

# ROYAL MONETARY AUTHORITY OF BHUTAN



### Launch of Banknote to Commemorate the First Birth Anniversary of HRH The Gyalsey

The Royal Monetary Authority of Bhutan launched commemorative banknotes of Nu. 100 denomination to celebrate the First Birth Anniversary of His Royal Highness The Gyalsey, Jigme Namgyel Wangchuck. The Birth of the Gyalsey is a historic and celebrated event for Bhutan, symbolizing the continuity of peace and progress under the Wangchuck dynasty and the collective good fortune of all Bhutanese to witness three successive generations of the

Wangchuck dynasty.

The **obverse** side therefore features the portraits of His Majesty the Fourth Druk Gyalpo, His Majesty the Druk Gyalpo with Her Majesty the Gyaltsuen and HRH The Gyalsey to symbolise our proud past, vibrant present and a future of hope.

The **reverse** side features a pair of jewel-clasping dragons to symbolise our inner resilience. Just as all Bhutanese draw our inspiration and strength from

the Druk Gyalpos, the dragons epitomise the stability and prosperity of Bhutan as personified by our Hereditary Monarchs. The reverse side also features the mighty Himalayan range, and glacial resources as our main national endowment while illustrating Bhutan's also bountiful pristine natural beauty and balanced ecology.







The design for the Commemorative Banknote was launched by His Excellency Lyonpo Chenkyap Dorji, Chairman of the Privy Council on February 5, 2017.

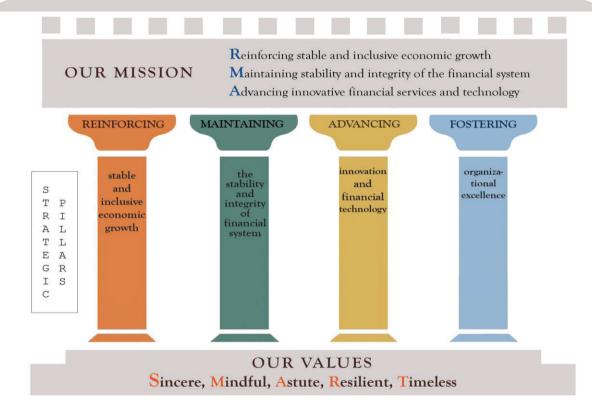
# **PREFACE**

This Report reviews macroeconomic developments that have taken place in the Bhutanese economy during the fiscal year 2016/17. Some important events initiated in the new fiscal year have also been covered. Commentaries on the economic sectors are based on information provided by government authorities, financial institutions, corporate bodies and private sector sources. Time series data on various economic statistics are available in the statistical section of the Report. The Report provides detailed background and updates on selected economic sectors. An overview of events in the global and regional economy and prospects for the medium term is also presented based on the IMF World Economic Outlook publications and quarterly MFCTC update, MoF. The annual accounts of the RMA are published in accordance with the stipulations of the Royal Monetary Authority of Bhutan Act, 2010.

All views expressed in this report pertaining to the domestic economy are those of the RMA and do not necessarily represent those of the data sources.

We would like to thank all those who have contributed to the information contained in this Report.

# OUR VISION A Trusted, Progressive and Resilient Central Bank



### STATEMENT FROM THE GOVERNOR



At 7.99 percent, Bhutan's economic growth continued to accelerate in 2016, in line with the performance of the preceding three years where growth averaged a little over 6 percent. The high growth continued to be driven by the secondary and tertiary sectors. Construction followed by transport, storage & communications and the financial sub-sectors provided the major impetus to growth during the year. Further, sustained growth in final consumption and improved trade deficit helped to achieve the high growth in 2016. While inflation remains contained within the single digits, owing to rise in food and non-food prices, inflation during the quarter ending June 2017 has increased to 5.45 percent from 3.31 percent during same period last year.

On the external front, the trade deficit improved from 28.38 percent of GDP to 20.94 percent during FY 2016/17, resulting in a lower current account deficit of 24.44 percent of GDP. Foreign currency reserves also remain at a comfortable level and sufficient to finance 12.53 months of merchandise imports.

The interest income generated from investment of foreign reserves abroad witnessed an increase mainly due to improved prudence in overall management of foreign currency reserves. Consequently, the RMA was able to make a higher surplus of Nu. 1.10 billion during 2016/17, compared to Nu. 880.80 million in 2015/16.

On the performance of financial sector, the financial institutions' capital and liquidity positions remains sound within the prudent limit prescribed by the RMA. Although, the NPL ratio of the financial institutions stood at 11.36 percent, which in turn had a negative impact on the financial institutions' profitability, the trend in asset quality is still manageable since the recovery of the loans begins from the third quarter of the year and the NPL usually stabilizes towards the end of the year.

With the implementation of regulations for microfinance institutions and agent banking, the RMA so far issued registration certificates to three microfinance institutions- (i) Respect, Educate, Nurture and Empower Women (RENEW), (ii) Rural Enterprise Development Corporation Limited (REDCL) and (iii) Bhutan Association of Women Entrepreneurs (BAOWE). Similarly, the banks were also able to expand their agent banking networks across the country bringing greater access to finance in the remote areas. As of December 2017, there were 194 bank's agents carrying out banking services in the country.

Against these backdrops, the RMA continues to maintain an accommodative monetary policy stance with the aim to stimulate the economy further through promoting access to finance to the cottage and small scale industries (CSI) sector. Inspired by His Majesty's vision to ensure a successful economic transformation based on the foundations of a just, equal and harmonious society, the RMA continues to focus on a number of strategies aimed at strengthening the financial sector architecture, in pursuit of the overarching financial sector development objective. As part of the financial sector reforms, the RMA completed formulating the Priority Sector Lending (PSL) guidelines to provide wider access to finance to the CSI sector. The PSL guidelines will be implemented from January 2018. The year also marked the implementation of the National Strategy and Action Plan on AML/CFT regulation and signing of a Memorandum of Understanding on AML/CFT with Department of Revenue and Customs and Bhutan Narcotic Control Authority and Financial Intelligence Units from Sri Lanka, Cambodia and Myanmar helping the RMA to establish a formal network of cooperation for exchanging of financial intelligence information relating to money laundering, associated predicate offences and terrorist financing. Other initiatives included drafting of National Financial Inclusion Strategy- a roadmap for Bhutan's financial inclusion activities, implementation of the CSI Banking Regulations and continuation of financial literacy awareness programs.

In terms of organizational development and improving efficiencies, the RMA introduced new performance management system (PMS) in January 2017 to promote performance-oriented culture in the organization. The PMS includes three levels of annual performance target settings and evaluation: (i) Board-Management Performance Commitments (BMPC) signed between the Board and the Management, (ii) Management-Department Performance Commitments (MDPC) signed between the Management and the Departments, and (iii) Employee Performance Commitments (EPC) signed between individual officers and supervisors. The key achievements of the RMA's performance targets during the year are highlighted in this Report.

The RMA is committed to building a highly professional and dynamic pool of human resource capabilities to carry out its mandates and functions efficiently. During the year, capacity building of the staff was supported through various training opportunities both locally and abroad. Organizational development exercise was carried out and recommendations were implemented such as the restructuring of the organizational structure, preparation of revised RMA Service Rules and Regulations 2017 and revision of expenditure rule. The RMA also conducted an Organizational Climate Survey during the year to understand the existing organizational culture and scope for further improvements. The feedback received from the Survey will be an integral part of the HR master plan that the RMA is currently working on.

As part of its social corporate responsibility, the RMA continued to strengthen its engagement with the community and Non-Government Organizations to facilitate better relations through sponsorship and direct participation in various educational, charitable and religious events. As in the past, the RMA continued to provide financial and logistic support in organizing the Global Money Week and various financial literacy programs.

To sum up, I am pleased to inform that the RMA has made significant achievements during the year and I take this opportunity to thank the Board of Directors and staff of the RMA, financial institutions and the Government for their continued support and cooperation, as well as their dedication and commitment in making the 2016/17 fiscal-year yet another fulfilling year for the RMA.

Tashi Delek and a Happy New Year!

(Dasho Penjore)

Governor and Chairman of the Board

# Information Technology **Executive Committee** Payment & Settlement Reserve Management Systems Department Research & Statistics Foreign Exchange & **Banking Department Deputy Governor** Macroeconomic Department Department Department **ORGANIZATION STRUCTURE Board of Directors** Governor's Governor Office Phuntsholing Mongar Financial Regulation & **Currency Management** Financial Intelligence Finance Department Administration & **Deputy Governor** Supervision Department Department Department Regional Offices **Board Audit** Committee Internal Audit Department

Administrative Reporting Functional Reporting

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## **BOARD OF DIRECTORS**



Dasho Penjore was appointed as the Governor of the Royal Monetary Authority of Bhutan by His Majesty the King on 7 December 2015. Prior to his appointment as Governor, Dasho served as the Chief Executive Officer of the National Pension and Provident Fund and the Gyalpoi Zimpon (Royal Chamberlain). Dasho holds a Master's degree in Economics from the Northwestern University, Boston, USA.



Mr. Nim Dorji is the Secretary of Ministry of Finance. Before he was appointed as the Finance Secretary, he served as the Director General of Department of Agriculture. He holds a Master's degree in Business Administration (MBA) from the University of Canberra, Australia.



Mr. Thinley Namgyel is the Secretary of Gross National Happiness Commission Secretariat. He has a Master's degree in Business Administration from the University of Canberra, Australia.



Mr. Tashi is Zimpon Wogma (Deputy Chamberlain) under His Majesty's Secretariat. Mr. Tashi is a certified IDI/INTOSAI Training Specialist. After completing his Bachelors of Commerce degree from Sherubtse College in 1993, he pursued his studies at the Chartered Institute of Management Accountants in London and obtained an Advanced Diploma in Management Accountants.



