which forestry is an important component, accounted for 18.7 per cent of GDP. Bhutan is almost entirely self-sufficient in the production of food and the agricultural sector employs over 80 per cent of the domestic labour force. The service sector constituted 38.1 per cent of GDP in 2009, although it had remained at around 36 per cent since the 1980s, which reflected a closed society for so long. The move to a democracy and openness is expected to develop the economy, with the expansion of entrepreneurial businesses catering for other new and established industries. Hydroelectricity generation and construction are the principal components of the industrial sector, which accounts for 46 per cent of GDP. The rugged terrain has required a greater than expected investment in roads and Bhutan has relied on foreign investment to gain its modernisation.

GDP growth was 6.7 per cent in 2009, a fall from a high of 17.9 per cent in 2007. In 2010 GDP growth rose to 10.6 per cent, but was estimated to have fallen to 5.9 per cent in 2011. GDP per capita has steadily increased from US\$1,682 in 2007 to an estimated US\$2,121 in 2011. Work has been carried out on tariff reform, liberalising foreign exchange and foreign direct investment (FDI) regulations, and deregulating interest rates. Tourism has strong potential for growth, although travellers are restricted to pre-packaged holidays and arranged tours.

### External trade

In 2010, Bhutan was in ongoing negotiations to join the World Trade Organisation. Trade, is limited to small-scale agricultural production and cottage industry manufacturing, as modern industrial production is limited. Bhutan's economy is closely linked to that of India, which provides financial and technical aid and manpower.

### Imports

Principal imports are fuel and petroleum products, rice, machinery parts, vehicles and textiles.

**Main sources:** India (72.3 per cent of total in 2011), Korea (6 per cent), Singapore (3.8 per cent).

### Exports

Main exports include electricity (to India), cardamom, gypsum, timber, handicrafts, cement, fruit, precious stones and spices  
**Main destinations:** India (75.7 per cent of total in 2011), Hong Kong (16.2 per cent), Bangladesh (5.8 per cent).

### Agriculture

Agriculture annually contributes around 26 per cent to GDP and employs 90 per cent of the workforce.

Approximately 15 per cent of the land area is fertile lowland arable and 72.5 per cent is forested. No trees can be cut down without a special permit.

Main crops are rice, maize, potatoes, citrus fruits, wheat, buckwheat, barley, millet, vegetables, mustard, apples and cardamom. Vegetable production is hindered by the cold climate.

Cattle, yaks, sheep, goats and pigs are raised.

### Industry and manufacturing

The industrial sector contributes around 43 per cent to GDP annually. Manufacturing accounts for around 7.5 per cent of GDP, with cement as the principal product.

Small-scale local industries produce woodwork, fruit processing, weaving, textiles, soap, metals, handicrafts, carpets, matches and plywood manufacture. Most manufacturing industries are owned by the government.

Industrial growth has risen mainly because of increased value of electricity exports to India (from the Chukha hydroelectric plant). The Tala project will further enhance growth when it comes on stream in 2006–07. There has also been significant hydropower investment in industry.

### Tourism

The tourist industry is comparatively young and the government has worked hard to maintain a balance between the needs of an emerging economy and Bhutan's historic (and unspoiled) culture that could so easily be damaged by unrestricted tourism. Bhutan prides itself on having a Gross National Happiness (GNH) indicator as part of its policy making process and its application to the development of the tourist industry (referred to locally as the 'tourism resource'), has at its centre the welfare of the people. In 2011 the government was at a stage of developing policies that respected the GNH index while balancing the pressures of growth and any free-market approach to tourism. The remoteness of Bhutan has helped regulate tourism, not only by the limited number of visitors that reach it within the Himalayas, but to travel overland or fly into the country all visitors must make arrangements through Bhutanese travel

operators and obtain visas. The number of visitors in 2000 was 7,559 and the government has set a limit of 20,000 for 2012.

### Mining

Mining contributes about 1 per cent to GDP and employs 1 per cent of the workforce.

Deposits of many minerals exist, but quarrying is restricted to limestone, dolomite, gypsum and slate due to difficulties of access. Talcum powder is the major mineral export.

### Hydrocarbons

There are no known oil or gas reserves. Annual consumption is typically around 1,000 barrels per day of petroleum products.

