

**Embassy of India
Thimphu**

Press Release: Grant of formal market access for Bhutan's agri-exports to India

Following extensive deliberations including the virtual bilateral trade meeting held on 02 July 2021, the Government of India has decided to allow the import of seven fresh vegetables – viz. chilli, beans, cabbage, cauliflower, carrot, peas, and soyabean – from Bhutan into India through the plant quarantine station at Jaigaon on the India-Bhutan border with effect from 14 July 2021. This is an interim arrangement and an exceptional measure made only for Bhutan, till the necessary notifications are finalized and published as per due procedure by the Government of India.

2. This move to grant formal market access for these seven agri-exports, which are currently in season, is aimed at significantly easing the difficulties faced by Bhutanese farmers and traders. The decision is in keeping with the exceptionally close and friendly ties that India shares with Bhutan including mutually beneficial trade relations.

3. It may be recalled that, in a similar move in October last year, the Government of India had granted formal market access for five agri-exports (arecanut, mandarin, apple, potato, and ginger) of Bhutan and had also opened the first-ever plant quarantine office on the India-Bhutan border at Jaigaon for facilitating import of agricultural commodities from Bhutan into India.

4. Additionally, at Bhutan's request, the Government of India had lifted the import restriction on potato only for Bhutan, up to 30 June 2022, thereby alleviating the difficulties faced by Bhutanese traders in exporting potato to India. This decision is of immense significance given that potato is Bhutan's most important cash crop and India is the top export destination for Bhutan's potato exports.

5. All of the above developments are concerted efforts towards gradually transitioning the trade between India and Bhutan to the formal economy. The Indian side is committed to addressing the various hurdles and challenges that farmers and traders on both sides of the border face in the process of shifting to the formal sector.

6. India has been extending the fullest cooperation and support to Bhutan in terms of ensuring uninterrupted movement of commodities through the COVID-19 pandemic. Our close trade and economic ties are a reflection of the special bonds of trust and understanding between India and Bhutan that have existed over decades.

7. The Government and the people of India stand resolutely committed to the long term well-being and prosperity of the Government and the people of Bhutan.

Thimphu
14 July 2021