



ANNUAL INDUSTRY REPORT

2023-24

DEPARTMENT OF INDUSTRY

MINISTRY OF INDUSTRY, COMMERCE AND EMPLOYMENT

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FOREWORD

It is my pleasure to present the Annual Industry Report for the fiscal year 2023-2024. This report highlights the key activities and accomplishments of the Department of Industry under the Ministry of Industry, Commerce and Employment for the fiscal year 2023-2024.

The Department of Industry is broadly divided into 5 Divisions and 1 Section namely: Large Industry Promotion Division (LIPD); Cottage and Small Industry Promotion Division (CSIPD); Invest Bhutan Division (IBD); Industrial Park Management Division (IPMD); and Industry Sustenance Support Division (ISSD); and Environment Services Section (ESS). These divisions within the Department are responsible for carrying out the Department's mandates and services.



A key focus during the fiscal year 2023-2024 was enhancing our industrial competitiveness through strategic initiatives, policy reforms, facilitating pre and post license services, and capacity-building programs. We worked closely with stakeholders to address bottlenecks, streamline processes, and create an enabling environment for businesses to thrive.

This report also highlights our commitment to strengthening regional and international partnerships, facilitating trade and investment, and positioning our industries as competitive players in the global marketplace.

As we look ahead, the Department remains dedicated to driving industrial excellence, embracing technological advancements, and ensuring that our industries continue to contribute significantly to the nation's economic prosperity and societal well-being. We are committed to supporting our industries in their transition towards more sustainable and resilient practices, ensuring that they are well-positioned to compete in the global marketplace.

I extend my sincere appreciation to our industry partners, stakeholders, and the dedicated team at the Department for their invaluable contributions throughout the year.

A handwritten signature in blue ink, appearing to read 'Chhime Tshering'.

(Chhime Tshering)
Director General

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Acronyms

BAOWE	Bhutan Association of Women Entrepreneurs
BAW	Business Advocacy Workshop
BCCI	Bhutan Chamber of Commerce and Industry
BFDA	Bhutan Food and Drug Authority
BIE	Bjemina Industrial Estate
BoQ	Bill of Quantities
BSB	Bhutan Standards Bureau
BSR	Bhutan Schedule of Rates
BTFN	Bhutan TradeFin Net
CFC	Common Facility Center
CIP	Changchey Industrial Park
CRC	Cottage scale Registration Certificate
CSI	Cottage and Small Industries
DECC	Department of Environment and Climate Change
DIP	Dhamdum Industrial Park
DoI	Department of Industry
DoID	Department of Infrastructure Development
DPP	Department of Procurement and Properties
DRC	Department of Revenue and Customs
EC	Environment Clearance
EIA	Environment Impact Assessment
FDI	Foreign Direct Investment
FDIRC	Foreign Direct Investment Registration Certificate
FY	Fiscal Year
GDP	Gross Domestic Product

GoI-PTA	Government of India-Project Tied Fund
GREW	Grassroots Rural Entrepreneurs Women
IIS	Industry Information System
IPA	Investment Promotion Agency
JIP	Jigmeling Industrial Park
M&L	Medium and Large Industries
MIP	Motanga Industrial Park
MoF	Ministry of Finance
MoHA	Ministry of Home Affairs
MoICE	Ministry of Industry, Commerce and Employment
NHPC	National Post Harvest Center
PIE	Pasakha Industrial Estate
TTI	Technical Training Institute
UNDP	United Nation Development Programme
WAIPA	World Association of Investment Promotion Agency

INTRODUCTION

Vision

To become a leading agency in promoting the growth of vibrant and sustainable industries, contributing towards becoming a Developed Bhutan.

Mission

To create an enabling environment to facilitate and support sustainable growth and development of industries, attract investment, promote green economy, foster private sector participation and increase contribution to the national economy.

Mandates and Functions

1. Develop policy and strategies for the growth of the industrial sector
2. Support the growth, development and diversification of industries for overall economic growth
3. Support industrial transformation through innovation, investment and emerging technologies
4. Promote Bhutan as an investment destination and support the growth of FDI's
5. Conduct studies, analysis, and develop plans, projects, and programs for industrial development.
6. Promote, facilitate and manage industrial parks
7. Create a conducive environment for the private sector to lead industrial growth and development
8. Support rejuvenation of non-performing industries with future potential
9. Spearhead the transformation of industry into a green industry

EXECUTIVE SUMMARY

The Annual Industry Report for the Fiscal Year 2023-2024 provides a comprehensive overview of the industrial sector's current status and the significant activities carried out by the Department of Industry (DoI) throughout the year. The DoI, as the leading agency, plays a pivotal role in formulating and implementing plans and programs aimed at the development and growth of industries in the country. This report accentuates the Department's commitment in supporting and facilitating both domestic industries and foreign investments, thereby driving the transformation and evolution of the industrial sector.

The industrial sector is a cornerstone of the nation's economic development, contributing substantially to employment, innovation, and overall economic growth. Recognizing this, the Department has focused on a multi-faceted approach to foster a vibrant and dynamic industrial environment. This report includes an overview of the industry sector, providing a broad overview of the current state of the industrial sector, including key statistics, trends, and a general assessment of the sector's performance over the fiscal year. Further, this report is structured into five detailed chapters, each addressing a critical aspect of the industrial landscape.

Chapter 1 focuses on policy and regulatory reforms, which detail the significant policy and regulatory reforms implemented to create a more favourable business environment, while Chapter 2 covers the business development support services, which focus on the support services provided by the Department, covering initiatives and programs designed to aid business development, including training, advisory services, and financial support mechanisms. Similarly, Chapter 3 focuses on innovation and technology adoption, highlighting the efforts made to foster innovation and the adoption of advanced technologies within the industry. Chapter 4 covers access to the market, addressing market accessibility, and highlighting strategies and initiatives aimed at improving domestic and international market access for local industries. Finally, Chapter 5 focuses on the access to infrastructure, which provides emphasis on the infrastructure developments that support industrial growth.

Through this report, the Department aims to provide a clear and detailed account of the progress made in the industry sector during the fiscal year 2023-2024. The Department of

Industry remains committed to driving the growth of a vibrant and dynamic industrial sector that contributes significantly to the economic development of the country.

OVERVIEW OF THE INDUSTRY SECTOR

The Industry sector in Bhutan is classified under scales of licenses such as large, medium, small and cottage, depending on the size of the capital investment. As shown in Table 1, an industry is categorized as a large industry if it invests Nu. 100 million and above with a minimum of 100 employees. Similarly, an industry is classified as medium scale if the investment size is from Nu.10 million to Nu.100 million and employs 20 to 99 people. Small-scale industries are those with investments between Nu. 1 million and Nu. 10 million with 5 to 19 employees. Likewise, a cottage industry is defined as an investment of less than Nu. 1 million with 1 to 4 employees.

Table 1: Definition of industries in Bhutan as per MoICE

Class	Investment	Employment
Large industries	> Nu. 100 million	100+
Medium industries	Nu. 10 million - Nu. 100 million	20 to 99
Small industries	Nu. 1 million - Nu. 10 million	5 to 19
Cottage industries	< Nu. 1 million	1 to 4

Note: Investment will apply; where there is a conflict, investment will take precedence

0.1 Industry by Scale

As of June 20, 2024, there were 29,819 active industrial licenses in the country, but not all of them are operational. These licenses are valid as some industries are in the construction phase, while others were simply renewed to keep the business license active with the intention of starting or re-starting the business in the future.

Table 2: Definition of industries in Bhutan as per MoICE

Industry by Sector	Large & Medium scale Industries		Small scale Industries		Cottage scale Registration Certificate		Total 2024	Industry by %
	2023	2024	2023	2024	2023	2024		
Production & Manufacturing	346	325	1,153	1120	2,213	2394	3839	13%
Services	563	459	17,601	15438	7,506	8057	23954	80%
Construction	457	420	1,849	1579	19	27	2026	7%
TOTAL	1,366	1,204	20,603	18,137	9,738	10,478	29,819	100%

Note: Construction: Only W-2: Registration for Traditional Painting and Specialist Firms are eligible under CRC

The table above shows that the service sector predominates the overall industries, comprising 80% of the total. This is followed by the production and manufacturing sector at 13%, which represents an increase of 1% compared to the last fiscal year. The construction sector remains unchanged at 7%. However, the trend shows that compared to last fiscal year the number of active licenses has dropped.

0.2 Dzongkhag Wise Distribution of Industry

The graph below shows that the majority of the industries are clustered in the western and southern parts of the country, with a high concentration in Thimphu, Chhukha, Sarpang, Samtse, and Paro Dzongkhags. Gasa Dzongkhag has the least number of industries compared to other Dzongkhags, irrespective of the type and scale of industries.

