

Bhutan Thailand Investment Forum

Take home happiness as an additional dividend of your business



INVEST
IN
BHUTAN
21st

December, 2017



Presentation Overview

- ❖ Country facts
- ❖ Investment climate
- ❖ Why invest in Bhutan?
- ❖ FDI Policy highlights
- ❖ FDI current scenario

We are here!



Bhutan - Facts

Area

• 38,394 km²

Population
(2017)

• 0.78 million

GDP (2016)

• \$ 2.30 billion

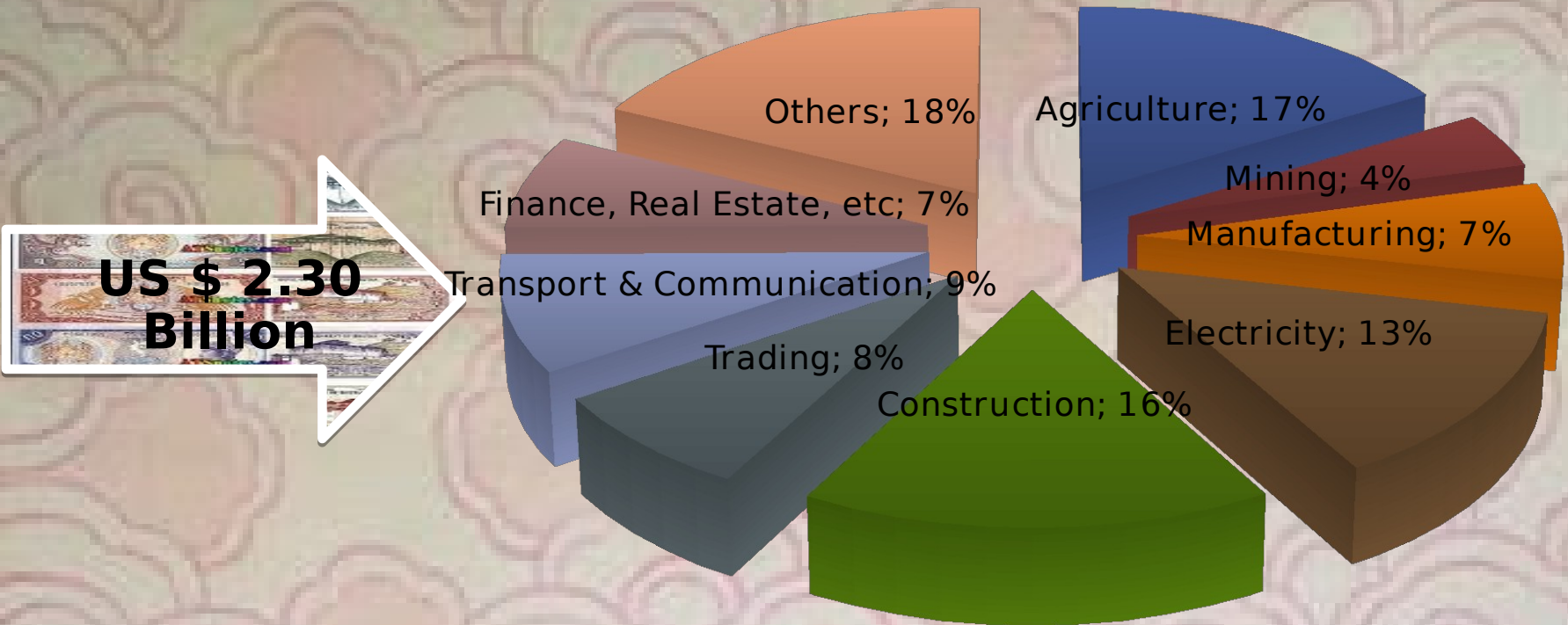
GDP per capita
(2016)

