PRESS COVERAGE 2018-2020

EU – BHUTAN TRADE SUPPORT

EXPORT DIVERSIFICATION FOR ECONOMIC GROWTH AND POVERTY REDUCTION
Bhutan export diversification project launched to connect micro small and medium-sized enterprises to global markets

European Union, Royal Government of Bhutan and International Trade Centre step up support to Bhutanese exports

(Thimphu/Geneva) Bhutanese producers of horticulture and textile handicrafts will enjoy better competitiveness in foreign markets following the launch of a new European Union (EU) project that aims to improve value addition, market linkages and the trade and investment regulatory framework.

Announcing the new project in Bhutan’s capital, Thimphu, on 24 May, Bhutan’s Minister for Economic Affairs Lyonpo Leki Dorji explained: ‘The support from the EU will help in increasing export diversification which would help in implementing the “Brand Bhutan” initiative with increase in exports of selected value chains of horticulture and textile handicrafts’.
Provided with €4 million of funding from the European Union, the ‘EU-Bhutan Trade Support Project’ will run over 40 months and will be managed by the International Trade Centre (ITC) in collaboration with the Royal Government of Bhutan.

EU Ambassador Tomasz Kozlowski said: ‘This initiative aims to contribute to the Royal Government of Bhutan’s objective of economic diversification, reducing economic dependence, opening up market opportunities and supporting job creation’. He added that ‘Our support in the sectors of horticulture and hand-woven textiles will ensure that the private sector continues to grow in the country, by producing and selling good quality products to foreign markets’.

Bhutan has in recent years gradually embraced international trade and investment in a bid to achieve economic self-reliance and inclusive green socio-economic development. Bhutan aims to build a strong, dynamic and progressive economy and a key goal of the ‘EU-Bhutan Trade Support Project’ is to support the government in this effort.

ITC Executive Director Arancha Gonzalez said: ‘An improved trade and investment environment will be crucial for Bhutan to diversify its exports and achieve value addition. An important component will be to help horticulture and textile producers sell quality products in line with market demands. This diversification will play a significant role in Bhutan’s efforts to graduate from the least developed country category in 2021’.

‘As a long-time partner of Bhutan, ITC will continue supporting the government to achieve these objectives. Gender, youth entrepreneurship and protection of the environment will be integral parts of the support provided by ITC, in line with Bhutan’s policies and national priorities’, she said.

A steering committee co-chaired by the Gross National Happiness Commission (GNHC) and the Delegation of the European Union to Bhutan with representation from the Ministry of Economic Affairs, the Ministry of Agriculture and Forests and ITC will provide overall direction for the project. National level agencies and apex business entities will support work-plan development and the implementation of activities.

Notes for editors

About the European Union (EU)

The EU, which consists of 28 countries, has the world's largest economy and its third largest population, after China and India. Though richly diverse, the countries that make up the EU (its 'Member States') are all committed to the same basic values: peace, democracy, the rule of law and respect for human rights. They have set up common institutions so that decisions on matters of joint interest can be made democratically at European level. By creating a frontier-free single market and a single currency (the euro) which has been adopted by 19 Member States, the EU has given a significant boost to trade and employment. It is also at the forefront of policies on sustainability.


About ITC
The International Trade Centre is the joint agency of the World Trade Organization and the United Nations. ITC assists small and medium-sized enterprises in developing and transition economies to become more competitive in global markets, thereby contributing to sustainable economic development within the frameworks of the Aid-for-Trade agenda and the United Nations’ Sustainable Development Goals. For more information, visit www.intracen.org.
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EU- Bhutan trade support project launched

Earmarks Euro 52M in assistance between 2014 and 2022

To diversify the country’s export and promote brand Bhutan, the European Union (EU) has provided a fund of Euro 4 million on May 24.

The EU-Bhutan Trade Support Project will run over 40 months and will be managed by the International Trade Centre (ITC) in collaboration with the government of Bhutan.

This project is expected to increase the country’s exports by developing a value chain on selected products of horticulture and textile handicrafts, developing efficient market linkages and trade and investment regulatory framework.

EU Ambassador, Tomasz Kozlowski said the project was designed in consultation with the Bhutanese government, private sector and civil society organisation.

He said that EU provides budgetary support without dictating the terms and conditions because the country has well-established economic and social development policies.

“We have a strong conviction that Bhutanese government knows better how to spend the fund. It is a reflection of trust and confidence,” he said.

Irrespective of Bhutan’s LDC graduation status, he said EU would provide assistance and support to Bhutan. As the country experiences economic transformation over time, he said new instruments and new ways of collaboration must be explored as priorities change. Area of cooperation in science and technology has potential and scope in future, he said.
He also said that other trade support programmes and investment could be explored from the European Investment Bank (EIB) in future.

