

## Embassy of India Thimphu

\*\*\*

### Press Release: Nu./Rs. 1225 million released by the Government of India for Development Projects of Bhutan.

The Government of India has released Nu./Rs. 1225 million for various Development Projects of Bhutan, being undertaken through Gol's Trade Support Facility (TSF) and the Program Grant (PG).

For the 12th Five Year Plan of Bhutan, Government of India has committed Nu./Rs. 8.5 billion as the untied Program Grant to the Royal Government. In addition, India has also committed Nu./Rs. 4 billion as Transitional Trade Support Facility for the 12th Plan Period.

In order to upgrade the Trade Infrastructure of Bhutan, improve Ease of Doing Business and strengthen bilateral economic linkages, an amount of Nu./Rs. 800 million has been provided in this release toward the transitional Trade Support Facility. Under this facility, the Pasakha Dry Port is being constructed, feasibility studies of Nganglam and Gelephu Dry Ports are being undertaken and Bhutan Integrated Taxation System, one of the components of the flagship Digital Drukylu is being implemented, among others.

Further, to facilitate the Royal Government in implementing its development agenda, an amount of Nu./Rs. 425 million has been provided out of the present release as Program Grant. The Program Grant facility is an untied grant in the form of direct budgetary support to the finances of the Royal Government.

As a special gesture, India has also authorised the export of wheat and sugar to Bhutan, as per Bhutan's requirements, i.e. 5000 MT of wheat and 10,000 MT of sugar, to be imported by the Food Corporation of Bhutan Limited and other leading industries in Bhutan. Our close trade and economic ties are a reflection of the exceptionally close and friendly relations between India and Bhutan that have existed over decades. In view of this special relationship, notwithstanding global supply chain disruptions and shortages of

various commodities, India has decided to accommodate Bhutan's special requests.

Going forward, the people and the Government of India are resolute in their commitment to the equitable, inclusive and sustainable development of Bhutan in consonance with the principles of Gross National Happiness.

\*\*\*

Dated: 11 August, 2022

