



# DAILY EDITORIAL ANALYSIS

TOPIC

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**CELEBRATING INDIA–BHUTAN  
RELATIONS**

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## CELEBRATING INDIA–BHUTAN RELATIONS

### Context

- **The Prime Minister of India's** visit to Bhutan to honour the 70th birth anniversary of **Jigme Singye Wangchuck**, the **Fourth King of Bhutan (K4)**, *affectionately called the 'Bodhisattva King'*, highlighting the **India's commitment to its 'Neighbourhood First' policy** and its **deep and enduring friendship** between the two nations.

### About the India–Bhutan Relations

- **Historical Overview: Key Milestones**
  - ♦ **1949:** Treaty of Friendship and Cooperation signed.
  - ♦ **1968:** Bhutan established its first diplomatic mission in India.
  - ♦ **1971:** Bhutan joined the United Nations with India's support.
  - ♦ **2007:** Treaty revised to enhance equality and mutual respect.
- **High-Level Exchanges:**
  - ♦ **Visits by Indian Leadership:** India's Prime Minister chose Bhutan for his first foreign visit in **2014**, further in **August 2019** and in **March 2024**, when he was conferred with **the Order of the Druk Gyalpo**, **Bhutan's highest civilian honour**.
  - ♦ **Visits by Bhutanese Leadership:** **The King of Bhutan**, has made several visits to India, including in **September 2022**, **April 2023**, **November 2023**, and **December 2024**, culminating in the issuance of the **'Framework for Expanded India-Bhutan Partnership'** in 2023.
- **Strategic Cooperation:** Regular **high-level visits** reinforce diplomatic trust.
  - ♦ Joint efforts on **border management and security**, particularly post-**Doklam standoff (2017)**.
  - ♦ India assists Bhutan's **Royal Bhutan Army** through training and logistics.

### About Bhutan

- It is a **Himalayan kingdom** and a **landlocked country** nestled **between India and China**, shares a unique and deeply rooted relationship with India.
- It is a **constitutional monarchy**, currently led by **King Jigme Khesar Namgyel Wangchuck**.



- It is known for its **emphasis on Gross National Happiness (GNH)** as a development philosophy.

### India-Bhutan: Developmental Partnership

- India remains Bhutan's principal development partner since its **First Five-Year Plan (1971)**. Development cooperation is guided through annual **'Plan Talks'**, focusing on Bhutan's priorities.
- **Major Commitments:**
  - ♦ During PM Modi's **March 2024** visit, India committed **INR 10,000 crore** for Bhutan's **13th Five-Year Plan**, and the **first tranche of INR 5,000 crore** was finalized in **July 2024**.
  - ♦ Assistance spans **infrastructure, health, education, agriculture, ICT, and digital connectivity**.
  - ♦ The **High-Impact Community Development Projects (HICDPs)** continue to improve rural infrastructure and livelihoods.

### Trade and Commerce

- India is Bhutan's **largest trading partner**, with trade rising from **USD 484 million (2014–15)** to **USD 1.6 billion (2022–23)**.
- The **India-Bhutan Trade, Commerce and Transit Agreement (2016)** provides a **free trade regime** and **duty-free transit** for Bhutanese goods.
- Key outcomes of the **Commerce Secretary Level Meeting (September 2024)** included:
  - ♦ New **Land Customs Stations (LCS)** at Hatisar and Darranga.
  - ♦ Approval for **border haats** and new trade routes.
  - ♦ Expansion of **timber species** for export and enhanced **food imports**.
  - ♦ India remains Bhutan's **largest investor**, contributing over **50% of total FDI** across sectors like **banking, power, IT, and education**.
- **Currency Swap Facility:** USD 200 million (2022); extended under **FCSA 2024–27** with INR 1,500 crore drawn.
- **Standby Credit Facilities:** Interest reduced from **5% to 2.5%**; additional **INR 300 crore** extended in **2023**.

### Energy Cooperation

- Hydropower is the **cornerstone of bilateral economic relations**. India has helped construct **four major hydroelectric projects (HEPs)** like Chukha (336 MW), Kurichhu (60 MW), Tala (1,020 MW), Mangdechhu (720 MW) totaling **2,136 MW**.
  - ♦ Two more — **Punatsangchhu-I and II (1,020 MW each)** — are under construction, with **Punatsangchhu-II** expected to commission soon.
- **Recent Initiatives:** India allowed **Basochhu HEP (64 MW)** to trade electricity on the **Indian Energy Exchange** in **2023**, later extending approval to **Nikachhu HEP**.
  - ♦ The **India-Bhutan Joint Vision on Energy Partnership (2024)** envisions cooperation in **hydro, solar, and green hydrogen**.
  - ♦ The **Renewable Energy Roundtable (October 2024)** in Thimphu expanded collaboration in sustainable energy.