Bhutan has coal reserves of 1.3 million tonnes and produces only 1,000 tonnes of coal per annum, which are used for domestic consumption. Some exploration is being carried out on the southern borders as the government encourages private sector investment in the sector.

### Energy

Total installed generating capacity was 485MW in 2006, of which 97 per cent was provided by hydropower, which is Bhutan's most important economic asset. Domestic consumption is around 110MW and all surplus is exported to India, providing the largest component of Bhutan's total exports, which contributed 45 per cent of total revenues before the opening of the Tala Hydroelectric Project, which has increased energy export revenue to 60 per cent. The major hydroelectric facility, the Chukha plant, is connected to the Indian electricity grid. The India-backed Tala Hydroelectric Project, producing 1,020MW was completed in 2008, including six 170MW generators, with all of its production exported to India.

More than 90 per cent of Bhutan's domestic energy requirements are provided by biomass, such as firewood, due to low levels of rural electrification. Over 70 per cent of domestic energy consumption is accounted for by the household sector.

### Banking and insurance

#### Central bank

Royal Monetary Authority (RMA)

#### Main financial centre

Phuntsholing

#### Time

GMT plus six hours

### Geography

Bhutan is a landlocked country that lies in the Himalayan range of mountains, with Tibet (the People's Republic of China) to the north and India to the south.

Bhutan has three distinct regions. The high Himalayas is mountainous with little

population. The tallest peak, at 7,554 metres is Kulha Gangri; there are 20 other peaks over 7,000m high.

The inner Himalayas is mostly rugged terrain, cut through with gorges and fast flowing snow-fed rivers. Mountain spurs that turn south divide the country and produce fertile, forest-lined valleys and terraced farming basins.

The southern foothills, including the Duar Plain, is only 20km wide; it is fertile flatland and home to some exotic wildlife: tigers, leopards, elephants and rhinoceros. Snow leopards, the world's rarest big cat, live at higher altitudes.

### Hemisphere

Northern

### Climate

There are three distinct climatic regions: the lowlands, along the border with India, are tropical with an annual monsoon, the middle band is temperate and the north is high frozen, glacial mountains. The capital Thimphu lies in the temperate zone with temperature variation ranging from: winter 12– minus 3 degrees Celsius (C) (day–night); summer 24–15 degrees C. The hottest region, in the south and Duar Plain, can range from: winter 20–11 degrees C (day–night); summer 31–23 degrees C. The monsoon usually arrives from mid-June to the end of August, with up to 4.5–5.0 metres of rain falling, although a high of 7.5 metres has been recorded.

### Entry requirements

#### Passports

Required by all, except Indian nationals.

#### Visa

All visitors, except Indian nationals, require visas and these must be arranged prior to arrival.

Independent travel is not permitted, even for business purposes. Businessmen and tourists are admitted only in groups by pre-arrangement through registered tour operators in Bhutan. This can be done directly or through a travel agent abroad. A minimum daily tariff is regulated and fixed by the government. The rate includes all accommodation, meals, transport, and services.

Overseas Bhutanese embassies do not issue visas; they are issued from Thimphu. Visa applications should be made at least three months in advance. Add an extra three weeks for business visas, when a letter of introduction from a Bhutan company and an employer's guarantee, plus an itinerary should accompany applications.

The only airline servicing Bhutan is Druk-Air, which will only board travellers with visa clearance from the tourism authority. Entry is via India, Bangladesh, Nepal or Thailand.

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At the point of entry, visas are stamped and a payment of US\$20 is required, along with two passport photographs. The visa is required for exit from Bhutan. If travelling overland from India a transit pass from the Indian authorities is required to permit passage through prohibited areas of the India-Bhutan border. For this, apply to the Indian Ministry of External Affairs in Delhi some months before travelling.

Enquiries can be made to the Bhutan Tourism Corporation (see travel information directory, below).

Although Bhutan has no formal diplomatic representation in Europe or the US, it has a Permanent Mission to the UN at 2 United Nations Plaza, 27th Floor, New York, NY 10017 (tel: (+1) (212) 826-1919), which has consular jurisdiction in the US. Informal contact is maintained between the Bhutanese and US Embassy in New Delhi (India).

### Customs

All visitors will complete a customs declaration on arrival, when all videos, computer and personal electronic equipment must be declared, Export of antiques and religious antiques, plants and animal products is prohibited.

