



## India-Bhutan Relations

**For Prelims:** [India-Bhutan Relations](#), 13th Five-Year Plan, [G20 Summit](#), [Global South](#), Renewable energy, Doklam standoff in 2017, [Trade Deficit](#).

**For Mains:** India-Bhutan Relations, India and its neighborhood- relations, Bilateral, regional and global groupings and agreements involving India and/or affecting India's interests.

[Source: TH](#)

### Why in News?

Recently, [India and Bhutan](#) agreed to discuss **new routes of Regional Connectivity**, and upgrade border and immigration posts, in order to enhance trade and Partnership during Bhutan King's India visit.



### What are the Key Highlights of the Discussion?

#### ▪ Regional Connectivity:

- India and Bhutan have **agreed to discuss new routes of regional connectivity**, which includes the development of a cross-border rail link between Gelephu in **Bhutan and Kokrajhar in Assam, spanning 58 km**.
- Additionally, there is a plan to explore a second rail link of approximately **18 km between Samtse in Bhutan and Banarhat** in the tea gardens area of West Bengal.

- Both sides discussed **upgrading border and immigration posts** to support this project, and it could be a significant development in the border area.
- **Trade and Connectivity:**
  - The two countries agreed to facilitate trade by allowing Bhutanese trade items to be carried further from **Haldibari in West Bengal to Chilahati in Bangladesh**, aiming to enhance trade opportunities and ease the movement of goods between Bhutan and Bangladesh through Indian territory.
- **Immigration Check Post:**
  - The Darranga-Samdrup Jongkhar border **crossing between Assam and Bhutan's SouthEastern** district will be designated as an **immigration check post**.
  - This will allow not only Indian and Bhutanese nationals but **also third country nationals to enter and exit the area**, promoting tourism and enhancing connectivity.
- **Support for Bhutanese SEZ Project:**
  - The two sides agreed to strengthen trade infrastructure with the upgradation of an existing land customs station at **Dadgiri (Assam) to a modernised "Integrated Check Post" (ICP)** along with "development of facilities on the Bhutanese side at Gelephu", indicating India's support to the Bhutanese SEZ project.
- **Development Assistance:**
  - India has committed to continue its support for **Bhutan's socio-economic development**, with a particular focus on the **13<sup>th</sup> Five-Year Plan**. This underscores the enduring commitment to their strong bilateral ties.
    - For the **12<sup>th</sup> Five Year Plan**, India's contribution of Rs 4,500 crore constituted 73% of Bhutan's total external grant component.
- **Lauds India's Support for Global South:**
  - Bhutan lauded **India's successful organization of the recent G20 Summit**, praising India for fostering consensus and constructive decisions outlined in the Delhi Declaration.
  - Bhutan commended **India's dedication to integrating the interests and priorities of Global South countries in G20 deliberations**.
- **India-Bhutan Energy Partnership:**
  - Progress on the construction of the 1020 MW **Punatsangchhu-II hydropower project** was noted with satisfaction, with its early commissioning expected in 2024.
  - An agreement was **reached to expand the existing India-Bhutan energy Partnership** from hydro to non-hydro renewables, including solar energy, as well as green initiatives related to hydrogen and e-mobility.
  - India assured essential technical and financial support for projects in these areas.
- **Recalling Operation All Clear:**
  - Bhutan King recalled Operation All Clear which was **a military operation conducted by the Royal Bhutan Army** in 2003 against Assam separatist insurgent groups in the southern regions of Bhutan.