Mr. Sonam Tenzin is the Director of Department of Trade, Ministry of Economic Affairs. He served as the Executive Director of the newly established Office of Consumer Protection from January 2014 to January 2016. He holds a Master's Degree in Management Studies (MMS) with specialization in Finance and Accountancy.



Mr. Phajo Dorjee was appointed as the Deputy Governor of RMA in June 2015. Prior to his appointment as Deputy Governor, he served the RMA as the Director of the Banking and Currency Management Department. He holds a Master's degree in Public Administration and Economic Policy Management from Columbia University, USA.



Ms. Yangchen Tshogyel was appointed as the Deputy Governor of RMA in September 2016. Prior to her appointment as the Deputy Governor, she served as the Director of the Research and Statistics Department. She has a Master's degree in Public Policy, with specialization in Economic Policy from the Australian National University, Canberra, Australia.

# **MANAGEMENT**

1.	Governor	Dasho Penjore
2.	Deputy Governor	Mr. Phajo Dorjee
3.	Deputy Governor	Ms. Yangchen Tshogyel
4.	Director, Administration & Finance Department	Mr. Julien Gurung
5.	Director, Banking Department	Ms. Tshering Dema
6.	Director, Currency Management Department	Mr. Jai Narayan Pradhan
7.	Director, Financial Regulation & Supervision Department	Mr. Karma Rinzin
8.	Director, Foreign Exchange & Reserve Management Department	Ms. Dechen Pelzom
9.	Director, Information Technology Department	Mr. Sherab Jamtsho
10.	Director, Internal Audit Department	Mr. Phub Dorji Tangbi
11.	Director, Governor's Office	Mr. Namgay Tshering
12.	Director, Payment & Settlement Systems Department	Ms. Rinzin Lhamu
13.	Director, Macroeconomic Research & Statistics Department	Mr. Gopal Giri





Jan 11 RMA Directors signed Management-Department Performance Commitment with the Management



Jan 03 2017

- RMA Signed Board-Management Performance Commitments
- Implemented the guidelines on Certificate of Deposits(CDs)
- » Implemented the Regulation and Deposit Taking Micro Finance Institutions (DTMFI) Rules and Regulations



and Regulations 2016

Feb 05 Launch of the design of Nu. 100 denominated note to celebrate the first Birth Anniversary of HRH the Gyalsey



Feb 14 Launch of RemitBhutan in Perth, Australia by Finance Minister



May 24 Launch of BEFIT

Implemented the Private Money Lending Rules



RMA signed MoU on Cross Border Supervision with the Reserve Bank of India



Jun 15 Launch of wi-fi PoS at fuel station, Thimphu



Jul 07 Signing of MoU on Money Laundering and Terrorist Financing with BNCA

#### Jul 16 & 19

Signing of MoU on Money Laundering and Terrorist Financing with FIUs of Sri Lanka and Cambodia respectively.

### **Sep 29**

RMA Board approved e-Money Issuers Rules and Regulations 2017

#### Oct 9

Opened Currency Exchange Counter at the Paro International Airport

### Oct 19 & 21

Launch of Remit Bhutan in United Arab Emirates(UAE) and Kuwait respectively

#### Oct 31

RMA signed MoU with Myanmar Financial Intelligence Unit on Money Laundering and Terrorist Financing

#### Oct 03

Official handing over of RMA's surplus profit (of Nu. 1.001 billion ) to the Royal Government of Bhutan



Dec 13 Launch of the Priority Sector Lending Guidlines

## HIGHLIGHTS



"...a successful democratic transition must be accompanied by successful economic transformation based on the foundation of Just, equal and harmonious society..."

(The Royal Address of His Majesty the King during 109th National Day Celebrations in Trongsa, 17 December 2016)

Bhutan's approach to development has always been based on participatory and inclusive principles, driven by the country's unique development philosophy of "Gross National Happiness" (GNH). The Bhutan Economic Forum for Innovative **Transformation** (BEFIT) was conceived to realize His Majesty's vision that our successful democratic transition should be accompanied by successful economic transformation based foundations of a Just, Equal and Harmonious society.



for Governance and Strategic Studies (RIGSS) and International Finance Corporation (IFC) organized the

BEFIT is a forum that will bring together a wide range of expertise to share best practices and discuss innovative solutions to emerging national and regional economic challenges, with the overarching objective of transforming and bettering lives. Under the banner of BEFIT, the RMA in collaboration with the Royal Institute

# **International Financial Inclusion Summit focuses:**

- micro finance
- small and medium enterprise (SME)
- agri-finance
- digital financial services

International **Financial** Inclusion Summit Thimphu from  $24^{th} - 26^{th}$ May, 2017 as the inaugural BEFIT event. The summit highlighted the importance of access to finance the as fundamental pillar ensure inclusive growth, reduce poverty and

No. of bank agents:

194

Microloan institutions:

1.Renew

2.BAOWE

3.REDCL

generate employment.

The proceeding of the summit (available on the BEFIT website) will also enable the Bhutanese authorities to develop a **National Financial Inclusion Strategy (NFIS**) that will articulate the country's roadmap to enhance financial inclusion.

In order to create the enabling environment to advance financial inclusion, the RMA initiated the following regulatory frameworks:

- 1. The "Rules and Regulations for Microloan Institutions and Deposit Taking Microfinance Institutions" were issued in 2016 to increase penetration of financial services in rural pockets and to protect micro-finance clients from abusive lending practices.
- 2. The "Agent Banking Rules and Regulations" was issued in 2016 to provide financial services at affordable prices to the unbanked and underserved populace using bank



agents. The Private Money Lending Rules and Regulations was drafted in conjunction with the Supreme Court of Bhutan and issued in 2016.

According to the 2013 survey of the financial inclusion landscape in Bhutan, only 41 percent of Bhutanese adults avail banking services. Only 18 percent of the adult population currently has credit access. Given these findings, the nationwide

initiatives on *financial literacy program*spearheaded by the

Governor is underway advocating the importance of *savings*, *credit* and digital finance. Awareness on other financial services such as agent banking, micro finance institutions and priority sector lending also forms important part of the financial literacy advocacy.

Theme:
..Savings, Credit
and Digital
finance..

Financial Literacy

The financial literacy program has been mainly targeted to local government leaders, financial services providers, education and monastic schools, training institutes, the non-formal education sector and rural populace. All 20 Dzongkhags will be covered by the end of 2017.

### ... till date

- 10,000 youths outreached
- 991 saving account opened
- 350 youths opened Nu.100 rural saving account
- 1000 FinSave Cards issued

As part of celebration of *Global Money Week (GMW)*, the RMA in collaboration with various stakeholders organized a series of events to sensitize, educate and understand the financial services and products, role of financial institutions and digital finance from March 27 – April 2, 2017. The events were mainly targeted to unemployed youth, rural populace and senior citizens.

Recognizing the importance of leveraging *digital technology*, the RMA is committed to employing new technologies for delivering financial services to all segments

of the population through safe, credible and fair means.

The *RemitBhutan* system was launched on 21<sup>st</sup> September 2016 by Honorable Prime Minister as a landmark policy initiative to provide a platform for Non-Resident Bhutanese to remit their savings and earnings to Bhutan through the formal banking channel.

As a step to reach the facility to the doorsteps of non-resident Bhutanese, the RMA in collaboration with Ministry of Finance (MoF) and Banks led by the Hon'ble Finance Minister created awareness on the

# ... RemitBhutan launched:

- October 2016: USA
- Febraury 2017: Australia
- October 2017: UAE & Kuwait

RemitBhutan in New York (10 October, 2016), Perth & Canberra (14February 2017), Dubai (19 October, 2017) and Kuwait (21 October, 2017). Eight months after introducing RemitBhutan, the

Africa (19%)US\$ 0.39 million USA (13 Others (59 Sept. 2017 0/0) 9/0) US\$ 2.14 US\$ 1.29 US\$ 0.27 million million million Europe (9 9/0) US\$ 0.19

million

Government, RMA and banks celebrated the success of achieving of target USD 1 million on 16 May 2017.

The RMA in collaboration with the Department of Information Technology and Telecom under the Ministry of Information and Communication, the Financial Institutions and the G2C Office launched the Bhutan Immediate Payment Service (BIPS) in January 2017.

BIPS is an important initiative towards promoting the use of digital payments in the country. BIPS

facilitateinter-bank fund transfers and was developed with financial support from the Government of India with twin objectives of promoting the use of digital payments and

providing access to financial services by harnessing the use of Information Communication Technologies.

In order to combat money laundering and terrorist financing activities, the RMA signed MoU with several Law Enforcement Agencies (ACC, DRC and BNCA) between July- November, 2017 to identify risks, develop policies, and strengthen cooperation and coordination at national level. In





addition, the FIU of Bhutan signed MoU with FIU of Sri Lanka, Cambodia (July 2017) and Myanmar (October 2017) to promote effective implementation of legal, regulatory and operational requirements in combating money laundering and terrorist financing at the international level.

As of now, Bhutan has signed MoU on AML/CTF with five countries including the People's Republic of Bangladesh and Republic of

Korea.

Following the emphasis on promoting small and medium enterprises in the International Financial Inclusion Summit, the RMA embarked on two important endeavors – drafting the rules and regulations for Cottage and Small Industries (CSI) Banks and formulating the Priority Sector Lending Guidelines. The CSI sector has been recognized by the Government as one of the five economic jewels of Bhutan, given its potential to boost domestic production, increase employment and contribute to inclusive growth. The rules and regulations for CSI banks will be implemented from January 2018.