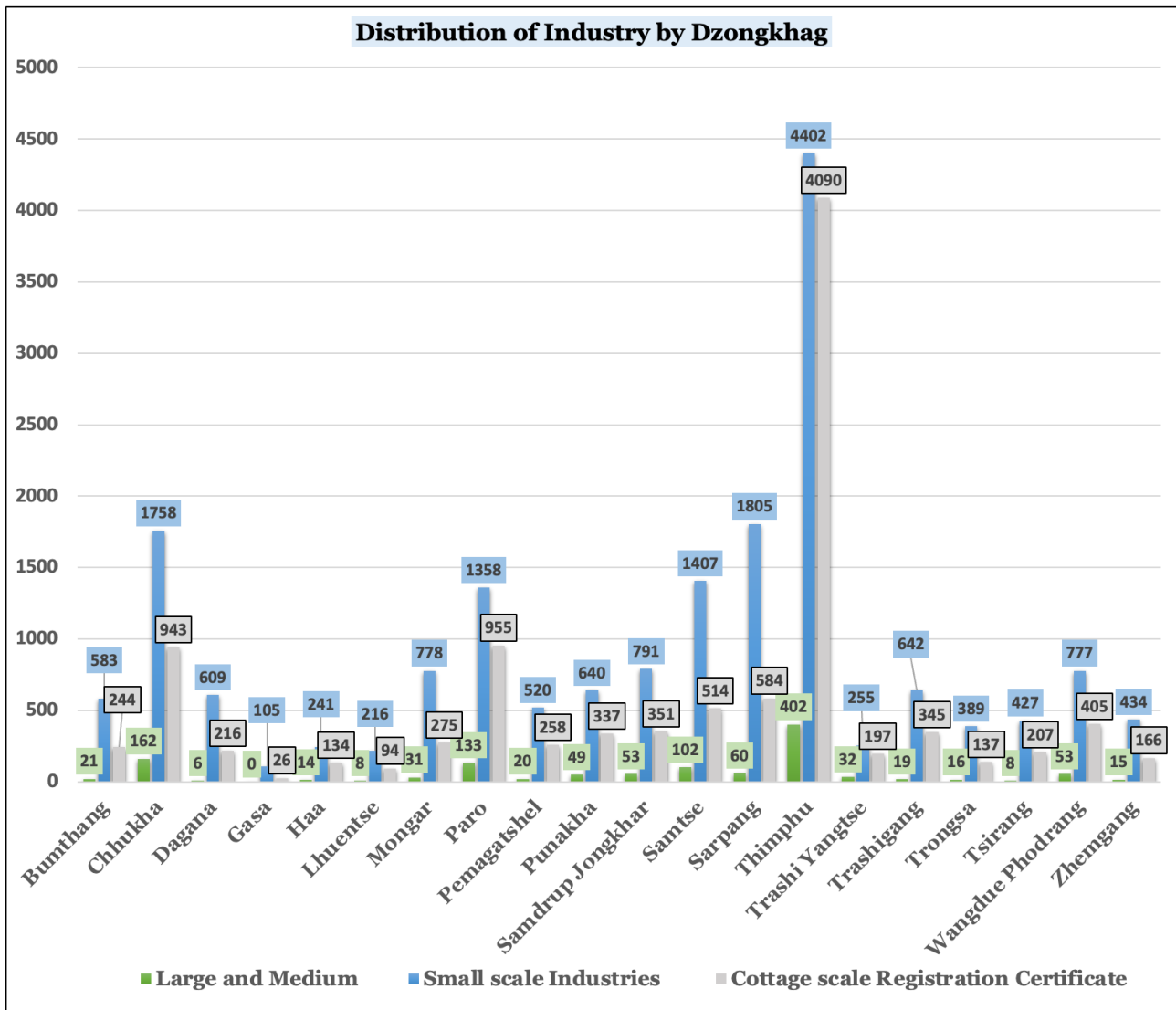


Figure 1: Industry by Dzongkhag

0.2.1 Production and Manufacturing Industry by Dzongkhag

The graph below shows that Thimphu Dzongkhag has the highest number of production and manufacturing industries under the cottage and small scale (991 licenses) compared to large and medium scale (44 licenses) industries. Chhukha has the highest number of large and medium-scale production and manufacturing industries (87 licenses) followed by Samtse (82 licenses). The pattern is attributed mainly to the existence of industrial parks/other infrastructure and easier access to the raw materials- entry and exit points from India. Dzongkhags such as Gasa, Lhuentse, and Trongsa have the least number of manufacturing industries compared to other Dzongkhags.

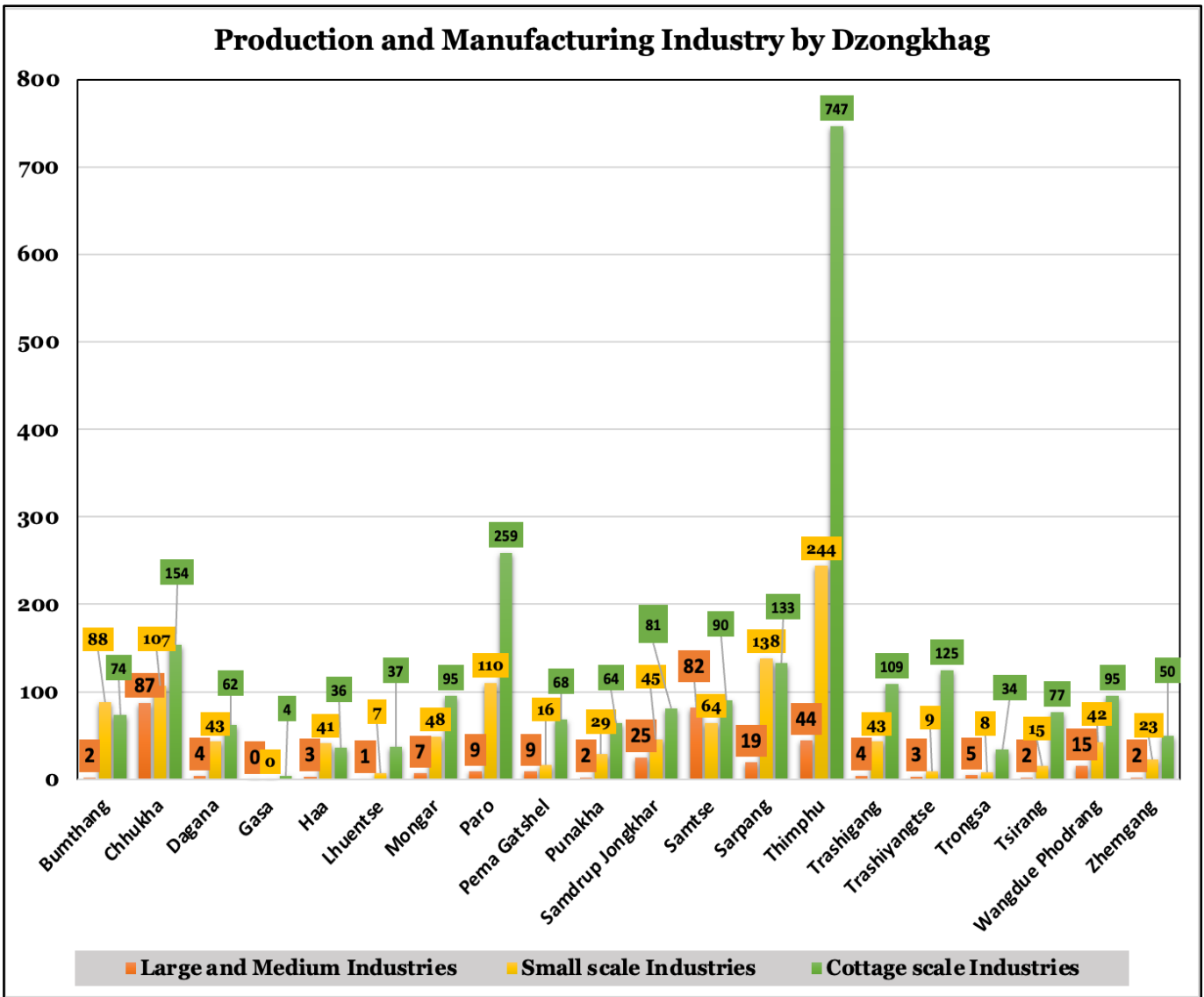


Figure 2: Production and Manufacturing Industry by Dzongkhag

0.2.2 Service Industry by Dzongkhag

Service industries, irrespective of the scale of business activities, are mostly located in Thimphu with 3,768 small-scale licenses, 3,325 CRCs, and 211 medium and large-scale licenses, followed by Sarpang, Chukha, Samtse, and Paro. Dagana and Gasa Dzongkhags do not even have a single medium and large service industries licensed.

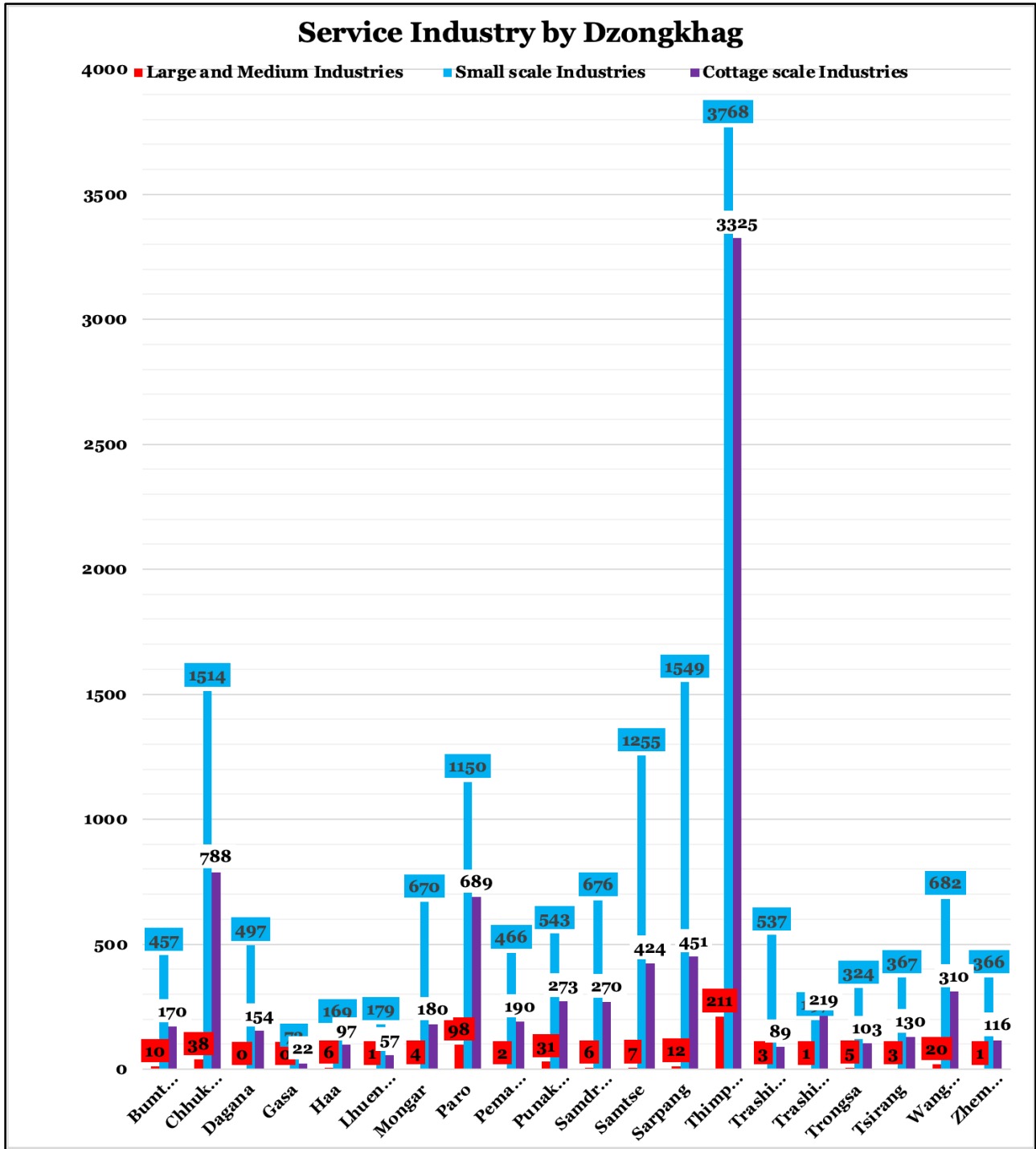


Figure 3: Service Industry by Dzongkhag

0.2.3 Construction Industry by Dzongkhag

About 21% of contract licenses (433 licenses) are based in Thimphu, followed by 13% in Sarpang (265), and 9% in Chhukha (175 licenses). While contract licenses are concentrated in Thimphu, it is also widely spread across other Dzongkhags.