### Health (for visitors)

#### Mandatory precautions

A vaccination certificate for yellow fever is required if arriving from an infected area.

#### Advisable precautions

Anti-malarial precautions are advisable. Bhutanese hospitals only provide basic care. Comprehensive medical insurance should therefore be obtained.

### Hotels

All hotel bookings are made through the Bhutan Tourism Corporation. Private hotels are open only to Bhutan nationals, some Indian nationals and certain business contacts; state hotels are of adequate standard.

### Credit cards

Of limited use, they may be accepted in a few shops; travellers cheques are accepted in many more places.

### Public holidays (national)

#### Fixed dates

2 May (Third King's Birthday), 2 Jun (Coronation Day), 8 Aug (Independence Day), 11 Nov (three days, Birthday of HM Jigme Singye Wangchuck), 17 Dec (National Day).

#### Variable dates

Winter Solstice (Jan), Offerings Day (Jan), Losay (Lunar New Year) (two days Feb), Shabdrung Kuchoe (Apr/May), Buddha Parinirvana (May/Jun), Buddha's First Sermon (Jul/Aug), Third King's Death (Jul), Guru Rinpoche's Birthday (Jul), Blessed

Rainy Day (Sep), Dashaim (Oct), Buddha Descension Day (Oct/Nov).

Bhutan uses a lunisolar calendar that follows, essentially, the Tibetan lunar calendar. There are 12 or 13 months in a year, each beginning and ending with a new moon (approximately 28 days), in a three year cycle. An extra month is added in the third year so that, on average, the calendar matches the solar year (365.25 days). Months do not have names and are referred to by their numbers. The new year begins in February and is called Losay. Buddhist festivals are declared according to local astronomical observations.

### Working hours

#### Banking

Bank of Bhutan: 0630-0930 and 1200-1600. Other banks, Mon-Fri: 0900-1700; 0900-1300 (cash transactions); Sat: 0900-1100.

#### Business

Mon-Fri: 0900-1700.

#### Shops

Mon-Sun: 0900-2000. Closed Tuesday.

### Telecommunications

#### Mobile/cell phones

GSM 900 service is available in major cities and towns.

### Electricity supply

220 Volts, 50Hz.

### Weights and measures

Metric system

### Social customs/useful tips

Prior permission is required to visit some of the religious and administrative buildings (*Dzongs*) and special permits are required to visit certain areas.

### Security

Most visits are trouble-free and the country is generally peaceful.

### Getting there

#### Air

Air transport into Bhutan is by Druk-Air, which flies from India (New Delhi and Kolkata), Nepal (Kathmandu), Bangladesh and Thailand. Druk-Air bookings can only be arranged after a visa has been issued and must also be obtained from a Bhutanese tour operator.

**National airline:** Druk-Air (Royal Bhutan Airlines).

**International airport/s:** Paro (PBH), 8km south of Paro, 68km from Thimphu.

**Airport tax:** International departures Nu300

#### Surface

**Road:** There are two overland access routes, both from India. A new crossing between Assam and Samdrup Jongkhar in eastern Bhutan allows tours to travel on a single-lane road to the capital. The older crossing, from the Indian frontier

(Jaigaon) to Phuntsholing, has the added problem for travellers of crossing the Indian state of West Bengal before reaching Bhutan. Whichever route is taken the journey is arduous.

### Getting about

#### National transport

**Air:** No services exist.

**Road:** The road network comprises some 3,000km, largely surfaced. The mountain roads are hazardous and subject to landslides in the monsoon season. No roads exist in the northern high Himalaya regions.

**Buses:** Bus services are available between main centres, although local enquiries are recommended.

#### City transport

**Taxis:** The airport journey to Thimphu is 90 minutes.

**Buses, trams & metro:** There is a bus service to the airport from Thimphu, journey time 90 minutes.

#### Car hire

Certain services are available, and local enquiries are recommended. An international driving licence is needed.

Traffic drives on the left and 40kph is the average speed.

## BUSINESS DIRECTORY

The addresses listed below are a selection only. While World of Information makes every endeavour to check these addresses, we cannot guarantee that changes have not been made, especially to telephone numbers and area codes. We would welcome any corrections.

### Telephone area codes

The international dialling code (IDD) for Bhutan is +975, followed by area code and subscriber's number: Jakar3Thimphu2

### Chambers of Commerce

Bhutan Chamber of Commerce and Industry, PO Box 147, Doybum Lam, Thimphu (tel: 322-742; fax: 323-936; e-mail: bsdbcci@druknet.net.bt).