### Cooperation in Emerging Areas

- **Space Cooperation:** A milestone was achieved with the **India-Bhutan SAT**, launched on **26 November 2022**, and the **Joint Plan of Action (JPoA)** on space signed in **March 2024**.
  - ♦ The first **Joint Working Group** under JPoA met in **September 2024**.
- **Environmental Collaboration:** The **first India-Bhutan JWG on Environment** in **October 2024** explored cooperation in biodiversity, waste management, and climate resilience.
- **Digital and Fintech Integration:** **RuPay** and **BHIM UPI** have made cross-border payments seamless since 2019–2021.
  - ♦ Work is ongoing for full **QR interoperability** between Indian and Bhutanese systems.
  - ♦ Integration of Bhutan's **Druk Research and Education Network** with India's **National Knowledge Network (NKN)** enhances academic and digital connectivity.
- **Cross-Border Infrastructure:** Both nations are working to enhance connectivity through:
  - ♦ **Rail links:** Kokrajhar–Gelephu and Banarhat–Samtse.
  - ♦ **Immigration Check Post at Darranga (Assam):** Opened in **November 2024**, improving tourism and trade.
- **Gyalsung National Service Programme:** India supports Bhutan's **Gyalsung Project**, a national service and skill-building program, with **INR 200 crore grant assistance**, and **INR 1,500 crore concessional loan**;
- **Education and Capacity Building:** Education forms a strong bridge between the two nations:
  - ♦ **1,000+ Bhutanese students** benefit annually from **Ambassador's and ICCR scholarships**.

- ♦ Bhutanese students pursue higher studies in **IITs, Nalanda University**, and other Indian institutions.
- ♦ **325 annual training slots** under the **ITEC programme** support Bhutanese professionals.
- **Cultural Ties:** The **India-Bhutan Foundation (IBF)**, established in **2003**, fosters exchanges in education, science, and culture.
  - ♦ Bhutanese pilgrims visit Buddhist sites across India, while construction of a **Bhutanese Lhakhang at Bodh Gaya** is underway, expected to open in **2025**.
  - ♦ Cultural cooperation also includes the exhibition of the **Zhabdrung Statue** from Kolkata's Asiatic Society in Bhutan.
- **Indian Community in Bhutan:** Around **50,000 Indians** work across Bhutan in infrastructure, hydropower, education, and commerce — symbolizing the **people-to-people foundation** of the bilateral partnership.

### Concerns & Challenges Ahead of India–Bhutan Relations

- **Border Negotiations with China:** Bhutan's **ongoing talks with China** over disputed border areas, including **Doklam**, raise concerns in India about potential strategic vulnerabilities.
- **Infrastructure Diplomacy & Gaps:** **China's Belt and Road Initiative (BRI)** and its expanding footprint in **South Asia** could tempt Bhutan with economic incentives, challenging India's traditional primacy in the region.
  - ♦ While initiatives like the **Kokrajhar–Gelephu rail link** are promising, Bhutan's rugged terrain and limited connectivity still hinder trade and mobility.
- **Security Concerns:** Cross-border movement and porous borders require enhanced coordination to prevent illicit activities and maintain peace.
- **Sovereignty vs. Partnership:** Bhutan's desire for greater autonomy in foreign policy needs to be balanced with India's strategic interests, especially in the sensitive Himalayan corridor.
- **Multilateral Engagements:** Bhutan's increasing participation in global forums and its evolving stance on regional issues may occasionally diverge from India's positions.
- **Hydropower Dependency:** Bhutan's economy remains heavily reliant on hydropower exports to India.
  - ♦ Delays in projects like **Punatsangchhu-II** and shifting energy demands pose risks to Bhutan's fiscal stability.
- **Youth Migration & Employment:** Bhutanese youth increasingly seek opportunities abroad, including in India.
  - ♦ Addressing employment and skill development is crucial to prevent brain drain and social discontent.

### Road Ahead: Future Prospects

- As Bhutan transitions into a middle-income country, India's cooperation will focus on **technology, innovation, and youth empowerment**. Emerging areas include:
  - ♦ **Digital partnerships:** ICT, fintech, and startup collaboration.
  - ♦ **Tourism recovery** and sustainable infrastructure.
  - ♦ **Regional integration** through BIMSTEC and BBIN frameworks.

### Conclusion

- India–Bhutan relations exemplify a **unique model of friendship and trust**, encompassing development, energy, technology, and culture.
- It continues to evolve—building a future of prosperity for both nations and setting a benchmark for regional cooperation, rooted in shared values and mutual respect.

### Daily Mains Practice Question

**[Q]** Discuss the significance of cultural diplomacy and leadership symbolism in strengthening India–Bhutan relations.

Source: TH