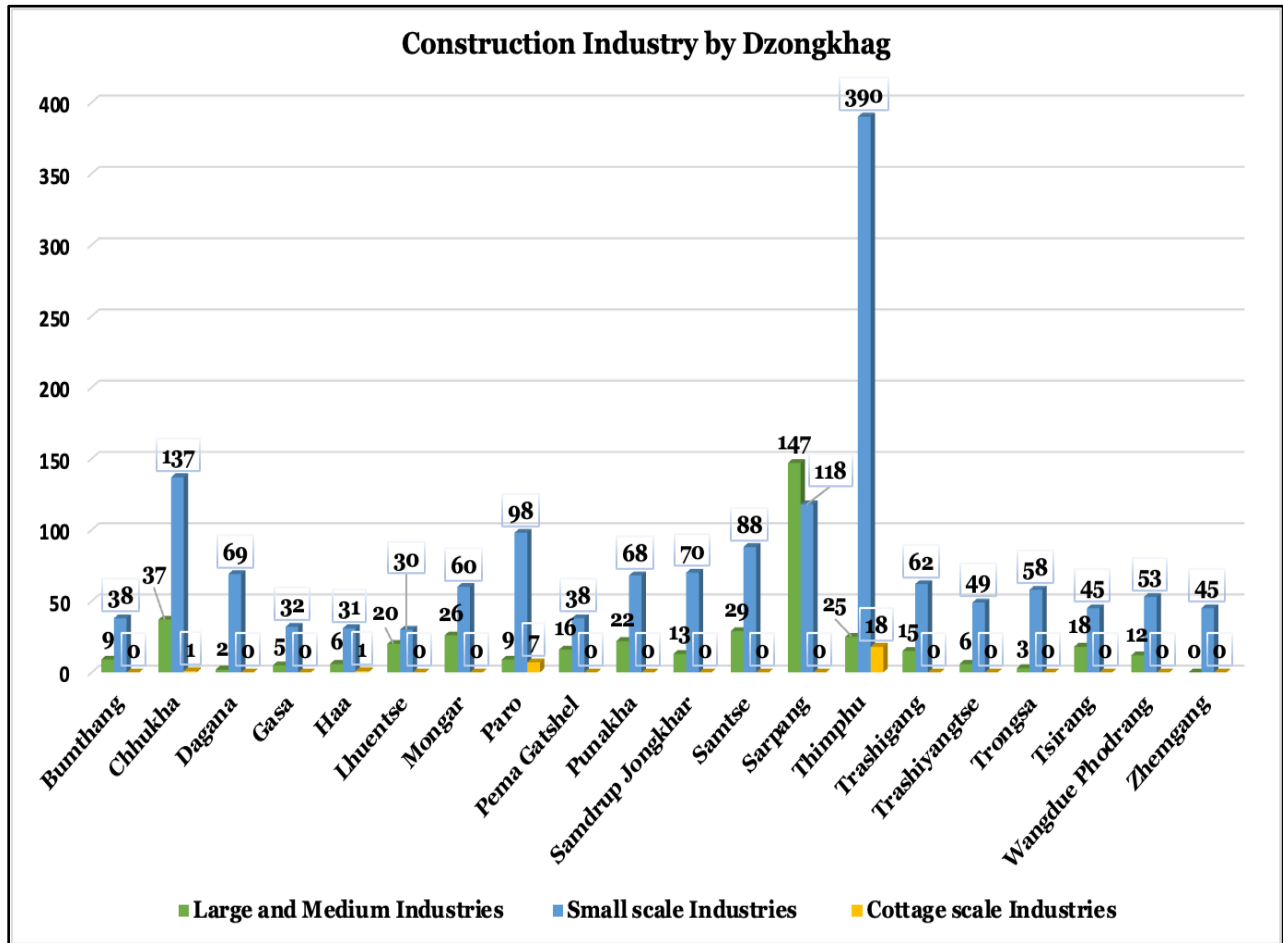


Figure 4: Construction Industry by Dzongkhag

0.2.4 Establishment by Legal Status (Ownership Type)

Industries are categorized based on legal status under sole proprietorship, partnership, company, and others (which include Groups, Cooperatives, Government-owned, Dratshang-owned, etc.). About 96% of the total active industries are owned by sole proprietors, 3% by incorporated companies, 1% by partnerships, and a negligible share by other types of ownership, as depicted in the table below.

Table 3 Industry by type of ownership as of June 20, 2024

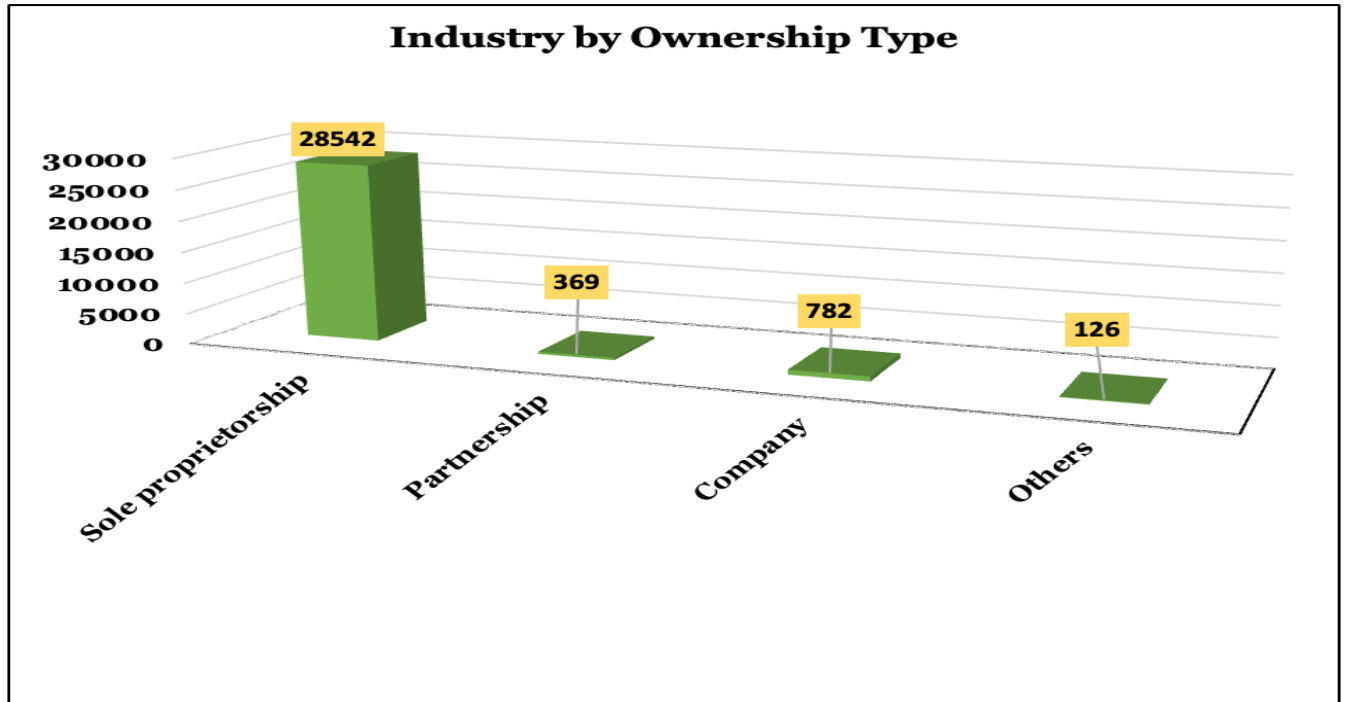


Figure 5: Industry by Owner Type

Others: Agencies, Cooperatives, Groups, etc.

CHAPTER 1: POLICY AND REGULATORY REFORMS

1.1 Trade and Industry Rule 2023

The Trade and Industry Rules, 2023, was adopted and implemented on 22nd August, 2023. The objective is to streamline and provide clarity for the proper conduct of business, strengthen effective regulations, and create an enabling environment for the promotion of entrepreneurship and the private sector at large. The Rules consolidate around 10 rules and regulations, guidelines, etc. related to trade and industry. It primarily aims to promote ease of doing business by simplifying the licensing process, eliminating the common barriers impeding business, and underscoring the rights and duties in the conduct of business activities.

The Trade and Industry Rules 2023 can be accessed from www.industry.gov.bt or www.moice.gov.bt

1.2 FDI Rules and Regulations 2024

The Ministry, as per the directive of the Government reviewed the FDI Policy in consultations with relevant stakeholders to enhance the investment climate in the country and consolidated the Policy and Regulations into a single document titled “FDI Rules and Regulations”. The revised Rules & Regulations is expected to be endorsed by the first quarter of the upcoming fiscal year.

1.3 Membership to the World Association of Investment Promotion Agency (WAIPA)

The Department of Industry as an Investment Promotion Agency (IPA) has sought membership in the World Association of Investment Promotion Agency (WAIPA), a global reference point for FDIs where IPAs around the world engage in networking and share best practices of investment promotions. Being a member of WAIPA will increase the

visibility of Bhutan in the global investment landscape. Membership with WAIPA has been completed in June 2024.

1.4 Industry Census 2024

Industry census refers to a comprehensive enumeration that counts the entire population of operational cottage, small, medium, and large industries.

The Department in collaboration with the National Statistics Bureau, conducted a nationwide Industry Census 2024 - a complete enumeration of operational cottage, small, medium, and large industries in the country. The Reference period for the census was from January 1, 2023, to December 31, 2023. The census was led by 19 supervisors and 6 Dashboard Managers with the help of 113 enumerators.

To date, the System of National Accounts considered only those industries with books of accounts to determine their share of Gross Domestic Product (GDP) as it provided accurate data to calculate the value of goods and services produced within the country during a specific period of time.

For this census, to measure the impact and its contribution to provisional GDP, all operational industries in Bhutan regardless of their scale and maintenance of books of accounts were enumerated during the census.

A separate report on Industry Census 2024 is available at www.industry.gov.bt and www.moice.gov.bt

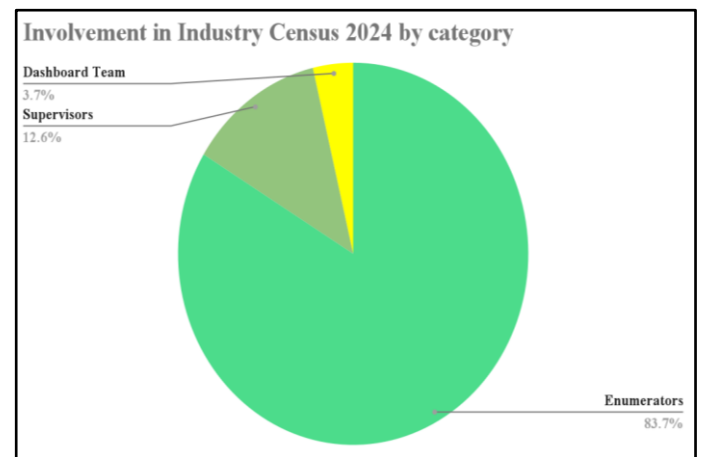


Figure 7: Involvement in Industry Census 2024 by category



Figure 6: Training of Enumerators

1.5 Informal Sectors Development

For the reporting year, the Department in collaboration with Dzongkhags has supported the following informal activities with core equipment and machinery. As per the Guidelines for the Informal Sector Support 2022, strategic interventions for informal businesses intend to enhance their contribution to economic development and transit to the formal sector.

The Department received numerous applicants for informal support from various Dzongkhags for FY 2023-2024. The applications were screened using criteria such as but not limited to the use of local raw materials, employment generation potential, community development and import substitution potentials.