# **FIU MoU Signed**

- July 19, 2017: Cambodia
- July 16, 2017: Sri Lanka
- October 31, 2017 Myanmar
- Bangladesh and South Korea

The *Priority Sector Lending (PSL) Guidelines* is the outcome of the vision of His Majesty the Druk Gyalpo as articulated during His Majesty's National Day Address in Trongsa in December 2016, wherein, the opportunities that the financial sector can create for our youths and farmers in entrepreneurship and commercial farming were highlighted.

The PSL Guidelines is an integrated approach to promote access to finance through collaboration, coordination and consolidation of interventions of the government and financial institutions to stimulate the Cottage and Small Industries (CSI) sector towards achieving Bhutan's overarching national goal of sustainable and inclusive socio- economic development.

# 17 December 2016

During the 109th National Day celebration in Trongsa in December 2016, His Majesty the Druk Gyalpo articulated the opportunities for entrepreneurship and commercial farming and the role that the financial sector can play in improving access to finance for our youths and rural populace.



**2** January 2017



Since then, the RMA has been working closely with several Govt. ministries and agencies & financial sector to translate and implement His Majesty's aspiration. And also as empowered by the RMA Act 2010, the RMA initiated drafting of the **Priority Sector Lending (PSL)** from January,2017

# 3

# **June 2017**

In June 2017, the draft PSL Gudelines was presented to the RMA Board, and 126th of the ofDirector RMA Board approved the PSL Guidelines for implementation from 2018. with six -month a preparation time.



4

# **August- October 2017**



The RMA had several consultative meetings with Government Agencies (MoAF, DCSI, NLC, NEC MoF & BAFRA) to discuss on the regulatory clearance process and Financial institutions on lending target, interest rate and insurance product under the PSL. To facilitate the regulatory clearance and credit service, the **Special Technical Window Services** under the Govt. agecnies and **Special Credit Channels** under the Financial Institutions were established respectively.

5

# 26 October 2017

The Financial Institutions Training Institute (FITI) in colloboration with the RMA **PSL** conducted a training the stakeholders program to (Govt. agencies and FIs). The program was launched by the Hon'ble Finance Minister.



# 6 31 October 2017

PSL Presentation to Lhuengye Zhuntshog on 31 October 2017

The PSL Guidelines was presented to the Lhuengye Zhungtsho on 31 October 2017.

# 7 13 December 2017

13 December , 2017 Launch of PSL Guidelines at Simtokha Dzong, Thimphu by H.E Prime Minister of Bhutan



**3** January 2018



January 2018, Implementation of Priority Sector Lending (PSL) Guidelines

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## ABBREVIATIONS AND SYMBOLS

### **Abbreviations**

ADB Asian Development Bank
ACC Anti-Corruption Commission
ATM Automated Teller Machine

AML/CFT Anti-Money Laundering and Combating the Financing of Terrorism

BAFRA Bhutan Agriculture and Food Regulatory Authority
BAOWE Bhutan Association of Women Entrepreneurs

BDBL Bhutan Development Bank Limited

BEFIT Bhutan Economic Forum for Innovative Transformation

BHP Basochhu Hydropower Plant
BIL Bhutan Insurance Limited

BIPS Bhutan Immediate Payment Service

BMPC Board-Management Performance Commitments

BNBL Bhutan National Bank Limited
BNCA Bhutan Narcotic Control Agency

BOBL Bank of Bhutan Limited
BOP Balance of Payments
BPC Bhutan Power Corporation

BPM6 Balance of Payments Manual (Sixth edition)

CC Convertible Currency
CHP Chhukha Hydropower Plant
COTI Countries Other Than India
CPI Consumer Price Index
CRR Cash Reserve Ratio

CSI Cottage and Small Scale Industries

CY Calendar Year (Jan-Dec)

DFI Development Financial Institution
DHI Druk Holding and Investments
DHP Dagachhu Hydropower Project

DPA Department of Public Accounts, Ministry of Finance

DPNBL Druk PNB Bank Limited

DRC Department of Revenue and Customs
DSBPL Drukyul Securities Broker Private Limited
DSCI Department of Small & Cottage Industry

**EPC Employee Performance Commitments** 

**FCBL** Food Corporation of Bhutan Limited

Foreign Direct Investment **FDI** FIs Financial Institutions

**FITI** Financial Institution Training Institute

FIU Financial Intelligence Unit FY Fiscal Year (July-June)

**GBRL** GIC-Bhutan Re. Limited **GDP Gross Domestic Product** 

**GEPF** Government Employees Provident Fund

**GMW** Global Money Week **GNH Gross National Happiness** Government of India GOI **GST** Goods & Services Tax **GVA** Gross Value Addition

IDA International Development Association (World Bank) **IFAD** International Fund for Agricultural Development (UN)

International Finance Corporation **IFC** IIP **International Investment Position IMF** International Monetary Fund

INR Indian Rupee

IPO **Initial Public Offering** 

**JBIC** Japan Bank of International Cooperation

**JMCL** Jigme Mining Company Limited

**KFAED** Kuwait Fund for Arab Economic Development

**KHP** Kurichhu Hydropower Plant

**LFPR** Labour Force Participation Rate

**LPG** Liquid Petroleum Gas

M0Reserve Money Narrow Money M1 **Broad Money** M2

**MDPC** Management-Department Performance Commitments

MHPA Mangdechhu Hydroelectric Project Authority

Minimum Lending Rate MLR

**MOF** Ministry of Finance

MoAF Ministry of Agriculture & Forestry **MOU** Memorandum of Understanding

MW Megawatt

NBFI Non-Bank Financial Institution NEC National Environment Commission

NFA Net Foreign Assets

NFIS National Financial Inclusion Strategy

NLC National Land Commission NPL Non Performing Loans

NPPF National Pension and Provident Fund NPPFP National Pension and Provident Fund Plan

NPP National Pension Plan NRB Non-Resident Bhutanese NSB National Statistics Bureau

PCB Private Commercial Bank
PFP Provident Fund Plan
PIT Personal Income Tax

PMS Performance Management System

PoS Point of Sale

PPI Producer Price Index

PPN Purchasing Power of Ngultrum

PSL Priority Sector Lending

RBI Reserve Bank of India

REDCL Rural Enterprise Developments Corporation Limited RENEW Respect, Educate, Nurture and Empower Women

RGOB Royal Government of Bhutan

RICBL Royal Insurance Corporation of Bhutan Limited
RIGSS Royal Institute For Governance and Strategic Studies

RMA Royal Monetary Authority of Bhutan

RSEBL Royal Securities Exchange of Bhutan Limited

SAARC South Asian Association for Regional Cooperation

SBI State Bank of India

SCBs State-owned Commercial Banks

SDC Swiss Agency for Development and Cooperation

SDR Special Drawing Rights

SDGs Sustainable Development Goals
SME Small and Medium Scale Enterprise

TBL T Bank Limited

TCB Tourism Council of Bhutan THP Tala Hydropower Plant

UNCDF United Nations Capital Development Fund
UNDP United Nations Development Programme
UNWTO United Nations World Tourism Organization

UTB Unit Trust of Bhutan

ZFPL Zimdra Food Private Limited

# **Statistical Abbreviations and Symbols**

e estimated

p provisional

r revised estimates

the figure is zero or less than half the final digit shown or the item does

not exist or the figure is not available

the figure is unknown or is not meaningful or is not to be published

--- change within a time series, causing a break in continuity

() negative

₹ Indian Rupee

*Note: Discrepancies in the totals are due to rounding.* 

# SECTION I ECONOMIC REVIEW

# KEY ECONOMIC INDICATORS OF BHUTAN

Indicator	2012/13	2013/14	2014/15	2015/16	2016/17
GDP Growth and Prices (percent change)					
GDP at Constant (2000) Price (a), (b)	5.07	2.14	5.75	6.60	7.99
Consumer Prices - June quarter (b)	5.51	8.55	5.19	3.31	5.45
Wholesale Prices (India) - June quarter (c)	3.81	5.13	(3.11)	(0.69)	2.33
Tribicodic Filoso (maia) Camo quanto (c)	0.0.	00	(0111)	(0.00)	2.00
Government Budget (in millions of Nu.) (d)					
Total Revenue and Grants	30,656.1	37,819.1	36,231.1	42,039.3	47,890.08
Of which: Foreign Grants	9,562.6	14,236.4	9,955.0	14,889.6	17,897.05
Total Expenditure and Net Lending	34,900.8	33,522.8	34,334.3	43,603.0	54,380.43
Current Balance	2,996.9	5,641.6	5,244.0	4,269.1	4,322.43
Overall Balance	(4,244.7)	4,296.3	1,896.8	(1,563.7)	(6,490.35)
(in percent of GDP)	(4.4)	4.1	1.6	(1.2)	(4.06)
Money and Credit (percent change, end of period)					
Broad Money, M2	18.6	6.6	7.8	15.8	31.52
Credit to Private Sector	7.1	6.4	14.0	14.7	15.39
Interest Rates (end of period)					
One Year Deposits	5.0-6.5	5.0-6.5	4.0-7.0	4.0-6.5	5.0-6.0
Lending Rate	10.0-16.0	10.0-16.0	11.7-17.0	11.7-15.0	8.0-14.0
91-day RMA Bills/ Treasury Bills	3.0	2.3	0.1	5.5	0.65
91-day Treasury bills (India)					
Balance of Payments (in millions of Nu.)					
Trade Balance(Goods)	-20708.5	-24220.0	-26693.3	-37481.3	(31,136.4)
With India	-17468.84	-17362.45	-18993.66	-28878.42	(24,303.76)
Current Account Balance	(25,761.64)	(29,741.96)	(35,664.74)	(43,758.84)	(36,341.5)
(In percent of GDP)	(26.43)	(28.22)	(29.83)	(33.13)	(24.44)
With India	(26,616.41)	(25,775.01)	(30,177.11)	(39,290.51)	(34,861.55)
(In percent of GDP)	-27.3	-24.5	-25.2	-29.7	(23.4)
RGOB Loans	17933.7	18716.2	24217.7	37617.5	23,159.3
Of which: India	14,275.7	16,353.6	22,890.0	37,154.1	20,683.94
Errors and Omissions	2,661.8	1,773.2	(1,254.0)	1,452.9	(1,852.2)
Overall Balance	9,212.2	4,280.5	(570.8)	13,746.1	(1,565.3)
(In percent of GDP)	9.5	4.1	(0.5)	10.4	(1.1)
External Indicators (end of period)					
Gross Official Reserves in millions of USD	916.9	997.9	958.5	1118.8	1,106.7
Reseves in months of merchandise imports	13.0	12.6	11.7	13.3	1,100.7
External Debt outstanding (USD millions)					
External Debt (percent of GDP)	1,606.8 98.4	1,759.0 100.3	1,854.6 98.9	2,315.6 118.6	2,505.43 108.64
CC debt outstanding (USD millions)		628.95	581.21		
CC debt (percent of GDP)	579.32 35.5	35.9	31.0	609.00 31.2	663.22 28.76
Rupee debt outstanding (INR millions)		67,870.2	81,183.6	115,393.8	
Rupee debt outstanding (INK millions) Rupee debt (percent of GDP)	61,341.7 62.9	64.4	67.9	87.4	118,770.09 79.88
Debt-Service Ratio (e)	229.2	27.2	19.8	14.5	24.87
Dent-Del vice I (alio (e)	223.2	21.2	19.0	14.5	24.07

