

Bhutan

Key indicators

Population (millions)	0.8
GDP (\$ billions)	2.1
GDP per capita (\$)	2635.1
Share of world GDP (PPP\$, %)	0.0
Current account surplus/deficit, share of GDP (%)	-27.8
Tariff preference margin (percentage points)	4.8
Imports and exports (goods and services), share of GDP (%)	41.9
Services exports, share of total exports (%)	34.9
Geographic region	Asia
Country group	LDC, LLDC
Income group	Lower-middle income

SME Competitiveness Grid Summary

Average scores [0-100]	Compete	Connect	Change
FIRM CAPABILITIES			
Small	27.8	22.5	31.0
Medium	37.4	49.1	59.2
Large	53.2	77.5	80.4
All	32.5	29.1	42.2
BUSINESS ECOSYSTEM	35.8	42.4	56.4
NATIONAL ENVIRONMENT	41.0	40.9	40.0

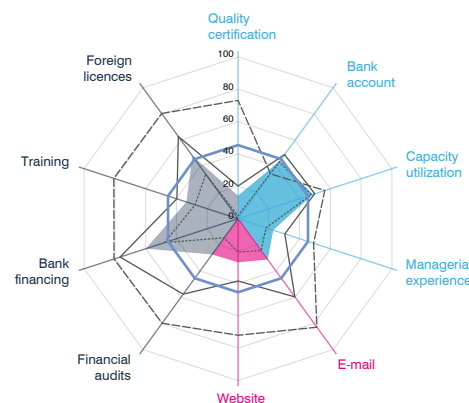
Reference level: 45.5 (a function of GDP per capita)

Weaknesses are scores below: 22.7 **Strengths are scores above: 68.2**

SME Competitiveness Grid

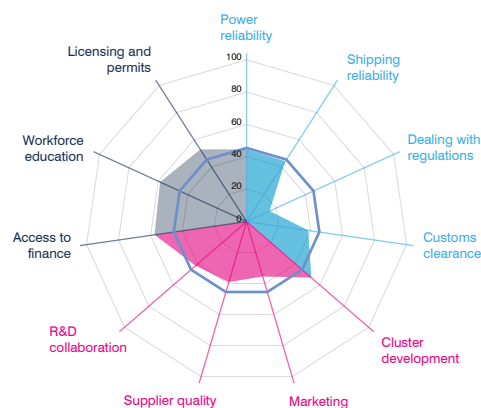
FIRM CAPABILITIES (Normalized scores)

Compete	Small	Medium	Large	All
International quality certificate	1.8	20.2	73.1	14.2
Bank account	43.5	49.0	34.2	44.3
Capacity utilization	47.6	49.8	56.4	48.7
Managerial experience	18.2	30.4	49.1	22.9
Connect				
E-mail	24.4	59.7	82.9	31.2
Firm website	20.6	38.5	72.1	27.0
Change				
Audited financial statement	14.6	57.7	79.8	27.4
Investment financed by banks	47.8	76.6	80.6	59.9
Formal training programme	27.9	39.7	80.7	33.5
Foreign technology licences	33.9	62.8	80.3	47.9



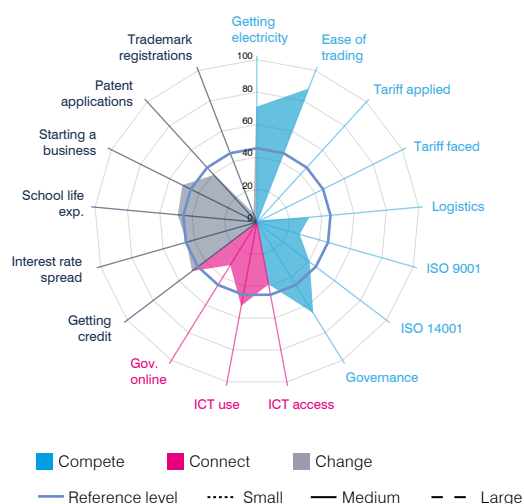
BUSINESS ECOSYSTEM (Normalized scores)

Compete	Small	Medium	Large	All
Power reliability	44.6	42.7	58.2	44.6
Domestic shipping reliability	39.9	58.2	-	44.3
Dealing with regulations	18.3	9.4	14.6	15.6
Customs clearance efficiency	-	69.3	-	38.5
Connect				
State of cluster development				53.1
Extent of marketing				35.5
Local supplier quality				39.1
University-industry collaboration in R&D				41.8
Change				
Access to finance	56.0	58.1	82.3	57.6
Access to educated workforce	58.2	58.4	71.9	58.8
Business licensing and permits	52.2	51.2	100.0	53.0



