



dealing you

འབྲུག་རྒྱལ་ཁབ་འབྲེལ་ཁ།

# Business Bhutan

FINANCIAL NEWSPAPER

www.businessbhutan.bt

INFOGRAPHICS

SATURDAY | VOL 17, ISSUE 04 NU 20 JANUARY 24, 2026



## INFLATION RATE

Inflation rate in November 2025.

3.55%

DIVISION	Year-on-Year	Month-on-Month
All items	3.55%	0.25%
Food	4.67%	0.42%
Education	0.00%	0.00%
Transport	2.64%	0.29%
Housing & Utilities	2.70%	0.00%

Source: National Statistics Bureau

7.6%



GDP Forecast 2025-2026

Source: World Bank



## MONEY TELLER

Exchange rates for notes as of yesterday. A Nu/unit of currency

January 24, 2026

City	BUY	SELL
Dollar	91.41	92.04
Pound	122.92	123.76
Euro	106.9	107.64
Aus. \$	62.2	62.61
Sing. \$	71.18	71.7

Source: Bank of Bhutan



## FUEL PRICE

Prices in Thimphu

January 24, 2026

Product	Nu
Diesel	61.81 Per Lit.
Petrol	60.72 Per Lit.
LPG Sub./Non-Sub.	861/1086
LPG (Com.) Cylinder	2008



## GOLD & SILVER RATES IN BHUTAN

January 24, 2026

PARTICULARS	UNIT	RATE
Gold	10 gm	126,761.69
Silver	1 kg	166,364.00
Gold Powder (11.6g)	Piece(s)	142,750.46
Gold Sertum 5 (39.94g)	Piece(s)	694,464.00

Source: BDFL & RMA

## Nu 201.9B worth FDI Projects Greenlit in 2025

By Sherab Dorji

From Thimphu

The nation's economic landscape in 2025 saw the government approving 18 major Foreign Direct Investment (FDI) projects worth a staggering Nu 201.9 billion, marking one of the largest inflows of foreign capital in recent years, signaling growing confidence in Bhutan as a destination for international investors.

Addressing the media yesterday (January 23, 2026), Namgyal Dorji, Minister for Industry, Commerce and Employment, hailed the surge in investment as a game-changer. "Bhutan's FDI landscape is showing unprecedented growth, with projects spanning hydropower, manufacturing, services, and more. These investments are vital for our sustainable economic development," he said, underlining the strategic importance of foreign capital in driving the nation's future.

Among the newly approved projects, two major hydropower initiatives—Dorjilung Hydropower and Wangchhu Hydroelectric Power Limited—stand out. These are expected to dramatically boost Bhutan's renewable energy capacity, reinforcing the country's commitment to clean energy and climate resilience. The Department of Industry reported approval of 14 FDI projects totaling Nu 13.76 billion. While the number of projects was slightly lower than in 2024, the total investment value skyrocketed, largely due to Tata

P 11

## Digital Lifeline stuck at the Border: Third Internet Gateway Nears Completion but Awaits Final Clearances

Nidup Lhamo

From Thimphu

The long-promised Third Internet Gateway (3IG) for Bhutan, envisioned as a digital safety net and a pathway to affordable, resilient connectivity, is nearing physical completion. More than a year after its originally scheduled launch, the project remains inactive. This is not due to missing fibre or faulty equipment, but because of unresolved cross-border approvals that continue to delay commissioning.

The gateway was expected to go live in January 2025. Instead, as Bhutan enters 2026 with growing dependence on digital services, the system remains unswitched, stalled

P 10

## A Global School Rises in Thimphu: Bhutan's Bold Partnership with EtonHouse



Former Kelki School (above picture) is set for a transformation with Bhutan's first full-fledged international school, to be established at the location. The school will be established in partnership with EtonHouse, one of Asia's most prominent international education providers, which has its headquarters at Singapore.

Nidup Lhamo

From Thimphu

Bhutan is preparing to take a decisive step into the global education arena. In a move that signals a major shift in the country's education landscape,

the Ministry of Education and Skills Development (MoESD) has confirmed that Bhutan's first full-fledged international school will be established at the former Kelki School campus in Thimphu, in partnership with EtonHouse—one of Asia's most prominent international education

P 11

## Tourism Surges 44% in 2025: Can this be Sustained?

Sherab Dorji

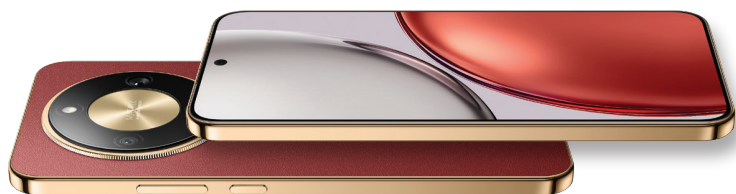
From Thimphu

In what has been a good year for the tourism sector, 2025 saw the kingdom welcoming 209,376 visitors, marking a 44% increase from 145,065 in 2024. This record-breaking influx highlights Bhutan's rising global appeal as a destination that combines

pristine natural landscapes, rich culture, and sustainable tourism practices. However, behind the celebratory numbers lies a complex reality: balancing rapid growth with infrastructure, sustainability, and service quality remains a pressing challenge.

The visitor composition reflects both continuity and transformation. Indian tourists remain the largest group, constituting 62% of arrivals,

P 10



# HONOR X9d 5G

AI | eXtra Resistance

Strong inside. Sleek outside.



www.tashicell.com

## OUR VIEW / NEWS

### Bhutan's Tourism: Triumphs, Challenges, and the Road Ahead



The tourism sector of Bhutan has long been a jewel in the kingdom's economic crown, carefully curated under the principles of high-value, low-impact travel. As 2025 unfolds, the sector's growth presents both an unprecedented success story and a cautionary tale. The surge in international arrivals, rising revenues, and a professionalizing workforce testify to Bhutan's ability to position itself as a unique destination that marries natural beauty, cultural heritage, and spiritual experiences. However, beneath these achievements lie structural challenges and looming pressures that must be addressed if tourism is to remain a sustainable driver of prosperity.

The kingdom's model of regulated tourism, anchored by a minimum daily tariff and controlled visitor numbers, has allowed Bhutan to maintain exclusivity while generating revenue critical to national development. Hotels and guesthouses have improved standards, guides and operators have become increasingly professional, and the exposure to international visitors has bolstered entrepreneurial skills among Bhutanese communities. From Paro's iconic dzongs to Bumthang's rolling valleys, Bhutan is no longer a hidden Himalayan secret; it has become a sought-after destination on the global map.

But the very success that the country has cultivated brings new challenges. Tourism growth, if left unchecked, risks straining infrastructure, from airports and roads to electricity and water supply. Seasonal overcrowding in key hubs can disrupt local life and dilute the quality of visitor experiences. More subtly, the cultural and environmental balance—long the foundation of Bhutan's appeal—faces pressures from commercialization and commodification. The delicate harmony between welcoming visitors and preserving the kingdom's unique social and ecological fabric is increasingly difficult to maintain.

To sustain growth, Bhutan must take a strategic and forward-looking approach. Investment in infrastructure is imperative: airports, roads, and hospitality facilities must expand not merely for capacity, but with an eye toward environmental resilience and energy efficiency. Sustainable transport options, waste management systems, and renewable energy integration are no longer optional—they are essential to ensure that the tourism footprint does not compromise the very landscapes that attract visitors.

Equally important is diversifying the tourism portfolio beyond traditional circuits. Promoting off-the-beaten-path regions, supporting community-based tourism, and encouraging longer stays can distribute economic benefits more evenly while alleviating pressure on over-visited areas. Digital platforms can enhance visitor engagement, pre-booking, and itinerary planning, creating a seamless experience that aligns with Bhutan's values.

Finally, a robust policy framework and cross-sectoral coordination are needed to safeguard the environment, cultural heritage, and social wellbeing. Policies must integrate tourism with agriculture, local industries, and education, ensuring that growth translates into broad-based prosperity and not just short-term revenue gains. Capacity building for local communities, coupled with transparent monitoring of tourism impacts, can help Bhutan avoid the pitfalls of over-tourism experienced by other iconic destinations worldwide.

Bhutan's tourism sector in 2025 is a testament to the kingdom's vision, discipline, and ability to attract global admiration. But success cannot breed complacency. Sustaining this trajectory will require careful planning, strategic investment, and unwavering commitment to environmental and cultural stewardship. With these measures, Bhutan can not only maintain its status as a premium destination but also set a global example for how tourism can be a force for sustainable, inclusive growth.

### GST and Inflation: Views from an Expert



**Sangay Rabten**  
From Thimphu

As Bhutan explores ways to expand its tax framework and boost revenue, questions are emerging about whether introducing a Goods and Services Tax (GST) could trigger inflation. To shed light on the issue, *Business Bhutan* spoke with Dr. Charan Singh, a leading expert in monetary policy, banking, and international trade, and Founder Director of the EGROW Foundation. Dr. Singh has previously served as Non-Executive Chairman of Punjab & Sind Bank and continues to teach courses on macroeconomics, monetary policy, and global finance at premier Indian institutes.

On the immediate concern of inflation, Dr. Singh notes that experience from India suggests that GST does not inherently drive prices up. "GST in India actually helped reduce inflation," he explains. By consolidating multiple cascading taxes and eliminating local levies like octroi, the new tax system reduced transportation delays and costs, which in turn lowered the overall price burden. Additionally, rationalization of tax slabs meant that many commodities attracted lower tax rates than before, providing relief to consumers.