• \$ 2,879.07

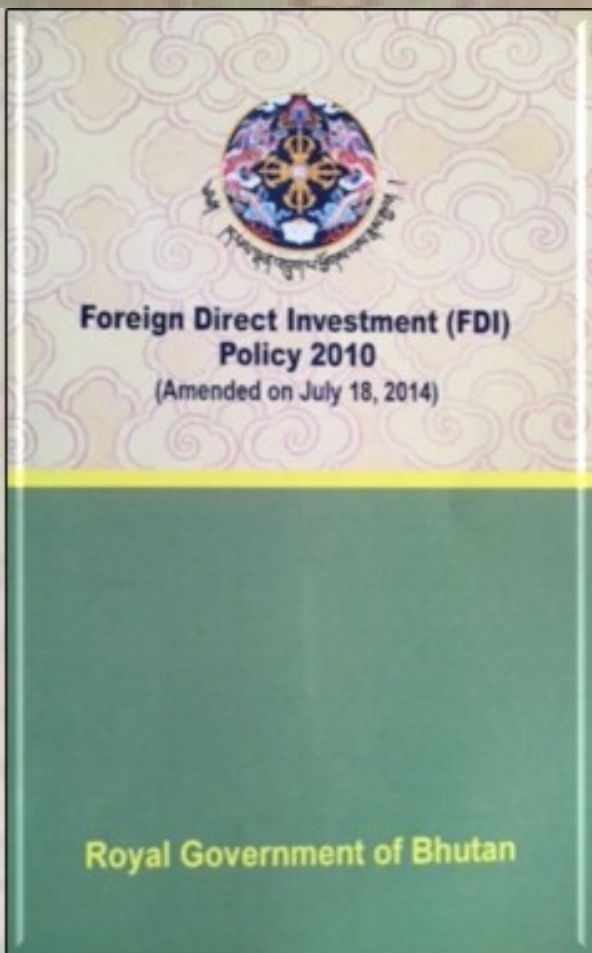
GDP growth
(2016)

• 7.99%

GDP by Economic Activities



Investment Climate



Economic Development Policy
2016

FDI Policy 2010 & FDI Rules &
Regulations

Fiscal Incentives Act

ECB Guidelines

PPP Policy



Protection of investment

WIPO,
Conventions & Protocols

- MIGA
- New York Convention
- SAARC Arbitration Council

FDI Division

Why Invest in



BHUTAN

Why Invest in Bhutan?

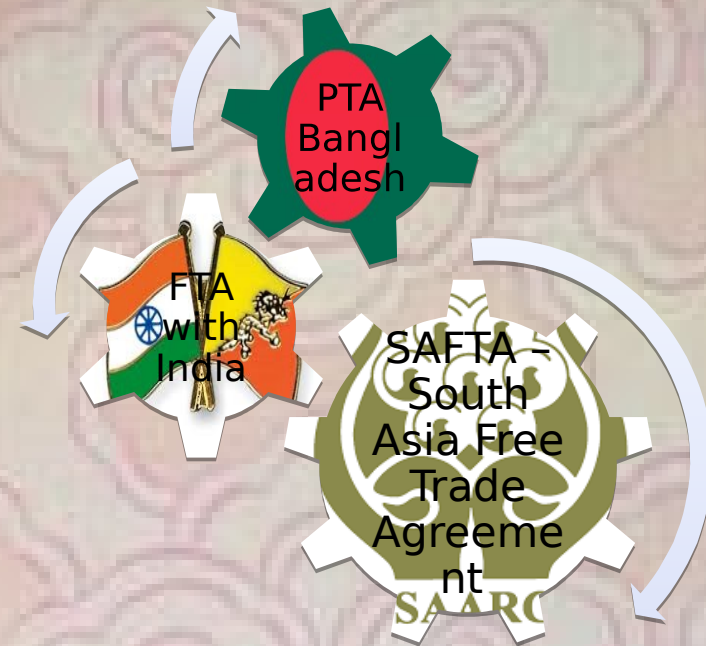
- ❖ Political Stability
- ❖ Peace & Happiness (13th out of 163)
- ❖ Low Level of Crime and Corruption (4th in Asia)