NATIONAL ENVIRONMENT (Normalized scores)

Compete	All
Getting electricity	71.1
Ease of trading across borders	88.2
Applied tariff, trade-weighted average	0.0
Prevalence of technical regulations	-
Faced tariff, trade-weighted average	2.7
Logistics performance index	32.3
ISO 9001 quality certificates	27.4
ISO 14001 environmental certificates	40.7
Governance index	65.9
Connect	
ICT access	39.0
ICT use	52.5
Government's online service	31.2
Change	
Ease of getting credit	50.0
Interest rate spread	45.0
School life expectancy	48.9
Ease of starting a business	51.2
Patent applications	39.2
Trademark registrations	5.7



Note: Scores range from 0 to 100, a higher score indicates a better outcome. Series with missing data are indicated as (-) in the tables and omitted from the radar charts.

Source: World Bank Enterprise Survey (2015) for firm level data; for other sources and methodology see Annex.

SME Export Potential

Bhutan is a lower-middle income country with a population of 800,000 and GDP of \$2.1 billion. Goods and services account for 65.1% and 34.9% of exports, respectively.

The country's unrealized potential to increase existing exports lies within its home region and to Europe (see table below). *Ferro-silicon* has an unrealized export potential in the home region and to Europe of around \$70 million. Other products with unrealized potential within the country's home region include *wire of refined copper* and *marble*.

Regarding new export products, Bhutan has diversification opportunities in metals and processed food with products, such as *ferro-nickel* and *prepared or preserved palm hearts*. The production of the latter good involves a relatively strong representation of women and SMEs and scores relatively well on the price stability indicator. Other products identified for diversification include *non-alloy pig iron* and *semi-finished products of iron or non-alloy steel*.

Small firms in Bhutan perform relatively well in using bank accounts, maximizing the utilization of resources and having their investments financed by banks. They underperform, however, in having international quality certificates, websites, and audited financial statements. The largest gap between small and large firms lies in attaining international quality certificates. Bhutan's national environment performs well in getting an electricity connection and trading across borders.

Unrealized potential: Existing export products

Product description	Product code	Exports (\$ million)	Value of unrealized potential exports by destination (\$ million)					Development indicators						
			Africa	Americas	Asia	Europe	Oceania	Price stability	SME presence	Women employed	Technology			
			0	0	0	0	0							
Ferro-silicon, containing by weight > 55% of silicon	720221	101			70	10					Green	Red	Red	Red
Wire of refined copper, with a maximum cross-sectional dimension of <= 6 mm	740819	9			5						Red	Red	Red	Red
Marble, travertine and alabaster articles thereof, simply cut or sawn, with a flat or even surface...	680221	2			1						Red	Red	Green	Green
Bars and rods, of non-alloy free-cutting steel, not further worked than hot-rolled, hot-drawn or hot...	721430	7									Green	Red	Red	Red
Plates, sheets, film, foil and strip, of non-cellular plastics, n.e.s., not reinforced, laminated...	392099	5									Red	Red	Red	Green
Ferro-alloys (excluding ferro-manganese, ferro-silicon, ferro-silico-manganese, ferro-chromium...	720299	1	1								Red	Red	Red	Green
Ferro-silicon, containing by weight <= 55% silicon	720229	2	1								Red	Red	Red	Green
Cardamons	0908Xc	0		1							Red	Red	Red	Red
Particle board, oriented strand board "OSB", waferboard and similar board, of wood	4410XX	3									Green	Green	Red	Green
Semi-finished products of iron or non-alloy steel containing, by weight, < 0.25% of carbon, of...	720719	2									Red	Red	Red	Green

Notes: Unrealized potential table: Top 10 products in decreasing order of unrealized export potential to the world. **Exports:** Average value over 2011-2015. **Price stability, SME presence, and Women employed:** Green - performance above a country's trade-weighted mean. Red - the opposite. **Technology:** Green - transformed products exported by countries at least matching the country's per capita GDP. Red - the opposite. Blank spaces - data not available.

Source: ITC Export Potential Map, <http://exportpotential.intracen.org>