Figure 8: Technological support to Informal Sectors

Table 3: Details on Informal Sectors Development

Sl. #	Activity	Location
1	Cobbler Business	Darla, Chhukha
2	Cassava Flour Processing	Pepping, Dagana
3	Tailoring Business	Katsho, Haa
4	Cobbler Business	Katsho, Haa
5	Pickle Processing Unit	Sombaykha, Haa
6	Vegetable Drying Unit	Katsho, Haa
7	Mustard Oil Production	Yangtse, Trashiyangtse
8	Buckwheat Noodle Production	Toewang, Punakha

1.6 Industry Information System (IIS)

The Industry Information System (IIS) is an online platform for industries to submit information electronically on their industries using in-built forms designed according to the scale and category of business. The information submitted by the industries will be utilized to prepare reports and aid in making data-driven planning and decisions.

Since the development of the Industry Information System in 2023, very few industries were provided with end-user training and the consequence was that all industries could not submit information as required. In the Fiscal Year 2023- 2024, the Department conducted a series of end-user training on IIS at Paro, Bumthang, Samtse, Pugli, Phuentsholing, Samdrup Jongkhar, Gelephu and Thimphu targeting more than 800 industries from Production and Manufacturing category.

Table 4: IIS End-User Training details

Sl#	Location (Year 2023)	Participants (Year 2023)	Location (Year 2024)	Participants (Year 2024)
1	Thimphu	15	Paro	49
2	Paro	17	Bumthang	26
3	Punakha	11	Gelephu	73
4	Bjemina , Thimphu	12	Samtse	54
5	-	-	Pugli	17
6	-	-	Phuentsho -ling	81
7	-	-	Samdrup Jongkhar	20
8	-	-	Thimphu	102
Total		55	Total	422

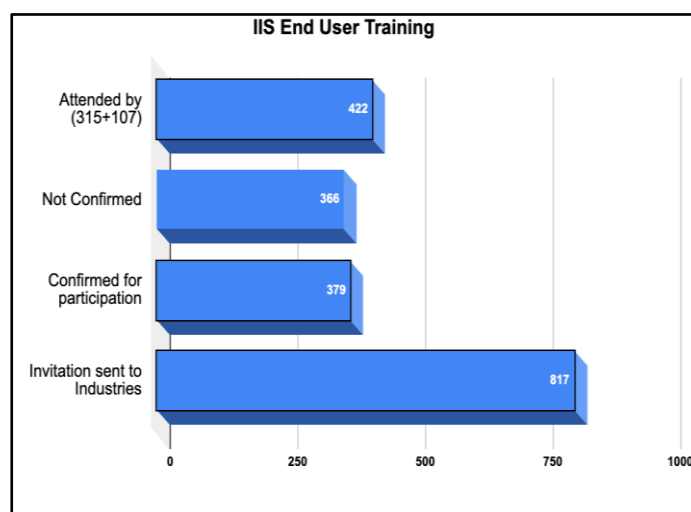


Figure 9: ISS End User Training

1.7 Industrial Transformation Map

The Department initiated the development of the Industrial Transformation Map (ITM) in collaboration with the UNDP. The objective is to develop a medium to long-term industrial strategy focused on key priority sectors, based on comparative and competitive advantages, that will ultimately help build a developed Bhutan.

Moreover, the ITM will strive to develop sector-specific strategies (for prioritized sectors) to improve productivity, coordination, collaboration, and partnership with the private sector and guide us in our effort to become a high-income country driven by innovation and technology by 2034.

The following activities were carried out for the ITM project:

- 1) UNDP fielded experts from UNDP's Istanbul Center for Private Sector Development
- 2) Experts conducted Training of Trainers (ToT) for 13 participants from relevant agencies in February

2024 to build capacity to develop ITMs in the future.

- 3) Experts indicated five broad potential sectors for the development of ITM based on comparative and competitive advantages
- 4) Task Force selected three priority sectors for the development of ITM
- 5) Carried out a field survey of 25 industries falling under the prioritized sectors
- 6) Three sectoral workshops were conducted from 29-31 May 2024 with industry stakeholders
- 7) Final draft report on ITM for three prioritized sectors received.



Figure 10: Activities on Industrial Transformation Map

CHAPTER 2: BUSINESS DEVELOPMENT

SUPPORT SERVICES

2.1 Capacity Building

2.1.1. Digital Marketing Training

The Department in collaboration with the United Nations Development Programme conducted Digital Marketing Training in three Dzongkhags of Chukha, Punakha and Thimphu during the month of August 2023. A total of 77 CSIs (37 males and 40 females) attended the training.

The aim of the training was to enable CSIs to create awareness of their brand, build trust and confidence, and ultimately, promote e-commerce activities for the overall improvement of business performance.

Through interactive sessions and practical exercises, participants learned to apply digital tools and online promotion approaches, and learned about content marketing, email marketing and social-media marketing which is expected to help them promote their products and increase their overall business performance.



Figure 11: Digital Marketing Training

2.1.2 Training on Packaging and Labeling

For the FY 2023- 2024, packaging and labeling training was held in Paro, Bumthang, Gelephu and Samdrup Jongkhar Dzongkhag for wider coverage of the Dzongkhags. The aim of the training was to provide equal opportunities for both genders in the production and manufacturing sector. A total of 111 entrepreneurs with a nearly equal split of both genders (57 females and 54 males) participated in the training.

Labeling of the products during the training involved displaying essential

details like the product name, ingredients, usage instructions, and legal information, ensuring compliance with regulations. On the other hand, packaging primarily concerns the material aspect, such as using plastic, glass, metal, or paper to encase the product physically. The training enabled the CSIs to professionally display their brand logo and messages that will help the customer find their product easily by creating a recall value.

The training was conducted by a packaging and labeling expert, Mr. Rajesh Iyer under ADB TA. During the training, participants were made aware of various business development support services of the Department which can be accessed at www.industry.gov.bt and also sensitized on Industry Information System developed by the Department.



Figure 12: Training on Packaging and Labeling

2.1.3 Basic and Intermediate Digital Marketing and Content Creation including Photography and Videography Training for CSIs

As part of the ADB-TA *Improving Access to Market for the CSIs*, the ‘Basic and Intermediate Digital Marketing and Content Creation including Photography and Videography for CSIs’ training was conducted at Paro from 18 March to 6 April 2024. The training was participated by a total of 37 participants including the 12 selected CSIs with 15 males and 22 females.

The initial ten days were designed as a basic course while another ten days of training was a more intermediate level of training focused primarily on the 12 CSI producers. One of the primary outputs of the intermediate-level training was the production of a shorter version of the product videos of each CSI using the skills learnt during the training. Another output was an improvement of the social media pages of the CSIs.



Figure 13: Digital Marketing Training

2.1.4 CFC, Thimphu and Tsirang

The Department with technical support from National Post Harvest Center (NHPC) conducted user training from 13th to 15th November 2023 for the Common Facility Center (CFC) Operator in Thimphu to ensure efficient and effective use of equipment/machinery in the CFC. The CFC is well equipped with the most commonly required equipment/machinery such as grinding, packaging, labeling, sealing, dehydrating, sorting, etc. primarily to provide the most commonly required services to startups and CSIs.



Figure 14: User Training at CFC, Thimphu

Similarly, for CFC at Tsirang, the user training was conducted for six days from 17th to 22nd November 2023. The main objective of the training was to practically acquaint the CFC Operator in handling and operating the installed equipment and machinery in providing the services. In addition, new equipment/machinery was added; new electrical wiring both single and three phase connections from the recently upgraded distribution substation was completed; civil works for modification of processing rooms were also executed and equipment and machinery were tested and the CFC has been made functional.



Figure 15: CFC training at Tsirang

2.2 Business Advocacy Workshop

The Business Advocacy Workshop (BAW) is one such tool that enables the Department to advocate for potential entrepreneurs and as well as existing industries on how to obtain a business license by using online systems, and post-license facilitation to industries such as recommendations for availing fiscal incentives. The platform is also utilized to disseminate information on current rules and regulations of the government to comply with while starting/operating their business and any upcoming new opportunities.

The workshop also provided a platform for participants to seek clarification and share issues.

In the Fiscal Year 2023-2024, the Department of Industry in collaboration

with the United Nation Development Programme) (UNDP conducted BAW at two Technical Training Institutes. During the workshop guest speakers were invited to share their journey as entrepreneurs with the participants.



Figure 16: Guest Speaker at Chumey Technical Training Institute, Bumthang

Mr. Ngawang Yonten Rai was invited as a guest speaker at TTI in Samthang. He shared the pros and cons of starting and running his flour milling business in Khuruthang, Punakha. He talked about the motivational aspects of running a business and shared the support that he received from the Government.

Mr. Rinzin Dorji, owner of the Oat Manufacturing unit in Chumey, Bumthang was invited as a guest speaker to share his experience of starting and running his business with the participants. He shared how his establishment of

business helped local farmers to identify one more cash crop from just fodder for cattle in winter.



Figure 17: Business Advocacy Workshop

The Department has conducted 3 business advocacy workshops for a total of 341 participants consisting of trainees of Technical Training Institutes and Royal Institute for Tourism and Hospitality, Thimphu.

Table 5: Business Advocacy Workshop conducted in the fiscal year 2023-2024

Sl.	Location	Participants
1	Samthang, Technical Training Institute, Wangdue (29th August, 2023)	212
2	Chumey, Technical Training Institute, Bumthang	70
3	Royal Institute for Tourism and Hospitality, Thimphu (2nd November, 2023)	59
Total		341

2.3 Licensing & Facilitation for Foreign Direct Investment

2.3.1 FDI Registration Certificate (FDIRC)

The Department of Industry facilitates the issuance of FDI Registration Certificates within five working days after receiving a complete registration application. The FDIRC is valid for a period of one year from the date of issue and the investor shall submit the documents for project approval within the FDIRC validity period. Upon issuance of an FDIRC, the business shall be entitled to a minimum of five work permits for professional, managerial and technical expatriates during the business establishment phase.

In the fiscal year 2023-2024, the Department issued a total of 25 FDIRCs for 25 different FDI companies.

2.3.2 Business Project Approval

The Department appraises and reviews FDI projects for approval and issuance of business licenses. In the fiscal year 2023-2024, a total of 16 new projects were approved for licensing. Of the 16 projects, 12 projects were in the services sector, and

the remaining 4 were in the production & manufacturing sector.

2.3.3 Other Post-License Facilitations (Location Change, Capacity Expansion, Additional Activity)

The Department also facilitates the change in project cost, transfer of shares, approval for additional location and approval for additional foreign investors. In the fiscal year 2023-2024, the Department has approved the change in project cost for three industries, the transfer of shares for four projects, the approval for additional locations for one project and the approval for additional foreign investors for one project.

2.3.4 Investor Card

The Department facilitates the issuance of recommendations for the Investor Card and its renewal for Investors/Promoters of FDI companies. An investor card allows an investor of the FDI Company multiple entries and exits in the country. The card is issued for a period of one year and should be renewed annually. FDI companies must apply for a recommendation letter with a copy of their passports to the Department of Industry.

The particular investor must be physically present at the Department of Immigration to get his/her investor card.

During the fiscal year 2023-2024, the Department verified and recommended thirty-two investor cards.

