



## Bhutan's Gelephu Gambit

This editorial is based on [“Bhutan's opening move, its Gelephu gambit”](#) which was published in The Hindu on 15/03/2024. The article examines Bhutan's proposal to establish a regional economic hub in Gelephu, a town bordering Assam in India. It delves into the project's significance as a gamble for Bhutan but potentially transformative for the region, particularly with India's support.

**For Prelims:** [India-Bhutan Relations](#), [G20 Summit](#), [Global South](#), [Renewable energy](#), [Doklam standoff in 2017](#), [Trade Deficit](#), [Regional Economic Hub](#), [Gelephu](#), [Gelephu Mindfulness City” \(GMC\)](#), [Act East](#), [India-Middle East Economic Corridor \(IMEC\)](#)

**For Mains:** Challenges Posed by Chinese Aggression to India-Bhutan Relations.

In an era dominated by connectivity initiatives, large-scale infrastructure projects, and the development of smart cities worldwide, Bhutan's Prime Minister is prioritising the establishment of a [regional economic hub in Gelephu](#), a town located along the border with Assam, India, during his visit to India.

- The plan, launched by Bhutan's King in December 2023, is to build a [“Gelephu Mindfulness City” \(GMC\)](#) with a unique Bhutanese architectural blueprint across 1,000 square kilometres, as a special administrative zone with separate, investor-friendly laws.

### Note

#### Key Facts Related to Bhutan:

- Bhutan is **nestled between India and Tibet**, an autonomous region of China and is a landlocked country.
- Bhutan became a democratic country in 2008 after the first democratic elections were held in the country. The King of Bhutan is the Head of State.
- The main rivers from west to east are the Torsa (Amo), Wong (Raidak), Sankosh (Mo), and Manas. All the rivers flow southward from the Great Himalayas and join the Brahmaputra River in India.
  - The longest river in Bhutan is the **Manas River** - a transboundary river in the Himalayan foothills between southern Bhutan and India.

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## Dividing line

A brief overview of the boundary dispute between China and Bhutan

- Bhutan and China have no formal diplomatic relations but have held 24 rounds of boundary talks between 1984 and 2016
- Talks concentrated on north and west Bhutan regions
- Eastern Bhutan not part of the talks
- so far, say officials
- Sakteng sanctuary is situated close to the border with Arunachal Pradesh
- In June 2020, China attempted to stop UNDP-GEF funding for Sakteng by claiming it was disputed, but was overruled



## What are the Different Arguments Regarding Development of GMC?

### ■ Arguments in Support:

- A Carbon-Neutral City:
  - As a carbon-neutral city, Gelephu would include only non-polluting industries (mainly IT, education, hotel and hospital sectors), and would be **promoted as an investment destination and health and wellness hub** in the middle of the region.
  - In that sense, the city is more like newer global peers - planned cities such as Saudi Arabia's Neom and Indonesia's Nusantara than financial hubs with glass-cased skyscrapers such as Dubai, Hong Kong and Singapore.
- **Giving a Filip to India's Connectivity Plans:**
  - It would also lie at the crossroads of India's "**Act East**" plans for connectivity to Myanmar, and on to **Association of Southeast Asian Nations (ASEAN)** and the Indo-Pacific region as well as the new India-Japan connectivity plans between India's north-eastern States through Bangladesh to the Bay of Bengal and Indian Ocean.
- **Fulfilling the Need For Lateral Land-Based Connectivity:**
  - At the 7<sup>th</sup> Indian Ocean Conference 2024 in Perth, Ministry of External Affairs highlighted the "need for lateral land-based connectivity across the Indian Ocean region which is essential to supplement and complement the maritime flows" through "initiatives like the **India-Middle East-Europe Economic Corridor (IMEC)** to India's West and the Trilateral Highway to India's East".
    - GMC will benefit Bhutan and supplement its various infrastructural projects. It will also provide opportunities for Bhutan to join IMEC in the future.

### ■ Arguments Against:

- **Challenges Posed by Mountainous Terrain:** The geography of Gelephu, a rare broad plain in an otherwise mountainous country, poses challenges. With warmer temperatures than in the mountains, Gelephu gets high amounts of rainfall during a monsoon season that lasts several months, leading to **considerable flooding each year**.
- **Issues due to Locational Factors:** The surrounding forests and wildlife populations place

Gelephu right in the middle of elephant corridors. As Gelephu is landlocked, it is **dependent on other countries**, primarily India, to provide the infrastructure for trade and transport out of the special administrative region.

- **Concerns due to Insurgencies in North-Eastern States:** Insurgencies in Assam and the northeastern States and just across the Indian border in Myanmar have been an area of great concern in the past, leading to a **major military operation (Operation All Clear)** by Bhutan's former king in 2003, working with the Indian Army to **drive out militant groups** sheltering in the area.