Dr. Singh adds that the GST Council, which includes representatives from both central and state governments, plays a key role in keeping rates balanced. "The rates are fixed thoughtfully, reflecting cooperative federalism. This dialogue ensures smooth implementation without shock to the market."

When GST was first implemented in India in 2017, there were minor price adjustments during the transition, but these did not translate into long-term inflationary pressures. By its design and objective, GST is expected to moderate inflation rather than exacerbate it.

However, Dr. Singh cautions that GST, like any indirect tax, can be regressive. Since it is levied on the price of goods or services regardless of a consumer's income, it may impact consumption, employment, and economic growth, particularly among lower-income households. This means that while inflation may not rise broadly, weaker sections of society could feel a proportionally higher burden.

To mitigate such risks, Dr. Singh recommends a simplified and tiered rate structure. Essential items like food could be exempt from GST, non-essential but necessary goods such as refrigerators and basic vehicles could attract nominal rates, luxury goods higher rates, and sin items such as alcohol, tobacco, and gambling the highest rates. "This approach protects consumption, discourages tax evasion, and maintains fairness," he explains.

When asked about Bhutan's economic model, Dr. Singh advises a balanced approach rather than emulating purely capitalist or socialist frameworks. "Given Bhutan's geography, infrastructure, poverty levels, and sectoral composition, a mix is ideal. Private enterprise should be encouraged, but a supportive public sector—even if symbolic—remains crucial. India demonstrates how such a hybrid model can work, and even the U.S. showed during the 2008 financial crisis that public support can stabilize the economy."

Dr. Singh concludes with a broader note on policymaking in uncertain times. "Every country has unique challenges shaped by its history. Policymakers must tread carefully, basing decisions on global best practices while contextualizing them locally—essentially, crossing rivers by feeling the pebbles under their feet."

For Bhutan, the lesson is clear: GST, if carefully designed and implemented, need not stoke inflation. Instead, it can become a tool to streamline taxation, boost revenue, and support sustainable growth, while keeping the welfare of the population at the forefront.



## One Last Barrier to a New City: ATS Clearance Emerges as Critical Bottleneck for PTDP

Nidup Lhamo  
From Thimphu

The country's most ambitious urban project, the Phuentsholing Township Development Project (PTDP), stands near completion—and on the brink of delay. Along the Amochhu River, embankments, roads, utilities, and landscaped spaces signal a new era for the commercial capital. Designed as a flood-resilient, investment-ready township, PTDP is structurally almost finished.

However, a single issue threatens to stall progress: Amochhu Temporary Shelters (ATS) occupy roughly 11 percent of Zone A, blocking full operationalisation. With investor engagement underway and land marketing in progress, this bottleneck has become a critical challenge, DHI officials say.

By engineering standards, Zone A is nearly complete. Flood and erosion works—including 4.7 km of resilient river walls, land reclamation, and 4.8-metre-high embankments—are fully in place to protect the township. Core infrastructure—roads, water, sewerage, drainage, electricity, and telecom—is 97.6% complete, with only final electrical commissioning and landscaping pending. “This is no longer a construction site. It is a township waiting to be activated,” a Druk Holdings Investment (DHI) official said.

### The ATS Roadblock

The occupation of 11 percent of Zone A by ATS has become the project's most delicate fault line. Despite repeated

coordination with authorities, the area remains uncleared. “Clearing this area is both necessary and urgent. Without it, we cannot complete remaining utility infrastructure, and more importantly, we cannot present a fully serviced, integrated township to investors,” a DHI official said.

The impact on investors is already tangible. The continued presence of temporary shelters in a prime location affects perceptions, directly influencing marketability of leasable land and, consequently, the project's self-liquidating financial model. Delays translate directly into financial risk.

The ATS clearance issue is tied to the unresolved housing transition for affected families. Relocation depends on affordable housing units being developed by the National Housing Development Corporation Limited (NHDCL) under the Amochhu Local Area Plan. While 130 units are planned, infrastructure is not expected to be ready until 2027.

Until these units are available, families remain in temporary shelters, creating a policy and humanitarian gap. The timing mismatch between PTDP's readiness and housing availability has emerged as the project's most delicate challenge.

### Investors Are Watching

Timing makes the delay particularly critical. DHI confirmed that engagement with potential investors began only recently. Early domestic interest has been strong, with over 20 expressions of interest received even before formal solicitation. Foreign investor engagement is also underway, though clarity on land availability, time-

lines, and township readiness is essential for finalising incentives and tax structures.

“Infrastructure readiness sends a powerful signal. Unresolved land occupation sends the opposite,” a DHI official said.

### Financing Holds—For Now

Following the Finance Minister's site visit in January 2026, DHI confirmed that the project's self-liquidating financing model—supported by Asian Development Bank loans, grants, and long-term land leasing—remains intact. But experts caution that momentum is critical. “A self-liquidating project must keep moving. Delays don't just slow progress—they compound costs,” one urban development expert noted.

### Floods Put PTDP to the Test

PTDP faced its first real-world test on October 5, 2025, when floods struck Phuentsholing. Post-flood assessments confirmed that the main flood protection structures performed as designed, protecting reclaimed land and surrounding areas. Damage was limited to non-structural elements such as riverfront walkways, landscaping, and protective stones—all repairable without compromising safety.

Regular maintenance and upstream river management remain vital, however, as uncontrolled dredging could undermine flood safety in the long term.

### From Construction to Cityhood

With infrastructure largely complete, PTDP is entering a critical phase: township management and economic activation. Implemented by CDCL, a DHI subsidiary, the 157.66-acre township along

the Amochhu River sits at Bhutan's commercial gateway next to Jaigaon, India, positioning it as a hub for trade, logistics, digital services, and green industries.

Designed around New Urbanism principles, PTDP prioritises walkability, sustainability, and smart infrastructure, with over half the area as green space. Once fully operational, it will include nine precincts, five convention centres, 165 residential buildings, four commercial complexes, 30 mixed-use buildings, and extensive public amenities, supporting 11,000–15,000 residents.

### A National Asset at a Crossroads

PTDP is framed as a long-term national asset—generating employment, attracting investment, reducing flood risk, and anchoring climate-resilient urban growth. Yet its greatest challenge is no longer engineering or finance—it is coordination.

The ATS clearance has become a litmus test of Bhutan's ability to align social policy, housing delivery, and infrastructure timelines. “The project has done what it promised to do. Now the system must do its part,” a senior official said.

PTDP is ready. Embankments are standing. Roads are laid. Utilities are live. Investors are circling. What remains is a single, unresolved question: can Bhutan clear the final obstacle in time to let its most ambitious urban project become a living city? The answer will determine whether PTDP launches as planned—or becomes a cautionary tale of a city paused just before it began.

## People Await Drop in Commodity Prices as GST Effects Settle

Sangay Rabten  
From Thimphu

While introduction of the Goods and Services Tax (GST) has stirred a wave of price increases across sectors, leaving consumers anxious and shopkeepers adjusting to the new system, many believe relief is just around the corner.

The unified tax framework has altered the pricing landscape. Essential items such as food grains, milk, and vegetables are either exempt from GST or taxed at minimal rates, offering some relief. But luxury goods—tobacco, carbonated drinks, high-end automobiles—are now subject to higher taxes, translating into steeper costs. Even services like restaurants, telecommunications, and online platforms have revised their rates under GST, making some everyday services slightly more expensive.

For ordinary Bhutanese, the changes

are palpable. Bal Singh Biswa, a bakery owner in Samtse, noted that the prices of basic groceries had jumped since GST implementation, often exceeding the maximum retail price. Still, he remains optimistic. “The rise in prices may be due to stock accumulated during the previous tax regime. The new system is better organized, and I expect commodity prices to fall over time,” he said.

Shopkeepers themselves are adjusting. Tshewang Lhamo, a retailer in Paro, explained that many shops in Thimphu were charging GST directly on the MRP—a practice she says is flawed. “GST should be applied based on buying price plus margin, not the full MRP. With most tax slabs reduced under GST, I can now offer items at lower rates to consumers,” she said, signaling a potential easing of costs in the coming months.

Consumers are hopeful but cautious. Ugyen Wangmo, a former business owner

from Phuentsholing, noted widespread confusion about GST. “Many people either haven't received proper awareness or cannot grasp the tax changes. But mathematically, the unified 5% slab should lower prices. Items that previously carried a 10–15% Bhutan Sales Tax have dropped in rates, so prices should follow,” she explained.

Government officials share this optimism. Sonam Jamtsho, Director General of the Department of Revenue and Customs (DRC), said that as old stock is sold and new goods are imported under the GST regime, prices will naturally decrease. “The high prices currently seen are temporary,” he added.

Kuenzang Thinley, Collector at the GST and BITS Project Office under DRC, acknowledged that GST can have a minor inflationary impact, but international studies suggest the effect is limited to about one percent.

Meanwhile, experts say the overall

picture, is one of transition. Initial price spikes reflect adjustments and stock misalignments, but the unified tax structure is designed to simplify taxation, reduce cascading effects, and eventually benefit consumers. As traders update pricing methods and old stock clears, the market is expected to stabilize, offering Bhutanese shoppers some much-anticipated relief.

For now, households are watching prices closely, hoping that the new GST system will soon translate into tangible savings. If projections hold, the next few months could see the price of everyday commodities gradually easing, marking a welcome change for consumers who have borne the brunt of transitional price surges.

