EXPORT DIVERSIFICATION
FOR ECONOMIC GROWTH & POVERTY REDUCTION

EU-Bhutan Trade Support Project
Bhutan has gradually embraced international trade and investment to achieve economic self-reliance and inclusive socio-economic development.

The EU–Bhutan Trade Support project contributes to economic growth and poverty reduction in Bhutan by diversifying exports. The project has improved the national trade and investment regulatory framework, and increased export competitiveness along the horticulture and textile handicraft value chains.

EU–Bhutan Trade Support is a project with the Royal Government of Bhutan in the lead, through the Gross National Happiness Commission (GNHC). Project partners include the Ministry of Economic Affairs (MoEA), the Ministry of Agriculture and Forests (MoAF) and the Agency for Promotion of Indigenous Crafts (APIC). The 4-year project is funded by the European Union (EU) and implemented by the International Trade Centre (ITC).
Key Results Achieved

OUTPUT 1 - Enhanced capacities in the formulation and implementation of trade and investment policies and regulations

- **200+ public and private sector stakeholders** including 50+ women trained on trade negotiations, business advocacy, public-private dialogue, investment regulations, trade facilitation, market access

- **6 international trade and investment courses** attended by Government and academia to develop trade policy and business advocacy skills

- **4 studies** on investment regulations and strategies under finalization

- **6 sector investment profiles** of which 4 being finalized

- **2 BPA studies** for the ginger/turmeric and textile sectors including recommendations from 2 PPDs with 35+ participants

- **1 Guide** on International Trade Dispute Settlement

- **1 training module** on international trade developed by the Royal Institute of Management (RIM) for Government officials pursuing a diploma in public administration

- **Bhutan Trade Information Portal** developed and launched online at [http://bhutantradeportal.bt/en](http://bhutantradeportal.bt/en)
“What I learned has come handy in my day-to-day work. I could use the skills gained to analyse the procedures and requirements for licenses issued by MoEA, review and submit fiscal incentive proposals for the RGoB, prepare a proposal for policy dialogue backed with evidence and research.”

Sonam Lhendup  
Senior Planning Officer  
Policy and Planning Division  
Ministry of Economic Affairs
“The multidisciplinary approach of MILE programme has provided me with ample opportunities to enhance my knowledge in international law and economics. I am confident that the knowledge gained would place me in better position to serve the Ministry of Economic Affairs in the areas of international law, economics and politics.”

Karma Yangzom
Senior Internal Auditor
Ministry of Economic Affairs

Karma Yangzom
Bhutan
“The Bhutan Trade Information Portal will improve transparency, predictability and availability of latest and strategic trade related information. I have also benefited from the project as I have learned how to use market tools.”

Dechen Zam
Senior Trade Officer
Department of Trade
Ministry of Economic Affairs
“The project has helped in enhancing the capacity of the Chamber and its business associations in developing position papers. Clearly articulated issues and recommendations through position papers are crucial for effective advocacy and lobbying with the Government.”

Yeshey Chen Chen Lham
Chief, Research and Planning Department
Bhutan Chamber of Commerce and Industry
"The investment strategy, investment profiles, model treaty and FDI regulatory roadmap developed under the project are key documents to bring about positive changes in the country’s overall investment promotion regime. Some elements of these reports and recommendations are already being implemented. The project has also been beneficial to the officials in the FDI Division through capacity building programs and awareness creation on international best practices."

Tashi Dorji
Deputy Chief Industries Officer
FDI Division Department of Industry
Ministry of Economic Affairs
“The project has had enormous impact on our institute. The training we received has contributed to incorporate new topics in the regular programs of the institute. Our trainees are privileged to be able to enhance their knowledge and skills on WTO-related topics.”