- ❖ Pristine Environment
- ❖ Vibrant Culture



- ❖ Economic Growth
- ❖ Access to market



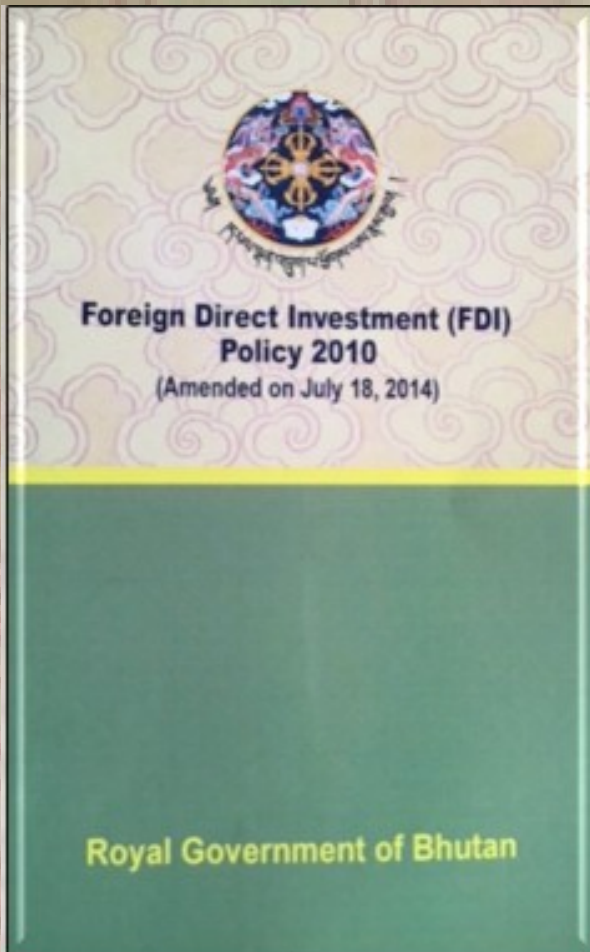
❖ Clean & Competitively priced energy



- ❖ Brand Bhutan
- ❖ Ease of Doing Business (75/190)

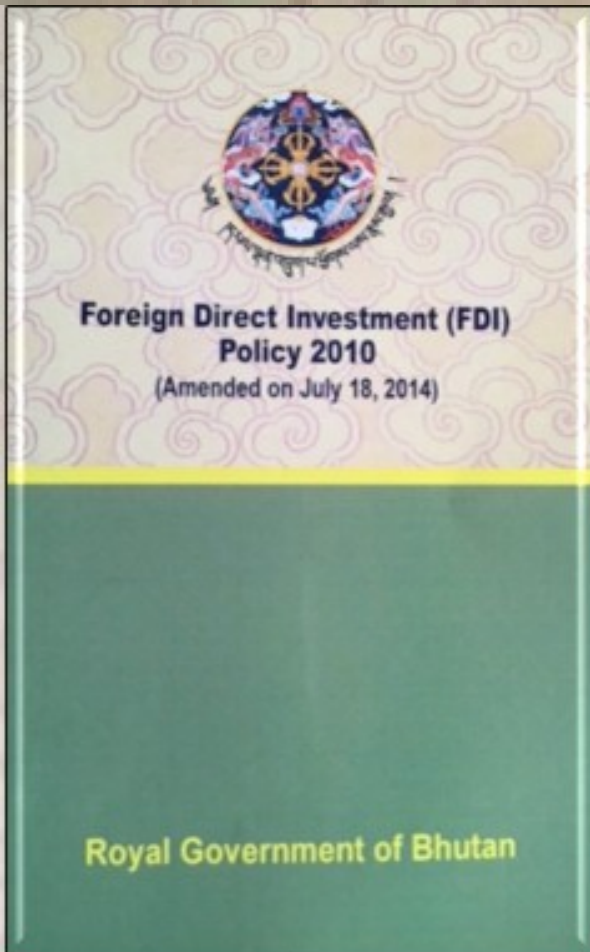


FDI Policy Highlights



- ❖ Negative List Approach
- ❖ 100% foreign ownership in selected priority services
- ❖ Foreign equity range: 20-100%
- ❖ Minimum project cost:
 - Services – 1.5 million THB
 - Manufacturing – 10 million THB

FDI Policy Highlights...contd.



