

NEXT IAS

**DAILY EDITORIAL
ANALYSIS**

TOPIC

**Indo-Bhutan Ties: A Strong
Partnership**

www.nextias.com

INDO-BHUTAN TIES: A STRONG PARTNERSHIP

In Context

- India and Bhutan have been the closest of partners and the best of friends over the past 50 years and more. Both need constant tending, regular dialogue and a lot of care and cooperation.

Overview of India-Bhutan Relations

- **Diplomatic ties:** Formal diplomatic ties between the two countries were established in 1968, with the cornerstone being the **Treaty of Friendship and Cooperation** signed in **1949**, and subsequently renewed in February 2007.
- **High-level exchanges:** Over the years, high-level exchanges have played a pivotal role in nurturing the strong bond between India and Bhutan.
- **Economic partnership:** The economic partnership between India and Bhutan has flourished over the years, driven by the **India-Bhutan Agreement on Trade, Commerce, and Transit**.
 - ♦ This **agreement, first signed in 1972** and revised multiple times, has facilitated a free trade regime between the two countries, promoting bilateral trade and economic growth.
 - ♦ **India stands as Bhutan's top trade partner**, both in terms of imports and exports.
 - ♦ The bilateral trade volume has seen a significant surge, reaching INR 11,178 crores in 2022.
- **India's investments in Bhutan** span various sectors, including banking, manufacturing, electricity generation, and IT services, contributing to Bhutan's socio-economic development and fostering closer economic integration.
 - ♦ India has been a steadfast development partner for Bhutan, extending economic assistance to support its socio-economic progress since the 1960s.
 - India's contribution to Bhutan's 12th Five Year Plan, amounting to Rs 5000 Cr., underscores its commitment to supporting Bhutan's developmental aspirations.
- **Hydropower cooperation** :it remains a cornerstone of bilateral economic cooperation between India and Bhutan.
 - ♦ Bhutan's hydro-power potential has been harnessed through mutually beneficial partnerships, contributing significantly to its socio-economic development.
 - ♦ The commissioning of projects like the **the Mangdechhu Hydroelectric Project** .
 - ♦ The Punatsangchhu-II hydropower project is expected to be completed in 2024 — yet another successful example of the government-to-government model of cooperation in hydropower.
- **Educational and cultural ties:** They are integral to their bilateral relations.
 - ♦ **India has been a key destination for Bhutanese students** seeking higher education, with over 1000 scholarships provided annually by the Government of India.
 - ♦ Additionally, cultural exchanges and initiatives under the India-Bhutan Foundation have strengthened people-to-people ties, fostering greater understanding and collaboration between the two societies.
- **Human Resource Development:** The **Nehru Wangchuck Scholarship Scheme**, ICCR Scholarships, and ITEC program have further facilitated skill development and capacity building in Bhutan.
- **New avenues for collaboration:** including digital initiatives, space cooperation, and technology partnerships.
 - ♦ Projects like **'Digital Drukyl'** and the joint development of satellites reflect the commitment to harnessing technology for mutual benefit and socio-economic progress.
 - ♦ The **interoperability of flagship projects like RuPay and the BHIM** app demonstrates the evolving nature of the bilateral relationship, with a focus on leveraging digital innovations for inclusive growth and development.
- **Recent developments**, including progress on rail connectivity links and the establishment of Integrated Check Posts, underscore the commitment to enhancing trade and connectivity between India and Bhutan.

Conclusion and Way Forward

- As Prime Minister Narendra Modi prepares to visit Bhutan, the stage is set for further strengthening the multifaceted cooperation between the two neighbouring nations across various sectors.
- In the years ahead, India must contribute to the success of the Gelephu Mindfulness City and can perhaps consider the following measures:
 - ◆ commence direct flights between Mumbai/Delhi and Gelephu;
 - ◆ provide our technology and knowledge in building hard infrastructure to Bhutan (the private sector will take the lead);
 - ◆ encourage high-end Indian tourists and businesspersons to visit Gelephu in controlled numbers;
 - ◆ Encourage Indian businesses to set up shop in the city.

Daily Mains Question Practice

India's developmental footprint in Bhutan continues to grow, reinforcing the strategic partnership between the two nations. Comment

Source: TH