The GST rollout, while initially challenging, could ultimately deliver a more transparent, fair, and stable market, proving that reform, though uncomfortable at first, may soon pay off for all Bhutanese.

Follow us on



Advertise with



འབྲུག་རྒྱལ་ཁབ་འབྲུག་པུ་

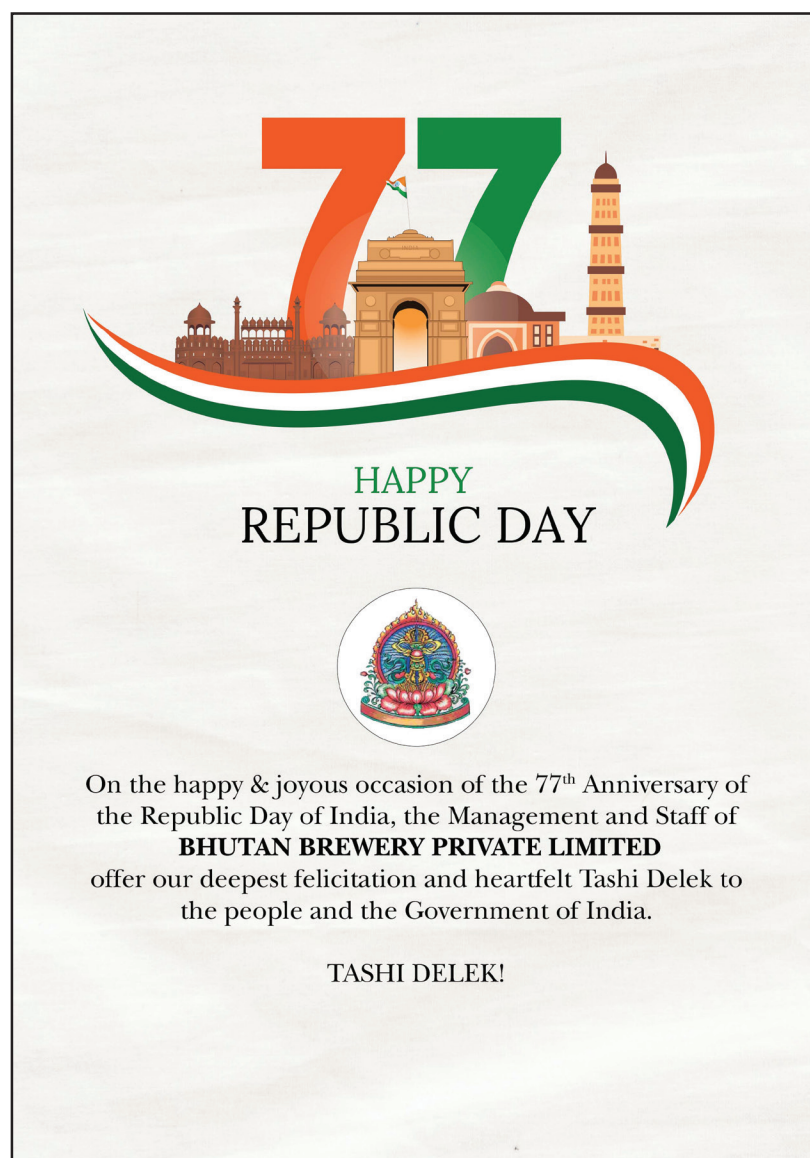
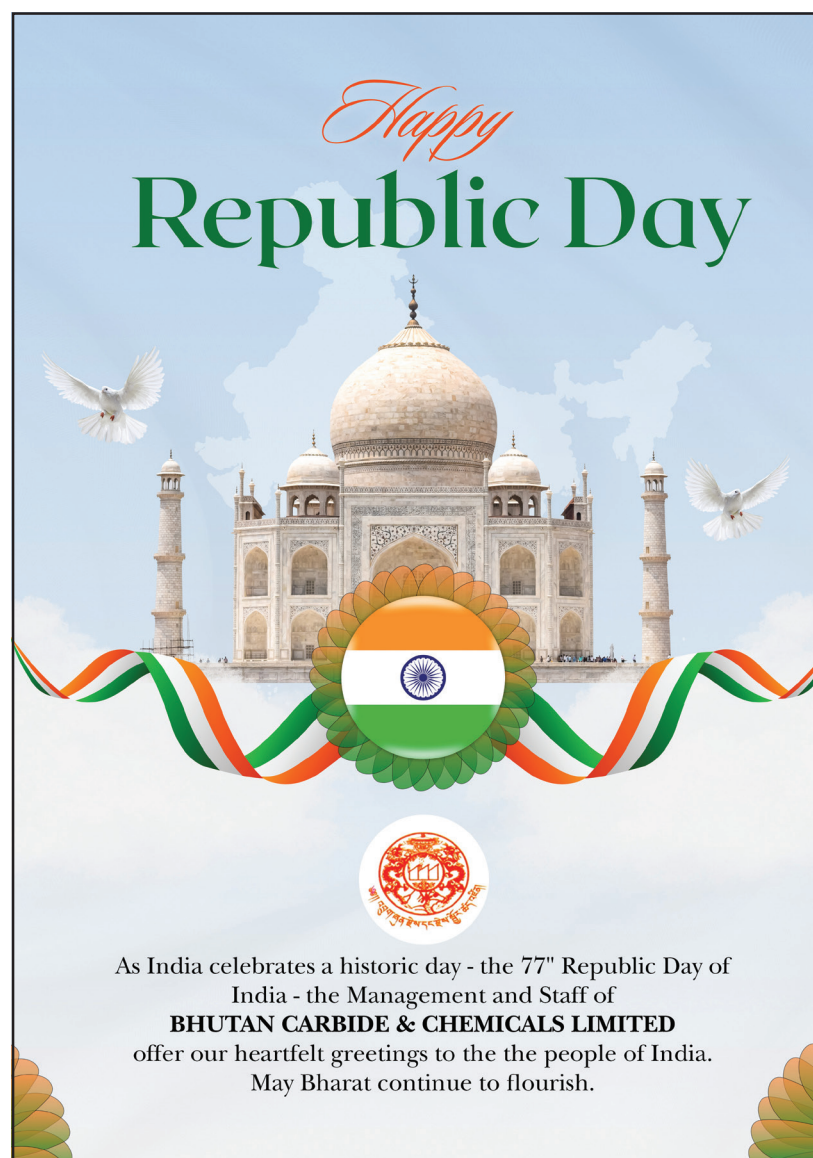
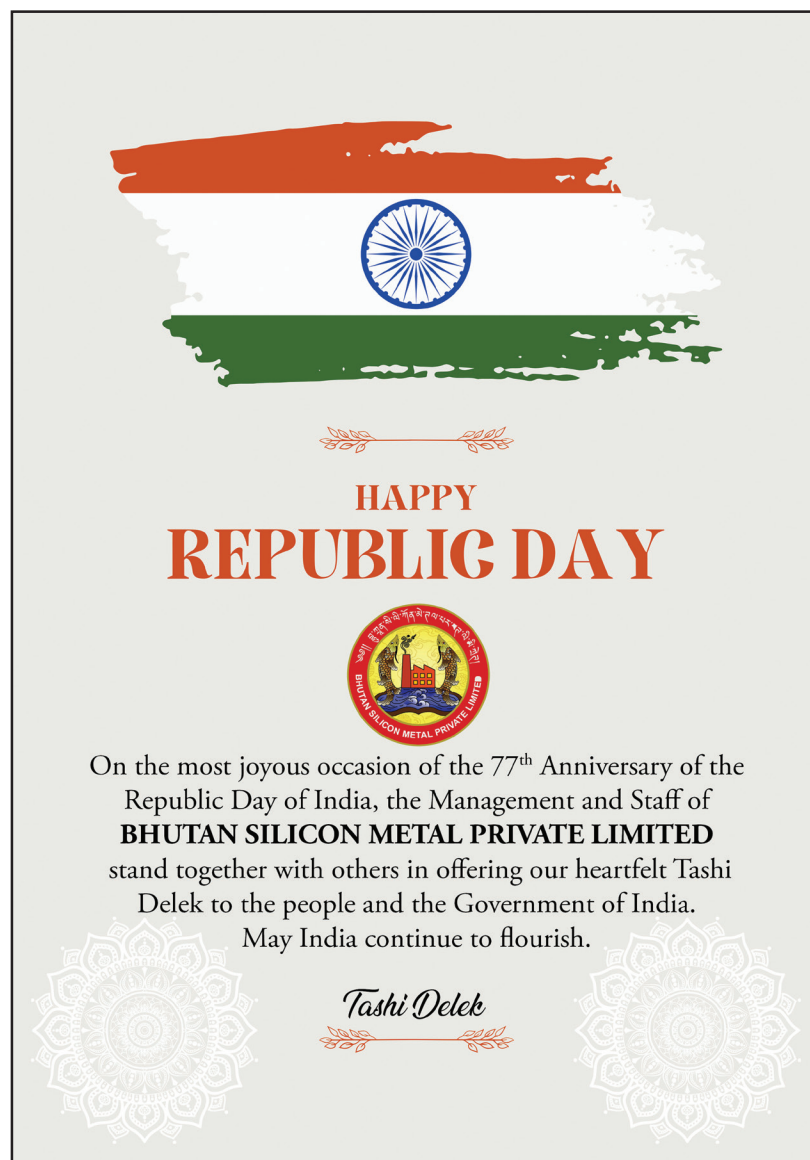
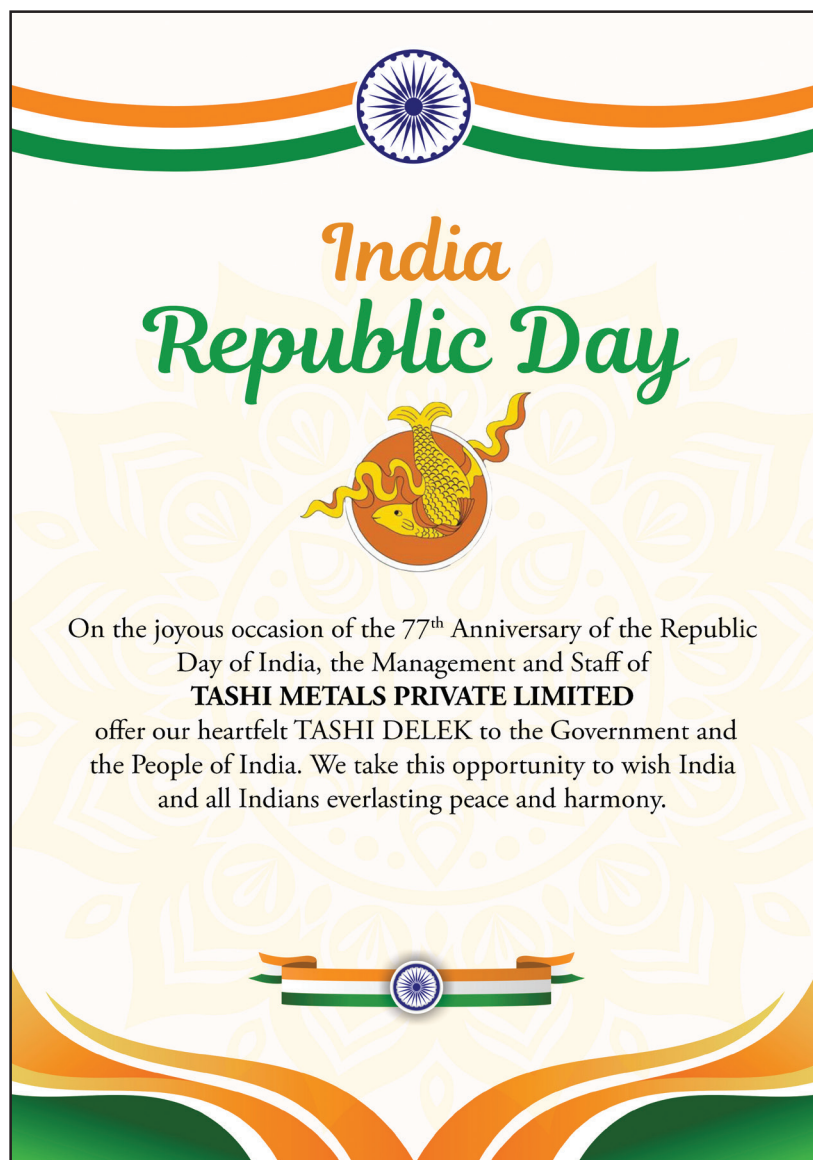
**Business Bhutan**  
FINANCIAL NEWSPAPER