### Banking

Bank of Bhutan, (tel: 322-621, 322-266; fax: 323-433).

Bhutan National Bank, PO Box 439, Thimphu (tel: 322-767, 323-602; fax: 323-601; e-mail: mdbnb@druknet.net.bt).

### Central bank

Royal Monetary Authority of Bhutan, PO Box 154, Thimphu (tel: 323-111; fax: 322-847; e-mail: rma@rma.org.bt).

### Travel information

Association of Bhutanese Tour Operators (ABTO), PO Box 938, Thimphu (tel:

322-862, 327-715; fax: 325-286; email: abto@druknet.net.bt).

Bhutan Yodsel Tours and Treks, PO Box 574, Thimphu (tel: 323-912; fax: 323-589; e-mail: dawa@druknet.net.bt).

Department of Tourism PO Box 126, Thimphu, Bhutan (tel: 232-3251, 232-3252; fax: 232-3695; email: dot@tourism.gov.bt).

SITA Travels, SITA House, Presidential Business Park, C-9, Vasant Kunj, New Delhi 110070, India (tel: (+9111) 2612-1110; fax: (9111) 2612-1125; email: info@sitaindia.com and lokeshb@sitaindia.com; internet: www.sitaspecialtours.com).

#### **Ministry of tourism**

Bhutan Tourism Corporation Ltd (BTCL), PO Box 159, Thimphu (tel: 322-045, 322-854, 322-647; fax: 323-392, 322-479; e-mail: btcl@druknet.net.bt; ynorbu@druknet.net.bt; internet site: www.kingdomofbhutan.com).

#### **National tourist organisation offices**

Tourism Authority of Bhutan (supplies lists of operators and trekking agencies), PO Box 126, Thimphu (tel: 323-251/2, 325-121/2; fax: 323-695; e-mail: tab@druknet.net.bt).

#### **Ministries**

Ministry of Agriculture, PO Box: 252, Thimphu (tel: 232-3765; fax: 232-3153; internet: www.moa.gov.bt).

Ministry of Education PO Box 112, Thimphu (tel: 232-5325; fax: 232-5183; internet: www.education.gov.bt).

Ministry of Finance, PO Box: 117, Thimphu (tel: 232-2223; fax: 232-3154; internet: www.mof.gov.bt).

Ministry of Health, PO Box: 108, Kawangsa, Thimphu (tel: 232-2602, 232-2961; fax: 232-3113, 232-4649; internet: www.health.gov.bt).

Ministry of Home and Cultural Affairs Tashichodzong, Thimphu (tel: 232-6015; fax: 232-4320).

Ministry of Information and Communications, PO Box: 278, Thimphu (tel: 232-2144, 232-4439; fax: 232-1055; internet: www.moic.gov.bt).

Ministry of Labour and Human Resources, PO Box: 1036, Thongsel Lam, Lower Motithang, Thimphu (tel: 232-6732, 232-1482; fax: 232-6731; internet: www.employment.gov.bt).

Ministry of Trade and Industry, PO Box 126 Thimphu (tel: 23-251; fax: 23-695; internet: www.mti.gov.bt).

Ministry of Works and Human Settlement, PO Box: 791, Thimphu (tel: 232-7998, 232-2182; fax: 232-270; internet: www.mowhs.gov.bt).

#### **Other useful addresses**

Bhutanese Embassy, India, Chandragupta Marg, Chanakyapuri, New Delhi, 110 021 India (tel: (+91-11) 2688-9230/9806/7).

Bhutanese Permanent Mission to the UN, 2 United Nations Plaza, 27th Floor, New York, NY 10017 (tel: (+1-212) 826-1919; fax: (+1-212) 826-2998).

State Trading Corp of Bhutan, 52 Trivoli Court, Ballygange Circular Road, Calcutta, 700019, India.

United Nations Development Programme, United Nations Building, Dremton Lam, GPO Box 162, Thimphu (tel: 322 424; fax: 322-657; e-mail: fo.btn@undp.org).

#### **Internet sites**

Bhutan Expeditions: www.bhutan-expeditions.com

Bhutan government portal: www.bhutan.gov.bt

Bhutan News Online: www.bhutannewsonline.com