- ❖ Land : Lease & Ownership
- ❖ Visas & Permit : Work permit
- ❖ Repatriation : Capital: investment
: Dividend: Earnings
- ❖ Fair & Equal Treatment provided
- ❖ Priority Lists : Fast tracked for approval

Priority Activities: Production & Manufacturing

Agro based

Water based

Forest based

Pharmaceuticals

Energy

Other manufacturing

Priority Activities: Services

Health & Education

Waste management

Hotels

Technical & vocational
education

Infrastructure
Facilities

Water Supply and Mgmt.

R & D and Head office
services

Transportation & related
activities

IT/ITES

Consultancy

Construction

Financial services

Negative List

Media & Broadcasting

Hotel 3 star and below

General Health Services

Mining for the sale of minerals in primary or raw form

Distribution services including wholesale, retail and micro trade

Industries that do not meet the Certificate of Origin requirements & Activities in the Prohibited List



Fiscal incentives

Sales tax & customs duty exemption: Plant & machinery

Raw materials

Corporate Income Tax holiday: 5-10 years
10 years income tax exemption on Cc earnings from export by manufacturing and IT service industries

Reinvestment allowance
Full exemption on R&D expenses
Tax rebate of 15% for environment friendly up gradation

Sector Specific Incentives: Energy, Agriculture, ICT, Tourism, Construction, Education, etc

Business Infrastructure & costs

The costs of land and utilities are nominal and comparatively cheap as compared to the costs in the region:



- In major commercial hubs: \$ 16/m²
- At industrial estates: \$ 0.06/sq. ft. per year