Indicator	2012/13	2013/14	2014/15	2015/16	2016/17
Memorandum Items					
(in millions of Nu. unless otherwise indicated)					
Nominal GDP (a), (b)	97,453.0	105,378.35	119,545.75	132,080.85	148,678.93
Ngultrum per USD (fiscal year average)	54.9	61.47	62.05	66.32	66.43
Money Supply, M2 (end of period)	59,451.2	63,387.80	68,344.29	79,160.88	104,113.59
Money Supply, M1 (end of period)	37,794.1	39701.8	41675.5	44931.8	60,723.28
Counterparts					
Foreign Assets (Net)	48,566.4	53,886.5	58,248.7	67,815.6	68,476.01
Domestic Credit	52,432.3	52,299.0	56,255.1	65,692.7	85,084.84
Claims on Private Sector	46,824.6	49,838.7	56,820.5	65,157.2	75,185.09
Components					
Currency Outside Banks	5,681.2	5,704.6	5,946.1	6,101.7	8,787.66
Transferable Deposits	32,112.9	33,997.3	35,729.4	38,831.9	51,935.62
Other Deposits	21,657.1	23686.0	26668.8	34229.1	43,390.31
Reserve Money, M0 (end of period)	23,997.4	26638.2	26248.8	27802.9	34,327.86
Currency Issued					
of which: Banks' Deposits	16,607.6	18,543.7	16,916.6	18,132.0	22,798.9
Money Multiplier (M2/M0)	2.5	2.38	2.60	2.85	3.03
Income Velocity (GDP/M2)	1.6	1.7	1.7	1.7	1.43
Population Growth Rate (a) (b)	3.0	1.5	1.3	1.3	1.30
Unemployment Rate (a) (f)	2.1	2.9	2.6	2.5	2.50

a) On a calendar year basis (eg: entry under 2015/16 is for 2015). b) Source: National Statistics Bureau c) Source: Reserve Bank of India. Wholesale Price Index of All Commodities, Base = 2004-05. Effective August 2010, the RBI revised the base year from 1993-04 to 2004-05, creating a break in the continuity and comparison of data. The newly-recalculated WPI commences from April 2004; reference period same as for Bhutan CPI. d) Data for 2015/16 are revised estimates. e) Debt service payments in percent of exports of goods and services. f) Updates sourced from Labour Force Survey Report (2015), MOLHR.

### MACROECONOMIC PERFORMANCE

Despite slowdown in the global economy resulting from weak global demand and investment, and falling productivity, as well as the transient impact of the demonetization in India, Bhutan maintained strong economic growth momentum in 2016, reflecting minimal pass through effects. The upward growth trajectory was underpinned by macroeconomic stability characterized with low inflation, narrowing external and fiscal gaps and domestic financial sector.

Gross financial savings in real terms also improved as a result of low inflation accompanied by decreased consumption demand. Improvements in the current account balance and positive net inflows, have also contributed to strong gross international reserve position.

On the fiscal front, fiscal consolidation and buoyant business optimism provide opportunities for productive capital investment in order to further accelerate growth.

Policy attention in 2016/17 shifted to addressing structural constraints in boosting the supply side dynamics. Monetary policy remained accommodative with change in interest rate policy resulting in a general softening interest rate and increase emphasis on financial inclusion. In particular, the Priority Sector Lending (PSL) Guidelines aim to stimulate the cottage and small Industries (CSI) sector as the engine of economic transformation through improved access to finance. In addition, the licensing of micro finance institutions and agent banking is expected to contribute towards inclusive growth.

Despite strong economic growth, the economy faces downside risks with a persistently high current account deficit, high public debt and youth unemployment. Lower productivity in the agriculture sector which engages more than 60 percent of our population also warrants policy interventions.

# Assessment of Bhutanese Economy FY 2016/17

Strong economic growth at 7.99 percent in 2016, the highest in the SAARC region, was anchored by high domestic demand mainly through government expenditure, in particular, increased capital investment on infrastructure. However, private consumption declined by 2.60 percent as well as private construction owing to winding up of hydropower construction activities.

On the supply side, expansion continued to be led by the construction and service sector, driven by government investment and domestic credit. A record increase in tourist arrivals (35.0%) in 2016, helped to expand the contribution of transports, hotel and restaurant contributing in the service sector. However, growth in agriculture sector slowed at 3.65 percent as compared to 5.07 percent in 2015.

With the picked up in plan activities, fiscal deficit in the fiscal year 2016/17 increased to 4.06 percent of GDP (Nu.6.49 billion) from 1.10 percent of GDP (Nu.1.56 billion) in FY 2015/16.

Capital expenditure expanded by 40.40 percent, mainly because of infrastructure spending for roads, buildings, bridges, irrigation, and water supply.

Inflation was at a record low of 3.22 percent in 2016 following the adoption of inflation targeting in India and fall in oil and commodity prices in the global market. Domestic inflation contributed about 65.0 percent of overall CPI inflation compared to 35.0 percent from imported inflation. Credit to the private sector increased by 15.40 percent following with the softening of interest rate as a result of the implementation of the minimum lending rate.

The current account deficit improved from 33.13 percent of GDP in FY 2015/16 to 24.44 percent of GDP on account of fall in private consumption and hydro related imports as well as growth in exports by 12.45 percent in FY 2016/17. Due to fall in non-hydro debt, the external debt position improved from 118.60 percent in FY 2015/16 to 108.64 percent of GDP in FY 2016/17. As a result, gross international reserves stood at USD 1,106.72 million, equivalent to 10.22 months of total imports coverage.

# **Macroeconomic Prospects FY 2017/18**

In the near term, the economy is expected to maintain its growth trajectory supported by sustained government investment, commissioning of hydropower project (MHPA), affordable finance for private investment, modest inflation and stable external environment. Given the strong economic integration with SAARC countries, particularly with India, higher growth perspective in India and the South Asia region will heighten growth expectations in Bhutan.

Higher budget appropriation for the final year of the 11<sup>th</sup> five-year plan (FY 2017/18) will continue to sustain domestic demand, followed by implementation of fiscal incentives while the revised economic development policy 2016 is expected to stimulate economic activities.

The emphasis on financial inclusion policy, in particular, priority sector lending, will support economic diversification, thereby helping to correct existing structural issues.

With declining of hydropower investment, the current account deficit is expected to further improve over the medium term. Similarly, gross international reserves is projected to expand, equivalent to more than one year of total imports coverage.

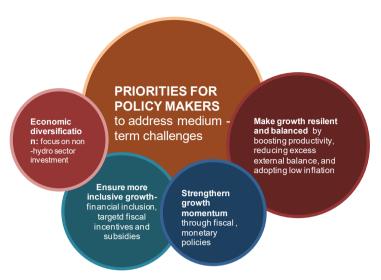
Given the size and importance of hydropower in economy, further delays in the commissioning of upcoming projects will have significant impact on macroeconomic prospects. Decrease in hydropower investment and lack of investment in other sectors will have adverse impact on growth prospects. Higher fiscal deficit of 2.47 percent of GDP (Nu.4.45 billion) in FY 2017/18 will limit medium term fiscal space with crowding out effects.

Constant expansion in domestic credit, largely for unproductive sectors such as housing and personal consumption may put financial sector at higher risk and increase external

imbalances. The implementation of GST in India will negatively impact on the terms of trade, weakening export competitiveness.

Effective domestic revenue mobilization and expenditure rationalization over the medium term will be paramount to offset the impact of any further delays in commissioning of upcoming hydropower projects.

A proper government-borrowing plan needs to be instituted to minimize the future cost of borrowing. Channeling of credit to productive sectors through



effective monetary policy interventions is required for supporting productive growth.

### 1. REAL SECTOR

The real GDP growth maintained its upward trajectory, expanding by 7.99 percent during 2016 as compared to 6.60 percent in 2015. The growth was the highest during the last five years. The major thrust came from the tertiary sector, recording 10.48 percent against 5.45 percent growth in 2015. This rebound was enabled by an impressive recovery in the transport and finance sub-sectors, which grew by 11.20 percent and 10.70 percent respectively.