2.4 Licensing for Domestic Investment Medium and Large Industries

2.4.1 Business Project Approval

The Department appraises and processes the medium and large-scale industries falling under the production and manufacturing category, and the services category for approval. In the fiscal year 2023-2024, a total of 56 new medium and large industries were approved for licensing.

Out of 56 approved industries, 14 industries were of large scale and 42 industries were of medium scale. In terms of the activity category, 21 industries were service-oriented and 35 were production and manufacturing industries.

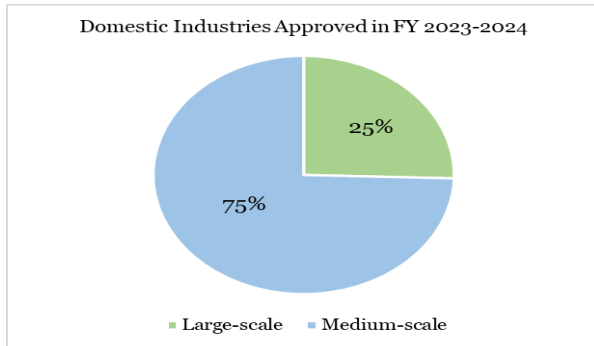


Figure 18: Percentage of domestic medium and large industries approved in the fiscal year 2023-2024 by scale

2.4.2 Up-gradation of Industries

The Department promotes and facilitates the up-gradation of industries from small to medium and small/medium to large scale. The up-gradation of industries is mainly based on the enhancement of capital investment in the form of installation of additional machinery and equipment, and an increase in production capacity.

The Department verified and facilitated the up-gradation of 9 industries (6 production and manufacturing industries, 3 service industries), from which, 6 industries were upgraded to medium-scale and 3 industries were upgraded to large-scale.

2.4.3 Other Post-License Facilitations (Location Change, Capacity Expansion, Additional Activity)

The Department also facilitates the change of location, expansion of capacity, and inclusion of additional activity for domestic projects. The scale of the industries remains unchanged in case of a location change. However, in the case of capacity expansion and the addition of activities, the scale of the industry may change if investment crosses the threshold.

In the fiscal year 2023-2024, the Department has approved 4 industries (3 large-scale; 1 medium-scale) for location change and 4 industries (3 large-scale, 1 medium-scale) for capacity expansion.

2.4.4 Monitoring of Industries and Approved Projects

The Department carries out monitoring of the industries through site visits to update the operational status of approved projects. The monitoring is also aimed at understanding the issues or challenges faced by the industries in terms of financial and market access.

In the fiscal year 2023-2024, the Department visited 15 approved industries (3 production and manufacturing industries, 12 service industries) in Paro, Punakha and Wangdue Phodrang to assess the aforementioned components.

2.5 Environment Services

The Department is responsible for the issuance and renewal of environment Clearance (EC) for delegated activities. Furthermore, the Department is also responsible for forwarding the documents for non-delegated activities to the Department of Environment and Climate Change (DECC).

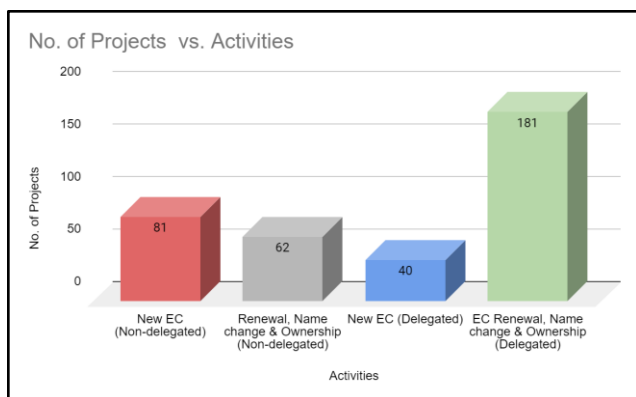


Figure 19: Environment services provided

The graph above shows that in the fiscal year 2023-2024 the forwarding documents for issuance of new Environment Clearance (EC) to DECC for non-delegated activities is 81, renewal and name change for non-delegated projects is

62 whereas issuance of new EC to delegated activities is 40 and EC renewal and name change for delegated activities is 181.

2.5.1 Compliance Monitoring of Projects

The Department also carries out regular inspections and monitoring of industries for compliance with environmental regulations and supporting industries for upgradation to clean technology. Subsequently, the Department also participated in the joint Annual compliance monitoring of projects within Pasakha Industrial Estate (PIE) and Phuentsholing Thromde.

Table 6: Projects monitored in the fiscal year 2023-2024

Sl.#	Location	No. of Projects
1.	Samdrup Jongkhar & Samtse	80
2.	Local (Thimphu)	26
3.	Pasakha Industrial Area & Phuentsholing Thromde	38

The table above depicts the list of areas visited along with the number of projects monitored. During the fiscal year 2023-

2024, the Department monitored a total of 142 projects.

2.5.2 Other Park/Estate-related Activities

The Department also revised the Environmental Impact Assessment (EIA) conducted for Jigmeling Industrial Park. Additionally, submits a report on monthly Ambient Air Quality monitoring and water quality analysis of PIE.



Figure 20: Ambient Air Quality Monitoring

2.6 Post License Facilitation

The Department facilitates post-license support services such as the facilitation of import licenses, fiscal incentives, clearance and approval for business guest visas & permits, work permit renewal services and dissemination of industrial data.

Table 7: Post license facilitation in the fiscal year 2023-2024

Sl. #	Post-License Service	No. of Facilitation (FY 2022-2023)	No. of Facilitation (FY 2023-2024)
1	Import License	359	664
2	Fiscal Incentive	166	251
3	Work Permit	13	3
4	Business Guest Visa	98	212
5	Facilitation of access to Convertible Clearance	-	11
6	Dissemination of Industrial data	22	38
Total		658	1089

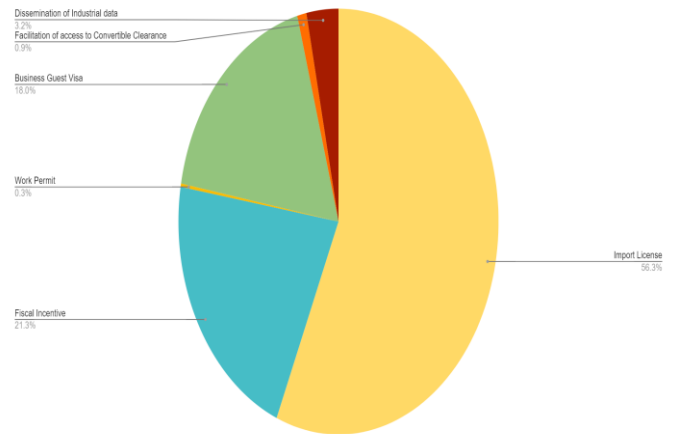


Figure 21: Post license services for FY 2023-2024

An assessment of the post-license support services provided by the Department in the fiscal year 2023-2024, particularly on the number of facilitations reveals that 56.3 % of the post-license services availed are for import license, 21.3 % for facilitations related to fiscal incentives, 18 % for business guest visa facilitation, 0.9 % for facilitation related to access to convertible currency, 3.2 % for dissemination of industrial data and 0.3 % for facilitation related to work permit renewals.

2.6.1 Import License

The Department facilitates the import of machinery/equipment, raw materials (including packaging materials), spare parts, lubricants, temporary import of machines, and second-hand raw materials (HDPE bags) from third countries, required for the smooth functioning of all industries irrespective of the scale of business.

Under the Import License service, the Department facilitates new import licenses, import amendments, and import cancellations which are all facilitated online through the Bhutan TradeFin Net (BTFN) system. The Department also facilitates the import of lubricants, import

of second-hand raw materials (HDPE bags), and temporary import applications which are facilitated manually (offline). In the fiscal year 2023-2024, the Department verified and recommended the following applications as tabled below:

Table 8: Import License Services facilitated in the fiscal year 2022-2023

Sl. #	Import License Services	No. of Facilitation (FY 2022-2023)	No. of Facilitation (FY 2023-2024)
1	New Import License	258	546
2	Import Amendment	19	78
3	Import Cancellation	8	21
4	Import Extension	0	7
5	Import of Lubricants	12	2
6	Import of second - hand raw materials (HDPE bags)	1	7
7	Temporary Import	16	2
Total		359	664

In the Fiscal year 2023-2024, the Department assessed and approved 546

new import licenses, 78 import license amendments, 21 import license cancellations, and 7 import license extensions. The Department also recommended 2 imports of lubricants, 7 imports of second-hand raw materials (HDPE Bags), and 2 temporary import licenses. Overall, the total approved applications increased from 359 in the fiscal year 2022-2023 to 664 in the fiscal year 2023-2024.

2.6.2 Business Guest Visa

The Department facilitates the issuance of recommendations for business guest visas as per the requirement of the Department of Immigration, Ministry of Home Affairs. All industries inviting business guests and investors must submit an application with other required documents to avail recommendations for business guest visas from the Department of Industry.

Table 9: Business guest visa/permit approved in the fiscal year 2023-2024

Sl. #	Business Guest Visa/Permit	No. of Facilitation (FY 2022-2023)	No. of Facilitation (FY 2023-2024)
1	Approval for Business Guest Visa/Permit	98	212

In the fiscal year 2023-2024, the Department verified and recommended 212 Business Guest Visa applications, a significant increase from the 98 applications in the fiscal year 2022-2023. Of this 212 applications, 106 were domestic industries and the remaining 106 were foreign direct investment industries.

2.6.3 Fiscal Incentives

The Department provides services that facilitate and support all industries in availing different types of fiscal incentives as per the Fiscal Incentives Act of Bhutan 2021 such as fiscal incentives for the import of capital goods, import of primary raw materials and packaging materials, investment allowance and recommendation for concessionary tax rate incentives.

Table 10: Fiscal Incentive Services facilitated in the fiscal year 2023-2024

Sl. #	Fiscal Incentive Services	No. of Facilitation (FY 2022-2023)	No. of Facilitation (FY 2023-2024)
1	Fiscal Incentive for Capital Goods	36	38
2	Value Addition Certificate	109	181

3	Recommendation for Concessionary Tax Rate Incentives	2	9
4	Certificate for Local Manufacturers of Construction Materials	8	11
5	Recommendation for Investment Allowance	7	12
Total		162	251

In the Fiscal year 2023-2024, the Department facilitated 38 applications for fiscal incentives for capital goods, 181 value addition certificates, 9 recommendations for concessionary tax rate incentives, 11 certificates for local manufacturers of construction materials, and 12 recommendations for investment allowance. Overall, the Department witnessed an increase in total approved applications from 162 in the fiscal year 2022-2023 to 251 in the fiscal year 2023-2024.

2.6.3.1 Fiscal Incentives for Capital Goods

Import of capital goods (machines/equipment) from India and third countries are imposed sales tax and

customs duty as per the government rules. However, these levies are exempted to industries but it is subject to the recommendation from the Department as per the Rules on the Fiscal Incentives Act of Bhutan 2021. In the fiscal year 2023-2024, the Department verified and recommended a total of 38 applications for the exemption of customs duty and sales tax.