Contact @ 17994447 / 17869877



www.businessbhutan.bt







# Youth Entrepreneurship: The Magic Bullet for the Nation's Labor Crisis?

Sherab Dorji

From Thimphu

While the nation's young generation is brimming with talent, ambition, and higher education, for many, opportunity remains just out of reach. According to a recent report on Youth Entrepreneurship by the Ministry of Industry, Commerce and Employment (MoICE), thousands of young Bhutanese face unemployment or underemployment, trapped in a cycle that threatens both their personal growth and the country's economic future.

This crisis falls under the global NEET challenge—youth who are Not in Education, Employment, or Training. Many young people in Bhutan are disconnected from both work and learning, leaving them frustrated and uncertain about their prospects. Despite years of education, the labor market is failing to meet their aspirations, creating a growing sense of economic disillusionment.

Traditionally, Bhutan's economy has been agriculture-driven, but the country is shifting toward urban jobs in sectors like education, hospitality, and trade. For young people outside the public sector, this transition has been anything but smooth. Stable, formal employment remains limited, leaving many in temporary or low-paying roles. As a result, talented youth are increasingly looking abroad, migrating to countries like Australia, the United States, and the Middle East in search of better

opportunities. This outflow of skilled labor threatens to deplete Bhutan's human capital, creating a dangerous cycle of brain drain and lost potential.

The report highlights a crucial solution: youth entrepreneurship. Starting small businesses can offer a pathway out of unemployment, providing income, independence, and the chance to contribute meaningfully to Bhutan's economy. Yet, youth entrepreneurship remains underdeveloped. Many young Bhutanese become entrepreneurs out of necessity rather than opportunity—they start businesses because they have no other option, not because they are pursuing growth or innovation.

Evidence shows that opportunity-driven entrepreneurs—those motivated by growth and independence—earn significantly more than necessity entrepreneurs. Between 2018 and 2022, women entrepreneurs in Bhutan saw their average monthly incomes nearly double, reaching Nu 33,849. Many women are moving into high-productivity sectors like manufacturing and services, demonstrating that entrepreneurship can be a powerful tool for economic empowerment and gender equality.

Despite this promise, young entrepreneurs face formidable hurdles. Starting small is easy; growing, scaling, and formalizing a business is far more challenging. Entrepreneurs aged 15 to 24 are partic-

ularly vulnerable to dropping out due to limited experience, restricted access to finance, and a lack of mentorship. Women entrepreneurs face additional barriers. Social norms, limited financial support, and weak networks often prevent them from expanding their businesses into high-value sectors, even though their productivity potential is among the highest in the country. Unlocking the potential of women-led ventures could have a transformative impact on Bhutan's economy.

Experts estimate that helping youth transition from necessity-based ventures to opportunity-driven businesses could add Nu 2.785 billion annually to Bhutan's economy, representing roughly 1.4% of GDP. In a small, open economy like Bhutan, this is a game-changing opportunity: productive entrepreneurship could absorb excess labor, reduce dependence on government jobs, and foster inclusive growth.

Currently, policies emphasize starting up businesses but fall short in providing support for growth and sustainability. Experts recommend a three-pronged approach to fully unleash youth entrepreneurship. First, Bhutan must build entrepreneurial skills and raise awareness among its young population. Many are eager to start businesses but lack the know-how and guidance to succeed.

Second, the focus must shift from launching startups to supporting existing businesses to scale and thrive. This

includes ongoing mentorship, access to finance, and guidance to reach new markets, ensuring that young entrepreneurs can move beyond survival-level operations. Third, entrepreneurship should be integrated with broader economic policies aimed at strengthening the private sector, creating decent jobs, and promoting innovation.

Bhutan's youth entrepreneurship is already happening, but it remains scattered, under-resourced, and largely opportunity-limited. With targeted, gender-sensitive, and stage-specific policies, the country could transform this latent potential into a powerhouse of inclusive and sustainable economic growth.

The stakes are high. If Bhutan fails to harness the creativity, education, and ambition of its young people, the nation risks continued brain drain, underutilized talent, and growing economic inequality. But if youth entrepreneurship is nurtured and supported, Bhutan could see a generation of innovators, job creators, and economic leaders emerge—propelling the country toward a future that is not only prosperous but resilient and self-reliant.

In short, youth entrepreneurship is not just a career choice; it is Bhutan's key to solving its labor market challenges and igniting a new era of growth, innovation, and opportunity. The question is no longer whether the country can afford to invest in its young entrepre-

## Bhutan to Host Landmark Invest Summit



Sangay Rabten

From Thimphu

Bhutan is poised to step onto the global investment stage like never before. The much-anticipated Invest Bhutan Summit, scheduled for 12–13 February 2026, promises to be a transformative event, designed to position the country as a prime destination for foreign direct investment (FDI) and catalyze the next era of economic growth rooted in the philosophy of Gross National Happiness (GNH).

Set against the kingdom's breathtaking landscapes and rich cultural heritage,

the summit will serve as a high-level platform, bringing together government institutions, domestic entrepreneurs, and international investors for strategic dialogue and collaboration. Organisers emphasise that this gathering is not just about capital—it is about unlocking Bhutan's vast potential, fostering innovation, and creating investment avenues that resonate with both economic prosperity and environmental stewardship.

"Bhutan is ready to receive foreign investment in at least 20 identified projects," said Minister of Industry, Commerce, and Employment, Namgay Dorji, noting the growing international interest. "Now, foreign investors recognize the scope and opportunity here."

Bhutan's allure lies in its unique blend of competitive advantages: a carbon-negative status, an abundant supply of renewable energy, high-value tourism potential, agri-innovation opportunities, expanding digital infrastructure, and a stable governance framework that inspires confidence. Despite these strengths, Bhutan's investment story has remained largely underexplored on the international stage—an oversight the summit is determined to correct.

The Invest Bhutan Summit will showcase more than 20 investment-ready projects, coupled with detailed briefings on the country's legal, regulatory, and policy frameworks. Investors will

engage in structured business-to-business (B2B) and business-to-government (B2G) meetings, benefit from match-making sessions, and enjoy opportunities for international networking that could translate into tangible projects and sustainable job creation for Bhutanese citizens.