In **nominal** terms, GDP increased by 12.57 percent to Nu.148.67 billion in 2016 from Nu.132.08 billion in 2015.

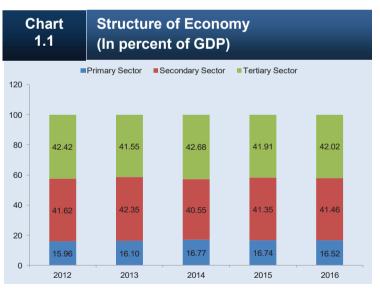
Table 1.1	Real GDP Growth by Ma	jor Economic	Sectors			•
Item		2012	2013	2014	2015	2016
Gross Domestic Pr	roduct	5.07	2.14	5.75	6.60	7.99
Primary Sector		2.25	2.40	2.37	5.07	3.65
Secondary Sector		6.77	3.90	3.71	8.22	6.79
Tertiary Sector		4.29	0.30	8.91	5.45	10.48

Source: National Statistics Bureau. Discrepancies in the figures are due to rounding.

The development of the production account over the long term demonstrates very marginal structural changes as illustrated in Chart 1.1.

Amongst the 3 broad sectors, tertiary sector continuously recorded the highest share in the economy with 42.02 percent in 2016, followed by secondary sector at 41.46 percent and primary sector at 16.52 percent.

Similarly, in terms of contribution to real GDP growth, the service sector

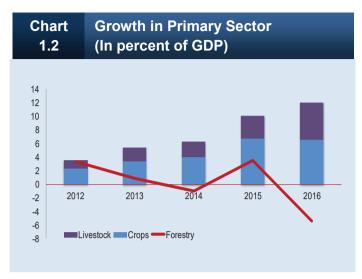


contributed the highest accounting for 4.55 percent followed by secondary sector at 2.98 percent and primary sector at 0.46 percent. Primary sector contribution has been the lowest, mainly affected by the forestry and logging sub-sector recording minimal and negative contribution to growth.

### 1.1 Primary Sector (Agriculture, Livestock and Forestry)

In 2016, primary sector growth decelerated to 3.65 percent, down by 1.43 percentage points from 5.07 percent in 2015. The lower rate of growth is attributed by poor performance in the **forestry & logging** sub-sector (negative 5.42 percent gowth). The share of sector to the total economy was recorded at 16.52 percent in 2016.

**Crops**, the largest sub-sector accounts for more than half of the value



addition by agriculture sector, remains the main driver of the primary sector's growth in 2016 recording a growth of 6.54 percent with growth contribution of 0.41 percent, almost the same as in 2015. The growth is attributed by increased production of potato, chilli and paddy.

Despite 5.54 percent growth in livestock sub-sector, its share to GDP decreased marginally by 0.07 percentage points as compared to 2015.

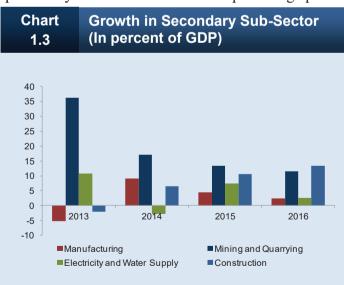
### 1.2 Secondary Sector (Industry)

**Industry sector** has been one of the main growth drivers. It observed a growth of 6.79 percent in 2016 from 8.22 percent in the previous year and contributed 2.98 percentage points

to the GDP growth.

Within the sector, the leading growth driver was the **construction subsector** which recorded a growth of 13.31 percent, up by 2.72 percentage points in 2015. This sub-sector contributed 2.98 percentage points to the GDP growth.

Electricity and water supply subsector registered a decelerated growth of 2.64 percent in 2016 from 7.43 percent, a drop of 4.79 percentage points from the previous year.



Correspondingly, the share of this sub-sector to nominal GDP decreased from 14.33 percent to 13.38 percent in 2016.

During the period, good monsoon resulting in higher generation in hydropower (Table 1.2)

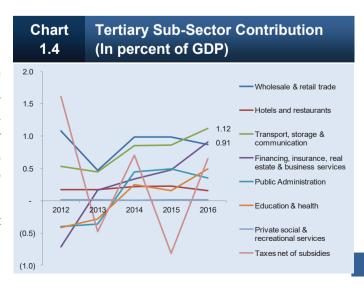
contributed to the growth in the sector. Total energy sales (exports and domestics sales) from the 5 hydropower plants in 2016 increased by 2.20 percent from the previous year. Contributions to total electricity sales were as follows: THP at 49.29 percent (54.41 percent in 2015), followed by CHP at 36.58 percent (31.06 percent in 2015), BHP at 3.21 percent (3.13 percent in 2015), KHP at 2.44 percent (4.34 percent in 2015) and DHP at 8.48 percent (7.06 percent in 2015). The export of electricity to India increased by 2.41 percent in 2016, from Nu.11.76 billion in previous year to Nu.12.04 billion. Similarly, the overall domestic sales recorded a growth of 0.95 percent in 2016. A detailed report on Bhutan's hydropower sector is presented in a separate report.

	nutan's Hyd n Millions of		oduction		
	2012	2013	2014	2015	2016
Basochhu	299.78	333.20	306.30	312.70	328.70
Chhukha	1,744.54	1,910.10	1,798.00	1,867.40	1,931.00
Kurichhu	360.93	378.60	368.00	381.90	384.00
Tala	4,405.48	4,914.60	4,675.00	4,823.60	4,924.51
Dagachhu				349.61	374.23
TOTAL	6,810.73	7,536.50	7,147.30	7,735.21	7,942.44
	Percent Cl	hange over F	Previous Yea	nr	
Basochhu	(6.98)	11.15	(8.07)	2.09	5.12
Chhukha	(1.67)	9.49	(5.87)	3.86	3.41
Kurichhu	(0.24)	4.90	(2.80)	3.78	0.55
Tala	(3.98)	11.56	(4.88)	3.18	2.09
Dagachhu					7.04
TOTAL	(3.34)	10.66	(5.16)	8.23	2.68

Likewise, the **mining & quarrying and manufacturing** sub-sector also recorded a decelerated growth of 11.47 percent and 2.62 percent respectively. The growth in the mining & quarrying slackened by the underperformance of dolomite mine, gypsum and talc mine. Whereas, manufacturing was led by decelerated growth in chemical, metal related industries and wood-based industry.

### **1.3** Tertiary Sector (Services)

Amongst the major sectors in the economy, **Services sector** registered a robust growth of 10.48 percent in 2016 from 5.45 percent in 2015, up by 5.03 percentage points contributing to the upward trajectory of real GDP growth. Its share to nominal GDP also increased marginally to 42.02 percent in 2016 from 41.91 percent in 2015.



Significant contribution to the sector's growth came from **Transport**, **storage & communication and financing**, **insurance**, **real estate & business services** sub-sectors in 2016 followed by **education and health**.

On the other hand, wholesale & retail trade and public administration recorded a fall in real contribution to GDP growth during the year at 0.87 percent and 0.35 percent respectively.

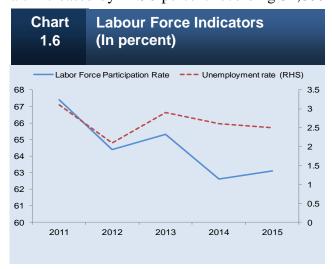
**Hotels & restaurants** sub-sector averaged in the past five years, in terms of growth contribution at 0.19 percent. The performance of the **hotels and restaurants** is mainly contingent on the number of tourist arrivals in the country.

The number of tourist arrivals<sup>1</sup> during 2016 was recorded at 209,570 registering a growth of 35 percent over 2015. The tourism industry in general did extremely well as indicated by increased tourist earnings, higher occupancy rates, and surge in regional visitors from India (94 percent) and Bangladesh (6 percent). In 2016, the international to regional visitor ratio was at 30:70, with growth rates more significant for the regional segment.



International (US \$ paying) leisure visitor arrivals increased by 11.90 percent recording 54,600

arrivals in 2016. Correspondingly, there was an increase in the foreign exchange revenue collection by 4 percent from US\$ 71.04 million in 2015 to US\$ 73.74 million. Data on tourist arrivals and revenues is presented in statistical Table 5 while a detailed description of developments in the Bhutanese tourism sector is presented in report on key sectors.



<sup>&</sup>lt;sup>1</sup>This figure includes international, regional, business, official and FAM visitors.

### 1.4 Unemployment

Bhutan's unemployment rate over the past 5 years stood at an average of 2.6 percent as indicated in Chart 1.6. In 2015, the unemployment rate was relatively low, at 2.5 percent of the labor force, a marginal decline from 2.6 percent from the previous year. Nonetheless, the unemployment problem is serious in some segments of the labor market. In particular, Bhutan's youth unemployment and urban unemployment are much higher. In general, female experienced higher unemployment rate compared to their male counterpart across the years.

In terms of **labour force participation rate** (LFPR), it has increased slightly from 62.6 percent in 2015 to 63.1 percent. As usual, the male LFPR continue to record high rate compared to their female counterpart. Similarly, the rural LFPR also registered a higher rate in comparison to the urban area.

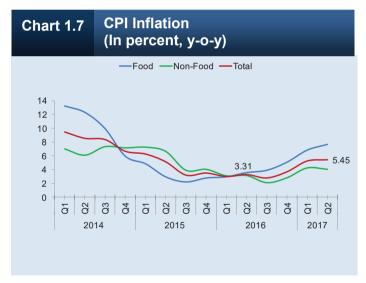
### 1.5 Inflation

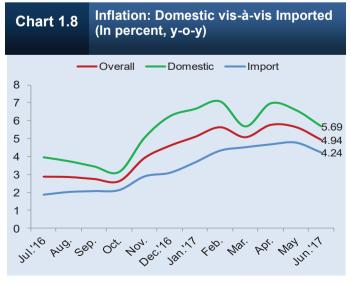
CPI Inflation has grown significantly in FY 2016/17 following the price movements in India

and the world market. Bhutan's prices broadly follow movements in India, as most of the goods are India imported from and Bhutanese ngultrum is pegged oneto-one to the Indian rupee. The overall CPI inflation rose to 5.45 percent in Q2, 2017 (y-o-y) from 3.31 percent during the same quarter last year. Higher inflation was an outcome of both an increase in domestic demand and temporary issues in the supply chain which led to higher food inflation.