2.6.3.2 Value Addition Certificate

All traders importing raw materials (including packaging materials) from India and third countries are liable to pay sales tax and customs duty as per the government rules. However, these levies are exempted for industries but it is subject to the issuance of the Value Addition Certificate by the Department as per the Fiscal Incentives Act of Bhutan 2021. In the fiscal year 2023-2024, the Department verified and issued a total of 181 value addition certificates for the exemption of customs duty and sales tax for the import of raw materials and packaging materials thus indicating a huge increase from 109 certificates issued in the fiscal year 2022-2023.

2.6.3.3 Investment Allowance

The Department facilitates industries to avail the Investment Allowance from the government with the issuance of a recommendation letter as per the Fiscal Incentives Act of Bhutan 2021. In the fiscal year 2023-2024, the Department verified and issued a total of 12 recommendations for industries availing investment allowance.

2.6.3.4 Certificate for Local Manufacturers of Construction Materials

The Department issues industries with the certificate for local manufacturer of construction materials to assist industries in gaining a competitive advantage in the market by allowing its customers to avail fiscal incentives on using locally manufactured construction materials (30% additional tax deduction) as per the Rule on the Fiscal Incentives Act of Bhutan 2021. The certificate for local manufacture of construction materials is issued to the industries producing the construction materials, excluding timber, cement, sand, and stone chips & aggregate. In the fiscal year 2023-2024, the Department verified

and issued 11 certificates for local manufacturers of construction materials.

2.6.3.5 Recommendation for Concessionary Tax Rate Incentives

The Department facilitates all eligible industries to avail concessionary tax rate incentives as per the requirement of the Fiscal Incentives Act of Bhutan 2021. In the fiscal year 2023-2024, the Department verified and issued a total of 9 recommendations for concessionary tax rate incentives. This is a slight increase from the 8 certificates accorded in the fiscal year 2022-2023.

2.6.4 Renewal of Work Permit

The Department facilitates the issuance of recommendations for the renewal of work permit for the expatriate workers of the industries to be exempted from the 6-months cooling period of the workers after the expiration of their work permit.

Table 11: Recommendation for Work Permit accorded in the fiscal year 2023-2024

Sl. #	Renewal of Work Permit	No. of Facilitation (FY 2022-2023)	No. of Facilitation (FY 2023-2024)
1	Recommendation for Renewal of Work Permit	13	3

In the fiscal year 2023-2024, the Department verified and recommended 3 Renewal of Work Permit applications. This service has, however, ceased since the Department of Immigration relaxed the mandatory six-month exit requirement for foreign workers following three years stay in the country from November 11, 2023, as per the Immigration Rules and Regulations of the Kingdom of Bhutan 2023. Hence this justifies the reduction in the number of applications received and recommended for this purpose.

2.6.5 Facilitation of Access to Convertible Currency Clearance

The Department facilitates and assists industries to access Convertible Currency Clearance (foreign currency) from the government in order to help the industries import goods (capital goods, raw materials, and packaging materials),

remain in production, and compete in the market.

Table 12: Access to Convertible Currency facilitated in the fiscal year 2023-2024

Sl. #	Facilitation of Access to Convertible Currency	No. of Facilitation (FY 2022-2023)	No. of Facilitation (FY 2023-2024)
1	Facilitation of access to Convertible Currency	-	11

In the fiscal year 2023-2024, the Department facilitated 11 applications for access to convertible currency clearance.

2.6.6 Dissemination of Industrial Data

The Department compiles industrial information from the active government licensing systems and disseminates the industrial data to all interested agencies/individuals. The interested agency/individual must formally write the request to the Department.

Table 13: Dissemination of Industrial Data in the fiscal year 2023-2024

Sl. #	Dissemination of Industrial Data	No. of Facilitation (FY 2022-2023)	No. of Facilitation (FY 2023-2024)
1	Dissemination of Industrial Data	22	38

In the fiscal year 2023-2024 the Department compiled and disseminated industrial data 38 times.

CHAPTER 3: INNOVATION AND TECHNOLOGY ADOPTION

3.1 Department Website

The Department launched its website (www.industry.gov.bt) which has been developed as an integrated one-stop harmonized online platform to provide various business development support services of the Department. The website also serves as an interactive portal to access the certification and standardization services of Bhutan Food and Drug Authority (BFDA) and Bhutan Standards Bureau (BSB) and access Brand Bhutan services of the Department of Trade.

Entrepreneurs can avail online services and information related to the following:

- Cottage, Small, Medium and Large industries;
- Brand Bhutan services (Grown in Bhutan and Made in Bhutan);
- Bhutan Food and Drug Authority (BFDA) services pertaining to:
 - a. Food Product Certification
 - b. Bhutan Good Agricultural Practices Certification and
 - c. Organic Certification
- Bhutan Standards Bureau services related to:
 - a. Standard proposals
 - b. Non-Food Product Certification



Figure 22: Department Website

3.2 Investment Portal

An investment portal has been developed to provide information on business opportunities in different sectors, key information that an investor would want to know while deciding to choose an investment destination. The investors currently face issues such as accessing complete information on FDI policy, processes, incentives, etc.; connecting

local partners with foreign partners and vice-versa and information on investment opportunities. The online investment portal, therefore, is expected to resolve these issues faced by the investors. Additionally, through this portal the Department will be able to provide single window services to FDI businesses. The portal can be accessed from www.investbhutan.gov.bt

CHAPTER 4: ACCESS TO MARKET

4.1 CSI and Food Fairs

To celebrate and rejoice in the auspicious birth of Her Royal Highness The Gyalsem, the Department in collaboration with BAOWE organized the Tshechu Fair, 2023 from 23 to 26 September 2023 at the Clock Tower, Thimphu. Hon'ble Chairperson of the National Council graced the opening ceremony.

The Tshechu Fair served as a platform to showcase and promote local products and native cuisines, encourage inter-business networking for long-term relationships, and provide opportunities for youth and women entrepreneurs to market their innovative products. The event created awareness among the general public on the various locally manufactured products and gained patronage over imported products.

Representatives from CSIs, Startups, CSOs and Associations, and Grassroots Rural Entrepreneurs Women (GREW) participated in the fair.



Figure 23: CSI and Food Fairs

4.2 CSI Market Outlet Outside Bhutan

The Department inaugurated the second 'Bhutan Store' in New York, United States of America on 28 July 2023. The virtual inaugural event was graced by Lyonpo Karma Dorji, Ministry of Industry, Commerce and Employment.

The main objective of establishing the Bhutan Store is to enhance international market access for locally manufactured products - one of the main barriers that hamper the growth and development of CSIs. The outlet will promote Bhutanese products, particularly high-value niche products, and earn convertible currency, encouraging CSIs to enhance value addition, upscale, and improve efficiency,

while generating employment opportunities in the country.

The 'Bhutan Store' in New York serves as a one-stop center for all CSI products from Bhutan. The store will initially target and serve the Bhutanese diaspora in New York and gradually increase its reach and presence in other parts of the USA. The 'Bhutan Store' is located at 45 Street, Woodside, New York City, USA.

The first Bhutan Store was established in Perth, Australia coinciding with the 115th National Day celebrations on 17 December 2022. To date, the Bhutan Store in Perth has been performing well due to the large number of Bhutanese diaspora in Western Australia.



Figure 24: CSI Outlet in New York

4.3 Market Promotion for Locally Manufactured Products

4.3.1 Concrete Bricks Promotion

The local concrete brick manufacturers in the country have been facing market access challenges owing to the construction sector's preference for imported bricks. The Department conducted a survey of the contractors in July 2024 to understand their preferences for construction materials. It was found that 18% of the respondents exclusively use locally manufactured bricks, 21% exclusively prefer imported bricks and 61% used a combination of both imported and local bricks in their construction projects.

To address the market concerns for the local concrete brick manufacturers, the Department spearheaded the efforts toward the promotion of local bricks in collaboration with the Bhutan Standards Bureau (BSB, MoICE), the Department of Infrastructure Development (DoID, MoIT) and the Department of Procurement and Properties (DPP, MoF). A 'Strategic Plan for the Promotion of Local Bricks in Bhutan' was developed and

published for implementation in October 2024.

The plan mainly recommends the issuance of a revised version of the previous executive or government notifications on the use of local concrete bricks in public construction. It is suggested that the revised notification could reinforce the implementation of the provision on the use of BSB-certified bricks for public construction works as reflected in the Bhutan Schedule of Rates (BSR). Moreover, the notification could mandate the use of local bricks in the construction of partition/infill/boundary walls, among others, to ensure that the BSB-certified local bricks are included in the Bill of Quantities (BoQ).

After it was observed that imported bricks that lack BSB certification continued to be utilized and preferred in public constructions, contrary to the government directives mandating the use of BSB-certified products in public infrastructure projects, the Department further supported the cause for BSB-certification of the uncertified brick manufacturers to assure the quality of the products.

As of 2024, there are 119 licensed concrete brick manufacturers in the country. With the aim of increasing the visibility and the use of their products in the public and private construction sector, the manufacturers have formed the 'Bhutan Concrete Product Association', certified by the Bhutan Chamber of Commerce and Industry (BCCI) in May 2024. The association aims to work in close cooperation with the member manufacturers to advocate for the promotion of BSB-certified local concrete bricks.

4.3.2 Chain Link Promotion

Local chain manufacturers have been facing challenges in accessing the domestic market. There are currently 9 licensed chainlink industries in the country where 3 industries are fully operational. The Department facilitated the issuance of a 'Value Addition Certificate' to the manufacturers to help avail the 20% domestic preference during the tendering process as per the Procurement Rules and Regulations 2023. Moreover, the Department is encouraging the certification of BSB in chainlink to assure quality.

CHAPTER 5: ACCESS TO INFRASTRUCTURE

5.1. Common Facility Centre at CSI Throm, Changzamtok

The Department inaugurated a Common Facility Center (CFC) at CSI THROM, Changzamtok, Thimphu on 20 December 2023. The building was remodeled into a CFC with GoI-PTA fund support. The main objective of establishing the CFC is to provide the most commonly required technical facilities and services at a minimal cost to startups and CSIs. A similar kind of CFC was established at Changchay CSI Estate, Tsirang.

The CFC provides pre-production and post-production facilities and services such as sorting and grading, dehydrating, grinding and processing, sealing, product packaging, labeling, etc.

The establishment of CFC is envisaged to directly reduce the initial investment and operational cost burden to startups and CSIs. Further, the services of CFC are expected to improve product quality and marketing prospects. The CFC is operated in partnership with a private entrepreneur.



Figure 25: CFC Changzamtok, Thimphu

5.2 Industrial Estate/Park

The Department develops and maintains two industrial Estates of Bjemina and Pasakha and four Industrial Parks of Dhamdum, Motanga, Norbugang, and Changchey.

5.2.1 Bjemina Industrial Estate

Bjemina Industrial Estate under Thimphu Dzongkhag spreads over an area of 32.759 acres and has been leased to 32 domestic industries out of which 29 are operational. The number of industries has decreased by 1 from 33 during the FY 2022-23.