Strategically located in a region of over two billion people, Bhutan has recorded an average GDP growth of 7.5 percent in recent years. Investors gain access to reliable, clean, and competitively priced electricity at around USD 0.03 per kWh, a pristine environment, a vibrant culture, and an educated, English-speaking workforce. The kingdom's political stability, coupled with its ranking as the least corrupt country in South Asia and the third least corrupt in Asia (Transparency International, 2024), further cements Bhutan's credibility as a safe, attractive investment destination.

The government has set ambitious economic targets, aiming to become a high-income GNH economy by 2034 and to increase GDP to USD 5 billion by 2029. To achieve these goals, Bhutan offers investors comprehensive fiscal and non-fiscal incentives, including corporate tax holidays of up to ten years, concessional tax rates, customs duty exemptions on plant, machinery, and raw materials, capital investment allowances of up to 100 percent, investor cards for investments exceeding Nu 15 million, business guest visas, and guaranteed repatriation of capital and dividends.

Priority sectors for investment are wide-ranging, covering agriculture and animal husbandry, renewable energy, tourism and hospitality, pharmaceuticals, mineral processing, IT and IT-enabled services, financial services, infrastructure, health and education, air transport, and wood-based industries. Complementing these, Bhutan provides preferential market access through free trade agreements with India and Thailand, a preferential trade agreement with Bangladesh, and membership in SAFTA and BIMSTEC.

To make participation seamless and welcoming, summit organisers are offering exemptions from the Sustainable Development Fee (SDF), visa fee waivers, airport transfers, and complimentary guided sightseeing in Thimphu or Paro on designated days. These touches ensure that investors not only explore business potential but also experience the kingdom's rich heritage and natural beauty, leaving with both opportunity and inspiration.

The Invest Bhutan Summit 2026 is a call to the world: to witness, participate in, and shape the Kingdom's economic future. With direct access to investment-ready projects, structured dialogues, and an unparalleled networking platform, the summit is set to translate global interest into tangible investments, while creating sustainable growth and prosperity for Bhutan's people.



# Davos 2026: What Global Debates Mean for Bhutan's Economy, Youth, and Climate Future



**Ugyen Tenzin**  
From Thimphu

As world leaders, business executives, and global institutions convened at the World Economic Forum Annual Meeting in Davos 2026, discussions have focused on a world undergoing rapid and often unsettling transformation. From geopolitical tensions and artificial intelligence to climate change and economic volatility, the conversations in the Swiss Alps reflected growing concern that global uncertainty is becoming the “new normal.”

For Bhutan, a small, landlocked country deeply connected to regional and global systems, the outcomes of Davos may seem distant. However, the issues debated there have direct and growing relevance for Bhutan's economic prospects, employment landscape, climate resilience, and long-term development strategy.

## A More Fragmented Global Order

Geopolitical uncertainty have dominated Davos 2026, with leaders warning that the era of predictable globalization is giving way to fragmented trade, strategic competition, and rising nationalism. Global supply chains are being reshaped, multi-lateral cooperation is under strain, and economic decision-making is increasingly influenced by geopolitical considerations.

For Bhutan, whose economy relies heavily on external trade, development assistance, and regional stability, this trend poses real challenges.

Small economies like Bhutan are particularly sensitive to external shocks. When global markets become volatile or regional trade is disrupted, the impacts are felt immediately through prices, fiscal pressures, and employment.

Bhutan's close economic relationship with India remains a source of stability, but global uncertainty could still affect hydropower revenues, tourism flows, and access

to foreign investment. Davos discussions highlighted the need for countries to strengthen economic resilience at home while maintaining strong diplomatic ties abroad—an approach that aligns closely with Bhutan's foreign policy tradition.

## Artificial Intelligence and the Future of Bhutanese Youth

Artificial intelligence emerged as one of the most prominent themes at Davos 2026. Business leaders and policymakers acknowledged AI's potential to transform productivity, but also warned of significant job displacement if education systems and labour markets fail to adapt.

Bhutan's youthful population stands at the centre of this global transition. While AI adoption within the country is still at an early stage, global technological shifts will increasingly shape employment opportunities, especially for educated Bhutanese seeking work in the region.

Young people in Bhutan are already competing in a more digital and technology-driven job market. What Davos made clear is that skills—not geography—will determine competitiveness in the coming years.

Government initiatives such as digital literacy programmes, e-governance, and ICT education reforms are steps in the right direction. However, Davos discussions underscored that incremental change may not be enough. Countries that invest early and decisively in future skills—data, coding, digital services, and innovation—are likely to benefit most from AI-driven growth.

For Bhutan, this raises important policy questions about education reform, private sector development, and how to create meaningful employment beyond the public sector.

## Climate Leadership Amid Growing Climate Risks

Climate change remained a central concern at Davos 2026, but the focus has shifted from long-term pledges to immediate resilience and financing. Extreme weather events, climate-induced disasters, and economic losses are now widely seen as unavoidable realities rather than distant threats.

Bhutan's position in this debate is unique. As a carbon-negative country with strong conservation policies, Bhutan is often cited as a global environmental leader. At the same time, it is highly vulnerable to climate risks such as landslides, floods, and glacial lake outburst floods.

Bhutan's contribution to global emissions is negligible, but exposure to climate impacts is significant. This is why international climate finance and cooperation are not optional for countries like Bhutan—they are essential.

Davos discussions on green finance, carbon markets, and nature-based solutions are particularly relevant for Bhutan. If global mechanisms to value ecosystem services continue to develop, Bhutan could potentially generate revenue from conservation while funding climate adaptation and rural livelihoods.

However, competition for climate finance is intensifying. Experts at Davos emphasized that countries must demonstrate strong governance, project readiness, and transparency to attract funding—an area where Bhutan will need continued institutional strengthening.

## Economic Volatility and Import Dependence

Another key theme at Davos 2026 was global economic instability. Inflation, debt stress in developing countries, and fragile supply chains were discussed as long-term structural challenges rather than short-term disruptions.

Bhutan's economy, with its limited domestic production base and high import dependence, is particularly vulnerable to global price fluctuations. Fuel costs, food prices, and construction materials are all influenced by external market conditions.

When supply chains are disrupted or prices rise globally, Bhutan feels the impact almost immediately. This reinforces the urgency of economic diversification.

Hydropower will remain the backbone of Bhutan's economy, but Davos discussions highlighted the risks of over-reliance on a narrow range of income sources. Developing sectors such as high-value tourism, agro-based industries, creative industries, and digital services could help cushion future shocks.

## Health Security in an Uncertain World

Although global health received less attention than AI or climate change, Davos 2026 revisited lessons from

recent pandemics. Speakers stressed that health crises remain a systemic risk, especially when combined with climate change and economic stress.

Bhutan's pandemic response demonstrated the strength of public trust and governance, but structural challenges persist—particularly in rural health-care access and specialist services.

Digital health and telemedicine could be game-changers for Bhutan. Global innovations discussed at forums like Davos can help Bhutan overcome geographic constraints, if adapted wisely.

However, global fiscal tightening may reduce predictable international health funding, making domestic investment and efficiency even more important.

## Balancing Global Change with Gross National Happiness

Perhaps the most important question raised by Davos 2026 for Bhutan is how to navigate rapid global change without compromising national values. As many countries struggle with inequality, social polarization, and environmental degradation, Bhutan's Gross National Happiness (GNH) philosophy offers a distinctive alternative.

Yet Davos discussions made it clear that values must be supported by capability. Countries that fail to adapt to technological, economic, and climate realities risk falling behind, regardless of their development philosophy.

GNH remains Bhutan's guiding principle. But in a fast-changing world, Bhutan must also be pragmatic, innovative, and outward-looking.

## Looking Ahead

Davos 2026 highlighted a world facing profound transformation—and growing uncertainty. For Bhutan, these global debates are not distant conversations among powerful nations; they shape the environment in which national policies must operate.

Geopolitical fragmentation, technological disruption, climate risk, and economic volatility will increasingly influence Bhutan's development path. At the same time, Bhutan's strengths—political stability, environmental leadership, social cohesion, and clear development vision—provide a strong foundation.

The challenge ahead lies in translating global awareness into national action: investing in youth and skills, leveraging climate leadership for sustainable finance, diversifying the economy, and strengthening resilience in an unpredictable world.

As Davos 2026 made clear, even the smallest countries are part of a deeply interconnected global system. For Bhutan, proactive engagement—grounded in national values—will be essential to turning global challenges into opportunities.



Financial News Keep updated



www.businessbhutan.bt

Follow us on



## BCSEA Announces 2025 Exam Results: Pass Rates Dip Amid Concerns Over Stream Performance

By Sherab Dorji  
From Thimphu

The Bhutan Council for School Examinations and Assessment (BCSEA) has released the 2025 examination results, revealing both achievements and emerging challenges in the country's education system.

In the Class XII Bhutan Higher Secondary Education Certificate (BHSEC) examinations, 9,273 candidates from 81 schools—71 government and 10 private—registered, with most sitting for the exams. The overall pass percentage stood at 77.84%, a notable decline from last year's 85.78%, prompting questions about teaching quality, exam standards, and student preparedness.

Analysis by stream shows significant disparities. The Arts stream led with a pass rate of 91.46%, suggesting strong performance in humanities subjects. Science followed at 75.68%, and Commerce trailed at 73.57%, raising concerns about the ability of schools to adequately prepare students for numerically and analytically intensive curricula. Education experts note that such gaps could affect students' readiness for tertiary education in STEM and business fields, highlighting the need for targeted interventions.