## What is the Significance of the Gelephu Project?

### ▪ For Bhutan:

- **Promoting Tourism:** If Bhutan wants to increase these revenues, it must scale up its capacity to take in more tourists and visitors and land bigger planes, which need a much larger airport than the present one in the narrow Paro valley.
  - The first part of the Gelephu project involves scaling up the Gelephu airport and tarmac to international standards, which will need financing and expertise from India.
- **Boosting Employment:** The growing "outmigration" of Bhutanese youth in search of jobs abroad is another challenge, and the government hopes a mega project such as Gelephu will stem that.
- **Addressing Bhutan's Geopolitical Concerns:** Bhutan's most pressing geopolitical concern - pressure from its northern neighbour China to conclude a boundary resolution deal and to establish diplomatic ties.
  - Far away to the south, Gelephu offers Bhutan a way to open itself up in a controlled manner to the rest of the world, while also continuing negotiations with Beijing for a stable border.

### ▪ For India:

- **Bringing Bhutan Closer to India:** India and Bhutan have thus far built an idyllic relationship, based on a strong understanding between every Bhutan's king and Indian **Prime Ministers** over the past 75 years. It is India's only direct neighbour not currently in Beijing's orbit.
  - India is the leading source of investments in Bhutan, comprising 50% of its total **foreign direct investment (FDI)**.
  - India would also be wary of "missing an opportunity" of the kind seen in Sri Lanka's Hambantota a decade ago, which sent the close neighbour to China and caused unsustainable debt.
- **Complementing India's Regional Needs:** When it comes to investment in infrastructure, Gelephu's needs will align with India's own plans for the region:
  - Railway lines right up to the border with Bhutan;
  - Better roads to feed into the trilateral highway to Myanmar and Southeast Asia;
  - Cooperation with Japan to coordinate roads and bridges construction in Bangladesh in order to access Chattogram and Mongla ports;
  - And upgrading border posts with all three land neighbours to allow efficient trade.
- **Facilitating Demand for Power Supply:** In addition to climate-friendly solar and wind power generation projects, India's plans for a South Asian power grid that would draw electricity from Nepal and Bhutan, with supply to Bangladesh and Sri Lanka would lend itself to more consistent power supplies needed for Gelephu.

## What are the Suggestions for India to Bolster Ties with Neighbours in the Future?

### ▪ Finding Common Ground With Neighbours:

- Obviously, the conditions for a mega-smart city with no immediate returns from the investment envisioned for the GMC, are not optimal at present.
- However, as the global setting grows more polarised and countries increasingly opt for "tribal" foreign policies that draw more from traditional allies in their respective neighbourhoods, **India too must find its tribe in South Asia:** a region that shares

language, faith, culture, geography and climate.

▪ **Taking a Cue from Sri Lanka and Bangladesh:**

- The goodwill generated by India's generous support to Sri Lanka during its economic crisis and steadfast relationship with Bangladesh can be multiplied by similar forays in other directions, such as helping Nepal defray the costs of its new airports by allowing overflight rights, continuing the projects committed to the Maldives despite recent setbacks in ties, and even considering a new chapter with Pakistan, amidst all its other political and economic turmoil.

▪ **Promoting Digital Infrastructure Across South Asia:**

- Cooperation in newer areas beyond the traditional realms of cooperation such as new **STEM-based initiatives**, establishment of digital infrastructure such as the Third International Internet Gateway, integration of Bhutan's DrukRen with India's National Knowledge Network – a key cooperation in the domain of e-Learning, E-library project complementing Bhutan's efforts at digital transformation, e-learning, are laudable.
- However, similar efforts need to be undertaken across the entire range of South Asian countries to promote further economic and infrastructural integration and generate goodwill.

▪ **Promoting Environmental Sustainability Through Cooperation:**

- The importance of environmental sustainability cannot be overstated in the context of Indo-Bhutan relations. Both India and Bhutan are blessed with abundant natural resources, and it is imperative that they work together to preserve and protect these resources for future generations.
- Therefore, it is crucial that India and Bhutan continue to prioritise environmental sustainability in their bilateral relations, and work towards achieving their shared goals of promoting **sustainable development** and protecting natural resources.

## Conclusion

Bhutan's ambitious plan for the Gelephu Mindfulness City (GMC) at the heart of the region presents a bold vision for sustainable development. Despite significant challenges, such as environmental factors and geopolitical pressures, the project symbolises Bhutan's aspirations for economic growth and enhanced connectivity. India's pivotal role in supporting this endeavour underscores the deep-rooted ties between the two nations and the potential for regional cooperation. As both countries navigate complex regional dynamics, the Gelephu project stands as a testament to their shared commitment to progress and prosperity in the region.

**Drishti Mains Question:**

Discuss the historical factors that have shaped the close and friendly relations between India and Bhutan since ancient times. Also evaluate the role of economic cooperation and development assistance in strengthening the ties.