Figure 26: Industries at Bjemina Industrial Estate

5.2.1.1 Sub-sector Classification

The graph below shows the industries by sub-sector in Bjemina Industrial Estate. As of June 2024, there are 32 domestic industries of which twelve industries fall under the other industry category which is followed by eight under forest-based industry, two under agro-based industry and six under service industry.

The graph below illustrates the distribution of domestic industries by sub-sector in Bjemina Industrial Estate as of June 2024. Out of 32 domestic industries, 12 fall under the “other” category, which includes manufacturers of bricks, ceramic products, and water recycling, followed by 8 forest-based industries, 6 service industries, and 2 agro-based industries.

Additionally, there are 4 approved fabrication activities.

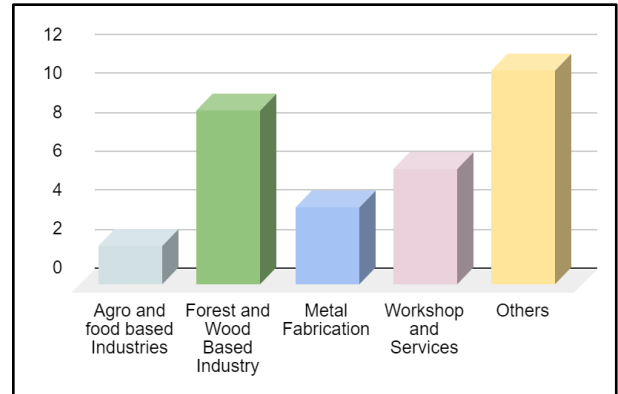


Figure 27: Sub-sector Classification

5.2.1.2 Investment Wise Classification

Bjemina Industrial Estate has the highest concentration of Small-Scale Industries (50%) followed by medium-scale (25%) and cottage-scale industries (25%). There are no large-scale Industries.

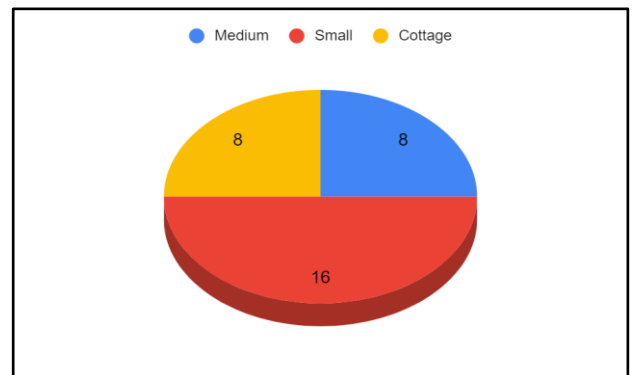


Figure 28: No. of industries under different investment scales

5.2.2 Pasakha Industrial Estate

Spread across 146 acres, Pasakha Industrial Estate has 39 plots of which 38

plots are leased to the industries. As of June 2024, 29 industries are operational. The number of industries accommodated at the park remains the same.



Figure 29: Pasakha Industrial Estate at a glance

The graph below shows the industries by sub-sector in Pasakha Industrial Estate. As of June 2024, there are 37 domestic industries of which 29 industries are operational. The industries can be further categorized by the type of business activity.

There are 7 industries that fall under agro and food-based Industry which is followed by 13 mineral and chemical-based industries, 14 under other category industries and four under Fabrication activities. Industries falling under the Other categories include industries such as the plastic industry, manufacturer of bricks, crushing plants, etc.

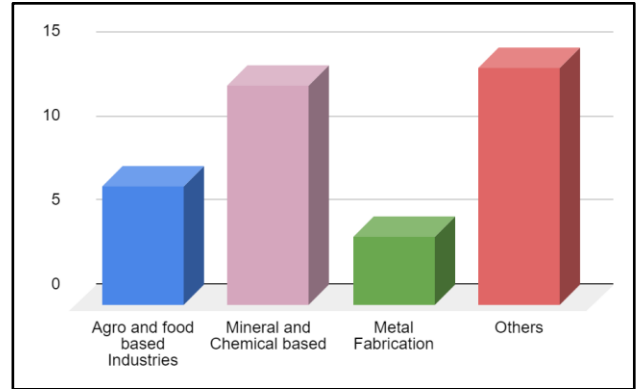


Figure 30: No. of Industries under different Sub-Sector

5.2.2.1 Investment Wise Classification

Pasakha Industrial Estate has the highest concentration of medium (50.0%) and large-scale (34.2%) industries followed by small-scale Industries (15.8%).

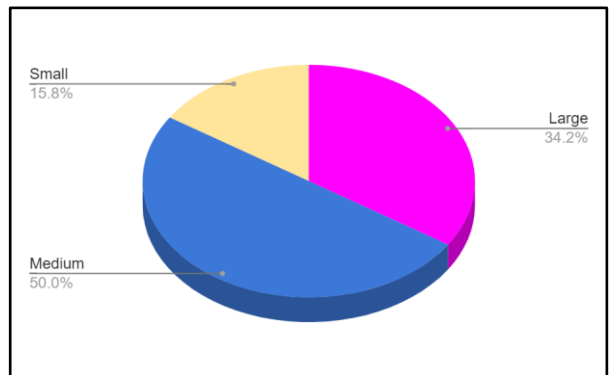


Figure 31: Percentage of industries under different investment scales

5.2.3 Dhamdum Industrial Park

Spread across 169 acres, Dhamdum Industrial Park has a total allocable area of 144.7 acres (Pocket A & C) and has accommodated 44 industries till June 2024. While new provisional letters were

issued, few allotments were terminated or withdrawn. As a result, the total number of industries was almost the same as it was in FY 2022-2023.



Figure 32: Industries at Dhamdum Industrial Park

5.2.3.1 Status of the Plot Allocation

Table 14: Status of plot allocation at Dhamdum Industrial Park

Operational	16
Industries under construction	9
Need to submit drawings for approval/ obtain drawing approval	6
License under process	13
Total	44

5.2.3.2 Sub-sector Classification

The Industrial Park accommodates only clean-tech and low-polluting industries.

The graph below shows the industries by sub-sector in Dhamdum Industrial Park. As of June, 2024, there are 44 industries out of which 3 industries fall under mineral and chemical based industry, 12 under agro and food based industry and 5 under forest and wood -based industry.

There are also 11 metal fabrications and eight under workshops/ service industries followed by 5 under other categories of industries.

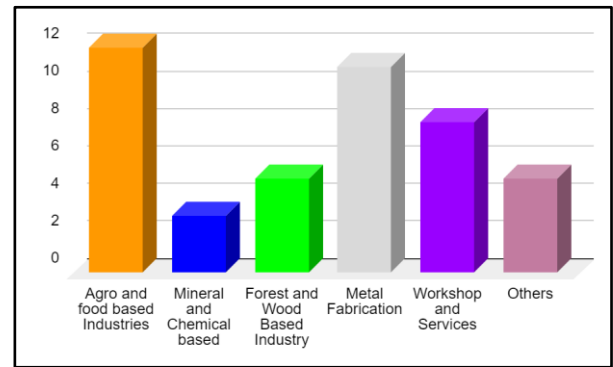


Figure 33: No. of Industries under different sub sectors

5.2.3.3 Investment Wise Classification

Dhamdum Industrial Park has the highest concentration of medium-scale with a share of 40.9% followed by small-scale with a share of 38.6%, large-scale with a share of 13.6 % and the remaining being in the cottage scale category with a share of 6.8 %. The chart below shows the number

of industries classified by investment scale.

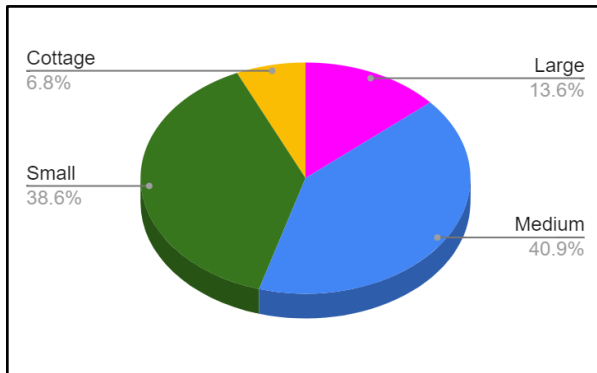


Figure 34: Percentage of industries under different investment scales

As of June 2024, there are 46.7 Acres of vacant industrial land available on lease for clean-tech/low-polluting industries.

5.2.4 Norbugang Industrial Park

Norbugang, Samtse was identified as one of the viable sites to be developed as an industrial park to relocate the industries from Jigmeling Industrial Park. Norbugang is located in Samtse Dzongkhag abutting the Samtse–Sipsu highway and adjoining the Diana riverbed. The site is relatively in a flat river bank bounded by hills, river Diana in the north and Sipsu-Samtse highway in the east.

The Industrial Park has an area of 186.773 acres with an allocable area of 138.6 acres. Initially, Norbugang Industrial Park was

only 147.552 acres and an additional 39.221 acres of private land was acquired. Currently, a total of 10 industries are allotted plots at the Industrial Park out of which 8 industries are under construction and 2 are under process for license.



Figure 35: Norbugang Industrial Park at a glance

5.2.4.1 Status of the Plot Allocation

As of June 2024, 10 industries were allotted plots at the Industrial Park out of which 8 have commenced with the construction of their plant, 2 industries are under process for obtaining necessary documents while 3 are under allotment process and have yet to be allotted the plots.

Table 15: Status of plot allocation at Norbugang Industrial Park

Industries under construction	8
Under process	5
Total	13

5.2.4.2 Sub-sector Classification

Nine industries are all chemical and mineral-based industries and one activity falls underwood and forest-based industries.

5.2.4.3 Investment Wise Classification

Table 16: No. of allotted industries under different investment scales

Sl. #	Industrial Activity	No.	Investment Scale & Type
1	Manufacturing of Ferro Alloys	9	5 Large, Domestic
			4 Large, FDI
2	Other Activity	1	Medium, Domestic
	Total	10	

5.2.5 Motanga Industrial Park

Spread across 155.856 acres, Motanga Industrial Park has a total allocable area of 82.8 acres and has accommodated 25 industries including FDIs.



Figure 36: Sub-sector Classification at MIP

5.2.5.1 Status of the plot allocation

Table 17: Status of plot allocation at Motanga Industrial Park

License under process	4
Construction drawings approval	1
Industries under construction	10
Industries Operational	9
Activities at Halt	1
Total no. of Industry	25

5.2.5.2 Sub-sector Classification

The graph below shows the industries by sub-sector in Motanga Industrial Park. As of June 2024, there are 30 plots allocable to industries of which 25 plots are allotted. There are 11 industries that fall under mineral and chemical based industry which is followed by 3 under other categories of industries, 5 under each agro and food-based industry and four under forest and wood-based industry. The

Industrial Park also accommodates 2 fabrication activities.