Top performers in each stream demonstrated exceptional results. In Arts, Sonam Dorji of Karma Academy in Paro topped with 85.75%, closely followed by Thinley Wangmo at 85% and Rinchen Tshering at 83.5%. Commerce was led by Trashey Pee Ongmo of Moithang Higher Secondary School in Thimphu with 86.5%, while Science saw Jigme Singye Tenzin from Ugyen Academy achieve an outstanding 93%, supported by Sangay Choden Phuntsho at 92.5% and Kuenzang Tenzin at 91.75%. These individual achievements are commendable, yet the broader trend indicates that many students, especially in Science and Commerce, struggle to reach top standards.

In Language and Culture Studies Certificate (LCSC) exams, 200 students from Taktse Central School registered, with 199 appearing. The pass rate was 97.49%, reflecting Bhutan's strong emphasis on cultural education. Top scorers included Kezang Choden (92.25%), Tashi Lham (92%), and Tshering Wangchuk Doya (90.75%). While these results showcase excellence in cultural knowledge, critics argue that the disparity between cultural and aca-

ademic performance suggests a potential imbalance in focus, with students in core academic streams facing greater challenges.

The Class VIII Board Examination saw 12,039 candidates from 168 schools, with an overall pass percentage of 76.98%. Top performers were Sidanth Bhandari from Loselling MSS with 94.6%, Sangay Chhoden Lhazeen of Mongar MSS at 94%, and Ngawang Jetsun Seldon from Jigme Namgyel Lower Secondary School at 93.6%. While the strong individual scores indicate a solid academic foundation at the middle school level, the overall pass rate suggests that many students still struggle with foundational concepts, raising concerns about long-term learning outcomes.

Education analysts note that the downward trend in pass percentages, particularly in Science and Commerce, may reflect a combination of factors: increased examination rigour, uneven teaching quality, large class sizes, and gaps in practical and analytical skills. "While top achievers continue to shine, the broader cohort indicates systemic challenges that must be addressed to prevent students from falling behind at higher education levels," said a senior academic observer.

Furthermore, the variation between Arts and other streams highlights potential inequities in curriculum delivery, resource allocation, and student support systems. Schools with strong humanities programs are producing higher success rates, while institutions offering Science and Commerce may require more targeted teacher training, laboratory resources, and guidance for students to improve outcomes.

The results also underscore the importance of early intervention, with Class VIII performance serving as a predictor for senior secondary achievement. Strengthening middle school education, reinforcing STEM teaching, and providing support for weaker students could help bridge gaps before they impact higher secondary results.

As Bhutan reflects on its 2025 examination outcomes, policymakers and educators face a critical task: balancing excellence and equity. Celebrated individual successes are commendable, yet the overall decline in pass rates and stream disparities signal that systemic improvements are urgently needed to ensure that all students are adequately prepared for higher education and future careers.

## FDI Projects in Bhutan: Growth Concentrated but Impact Widespread

Sangay Rabten  
From Thimphu

In 2025, Bhutan witnessed a significant boost in foreign direct investment (FDI) with 14 new projects approved, totaling Nu 73.76 billion. The additions brought the total number of FDI projects in the country to 135 by the end of December 2025.

While the projects span multiple sectors, most are concentrated in Thimphu, Paro, and Chukha dzongkhags, in line with the government's Industrial Development Roadmap. Officials from the Ministry of Industry, Commerce, and Employment (MoICE) explained that the distribution considers connectivity, infrastructure, and convenience

for setting up and operating projects.

MoICE Minister Namgay Dorji emphasized that focusing on the west and south does not mean neglecting other regions. "We must contextualize project locations while ensuring balanced regional development. The government is exploring opportunities in other parts of the country as well," he said.

The Bhutan Chamber of Commerce and Industry highlighted that market accessibility and transport convenience are crucial factors for investors.

Among the 135 FDI projects, 64 are operational, while 71 are under various stages of construction. Additionally, 18 FDI projects worth Nu 201.91 billion received FDI Registration Certificates in 2025, including two hydropower projects: Dorjilung Hydropower and Wangchhu Hydroelectric Power Limited.

Meanwhile, Asia remains the largest source of foreign investment, accounting for 63% (85 projects). Within Asia, India is the leading investor with 47 projects, followed by Singapore with 13, Thailand with 8, and Vietnam and Bangladesh with 4 each. Europe contributes 20.7% (28 projects), while America represents 11.1% (15 projects).

The hotel and resort sector leads in terms of FDI share with 41 projects (30.4%), followed by IT/ITES with 36 projects (26.7%), dairy and agro industries (10 projects, 8%), power-intensive manufacturing (12 projects, 9%), and financial services (7 projects, 5%).

FDI projects continue to generate significant employment and capital inflows. As of December 2025, FDI companies employed 6,167 workers, including 5,213 Bhutanese (2,875 regular males and

2,338 regular females) and 284 casual Bhutanese workers. Compared to the previous year, Bhutanese employment increased by 19%, maintaining a 1:12 ratio of expatriates to locals.

FDI contributions to the economy are substantial. In 2024, projects attracted US\$ 5.99 million and INR 223.33 million, while reported FDI companies paid Nu 2,373.85 million in taxes, a 14.2% increase over the previous year.

While most FDI continues to cluster in the west and south, the sector's growth has been transformative, generating jobs, infrastructure development, and capital inflows. As Bhutan looks to diversify and expand investment opportunities across the country, careful planning and regional balance will be essential to sustain this trajectory.



Tashi InfoComm Private Limited

### TENDER NOTICE

Tashi InfoComm Private Ltd, Thimphu, invites sealed bids from interested bidders (National and International) for the supply of Tools, Power Utility & AC Equipment, Fiber Cable and Accessories, Office Equipment, Furniture & Fixtures and Other Consumable Items for the FY-2026.

The last date of submission of bid is on or before **11<sup>th</sup> February, 2026, 11:00 AM** it will be opened on the same day at **2:00 PM** at TIPL conference hall, near Lungtenzampa BOD, Thimphu. The Bidding Document can be downloaded on FOC basis from company website ([www.tashicell.com](http://www.tashicell.com)).

Procurement & Inventory Section



རང་རྒྱ་བརྒྱ་གཅིག་པའི་ཆོས་ ལ རེས་གཟའ་ཉི་མ།

A photograph of a well-stocked pantry. The top shelf holds several large red cans of Gopal Paneer (cottage cheese) and stacks of white plastic bags, likely containing flour or sugar. The bottom shelf is filled with various packaged snacks, including breads and biscuits, and a large bag of rice.

ལྲུ་ལ་དེ་ ཅེ་ཆས་གྲུ་ལྷུ་ར་ཡོད་པ་འི་གོང་  
 ཚད་གྲུ་བཀའ་ལམ་མས་ཟེར་ཡིན་མ་དུ་  
 དོ་མ་ནད་འབད་བ་ཅིན་ ཅེ་ཆས་དང་  
 རྩ་བས་རྟོག་ལྲུ་བཀའ་ལམ་ཟངས་དེ་སྟེ་  
 མེན་ཟེར་ཡིན་མས། ལྲུ་ལ་དེ་ ནད་  
 འདྲེན་གྱི་གོང་ཚད་དང་ ཁེབས་ཅིས་  
 རྩ་བ་རྟོག་ལྲུ་དགོ་ཟེར་ཡིན་མས།  
 ཚེད་བང་ལྷ་མོ་གིས་བཤད་མའི་ནད་  
 རྟེ་མའི་ལྲུ་གྱི་རིང་ལུགས་ནད་ ལྲུ་  
 གྱི་ཚད་དེ་ ཅེ་སྐྱམས་དང་འཁྲིལ་རྟེ་  
 ཡར་མར་སྟེ་ཡོད་པ་ལས་ དེ་རྟོའི་ལྲུ་  
 གསར་པ་གི་རིང་ལུགས་ནད་ བརྒྱ་ཆ་  
 ༥ ཤོ་རྟོམས་སྟེ་ཡོད་པ་ལས་ གོང་  
 ཚད་རང་བཞིན་གྱི་ མར་འབབ་འཁྲུ་  
 དགོ་ཟེར་ཡིན་མས། དེ་འབད་མ་ལས་  
 དེ་ལས་ཡར་ ཚེད་རྟོམ་ཆུ་ལུ་ གོང་  
 རྩ་བ་སྟེ་བཅོང་ཆུགས་ཟེར་ཡིན་མས།  
 ཡུན་ཚགས་གྱིང་ལུ་རྟོད་དོ་ཡིན་མི་  
 ཡོན་དབང་མོ་གིས་འབད་རྩ་བ་ རྟེ་  
 མའི་ལྲུ་གྱི་རིང་ལུགས་ནད་ ཅེ་  
 སྐྱམས་ཆུ་ལུ་གོང་ཚད་མང་རྩ་བ་སྟེ་  
 ཡོད་པ་ལས་ ཅེ་ལ་གི་གོང་དེ་མཐོ་ལུ་  
 སྟེ་བཅོང་དགོ་པ་འབྲེན་ཡི་ཟེར་ཡིན་  
 མས། ཅེ་ཆས་དང་རྩ་བས་རྟོག་ལྲུ་  
 འགོ་བཅུགས་པ་འི་ལྷུ་ལས་ ལྲུ་ལ་དེ་  
 བརྒྱ་ཆ་ ༥ འདྲ་རྩ་བས་ཡོད་པ་ལས་  
 གོང་ཚད་དེ་རྩ་བ་འཁྲུ་འིང་ཟེར་ཡིན་  
 མས།  
 འིང་འབབ་དང་ཅེ་དམ་ལས་ཁུངས་གྱི་  
 ལས་བྱེད་པ་ཚུ་གིས་འབད་རྩ་བ་ ཅེ་  
 ཆས་དང་རྩ་བས་རྟོག་གི་གོང་ཚད་དེ་  
 ཟླ་མ་དག་པ་ཅིག་གིས་ལྷུ་ལས་  
 མར་འབབ་འཁྲུ་འིང་ཟེར་དོ་ཡིན་པ་འི་  
 གནས་ཆུ་ལ།





# HAPPY REPUBLIC DAY

On the joyous occasion of the 77<sup>th</sup> Anniversary of  
the Republic Day of India,  
the Management and Staff of  
**TASHI COMMERCIAL CORPORATION**  
offer our deepest felicitations and heartfelt  
TASHI DELEK

to the Government and the People of India.  
We take this special opportunity to wish India and her  
people everlasting peace, harmony and prosperity.