Pema Dorji (faculty) & Thinley Penjor (faculty)

Royal Institute of Management (RIM)
Key Results Achieved

**OUTPUT 2 - Improved environment for exports of high-value horticulture products, including organic products**

- **400+ farmers trained** on ginger/turmeric post-harvest and organic production
- **5 master trainers and 50 extension officers** trained on ginger/turmeric and mushroom post-harvest and organic production
- **6 trainers from DAMC** trained on cooperative and farm group marketing
- **36 national experts** including 7 DAMC staff and 29 data collectors from the 20 Dzongkhags trained on the Agriculture Market Information System
- **14 exporters** trained on marketing and negotiation skills
- **12 enterprises** coached and registered for virtual B2B event
- **5 education materials** on good post-harvest practices for Bhutanese producers of mushroom, ginger/turmeric in English and Dzongkha
- **2 analyses** on costs and economic performance for ginger/turmeric, mushroom and yak dairy products, to align Brand Bhutan guidelines with production practices, food safety standards, labour and social standards
- **3 reports on EU market entry** and Asia market requirements
- **5 Value Chains Analyses** on ginger/turmeric, mushrooms and yak dairy endorsed by sector stakeholders and MoAF
“The development of AMIS was one of the objectives of the Department and was timely supported by the project. The tool will definitely make a difference to producers and traders.”

Dawa Tshering
Chief Marketing Officer
Department of Agricultural Marketing and Cooperatives
Ministry of Agriculture and Forest
“The training received gave us confidence to conduct business negotiations.”

Sonam Chophel
Chief Executive Officer
Druksell
"I have gained a lot of experience and knowledge on training concepts and methodologies, which I can use to train farmers on post-harvest and organic production."

Jimba Rabgyal
Senior Agriculture Officer
Department of Agriculture
Ministry of Agriculture and Forests
“I have learnt about the requirements for exporting dairy products. The trainings have helped improve my confidence, given me new ideas on how I can create new products for export markets, develop my company profile and taught me how to present my company in a professional manner to international buyers.”

Tashi Dhendup Dorji
Chief Executive Officer
Laykha Dairy Delights
“I am extremely grateful to the project. The training received eased by far the database system. I have been able to use digital data collection. This is very useful for field people like us.”

Sha Bdr. Barakoti
Extension Officer
Pema Gatschel District
Key Results Achieved

**OUTPUT 3: Improved environment for exports of high-value handicraft textile products**

- 583 Bhutanese textile products exported to 5 countries
- 230 business contacts established by 12 Bhutanese SMEs and CSOs
- 100+ home textiles products developed for exports
- 110+ textile handicraft private and public sector beneficiaries trained on market requirements, product development, pricing and costing
- 22 SMEs and CSOs coached on quality, supply, sales and exports
- 11 exporters produced full export packs incl. individual collections and sales kits
- 36 Bhutanese yarn suppliers and buyers established business contacts
- 40+ yarn producers and exporters involved in the supply of local yarns
- 3 studies on yarn sourcing, costing and pricing
- 4 workshops on improving traditional natural dyeing methods, use of local yarn, traditional hand stitching methods and weaving terminologies
- ‘Made in Bhutan’ set of criteria endorsed and 16 textile sector stakeholders trained
- 1 Value Chain Analysis for handmade textile handicraft and 4 market entry strategies to export markets
“The project has really deepened the horizon of my knowledge on exports of textile products. It has greatly helped me and my organization to see the textile sector through a different lens, identifying lots of untapped opportunities. This project will also help APIC work towards a sustainable textile industry.”

Cheki Dorji
Cluster Development Officer
Agency for Promotion of Indigenous Crafts (APIC)
“The project has groomed us as an individual entrepreneur. It has increased the sustainability of the enterprise. I have recently formed a weaving community of 18 members and target to upskill 100 women to weave in 2020-2021, to impart the knowledge I received from the project.”

Kencho Wangmo
Kencho House of Design (Kencho Couture)
“I am particularly impressed with the way this project is being handled and implemented. It has given me a sense of renewed hope. The response at the Maison & Objet fair was very encouraging, with several new orders. We are hopeful that this will be a breakthrough for the textile industry in Bhutan.”

Kuenga Lhendup
Deputy Director
Royal Textile Academy
“We have developed 21 new handicraft textile products. We established contacts with 16 new clients and exported to several markets including France, Japan, the UK and the US. The sustainability of our enterprise has increased and we have gained more confidence to export. We recently trained 21 women of Merak to weave Yathra.”

Karma Tshoki
Founder and CEO
Yarn and Yathra
“We learned about export procedures, and this has helped us move forward to international markets. We would now need financial support to be able to concretize the knowledge and skills gained.”

Chandrika Tamang
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