As illustrated in Chart 1.7 and Tables 1.5 and 1.6, the gradual rise in inflation was reflected particularly in prices of food items which have mainly contributed to the increase in the CPI inflation. Food items that largely attributed to the upward trend of inflation over the period were vegetables, fish, fruits and meat items.

Among the non-food items, housing, water, electricity, gas & other fuels; clothing & footwear and education contributed to the rise.





For the last three years, in spite of rapid slowdown in overall inflationary trends, the domestic inflationary pressure outweighed imported inflation in the last 12 months (refer Chart 1.8). The contribution of domestic inflation increased rapidly over the period moving the overall CPI up compared to imported items.

Out of the present market basket of 151 items (436 varieties), domestic goods and services comprises of 48.01 percent and 51.99 percent of imported items. Which implies that 48.01 percent of the CPI inflation will be controlled by the domestic policies while, 51.99 percent will continue to be guided by the RBI inflation targets and GoI policies.

Overall **PPI inflation** measured by average price change in goods and services grew by 5.29 percent in Q2 2017 compared to negative 3 percent in the previous year. The increase in prices was mainly contributed by transport sector by 7.98 percent, followed by manufacturing at 6.73 percent, electricity, gas, steam & air conditioning supply at 4.29 percent, logging at 2.48 percent and mining & quarrying at 1.65 percent. Meanwhile there was no change in the prices of water supply, sewerage, waste management & remediation activities and information & communication (Refer table 1.3 for details).

In terms of the annual movements in the PPI (Table 1.3 and 1.4), the year-on-year percent change in the PPI by **industry** was recorded at 5.29 percent for June 2017 up from 3 percent in previous year. The increase was mainly due to significant increase in transport and manufacturing sector whereas the other sectors grew moderately except for water supply, sewerage etc. and information & communication which remained unchanged.

Table 1.3	PPI Percenta	ge Cł	nang	e by	Indu	stry								
		Weights		Index le	evel (Sept	tember 20	11=00)		Mont	hly Inflation	า (%)	Annı	ual Inflation	ı (%)
S	ectors	(%)	Apr-16	May-16	Jun-16	Apr-17	May-17	Jun-17	Apr-17	May-17	Jun-17	Apr-17	May-17	Jun-17
All Industry		100.0	114.3	113.7	113.5	119.8	119.6	119.5	1.4	-0.2	-0.1	4.8	5.2	5.3
Logging		0.7	131.5	131.5	131.5	134.8	134.8	134.8	0.0	0.0	0.0	2.5	2.5	2.5
Mining and quarrying		5.8	124.3	124.3	123.8	127.4	127.5	125.9	-0.3	0.1	-1.3	2.5	2.5	1.7
Manufacturing		47.7	114.4	113.2	112.7	120.7	120.4	120.3	3.1	-0.3	-0.1	5.5	6.3	6.7
Electricity, gas, steam an	d air conditioning supply	35.4	115.0	115.0	115.0	119.9	119.9	119.9	0.0	0.0	0.0	4.3	4.3	4.3
Water supply; sewerage, remediation activities	waste management and	0.1	109.4	109.4	109.4	109.4	109.4	109.4	0.0	0.0	0.0	0.0	0.0	0.0
Transport		5.9	118.5	118.7	118.9	128.4	128.3	128.4	-0.6	0.0	0.0	8.4	8.1	8.0
Information and communi	cation	4.5	89.8	89.8	89.8	89.8	89.8	89.8	0.0	0.0	0.0	0.0	0.0	0.0

Source: National Statistics Bureau. (Note: An entry of "0.0" indicates a marginal value compared to "-" which indicates no value for that particular item)

Table 1.4	PPI Percenta	ge Cl	nang	e by	Proc	luct								•
		Share		Index le	evel (Sept	tember 20			Mont	hly Inflation	$\overline{}$	Annı	ual Inflation	า (%)
	cription	(%)	Apr-16	May-16	Jun-16	Apr-17	May-17	Jun-17	Apr-17	May-17	Jun-17	Apr-17	May-17	Jun-17
All Products		100.0	114.3	113.7	113.5	119.8	119.6	119.5	1.4	-0.2	-0.1	4.8	5.2	5.3
Logging		0.7	131.5	131.5	131.5	134.8	134.8	134.8	0.0	0.0	0.0	2.5	2.5	2.5
Ores and minerals; electric	city, gas and water	5.8	124.3	124.3	123.8	127.4	127.5	125.9	-0.3	0.1	-1.3	2.5	2.5	1.7
Food products, beverages	and tobacco; textiles,													
apparel and leather produc	ots	3.6	110.7	110.8	110.8	112.6	112.4	112.4	0.3	-0.2	0.1	1.7	1.5	1.4
Other transportable goods	, except metal products,													
machinery and equipment		15.4	121.6	121.7	121.1	126.1	127.3	127.4	3.4	1.0	0.1	3.7	4.6	5.2
Metal products, machinery	and equipment	28.8	111.2	109.2	108.7	119.0	117.8	117.6	3.4	-1.0	-0.2	7.0	7.8	8.2
Distributive trade services	; accommodation, food and													
beverage serving services	; transport services; and	41.3	115.5	115.5	115.5	121.1	121.1	121.1	-0.1	0.0	0.0	4.9	4.8	4.8
electricity, gas and water of	listribution services													
Business and production s	services	4.5	89.8	89.8	89.8	89.8	89.8	89.8	0.0	0.0	0.0	0.0	0.0	0.0

According to the year-on-year percentage change by product in PPI for June 2017, metal products, machinery & equipment registered the highest growth by 8.24 percent; followed by other transportable goods, except metal products, machinery and equipment by 5.20 percent; distributive trade services, accommodation, food & beverage serving services, transport services. electricity, gas & water distribution services bv 4.80 logging by 2.48 percent; ores & minerals etc. by 1.65 percent and food products, beverages and tobacco, textiles, apparel & leather products by 1.44 percent. Except for business & production services which remained unchanged.

The PPN, as measured by CPI, was recorded at 77 Ngultrum as of June 2017. This implies that Ngultrum 100 in June 2017 was worth only Ngultrum 77 at December 2012 prices. The Ngultrum value depreciated by 23 percent in the past 12 months due to price rise in the economy.

Table 1.5	CPI: Major Component Ir	ndicators		
		<i>Year-or</i> Weight %	n-year % ( Q2 2016	change Q2 2017
Consumer Pr 2012=100)	ice Index (Q2	100.00	5.20	3.30
Of which				
Food & non-	alcoholic beverages	36.88	3.65	8.19
Alcoholic be	verages, tobacco & narcotics	3.03	2.17	1.48
Clothing & fo		9.20	3.06	4.03
other fuels Furnishing, h	ter, electricity, gas &	21.70 2.22	3.61 1.97	6.65 1.34
routine house	ehold maintenance	4 67	0.78	0.77
Health Transport		4.67 11.98	0.78 4.77	3.25
Communicat	tion	3.03	0.04	0.01
Recreation 8		2.35	(0.85)	1.50
Education		1.64	6.97	3.63
Restaurants	& hotels	1.24	3.34	2.16
Miscellaneou	us goods & services	2.06	2.53	1.53

Source: National Statistics Bureau.

Table 1.6	Selected CPI	Food-Com <sub>l</sub>	ponen	t Indi	cator	's	
				Yea	r-on-yea	r % char	nge
		Weight %	Feb'17	Mar	Apr	May	Jun'17
Consumer Price Inc	lex (Q2						
Food		39.90					
	Bread & cereals	9.72	5.30	5.56	5.15	5.52	4.69
	Meat	3.10	3.97	4.36	5.08	5.22	4.83
	Fish	1.06	7.97	12.95	12.47	12.77	11.93
Mi	lk, cheese & eggs	6.88	2.02	(6.83)	1.66	1.77	0.53
	Oils & fats	3.19	1.44	2.43	2.84	2.65	2.03
	Fruits	1.68	6.27	5.96	7.23	6.63	6.01
	Vegetables	7.83	18.25	26.23	28.70	26.76	21.35
Sug	ar, honey, jam etc.	0.98	2.70	2.40	2.60	2.17	1.72
F	ood products n.e.c	0.64	4.87	4.62	4.81	4.67	3.13
Coff	ee, tea and cocoa	0.68	1.91	1.98	2.14	2.66	1.96
Mineral water, so	t drinks and juices	1.11	3.02	2.93	2.62	1.64	1.19
	Spirits	0.65	1.40	1.24	1.24	1.29	0.97
	Wine	0.44	(0.02)	(0.02)	(0.02)	0.01	0.01
	Beer	0.56	0.89	1.19	1.42	1.07	0.91
	Narcotics	1.38	2.74	2.13	2.87	1.88	1.99

Source: National Statistics Bureau.