## What is the Significance of Bhutan for India?

- **Strategic Importance:**
  - Bhutan shares its borders with India and China, and its strategic location makes it an important buffer state for India's security interests.
  - India has provided Bhutan with assistance in areas such as defense, infrastructure, and communication, which has helped to maintain Bhutan's sovereignty and territorial integrity.
  - India has helped Bhutan build and maintain its border infrastructure, such as roads and bridges, to strengthen its defense capabilities and ensure its territorial integrity.
    - In 2017, during the **Doklam standoff between India and China**, Bhutan played a crucial role in **allowing Indian troops to enter its territory to resist Chinese incursions**.
- **Economic Importance:**
  - India is Bhutan's largest trading partner, and **Bhutan's major export destination**.
  - Bhutan's hydropower potential is a **significant source of revenue for the country**, and India has been instrumental in assisting Bhutan in developing its hydropower projects.
  - India also provides Bhutan with financial assistance for its development projects.
- **Cultural Importance:**
  - Bhutan and India share **strong cultural ties**, as both countries are predominantly

Buddhist.

- India has provided assistance to Bhutan in preserving its cultural heritage, and many Bhutanese students come to India for higher education.

▪ **Environmental Importance:**

- Bhutan is **one of the few countries in the world** that has pledged to remain **carbon-neutral**, and India has been a key partner in helping Bhutan achieve this goal.
- India has provided assistance to Bhutan in areas such as [Renewable energy](#), [forest conservation](#), and [sustainable tourism](#).

## What are the Challenges in the India-Bhutan Relations?

▪ **China's Growing Influence:**

- China's increasing presence in Bhutan, particularly along the disputed border between Bhutan and China, has **raised concerns in India**. India has been Bhutan's closest ally and has played a key role in protecting Bhutan's sovereignty and security.
- However, China's growing economic and military influence in the region **poses a challenge to India's strategic interests in Bhutan**.

▪ **Border Disputes:**

- India and Bhutan share a **699 km long border**, which has been largely peaceful.
- However, there have been some incidents of border **incursions by Chinese forces in recent years**.
  - The [Doklam standoff in 2017](#) was a major flashpoint in the India-China-Bhutan tri-junction. Any escalation of such disputes could strain India-Bhutan relations.

▪ **Hydropower Projects:**

- Bhutan's hydropower sector is a key pillar of its economy, and India has been a major partner in its development.
  - However, there have been concerns in Bhutan over the terms of some of the hydropower projects, which have been seen as too favorable to India.
  - This has led to some public opposition in Bhutan to Indian involvement in the sector.

▪ **Trade Issues:**

- India is Bhutan's largest trading partner, accounting for **over 80% of Bhutan's total imports and exports**. However, there have been some concerns in Bhutan over the trade imbalance, with Bhutan importing more from India than it exports.
  - Bhutan has been seeking greater access to the Indian market for its products, which could help to reduce the [Trade Deficit](#).

## What are the Key Facts Related to Bhutan?

▪ **About:**

- Bhutan is nestled between India and China and is a landlocked country. Mountains and valleys dominate the landscape of Bhutan.
  - Thimphu is the Capital City of Butan.
- Bhutan became a democracy in 2008 after the first democratic elections were held in the country. The King of Bhutan is the Head of State.
- It is named 'Kingdom of Bhutan'. The Bhutanese name is **Druk Gyal Khap**, which means the 'Land of the Thunder Dragon'.

▪ **River:**

- The longest river in Bhutan is the Manas River with over 376 km in length.
  - The Manas River is a transboundary river **in the Himalayan foothills between southern Bhutan and India**.

▪ **Government:**

- Parliamentary monarchy.

▪ **Border:**

- Bhutan borders only two countries: India and Tibet, an autonomous region of China.
- Thimphu is located in the country's eastern part.

## Way Forward

- India can help Bhutan to **boost its economy by investing in infrastructure development**, tourism, and other sectors. This will not only help Bhutan to become self-reliant but also **create employment opportunities for its people**.
- India and Bhutan can **promote cultural exchange programs to foster greater understanding** and appreciation of each other's culture, art, music, and literature.
  - A visa-free movement of peoples from both countries can strengthen sub-regional cooperation.
- India and Bhutan can strengthen **their strategic cooperation to address shared security concerns**. They can work together to combat terrorism, drug trafficking, and other transnational crimes.

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