# Digital Lifeline stuck at the Border: Third Internet Gateway Nears Completion but Awaits Final Clearances

by regulatory clearances, right-of-way approvals, and coordination challenges involving Bangladesh and India. According to the Government Technology Agency (GovTech), the project could become operational in the next financial year if remaining hurdles are resolved.

The delay has raised concerns among policymakers, businesses, and digital service providers who view the gateway as critical national infrastructure—essential for resilience, economic competitiveness, and digital sovereignty.

Bhutan's push for a third international internet route stems from long-standing vulnerability to disruptions. For years, the country has relied almost entirely on connectivity routed through India's Siliguri corridor. While the corridor has supported Bhutan's digital growth, it has also exposed the country to outages caused by cable cuts, technical failures, natural disasters, or disruptions beyond Bhutan's control.

As e-governance platforms, online education, digital payments, fintech services, and creative industries expanded, the risks of depending on a single route became increasingly clear. Planning for the Third Internet Gateway began as a redundancy-first initiative, aimed at preventing digital isolation should one link fail. Cost reduction, while important, was a secondary benefit.

A major breakthrough came with the signing of a Memorandum of Understanding between the Royal Government of Bhutan and the Government of the People's Republic of Bangladesh. The agreement allows Bhutan to access international internet bandwidth through Bangladesh at a preferential "friendship

rate" of USD 3 per Mbps per month. GovTech confirmed that the rate remains valid despite the change of government in Bangladesh, as explicitly stated in the MoU.

Once operational, the Third Internet Gateway is expected to significantly reduce Bhutan's international bandwidth costs. Currently, the country pays about USD 7 per Mbps for connectivity via Siliguri. Under the new arrangement, Bhutan would pay around USD 1.5 per Mbps to India and USD 3 per Mbps to Bangladesh for traffic routed through the third link. These savings are expected to benefit telecom operators, government platforms, businesses, and consumers.

By 2025, GovTech reported that the project was nearly 90 percent complete. Most domestic infrastructure had been laid, including fibre connectivity up to Gelephu. On the cross-border side, Airtel constructed underground fibre lines in Gelephu. Although not built exclusively for the Third Internet Gateway, these lines are intended to form part of the overall connection. The final phase has proven the most complex. Commissioning requires tightly coordinated actions across jurisdictions, including final regulatory and security approvals, resolution of right-of-way issues in Bangladesh, confirmation of the precise network handover point, completion of last-mile connectivity arrangements, and comprehensive end-to-end testing.

Among these, right-of-way and regulatory issues in Bangladesh—particularly those linked to the Airtel transit line—have emerged as the most significant bottleneck. GovTech officials acknowledged that these challenges lie largely outside Bhutan's direct control and

require alignment with multiple Bangladeshi authorities operating under domestic legal and security frameworks.

"Discussions to resolve these matters are ongoing through diplomatic and institutional coordination mechanisms," a GovTech official said, adding that relevant ministries are engaged to facilitate dialogue with Bangladeshi counterparts.

Despite the delays, GovTech said it remains focused on resolving issues within the existing implementation framework. While alternative partners or routes could theoretically be explored, officials cautioned that changing course now could introduce new delays, costs, and uncertainties. Such options would be considered only if current challenges prove insurmountable.

The delay is becoming more consequential as Bhutan's digital ecosystem expands. Without the Third Internet Gateway, the country remains vulnerable to disruptions affecting government services, online learning, financial transactions, and private-sector operations. Internet demand continues to grow, driven by increased smartphone use, digital public services, cloud-based applications, and remote work.

GovTech stressed that once commissioned, the gateway will significantly improve redundancy and network stability, allowing traffic to be rerouted during failures along existing routes—an especially critical capability during emergencies or natural disasters.

The gateway is also expected to deliver broader social and economic benefits. Faster, more affordable internet could help bridge the digital divide, particularly in eastern dzongkhags and

remote areas that currently experience slower speeds and less reliable service. Improved connectivity is seen as vital for expanding access to online education, telemedicine, and digital government services.

Economically, the Third Internet Gateway is expected to enhance Bhutan's appeal to investors, especially in digital, creative, and knowledge-based sectors. Officials say improved bandwidth availability would support entrepreneurship, reduce business costs, and create new employment opportunities. Better connectivity could also strengthen digital rights management and efforts to address piracy and copyright issues.

Small internet service providers may also benefit over time. Increased international capacity and lower wholesale costs could reduce the rates charged by major telecom operators, potentially lowering leased-line costs nationwide.

Under the current agreement, the gateway will initially provide a subsidised 10 Gbps link. GovTech said usage will be closely monitored, with the possibility of scaling capacity to meet rising demand.

GovTech reiterated its commitment to completing the project, emphasising its strategic importance for national resilience and cost-effective connectivity.

The prolonged delay underscores a broader reality: in an interconnected world, national infrastructure projects move only as fast as cross-border cooperation allows. The Third Internet Gateway has become a test of Bhutan's digital diplomacy.

The fibre is laid, the agreements signed, and the demand firmly in place. What remains is final clearance at the border. Until then, Bhutan's digital lifeline remains connected—but not yet switched on.

## Tourism Surges 44% in 2025: Can this be Sustained?

although this is down from 73% in 2019. Meanwhile, tourists from Countries Other Than India (COTI) now account for 38%, up from 27% in 2019, arriving from 157 countries. The top international markets include the United States, China, Singapore, the United Kingdom, Malaysia, Bangladesh, Germany, Australia, and Thailand. This diversification signals that Bhutan is successfully expanding its global reach, reducing reliance on a single source market and building resilience against regional or geopolitical fluctuations.

Visitor behaviour further illustrates Bhutan's evolving tourism profile. Indian tourists averaged four nights, while international visitors stayed longer, five nights on average, contributing significantly more to local revenue. Seasonal patterns reveal a strong preference for spring (36.4%) and autumn (34.7%), coinciding with moderate weather, festivals, and trekking seasons. Winter and summer drew 15.2% and 13.6% of arrivals, respectively, highlighting opportunities to develop off-peak tourism offerings and distribute visitor flow more evenly across the year.

Tourist entry and permit processes remain tightly controlled. Most Indian visitors obtained permits on arrival, demonstrating ease of access for the largest market. Conversely, 43% of international tourists relied on Bhutanese tour operators for visas, while only 3% applied independently. This system ensures quality control, safety, and accurate monitoring, but it also underscores Bhutan's continued dependence on guided tourism for managing foreign arrivals.

Economically, the tourism boom is transformative. The Sustainable Development Fee (SDF) alone generated USD 43.31 million (Nu 3.95 billion) in 2025, a 49% increase over 2024. Importantly, this figure does not account for spending on hotels, transport, trekking, retail, and dining, indicating that the total economic impact is substantially higher. In a small economy like Bhutan's, tourism is increasingly a key driver of GDP, employment, and regional development.

To manage growth, the government implemented stringent reforms and professionalisation measures. These include mandatory drug testing for guides,

updated hotel and homestay regulations, new curricula for food and beverage management, improved grievance redressal mechanisms, and revised hotel classification standards. The National Career and Occupational Framework (NCOF) assessed 2,398 guides, with 84% certified competent and the remainder slated for further training. These initiatives reflect Bhutan's commitment to high-quality service, visitor safety, and sustainable tourism practices.

Despite these efforts, rapid growth raises critical concerns. Infrastructure—from roads and transport to accommodations and urban amenities—is under pressure. Maintaining Bhutan's "high-value, low-impact" tourism model requires balancing visitor numbers with environmental and cultural preservation. Experts warn that uncontrolled expansion could strain fragile ecosystems, diminish visitor experience, and undermine the country's carefully cultivated reputation.

The shifting visitor profile also demands adaptability from businesses. Hotels, tour operators, and communities must cater to diverse expectations,

including language, cuisine, and cultural experiences, while retaining authentic Bhutanese identity. For instance, international visitors may seek more immersive cultural interactions or eco-tourism experiences, while domestic and regional visitors prioritize accessibility and convenience.

Looking ahead, Bhutan's tourism growth in 2025 can be seen as both an unprecedented success and a cautionary tale. The kingdom has demonstrated it can attract global attention, generate substantial revenue, and professionalize its workforce. However, sustaining this trajectory will require strategic planning, investment in infrastructure, and robust environmental safeguards to ensure long-term resilience.