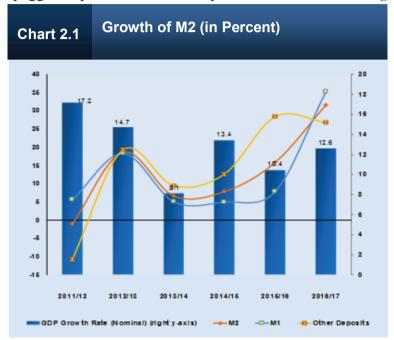
### 2. Monetary and Financial Sector Developments\*

### 2.1 Monetary Sector

The RMA pursued growth supportive, inclusive and investment friendly monetary policy in the year 2016/17. The Ngultrum has been pegged at par to the Indian Rupee in a Conventional Peg

arrangement. The fixed exchange rate serves as an explicit nominal anchor and the intermediate target for achieving and maintaining price stability in Bhutan. With the view of curtailing the possible buildup of demand pressure on external sector arising from monetary and credit expansion, the RMA continued to operate monetary policy through capital and prudential control and reserve management.

Broad Money<sup>1</sup> (M2) grew by 31.52 percent in June 2017 compared to 15.83 percent in June 2016 mainly on account of M1. During the review year, the M1



increased by 35.14 percent. The growth in M1 was mainly contributed by higher growth in current deposits (42.01%) and saving deposits (26.91%). Despite the RMA's initiatives on digitalization of payment system, the currency in circulation outside the banks increased to Nu. 8.79 billion in June 2017 from Nu. 6.10 billion in June 2016. While, the increase in Other deposits from

Narrow money (M1) = currency outside banks + transferable deposits (comprising of current and savings deposits). Bank reserves are not included in M1.

The term Demand Deposits and Quasi Money have been replaced by Transferable Deposits and Other Deposits, in line with the IMF's MFSM 2000.

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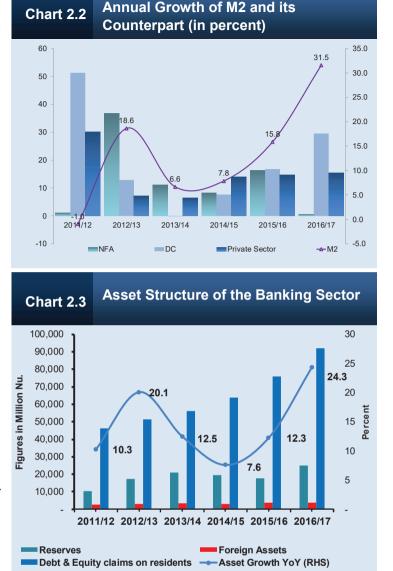
<sup>\*)</sup> For monetary analysis, the balance sheets of banks are classified within the framework of the Monetary and Financial Statistics Manual (MFSM 2000) of the IMF. Data classification and computation done by the Research and Statistics Department of the RMA are not directly comparable to those compiled and published by the Financial Regulation and Supervision Department of the RMA.

<sup>1)</sup> Broad money or M2 represents money and close substitutes for money. M2 is a broader classification of money and can be measured identically from the asset (counterpart) and liability perspectives (component) of the monetary sector. On the counterpart side, M2 = Net Foreign Assets (NFA) + Domestic Credit (DC) - Other Items Net (OINs), and from the component side, M2 = Narrow Money (M1) + Other Deposits (OD).

On the **counterpart side of the** M2, the growth in net foreign assets increased marginally by 0.55 percent in June 2017. The higher growth in Net Rupee Assets (149.24 %) was offset by fall in convertible currency (17.44 %). The decline in net convertible currency during the review period was due to shift in reserve currency composition, in line with prudential reserve management strategy.

As of June 2017, the Domestic Credit recorded 29.52 percent growth. The increase in domestic credit was contributed by growth in private sector credit (15.39%) that might have resulted from the revision of interest rate policy from Base Rate to Minimum Lending Rate (MLR). Concurrently, higher fiscal deficit (4.06% of GDP) has also contributed to the expansion of domestic credit.

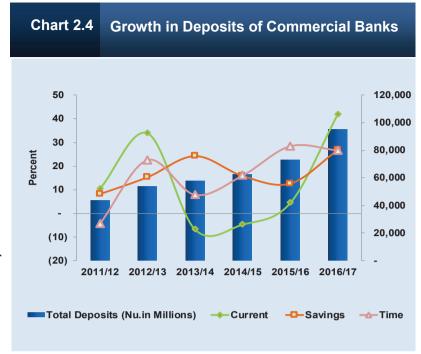
# 2.2 Development in the Banking Sector



The banking sector in Bhutan comprises state-owned commercial banks (SCBs), state-owned development financial institution (DFI), private commercial bank (PCB) and foreign direct investment banks (FDIs). As of June 2017 there are 5 commercial banks in the country, with the outreach of 128 branches.

**Assets** of banking sector totaled Nu. 121.05 billion in June 2017 up by 24.34 percent or Nu. 23.69 billion from the previous year. Reserve of the banking sector is one of the major components accounting for 20.82 percent, followed by foreign assets with 3.02 percent. The remaining 76.17 percent comprised of loans and advances and equity investment with the other resident sectors.

While, on the **liabilities** side, the total deposits including foreign currency deposits mobilized by the commercial banks have increased to Nu. 95.33 billion in June 2017 from Nu. 73.06 billion in June 2016 recording a growth of 30.50 percent. In the review year, demand deposits rose by 33.74 percent while the time deposits have increased bv percent. The rapid growth of demand and time deposits were the main factors attributing to the expansion.



From the total deposits of Nu.

95.33 billion in June 2017, private sector deposits accounted for 85.60 percent while, public sector (comprising of government and public corporation) accounted 14.40 percent.

### 2.3 Development of Non-Bank Financial Sector

The Non-Bank Financial Sector in the country consists of a pension fund (National Pension and Provident Fund) two insurance companies (Royal Insurance Corporation of Bhutan Limited and Bhutan Insurance Limited) and a non-life reinsurance company (GIC-Bhutan Re Ltd.)

The **total assets** of NBFIs (excluding NPPF and GIC-Bhutan Re Ltd) grew from Nu.17.39 billion in June 2016 to Nu.20.50 billion in June 2017 recording an annual growth of 17.92 percent. The growth was mainly attributed by increase in claims on the private sector, which has increased from Nu.15.20 billion in June 2016 to Nu. 18.43 billion in June 2017.

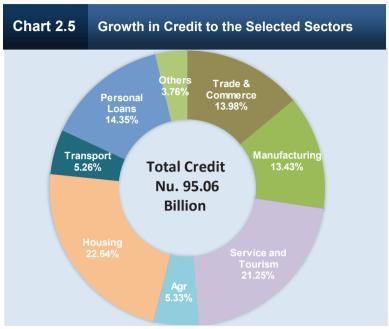
Under the **liabilities side**, the major source of the NBFIs fund are borrowing from other financial institutions. Of the total borrowing of Nu. 6.17 billion in June 2017, Nu. 3.82 billion was borrowed from the other NBFIs while the remaining Nu.2.35 billion was borrowed from the banks. Other source of the fund of the NBFIs includes sale of life and non-life insurance policy and issuance of debt instruments.

### 2.4 Development in Credit Market

Regarding the use of financial resources (banks and non-banks, excluding the NPPF), the loans and advances has increased from Nu. 86.60 billion in June 2016 to Nu.95.06 billion in June 2017.

Of the total credit, 80.71 percent amounting to Nu. 76.72 billion was financed by the commercial banks, while the remaining 19.29 percent (Nu. 18.34 billion) was funded by the non-bank financial institutions.

In terms of sector-wise distribution of loan portfolio, 22.64 percent is concentrated in housing sector followed by service and tourism with 21.25 percent (Nu. 20.2

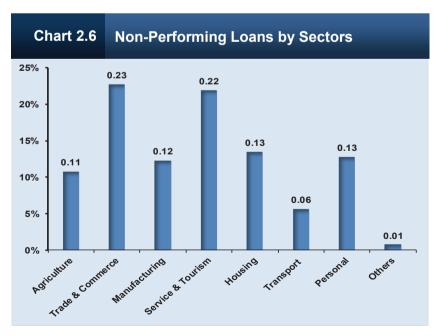


billion) and personal loan with 14.35 percent (Nu. 13.6 billion).

Loan to agriculture sector accounted only 5.33 percent (Nu. 5.07 billion) of the credit from the financial sector despite being highest economic dependent sector. Among the financial institutions, BDBL alone financed 98.70 percent of the total agriculture loan portfolio.

## 2.5 Non-performing Loans

The non-performing loan (NPL) raised from 9.10 percent in June 2016 to 11.36 percent in June 2017. However, the trend in asset quality is still manageable since the recovery of the loans begins from the third quarter of the year and the NPL usually stabilizes towards the end of the year.



From the total outstanding loan amount of Nu. 76.72 billion of the commercial banks, 12.46 percent was categorized as NPL. Likewise, from the total of Nu. 18.34 billion of the NBFIs, 6.78 percent was classified as non-performing loan.

Trade and commerce accounted for the largest portion of NPLs at 22.66 percent, followed by service and tourism (21.87%), housing (13.42%), personal (12.74%), manufacturing (12.24%), agriculture (10.73%) and transport (5.61%).

### 2.6 Developments in the Capital Market

During the period under review, a total number of 11,486,616 shares worth of Nu. 328.7 million were traded as compared to 7,289,245 shares worth of Nu.193.8 million in 2015, which include

secondary trading and bonus issues. In 2016, it was observed that none of the company issued shares through IPO.

At the end of 2016, the market capitalization of twenty-one (21) listed companies has decreased to Nu.22.7 billion from Nu. 24 billion as compared to the previous year mainly due to buyback of Bhutan National Bank (BNBL) and Jigme Mining Company Limited (JMCL) shares and fluctuation of share prices in the market.

During 2016, based on the total securities traded in terms of percentage of the value in the Secondary Market, the BNB Securities Ltd. has traded 69 percent followed by RICB Securities Ltd. with 27.4 percent, BOB Securities Ltd. with 2.7 percent, DSBPL (Drukyul Securities Broker Private Limited) with 0.8 percent and BDB Securities Ltd. with 0.1 percent.