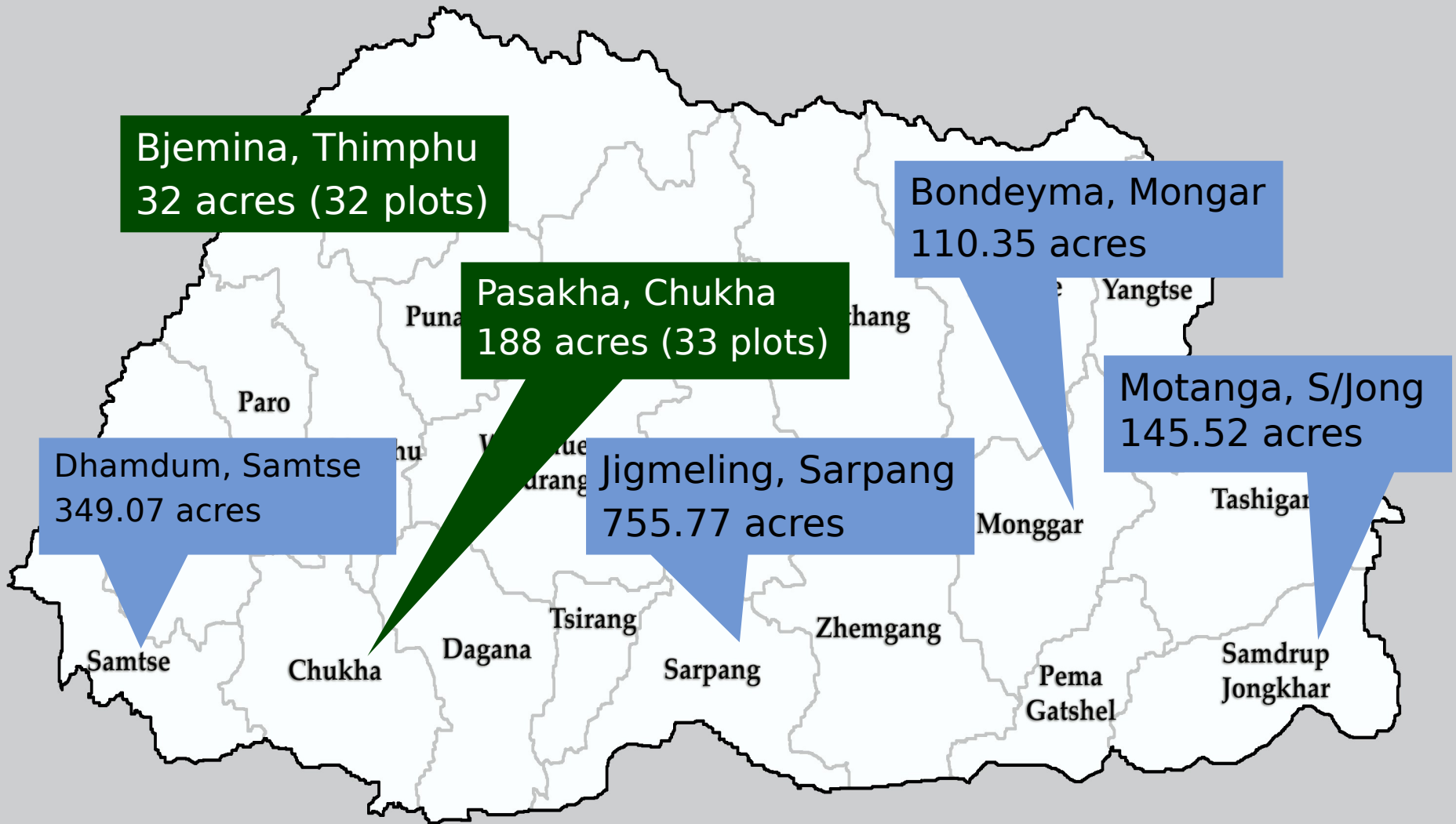


- US\$ 0.02 – 0.06/Kwh



- US\$ 0.11/m³

Industrial Estates





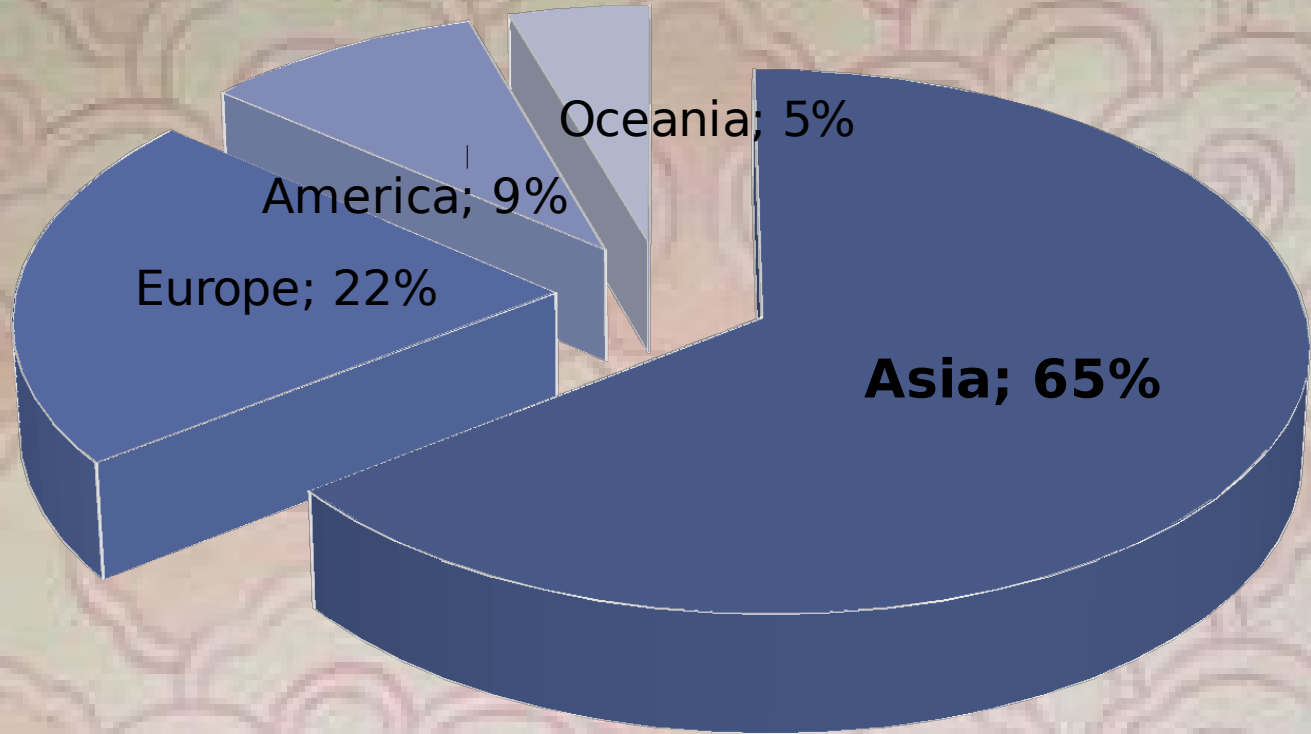
Power Generation & Supply

- ❖ Total potential - 30,000 MW
- ❖ Total harnessed (2017) - 1,606 MW
- ❖ Firm Power - 287 MW

