



India Bhutan Relations

For Prelims: [India Bhutan Relations](#), [Food Safety and Standards Authority \(FSSAI\)](#), [Doklam standoff between India and China](#), Sustainable development

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

Source: [HT](#)

Why in News?

Recently, Bhutan's Prime Minister visited India, where India held wide-ranging talks with Bhutan and signed a slew of agreements **between India and Bhutan**.

- The close and cordial ties between India and Bhutan are deeply rooted in trust, goodwill, and shared values, permeating through all levels of engagement.
- This enduring friendship serves as a cornerstone for mutual prosperity and regional stability in South Asia.

Note

In the Interim [Budget 2024-25](#), the Ministry of External Affairs (MEA) has been allocated **Rs 22,154 crore for fiscal year 2024-25**. India's 'Neighbourhood First' policy is reflected in the **largest share of aid portfolio granted to Bhutan** with an allocation of Rs 2,068 crore against Rs 2,400 crore in 2023-24.

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What are the Key Highlights of the India-Bhutan Bilateral Talks?

- **Petroleum Agreement:**
 - Both countries signed an agreement on the supply of petroleum products to ensure a reliable and sustained supply from India to Bhutan, fostering economic cooperation and growth in the hydrocarbon sector.
- **Food Safety Collaboration:**
 - Bhutan's Food and Drug Authority and **India's [Food Safety and Standards Authority \(FSSAI\)](#)** signed an agreement to enhance cooperation in **food safety measures**.
 - It will facilitate trade between the two countries by ensuring compliance with food safety standards and reducing compliance costs.
- **Energy Efficiency and Conservation:**
 - Both countries signed an MoU on energy efficiency and conservation that demonstrates a **commitment to sustainable development**.
 - India aims to assist **Bhutan in enhancing energy efficiency** in households, promoting the use of energy-efficient appliances, and developing standards and labelling schemes.
- **Border Dispute Resolution:**
 - The Bhutanese Prime Minister's visit coincides with ongoing discussions between **China and Bhutan to resolve their border dispute**, which has implications for regional security, particularly in the **[Doklam region](#)**.
 - In August 2023, China and Bhutan agreed on a plan to **address their border disagreement**.
 - This was followed by the formal signing of the agreement in October 2021.
 - This agreement came four years after a conflict between India and China in Doklam, sparked by **China's attempt to construct a road in the area in 2017**.
- **Bhutan's Regional Economic Hub in Gelephu:**
 - Bhutan's plans for a regional economic hub in Gelephu, mark a significant step towards regional development and connectivity.
 - The project, initiated by Bhutan's King in December 2023, aims to establish the **"[Gelephu Mindfulness City](#)" (GMC) spanning 1,000 square kilometres**. Unlike traditional financial hubs characterised by skyscrapers, Gelephu will prioritise sustainable development, focusing on **non-polluting industries** such as IT,

education, hospitality, and healthcare.

- Positioned at the crossroads of [India's "Act East" policy](#) and the emerging connectivity initiatives spanning Southeast Asia and the Indo-Pacific region, Gelephu holds strategic significance in fostering economic integration and trade facilitation.

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 defence, 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 defence 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.

▪ **Cultural Importance:**

- While Bhutan is a predominantly Buddhist country, India also has a vibrant Buddhist community **alongside its Hindu majority**, making both countries share strong cultural ties.
- India has assisted 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.
- China and Bhutan have not established diplomatic relations yet, but have **maintained friendly exchanges**.

▪ **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 favourable 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 the '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 transboundary in the Himalayan foothills between southern Bhutan and India.

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.

UPSC Civil Services Examination, Previous Year Question (PYQ)

Mains

Q. Border management is a complex task due to difficult terrain and hostile relations with some countries. Elucidate the challenges and strategies for effective border management. **(2016).**