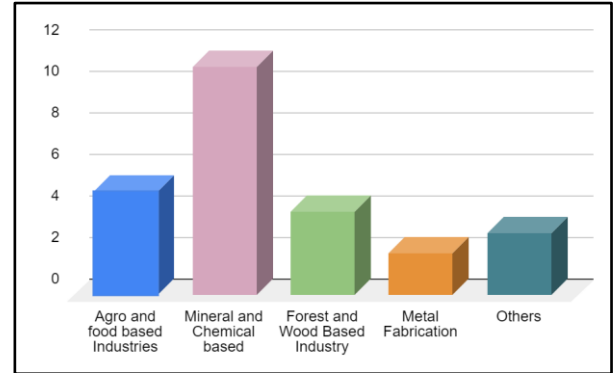


Figure 37: No. of industries under different sub-sectors

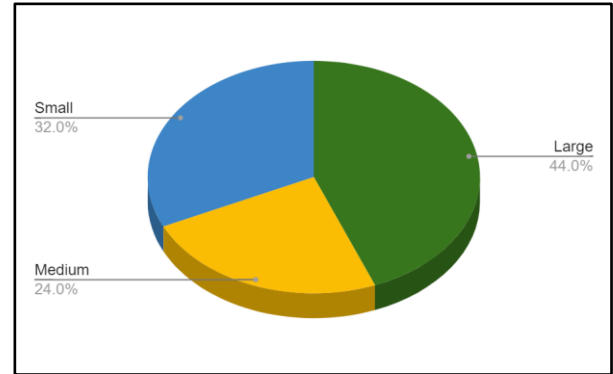


Figure 38: Scale wise Industry categorization at MIP

5.2.5.3 Investment wise Classification

Motanga Industrial Park has the highest concentration of large-scale Industries (44.0%) followed by small-scale industries (32. %) and medium-scale industries (24 %).

As of June 2024, there are 5 available vacant plots.

5.3.6 Changchey CSI Park

The CSIs in Bhutan have limited facilities to enhance and upgrade their products owing to limited technological and other such facilities impeding their growth. Therefore, to ensure the supply of consistent and quality products by the startups and the CSIs, the Department has procured the necessary machinery and equipment to be installed at the park. The equipment consists of the most commonly used or core machines and equipment which they cannot afford on their own. The CFC equipment such as drying and packaging machines are installed and established in the area for the people to avail at any time.

The rationale for establishing a CFC is to provide the most commonly required technical facilities to startups and CSIs in the production and manufacturing sector with the aim to motivate and provide an opportunity for the startups and CSIs to take the benefit of the center to improve upon the quality, productivity of their finished products.

The Changchey CSI park under Semjong Gewog, Tsirang Dzongkhag covers a total area of 2.44 acres. As of June 2024, five

proponents are allotted plots which mainly consist of food-based industries in small-scale. The proponents are in various stages of processing their business licenses.

Table 18: List of industries at Changchey CSI Park

Sl. #	Name of Proponent	Business Activity
1	Ugyen Dendup	Manufacturing processed cheese and ice cream.
2	Pema Tshering	Production of fruit juices using local fruits.
3	Duptho Kezang	Processing of meat, sausages production, ham production, meat segmentation, packaging and marketing
4	Ugyen Singye Dorji	Production of fruit juices.
5	Jambay Johny	Nutraceutical food- Production of nutraceutical foods from organic raw materials.



Figure 39: Changchey CSI Park at a glance

Annexure1: Large and Medium scale Industries

Dzongkhag	Industry scale		Classification			Ownership				Total
	Large	Medium	PAM	Services	Contract	Sole	Partners	Company	Others	
Bumthang	4	17	2	10	9	14	1	6	0	21
Chhukha	65	97	87	38	37	64	9	89	0	162
Dagana	3	3	4	0	2	3	0	3	0	6
Gasa	0	0	0	0	0	0	0	0	0	0
Haa	4	10	3	6	5	11	0	3	0	14
Lhuentse	3	5	1	1	6	6	0	2	0	8
Mongar	5	26	7	4	20	20	0	11	0	31
Paro	37	96	9	98	26	88	5	39	1	133
Pema Gatshel	10	10	9	2	9	12	0	8	0	20
Punakha	15	34	2	31	16	31	4	14	0	49
Samdrup Jongkhar	24	29	25	6	22	26	2	25	0	53
Samtse	29	73	82	7	13	53	10	39	0	102
Sarpang	22	38	19	12	29	33	1	26	0	60
Thimphu	167	235	44	211	147	216	18	166	2	402
Trashigang	10	22	4	3	25	21	0	11	0	32
Trashiyangtse	4	15	3	1	15	13	0	6	0	19
Trongsa	4	12	5	5	6	12	0	4	0	16
Tsirang	1	7	2	3	3	7	0	1	0	8
Wangdue Phodrang	16	37	15	20	18	34	1	18	0	53
Zhemgang	4	11	2	1	12	11	0	4	0	15
Total	427	777	325	459	420	675	51	475	3	1204

Annexure 2: Small scale Industries

Dzongkhag	By Classification			
	Production and Manufacturing	Services	Contract	Total
Bumthang	88	457	38	583
Chhukha	107	1514	137	1758
Dagana	43	497	69	609
Gasa	0	73	32	105
Haa	41	169	31	241
Lhuentse	7	179	30	216
Mongar	48	670	60	778
Paro	110	1150	98	1358
Pema Gatshel	16	466	38	520
Punakha	29	543	68	640
Samdrup Jongkhar	45	676	70	791
Samtse	64	1255	88	1407
Sarpang	138	1549	118	1805

Dzongkhag	By Classification			
	Production and Manufacturing	Services	Contract	Total
Thimphu	244	3768	390	4402
Trashigang	43	537	62	642
Trashiyangtse	9	197	49	255
Trongsa	8	324	58	390
Tsirang	15	367	45	427
Wangdue Phodrang	42	682	53	777
Zhemgang	23	366	45	434
Total	1120	15439	1579	18138

Annexure 3: Cottage scale Registration Certificate (CRC)

Dzongkhag	Classification			Ownership Type				Total
	Production and Manufacturing	Services	Contract	Sole Proprietor	Partnership	Company	Others	
Bumthang	74	170	0	240	1	0	3	244
Chhukha	154	788	1	931	4	3	5	943
Dagana	62	154	0	215	1	0	0	216
Gasa	4	22	0	25	0	0	1	26
Haa	36	97	1	132	0	0	2	134
Lhuentse	37	57	0	94	0	0	0	94
Mongar	95	180	0	271	1	0	3	275
Paro	259	689	7	937	8	5	5	955
Pemagatshel	68	190	0	252	2	0	4	258
Punakha	64	273	0	335	0	1	1	337
Samdrup Jongkhar	81	270	0	330	4	6	11	351
Samtse	90	424	0	506	0	1	7	514
Sarpang	133	451	0	577	5	1	1	584
Thimphu	747	3325	18	3965	88	28	9	4090
Trashigang	126	219	0	340	1	0	4	345
Trongsa	34	103	0	134	1	1	1	137
Tsirang	77	130	0	205	0	0	2	207

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Dzongkhag	Classification			Ownership Type				Total
	Production and Manufacturing	Services	Contract	Sole Proprietor	Partnership	Company	Others	
Wangdue Phodrang	95	310	0	397	3	1	4	405
Zhemgang	50	116	0	165	0	0	1	166
TOTAL	2394	8057	27	10247	119	47	65	10478

Annexure 4: Distribution of industries by scale of license

Dzongkhag	Large and Medium	Small scale Industries	Cottage scale Registration Certificate	Total
Bumthang	21	583	244	848
Chhukha	162	1758	943	2863
Dagana	6	609	216	831
Gasa	0	105	26	131
Haa	14	241	134	389
Lhuentse	8	216	94	318
Mongar	31	778	275	1084
Paro	133	1358	955	2446
Pemagatshel	20	520	258	798
Punakha	49	640	337	1026
Samdrup Jongkhar	53	791	351	1195
Samtse	102	1407	514	2023
Sarpang	60	1805	584	2449
Thimphu	402	4402	4090	8894
Trashigang	32	255	197	484

Dzongkhag	Large and Medium	Small scale Industries	Cottage scale Registration Certificate	Total
Trashigang	19	642	345	1006
Trongsa	16	389	137	542
Tsirang	8	427	207	642
Wangdue Phodrang	53	777	405	1235
Zhemgang	15	434	166	615
TOTAL	1,204	18,137	10,478	29,819

Annexure 5: Production and Manufacturing Industry by Dzongkhag

Dzongkhag	Large and Medium Industries	Small scale Industries	Cottage scale Industries	Total
Bumthang	2	88	74	164
Chhukha	87	107	154	348
Dagana	4	43	62	109
Gasa	0	0	4	4
Haa	3	41	36	80
Lhuentse	1	7	37	45
Mongar	7	48	95	150
Paro	9	110	259	378
Pema Gatshel	9	16	68	93
Punakha	2	29	64	95
Samdrup Jongkhar	25	45	81	151
Samtse	82	64	90	236
Sarpang	19	138	133	290
Thimphu	44	244	747	1035
Trashigang	4	43	109	156

Dzongkhag	Large and Medium Industries	Small scale Industries	Cottage scale Industries	Total
Trashiyangtse	3	9	125	137
Trongsa	5	8	34	47
Tsirang	2	15	77	94
Wangdue Phodrang	15	42	95	152
Zhemgang	2	23	50	75
Total	325	1120	2394	3839

Annexure 6: Service Industry by Dzongkhag

Dzongkhag	Large and Medium Industries	Small scale Industries	Cottage scale Industries	Total
Bumthang	10	457	170	637
Chhukha	38	1514	788	2340
Dagana	0	497	154	651
Gasa	0	73	22	95
Haa	6	169	97	272
Lhuentse	1	179	57	237
Mongar	4	670	180	854
Paro	98	1150	689	1937
Pema Gatshel	2	466	190	658
Punakha	31	543	273	847
Samdrup Jongkhar	6	676	270	952
Samtse	7	1255	424	1686
Sarpang	12	1549	451	2012
Thimphu	211	3768	3325	7304
Trashigang	3	537	89	629

Dzongkhag	Large and Medium Industries	Small scale Industries	Cottage scale Industries	Total
Trashiyangtse	1	197	219	417
Trongsa	5	324	103	432
Tsirang	3	367	130	500
Wangdue Phodrang	20	682	310	1012
Zhemgang	1	366	116	483
Total	459	15439	8057	23955

Annexure 7: Contract Industries by Dzongkhag

Dzongkhag	Large and Medium Industries	Small scale Industries	Cottage scale Industries	Total
Bumthang	9	38	0	47
Chhukha	37	137	1	175
Dagana	2	69	0	71
Gasa	5	32	0	37
Haa	6	31	1	38
Lhuentse	20	30	0	50
Mongar	26	60	0	86
Paro	9	98	7	114
Pema Gatshel	16	38	0	54
Punakha	22	68	0	90
Samdrup Jongkhar	13	70	0	83
Samtse	29	88	0	117
Sarpang	147	118	0	265
Thimphu	25	390	18	433
Trashigang	15	62	0	77

Dzongkhag	Large and Medium Industries	Small scale Industries	Cottage scale Industries	Total
Trashiyangtse	6	49	0	55
Trongsa	3	58	0	61
Tsirang	18	45	0	63
Wangdue Phodrang	12	53	0	65
Zhemgang	0	45	0	45
Total	420	1579	27	2026



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