The EU ambassador also said that the EU can accommodate more Bhutanese students to pursue higher education in European countries through programmes like Erasmus plus and Marie Curie Scheme, where fellowships are offered in research works.

The EU has also sanctioned a fund of Euro 16.5M for rural development and climate change programmes. Another Euro 20M has been granted for the development of local government and fiscal decentralisation programs.

Counselor of political affairs Thibault Devenlay said technology transfer and capacity development in the field of renewable energy could be accommodated under the climate programmes.

Between 2014 and 2022, the EU has committed an assistance of Euro 52M for Bhutan. One of the EU delegates said that it is for the country to come up with programmes and identify areas where budgetary support is required.

“Bilateral relation between the EU and Bhutan is beyond the development agenda,” the Ambassador said adding that political cooperation and ties are at its best.

Beyond 2022, he said that financial planning for the next five years is ongoing in the EU. “But the EU is committed to support Bhutan,” he said.

Since 1982, the EU and Bhutan has worked together in various development cooperation projects targeted to reduce poverty, enhance food security and strengthen the democratisation process.
EU-Bhutan project to boost Bhutan’s horticulture and textile handicrafts exports

Bhutanese producers of horticulture and textile handicrafts would soon make their way to markets in Europe. This will be made possible by the newly launched EU-Bhutan Trade Support Project.

The project, which will be implemented over a 40-month period, will help goods from Bhutan enjoy better competitiveness in foreign markets.

The EU-Bhutan Trade Support Project is expected to boost Bhutanese exports by building trade and market linkages.

The Executive Director of the International Trade Centre, Arancha Gonzalez, who came for the launch of the project, said the project will focus on connecting horticulture and textile handicraft to markets other than India.

“This will help grow exports of Bhutan and growth in exports means better paid jobs, which is what the Bhutanese government is looking for as it has around 5,000 young Bhutanese entering the job market every year,” she said.

The launch of the project was attended by Ambassadors of the European Union, Bulgaria, Czech Republic, Estonia, Spain, Croatia, Germany, Lithuania, and Denmark.
EU- Bhutan trade support project launched

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Another Euro 20M has been granted for the development of local government and fiscal decentralization programs.

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EU- Bhutan trade support project launched

Earmarked Euro 52M in assistance between 2014 and 2022

Tihering Dorji

To diversify the country’s export and promote brand Bhutan, the European Union (EU) has provided a fund of Euro 4 million on May 21.

The EU-Bhutan Trade Support Project will run for 48 months and will be managed by the International Trade Centre (ITC) in collaboration with the government of Bhutan.

This project is expected to increase the country’s exports by developing value chains on selected products of horticulture and textile handicrafts, developing efficient market linkages and trade and investment regulatory framework.

EU Ambassador Tomasz Kozlowski said the project was designed in consultation with the Bhutanese government, private sector and civil society organisations.

He said that EU provides budgetary support without dictating the terms and conditions because the country has well-established economic and social development policies.

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Since 1992, the EU and Bhutan has worked together in various development cooperation projects targeted to reduce poverty, enhance food security and strengthen the democratisation process.
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The European Union (EU) provided a fund of 4 million euros on 24 May to diversify the country’s export and to promote Brand Bhutan.

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**Aims of the EU-Bhutan Trade Support Project**

The EU-Bhutan Trade Support Project will span a period of 40 months and will be managed by the International Trade Centre (ITC) in collaboration with the government of Bhutan.

This project is expected to increase the country’s exports by developing a value chain on selected products of horticulture and textile handicrafts.
It will also develop efficient market linkages as well as a trade and investment regulatory framework.

The EU Ambassador, Tomasz Kozlowski said that the project was designed in consultation with the Bhutanese government, the private sector and the civil society organisation.

He said that the EU provides budgetary support without dictating any terms and conditions because Bhutan has already got well-established economic and social development policies in place.

“We have a strong conviction that the Bhutanese government knows better how to spend the fund. It is a reflection of our trust and confidence,” he said.

Irrespective of Bhutan’s LDC graduation status, he said that the EU would provide assistance and support to Bhutan.

As the country experiences economic transformation over time, Tomasz Kozlowski said that new instruments and new ways of collaboration must be explored as priorities change.

More engagement in various spheres between the EU and Bhutan

“The area of cooperation in science and technology has potential and scope in future,” he said.

He also added that other trade support programmes and investments could be explored with the European Investment Bank (EIU).
Moreover, the EU can accommodate more Bhutanese students to pursue higher education in European countries through programmes such as the Erasmus plus and Marie Curie Schemes, where fellowships are offered in research works.