Bhutan's tourism sector in 2025 represents a turning point. With 209,376 visitors, record revenues, and strengthened professional standards, the kingdom is firmly on the world tourism map. But as the country welcomes more tourists, the critical question remains: can Bhutan maintain its delicate balance between growth, quality, and sustainability, preserving both its natural and cultural heritage for generations to come?



# A Global School Rises in Thimphu: Bhutan's Bold Partnership with EtonHouse

providers headquartered in Singapore.

The announcement marks more than the launch of a new school. It represents Bhutan's strategic response to a rapidly globalising world—one in which talent mobility, international expertise, and globally competitive education are becoming essential to national development.

## Partnership at the Final Threshold

According to MoESD, the partnership agreement with EtonHouse is now in the final stages of processing and is expected to be signed shortly, clearing the way for immediate redevelopment of the campus.

"The partnership agreement with EtonHouse is in the final stages of processing and is expected to be signed shortly," a ministry official said. "All preparatory work has been completed, and infrastructure redevelopment at the site is expected to commence soon."

The former Kelki School facilities, secured by the government in late 2025, will be repurposed where feasible, with extensive redevelopment carried out to meet international school standards. The Royal Government of Bhutan has already allocated Nu 300 million as initial capital for construction and campus redevelopment, a strong signal of state commitment to the project.

Once operational, EtonHouse will assume full responsibility for the operation and management of the school, including academic delivery, staffing, and day-to-day administration.

## Who Is EtonHouse—and Why It Matters

EtonHouse is no ordinary education provider. Headquartered in Singapore, the group operates more than 100 schools across eight countries, educating over 25,000 students globally. In Singapore alone, its schools serve children from over 60 nationalities.

Known for its emphasis on inquiry-based learning, international-mindedness, and strong academic outcomes,

EtonHouse has built a reputation for producing globally competitive students while adapting to local cultural contexts.

Its arrival in Bhutan places Thimphu on the global international education map—and sends a message to the world that Bhutan is ready to host international professionals, institutions, and families.

"This partnership is about positioning Bhutan for the future," said a senior official familiar with the project. "Education is infrastructure—just as important as roads, power, and digital connectivity."

## A Global Curriculum with Bhutanese Roots

The international school will offer EtonHouse's own curriculum aligned with the Cambridge framework, with students sitting for internationally recognised Cambridge board examinations. This opens pathways to universities worldwide and places Bhutanese students on equal footing with peers in major global cities.

At the same time, the ministry has stressed that national priorities will not be compromised.

Bhutanese students enrolled at the school will be required to study Dzongkha and Bhutanese history to ensure grounding in Bhutanese language, culture, and values.

"This is not about importing an education system wholesale," a ministry official said. "It is about blending global standards with Bhutanese identity."

The school will also aim to provide specialised educational support for children with special needs—an area where Bhutan's current education system has limited capacity. MoESD Minister Yeezang De Thapa has highlighted inclusivity as a key objective of the new institution.

## Who the School Is For—and Why Now

MoESD said the international school is primarily intended to serve the children of professionals and experts working on major national initiatives, including the Gelephu Mindfulness City (GMC). While many of these professionals are expected to be based in Thimphu in the initial years, their work will directly support GMC's development.

"This is about creating an enabling environment," said an official involved in the GMC project. "If we want world-class experts to contribute to Bhutan's transformation, their families must have world-class education options."

Beyond GMC-linked professionals, the school will cater to expatriate families already living in Bhutan, as well as Bhutanese parents seeking an international education pathway for their children—without sending them abroad at a young age.

EtonHouse has also expressed interest in establishing a similar international school at the Gelephu Mindfulness City once development there is more fully established, potentially creating a new education corridor between Thimphu and southern Bhutan.

## Fees, Access, and Scholarships

The school will operate on a fee-paying basis, but the government has confirmed that a concessional fee structure will be applied for Bhutanese students. While official fees for the Thimphu campus have not yet been announced, EtonHouse's international tuition rates elsewhere range from approximately USD 27,000 to USD 40,000 per year.

Officials acknowledged that affordability remains a sensitive issue.

"This is why concessions and scholarships are central to the model," an MoESD official said.

EtonHouse is expected to offer merit-based scholarships covering 25, 50, 75, or 100 percent of tuition fees. These scholarships, typically awarded for one year and renewable based on academic performance, are intended to promote merit-based access for high-performing Bhutanese students. They usually cover tuition and capital levies, though additional costs such as books, uniforms, and examination fees are not included.

Admissions will prioritise children of expatriates and experts working on GMC-related projects, followed by other expatriate families and Bhutanese students.

## Raising the Stakes for Bhutanese Education

The ministry has emphasised that the international school is not intended to undermine existing schools, but to strengthen Bhutan's overall education ecosystem.

"The government's role is to ensure a fair and well-regulated education system, not to manage competition," the ministry said. "The international school will operate under the same regulatory framework as other private schools."

Existing private schools will continue to function freely, offering families a range of educational options. However, many observers believe the arrival of EtonHouse will raise expectations—and standards—across the sector.

Modern science laboratories, arts studios, sports facilities, and internationally benchmarked teaching methods are expected to set new reference points for quality.

## A Signal Beyond the Classroom

At a time when countries around the world are competing fiercely for talent, investment, and ideas, Bhutan's decision to partner with a global education provider carries symbolic weight.

This is not just a school. It is a signal—to international professionals, investors, and Bhutanese youth—that the country is preparing for a more interconnected, competitive future.

Critics warn of inequality and elitism. Supporters counter that isolation is a greater risk.

"The real question is not whether Bhutan should engage with global education," said an education analyst in Thimphu. "It is whether we can afford not to."

As bulldozers prepare to enter the former Kelki School campus and final signatures await ink, Bhutan stands at an educational crossroads. The EtonHouse partnership may well shape how the next generation of Bhutanese students see the world, and how the world sees Bhutan.

## Nu 201.9B worth FDI Projects Greenlit in 2025

Power Company Limited's Nu 68.9 billion investment in Khorlo Chhu Hydropower Limited, which the Minister described as a "landmark project for Bhutan's economy."

By the end of 2025, Bhutan's total FDI portfolio reached 135 projects, including the newly approved initiatives. Of these, 64 projects are already operational while 71 remain under construction, reflecting steady progress in translating foreign investment into tangible development.

Bhutan's FDI landscape is strikingly diverse. Tourism and hospitality lead the way, with 41 projects, reflecting the nation's growing appeal as an international travel destination. The Information Technology and IT-Enabled Services sector follows closely with 36 projects, highlighting Bhutan's emergence as a hub for digital innovation. Agriculture and dairy projects contributed ten initiatives, while power-intensive manufacturing added twelve. Financial services attracted seven projects, indicating stable foreign interest in banking, insurance, and related sectors. Building

materials manufacturing accounted for five projects, pharmaceutical industries four, and the Technical and Vocational Education and Training sector recorded three. Hydropower and gases each accounted for two projects, showing that the country is investing strategically across both traditional and emerging industries. This diverse sectoral mix demonstrates Bhutan's determination to diversify its economy, reduce reliance on a single industry, and create long-term growth opportunities.

The economic impact of these FDI projects is already tangible. For the income year 2024, FDI companies contributed Nu 2,373.852 million in taxes, a 14.2 percent increase from the previous year's Nu 2,078.47 million. These contributions, including corporate taxes, customs duties, and other levies, provide critical funding for public services and infrastructure. The Minister emphasized that the revenues underscore the positive role foreign investment plays in Bhutan's economy. "The tax revenue generated by FDI companies is

not just numbers on a balance sheet—it is a catalyst for jobs, development, and sustainable growth," the Minister said.

Looking ahead, the government is prioritizing quality investments that align with Bhutan's development goals, environmental commitments, and job creation targets. Minister Dorji noted that the administration is streamlining procedures and offering targeted incentives to make Bhutan a preferred destination for foreign investors. "Our strategy is clear: attract investments that complement Bhutan's vision for sustainable growth while providing opportunities for citizens and entrepreneurs. We are committed to a transparent, investor-friendly environment that encourages long-term engagement," he said.

The momentum is expected to continue as ongoing projects take shape and new investments are launched. Analysts suggest that the surge in FDI will bolster Bhutan's economic resilience, diversify its industrial base, and strengthen its

position in regional and global markets. With landmark projects such as Tata Power's hydropower investment, Bhutan is positioning itself as a leader in renewable energy and infrastructure development.

The Minister, MoICE concluded with an optimistic outlook, emphasizing that foreign direct investment is a key driver of Bhutan's development journey. "With continued investor support and strategic policies, Bhutan's economy is poised for a bright, sustainable, and globally competitive future," he said.

2025 may well be remembered as a turning point for Bhutan. With record-breaking approvals and mega-investments, the country is stepping firmly onto the global investment map, signaling bold growth, renewable energy leadership, and economic transformation. The wave of foreign capital promises not only to fuel Bhutan's immediate development but also to lay the foundation for a resilient, diversified, and internationally competitive economy for decades to come.



## Happy REPUBLIC DAY



**DRUK HOLDING AND INVESTMENTS LTD**

and its Group of Companies extend heartfelt felicitations to the people of India on the occasion of India's 77<sup>th</sup> Republic Day. May the enduring friendship between the two nations continue to flourish, driving mutual growth and prosperity for years to come.

**Happy Republic Day!**



ADVERTISEMENT | BUSINESS BHUTAN, Jan 25, 26