Upcoming projects:

- ❖ Installed capacity - 3,658 MW
- ❖ Additional Firm power - 589.35 MW
- ❖ Total firm power: **876 MW**

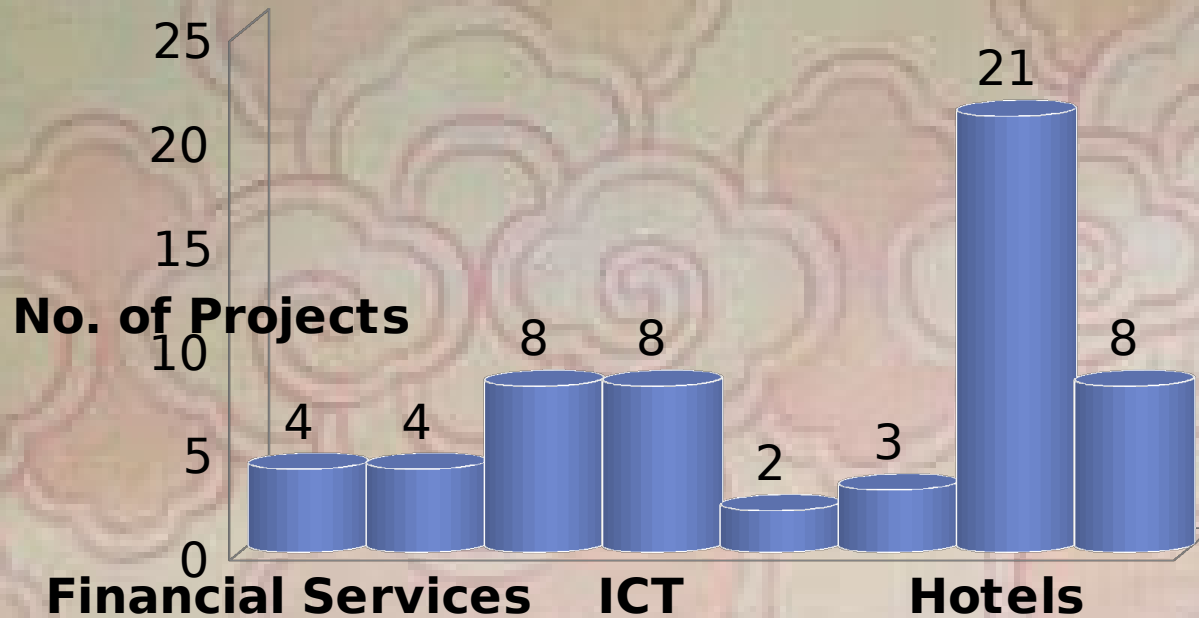
Current FDI Statistics



58 projects

**US\$ 520
million**

Projects by Activities



Manufacturing

21

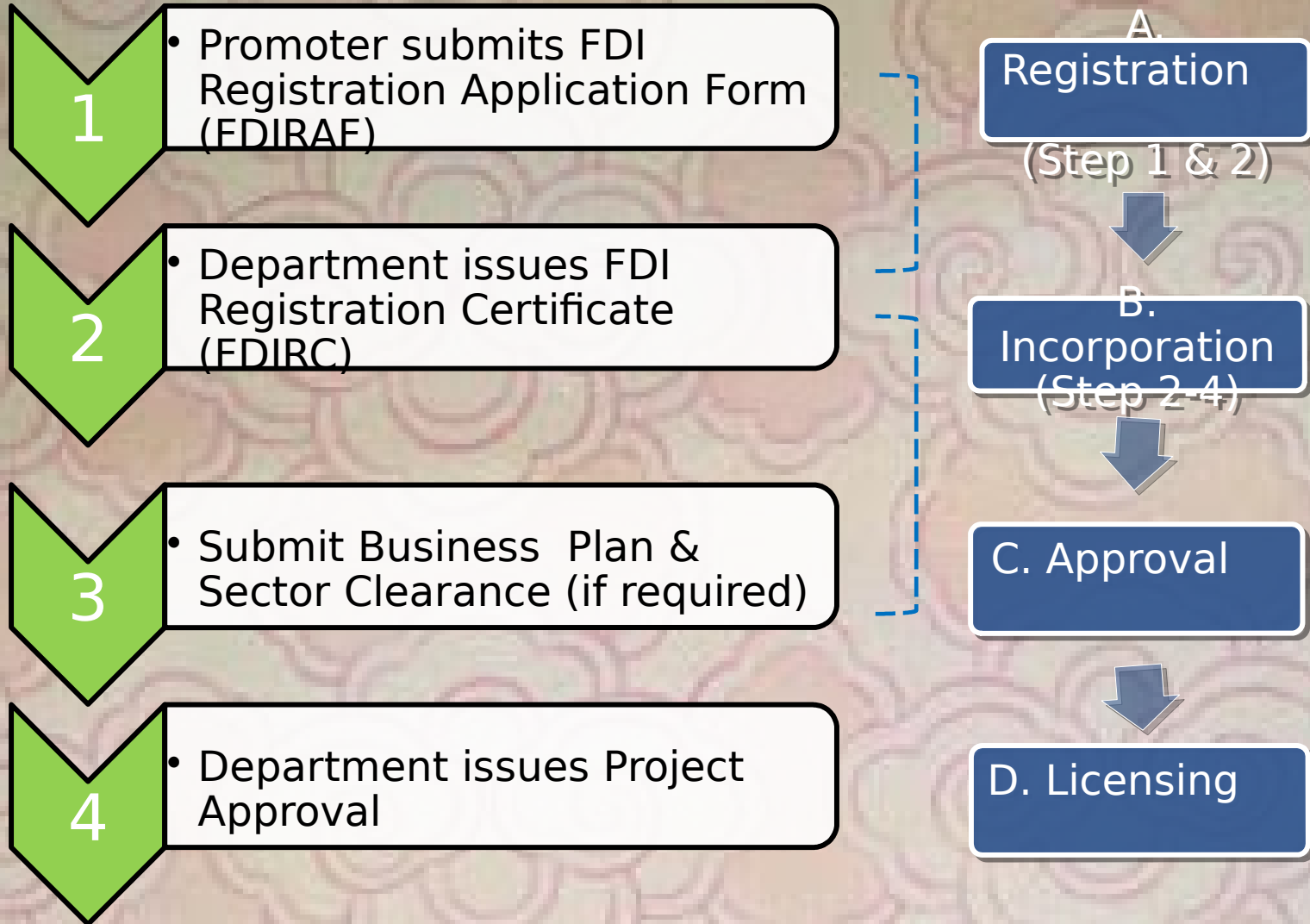
Service

37

Who are in Bhutan?



FDI Process Map



Bhutan

- ...private-sector representatives are **positive about the business environment** in Bhutan.

...managers and investors consistently cited the **Government's open, flexible, and forthcoming** approach throughout all phases of the business establishment process and day-to-day operation.

...private-sector representatives consistently cited the **high political stability and absence of crime as significant advantages** for investing in Bhutan.

iGuide

iGuide Bhutan
An investment guide to Bhutan

Investing Databases About

Get Started Labour Production Factors Land Taxes Investor Rights Growth Sectors and Opportunities Map and data

1. Business approval >

2. Register your company >

3. Foreign Ownership >

Business approval

- Submit the FDI Registration Application form to the Department of Industry and Commerce to obtain an Investment Registration Certificate which is the approval in principle.
- Submit two copies of the business plan to the Department of Industry and Commerce

www.theiguides.org/bhutan

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good*

Invest in Bhutan for many
happy returns



Tashi Delek!