

TERMS OF REFERENCE

1. BACKGROUND

As per Industry Census of Bhutan 2024, the “Access to Market” was highlighted as one of the major constraints faced by the industries, particularly cottage and small industries (CSIs). Around 42% of the respondents reported having difficulty in selling their products. While many factors are responsible for the limited access to market, one major reason is attributable to a lack of dedicated retail space for locally manufactured products. Authentic Bhutanese products are not able to secure dedicated shelves in major domestic wholesale and retail outlets, thus obscuring their authenticity and uniqueness. This has hampered the marketability of our local products to a great extent.

The Department of Industry is persistently working to establish dedicated CSI markets at strategic locations in the country to promote local industrial products to address the issue of market access. Two CSI markets were established in Thimphu and Paro in the 12th FYP. In Fiscal Year 2024 - 2025, the Department established the third CSI Market in Samdrup Jongkhar. This year, the Department has planned to establish the fourth CSI Market in Bumthang.

While the existing CSI Market Operators have played a pivotal role as the aggregator for CSI products, the Department is now planning to provide opportunities for more entrepreneurs to take the role of CSI Operator/aggregator.

As the Contract Term of current CSI Market Operator, Changzamtok, Thimphu comes to an end in early next year, this is an opportunity for the interested private sector to take up the role as another Operator. However, the incumbent CSI Market Operator shall also be eligible to compete in the selection process.

2. OBJECTIVES

The overall objective of CSI Market is to:

- a. Provide a dedicated retail platform to promote and sell products manufactured by Cottage and Small Industries in the country.
- b. Facilitate export linkages by acting as a local aggregator for export orders and manage logistic arrangements.

3. FUNCTIONS OF THE CSI MARKET

1. Serve as a dedicated marketplace for authentic Bhutanese products
2. Create a platform for offline and online selling of Made in Bhutan Products;
3. Add value to the Made-in Bhutan products for better marketability;
4. Provide easy access to both local and international buyers for purchasing Made-in Bhutan products
5. Become a prime location for tourists to visit and buy Made-in Bhutan products.

4. RESPONSIBILITIES OF THE CSI MARKET OPERATOR

The Operator shall:

- i. Undertake the operation and management of market outlets for the period specified in the Agreement.
- ii. Act as local aggregator and make constant effort to export products to international markets
- iii. Employ adequate and well-trained sales personnel
- iv. Facilitate interested CSIs to put up their products for sale through the outlet
- v. Maintain cleanliness of the market and its premises at all times
- vi. Ensure fair, competitive and affordable pricing for all products
- vii. Ensure timely payment to the product suppliers

- viii. Operate, manage and repair the equipment and furniture during the operation period and surrender them back when the contract term ends
- ix. Maintain proper and accurate records, data and accounts relating to the operation of the market outlet
- x. Ensure only locally produced products are displayed in the shop
- xi. Not affix or permit to affix any sign, advertisement or notice at CSI market premises without obtaining written approval from the Department
- xii. Not enter into any kind of sub-contracting or sub-leasing of the market operation with any party.
- xiii. Comply with all relevant and applicable laws including business licensing, taxation, environmental, etc.
- xiv. Ensure that equipment and furniture deployed for operating the market are made available to the inspection team at any point in time.
- xv. Promote the shop and its products through various marketing initiatives and programs.
- xvi. Offer guidance to local producers on how to improve product quality and packaging
- xvii. Submit quarterly report to the Department
- xviii. Inform the Department two months in advance if he/she wants to withdraw from the Contract Agreement

Desired qualifications and experience of the Operator

- i. Minimum class 12 passed. Preference to be given to those with higher academic backgrounds related to business.
- ii. Preferably with experience in retail management, shop operations and knowledge of local industries, and export networks.

- iii. Strong interpersonal skills with passion to work with local producers and international customers.
- iv. Individual/entity with capacity and willingness to mobilise and invest adequate financial resources for inventories.