The EU sanctioned a fund of 16.5m euros for rural development and climate change programmes. Another Euro 20m euros was also granted for the development of local government and fiscal decentralisation programs.

The Counsellor of political affairs, Thibault Devenlay said that technology transfer and capacity development in the field of renewable energy could be accommodated under the climate change programmes.

Between 2014 and 2022, the EU has committed an assistance of 52m euros for Bhutan. One of the EU delegates said that it is time for the country to come up with programmes and identify areas where budgetary support is required.

“Bilateral relations between the EU and Bhutan is beyond the development agenda,” the ambassador said, adding that political cooperation and ties are at its best.
Trade information portal to be launch by end of next year

The economic affairs ministry is developing a trade information portal, whereby, the traders in the country will be able to get all business related information from a single website.

With about 15 per cent of the work complete, the ministry is planning to launch the portal towards the end of next year.

A web-based portal will bring together all regulations a trader must follow to engage in the cross-border trade. It will also have clear information on cost and processes of imports and exports.

The platform will upload national and international trading agreements. This is to help people in other countries to get information on doing business with Bhutan.

“Today our traders both within and outside the country have to go through different portals to get the information. So in the process, they get confused and are not interested in doing business. Therefore, we want this trade information portal to make it easier for them,” Zecko, the Chief Trade Officer of MoEA, said.

The trade information portal is one of the projects funded by the European Union (EU). The two-year project is being developed at a cost of Nu 26 M.

The ministry will also conduct training for the traders once the website is ready.
APIC’s training stimulates a COVID-19-hit weaving centre in Bumthang

The Agency for Promotion of Indigenous Crafts’ (APIC) new product development training for women in Dorjibi Weaving Centre has come at a time when the centre has become dysfunctional and the morale of the weavers become low all due to the COVID-19 pandemic situation.

The group is particularly hit hard by the situation, as they are entirely dependent on weaving for their livelihoods.

Dorjibi Weaving Centre has remained closed for more than three months due to lack of yarn and dearth of buyers for their products. That is until trainers from APIC initiated a weeklong weaving training for the women in the centre. The centre has come alive in the last one week with weavers introduced to new colour combination ideas, hand stitching skills and new product development expertise among other lessons.
Ugyen Lhamo, the chairperson of Dorjibi Weaving Centre at Chhoekhor in Bumthang, says the training would help them in improving the standard of their products. "We have been idle for so long now. However, the training conducted by APIC has taught us natural dying and colour combination skills that are sought after in the international textile market. Hopefully, when the pandemic ends, we would be able to build on to the skills we have acquired and come up with new products and make our fabrics more attractive in the international market," she said.

And Gorden, a member of the weaving centre shares her sentiments with the revival of hand stitching, "we already know how to weave Yathra fabrics but with this training, we have learnt how to come up with new fabric patterns. Moreover, we were also taught about the essence of hand stitching. I have never picked up hand stitching after I left it about 30 years ago since the advent of the sewing machine in the country. I felt quite nostalgic when we were taught about it during the training."

Tshomo, also a member of the centre, says the training has helped them in the valuation of their products. "So far we used to estimate the prices of our products depending on the complexity of the fabric’s patterns. However, trainers have taught us about product costing and pricing techniques. We are now going to use them for pricing our products," she added.

Among the participants were some college students. They said the training has helped them keep engaged.

"As the colleges have remained closed due to the pandemic, we have lots of off-hours during the daytime as we study only at night. So I took this opportunity to participate in the training. Here, all the households are almost entirely dependent on weaving for our source of income. Likewise, after graduation if I don't get employed, I will join the centre and take up weaving as a fulltime job," said Tshewang Choden, a student at the College of Natural Resources.

“I just completed class 12 and I am waiting for my first semester in college but then we have a 6-month long break in between. So I heard that there would be a weaving training about natural dyeing and hand stitching skills, so I joined it as well," added Ugyen Choden, a student of Sherubtse College.

Along with other Bhutanese handicrafts and souvenirs, the products made at the training will be displayed at international textile exhibitions in the future through which marketing opportunities will be sought. The marketing activities will be supported by the International Trade Centre’s (ITC) EU-Bhutan Trade Support Project.

Karma Choden, the Manager for Cluster and Craft Bazaar Division under APIC, shares the market opportunity for the weaving centre in the coming years, “the EU-Bhutan Trade Support Project has facilitated APIC in marketing various Bhutanese handicrafts at an exhibition in Paris in January this year. Likewise, the products made by the Dorjibi weavers will also be taken for exhibition in the UK, US, Japan and France. So we are coming up with new products through such training.”

As a part of the training, another team from APIC conducted a five-day natural dyeing of sheep wool for the staff of the National Sheep Breeding Centre at Dungbithang with other local participants.

Kipchu