In the bond market segment, the total outstanding bond in 2016 was worth Nu.11 billion and the maturity dates of the eighteen bonds listed on the Exchange starts redemptions from 2018 onwards till 2025. The Stock Exchange officially listed a seven-year term Zimdra Food Private Ltd. (ZFPL) bond of 500,000 units worth Nu.500 million





issued at the face value of Nu.1000, which was subscribed by seven bond holders following its issue in 2015.

### New Initiative undertaken during the year

### (i) Listing of Market Boards for SME companies

In order to provide the Small and Medium Enterprises (SME) an opportunity to raise fund from the Capital Market and support the Government's effort to encourage cottage industries, based on the IPO regulation and Paid-up Capital requirements, the Board of the RSEB has created a separate Market Board for SME companies, categorized namely as Main Board and SME Board. The Main Board includes a group of large companies with minimum paid up capital of Nu. 10 million, having more than 25 public shareholders, holding above 25 percent equity shares. While SME Board include a group of small and medium sized enterprises (SME), incorporate under the Companies Act, either as private or Joint Venture Company, with minimum paid up capital of Nu. 5 million.

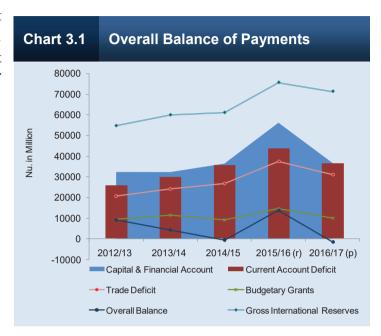
### (ii) Commodity Market

The Stock Exchange in collaboration with the Food Corporation of Bhutan Ltd (FCBL) has successfully launched the Commodities Market in 2016 with potato as the first commodity to be officially traded on its e-Auction Platform. Since then 320 trades with the total volume of 316,450 Kgs were transacted during the year with value amounting to Nu. 9.4 million. Given the comparatives advantage over the conventional auction process, e-Auction initiative was successfully implemented. The RSEBL in association with the FCB has plans to incorporate Cardamom as the next commodity in the Commodity Exchange Platform.

(More information on developments in the stock market is presented in **Statistical Table 36A and 36B**).

### 3.1 Overall Balance of Payments

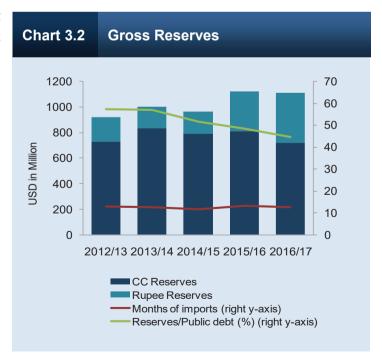
Both the trade and current account deficits improved from FY 2015/16. The current account deficit decreased from 33.13 percent of GDP in FY 2015/16 to 24.44 percent of GDP in FY 2016/17, mainly on account of the trade deficit which improved to Nu. 31.14 billion from Nu. 37.48 billion in the previous year, driven by higher electricity exports to India, and minerals and base metals Countries other than India. deficits Although continued persist in the services and primary income accounts. Secondary



**income surplus** increased from Nu. 9.55 billion to Nu. 11.63 billion mainly on account of the GOI excise duty refund of Nu. 2.92 billion.

The capital and financial account balance decreased by 34.65 percent to Nu.36.63 billion mainly due to the decrease in the Indian Rupee hydropower denominated loan disbursements which decreased by 44.33 percent to ₹20.68 billion. However, the grant component for the hydro increased from ₹ 6.55 billion to ₹ 8.86 billion. After accounting for other financial flows and the negative net errors and omissions, the overall balance was negative at Nu. 1.57 billion.

At the end of the fiscal year, **gross** international reserves slightly



decreased to USD 1,106.72 million from USD 1,118.77 million as of end-June 2016. Reserves were sufficient to finance 12.53 months of merchandise imports while covering

44.17 percent of public external debt.Of the total, USD 716.54 million were convertible currency reserves while ₹ 25.16 billion were Indian Rupees.

In the **exchange rate** developments, the Ngultrum averaged Nu.66.43 per US dollar in the fiscal year, depreciating by 0.17 percent from the previous year. The Ngultrum appreciated by 4.44 percent from averaging Nu.67.30 against the US dollar in June 2016 to Nu.64.44 in June 2017

Table 3.1 Overall Balance of Paym	ents and	Selected	d Extern	al Indica	tors	
		Nu. in Million		U	SD in Million	
Item	2014/15 (r)	2015/16 (r)	2016/17 (p)	2014/15 (r)	2015/16 (r)	2016/17(p)
A. Current Account	-35,655.56	-43,758.84	-36,341.51	-574.62	-659.81	-547.05
o.w. India	-30,203.86	-39,271.17	-34,863.14	-486.76	-592.15	-524.80
o.w. COTI	-5,451.70	-4,487.67	-1,478.37	-87.86	-67.67	-22.25
Trade Balance	-26,693.29	-37,481.34	-31,136.35	-430.18	-565.16	-468.70
o.w. India	-18,993.66	-28,878.42	-24,303.76	-306.10	-435.44	-365.85
o.w. COTI	-7,699.64	-8,602.92	-6,832.59	-124.09	-129.72	-102.85
Exports (fob)	35,982.17	32,789.32	36,872.02	579.88	494.41	555.04
o.w: Hydropower Exports	11,303.96	10,583.83	12,956.48	182.17	159.59	195.04
Imports (fob)	62,675.46	70,270.66	68,008.38	1,010.07	1,059.57	1,023.74
Services	-4,276.40	-4,079.49	-3,359.26	-68.92	-61.51	-50.57
Credit	7,864.41	9,666.68	10,526.01	126.74	145.76	158.45
Debit	12,140.81	13,746.17	13,885.26	195.66	207.27	209.02
Primary Income	-9,737.84	-11,770.77	-13,474.78	-156.93	-177.48	-202.84
Credit	1,650.12	1,623.07	1,998.95	26.59	24.47	30.09
Debit	11,387.96	13,393.84	15,473.73	183.53	201.96	232.93
Balance on Goods, Services & Primary Income	-40,707.53	-53,331.60	-47,970.39	-656.03	-804.16	-722.10
Secondary Income	5,051.96	9,572.76	11,628.88	81.42	144.34	175.05
Credit	6,912.38	11,378.14	13,256.53	111.40	171.56	199.55
o.w: Budgetary Grants	4,785.01	8,373.35	6,415.85	77.11	126.26	96.58
Debit	1,860.41	1,805.38	1,627.65	29.98	27.22	24.50
					191.01	
B. Capital Account	13,981.04	<b>12,668.05</b> 6,114.55	12,391.57	<b>225.32</b> 71.04	92.20	<b>186.53</b> 53.17
o.w. Budgetary Grants, Credit	4,408.03	· ·	3,532.33			
o.w. Hydropower Grants, Credit	9,573.01	6,553.50	8,859.24	154.28	98.82	133.36
C. Financial Account <sup>1</sup>	-22,357.71	-43,384.04	-24,236.84	-360.31	-654.16	-364.84
Direct investment in Bhutan: net incurrence of liabilities	660.56	532.95	-777.31	10.65	8.04	-11.70
Other investment: net acquisition of assets	-820.49	1,450.83	873.32	-13.22	21.88	13.15
Other investment: net incurrence of liabilities	20,876.67	44,301.92	25,887.47	336.44	668.00	389.69
o.w. INR denominated hydropower loans <sup>2</sup>	22,889.99	37,154.10	20,683.94	368.89	560.22	311.36
o.w. CC loans of the RGOB  D. Net Errors & Omissions	1,327.71 <b>-1,254.02</b>	463.37 <b>1,452.87</b>	2,475.36 <b>-1,852.19</b>	21.40 <b>-20.21</b>	6.99 <b>21.91</b>	37.26 <b>-27.88</b>
E. Overall Balance (Reserve Assets)	-1,254.02	13,746.12	-1,565.30	-20.21	207.27	-27.66
In % of GDP	-010.00	10,7 40.12	-1,000.00	-3.20	201.21	-20.00
Trade Balance (Goods)	-22.33	-28.38	-20.94			
Goods and services (net)	-25.91	-31.47	-23.20			
Current Account Balance	-29.83	-33.13	-24.44			
Overall Balance	-0.48	10.41	-1.05			
GDP at current prices <sup>3</sup>	119,545.75	132,080.86	148,678.93			
Memorandum Items:						
Gross International Reserves (end of period) <sup>4</sup>				958.45	1,118.77	1,106.72
In months of merchandise imports  External Debt Outstanding (end of period)				11.71 1,854.58	13.29 2,315.59	12.53 2,505.43
In percent of GDP				98.91	118.60	108.64
Debt Service Ratio (including overdraft facility)				19.77	14.46	24.87
Debt Service Ratio (excluding overdraft facility)				19.77	14.46	24.87
Annual average exchange rate (Nu/USD)				62.05	66.32	66.43
End of period exchange rate (Nu/USD)				63.75	67.62	64.47

<sup>1</sup>Net acquisition of financial assets **minus** net incurrence of financial liabilities; (+) figure denotes net lending and (-) figure denotes net borrowing; excludes reserve assets. <sup>2</sup>Includes accrued interest. <sup>3</sup>Calendar year GDP used (eg: CY 2014 = FY 2014/15); Source: NSB. <sup>4</sup>Excluding pledge on any outstanding overdraft during the reference periods.

Note: External debt includes only loan liabilities. Debt service ratio is in percent of exports of goods and services.

### 3.1.1 Goods and Trade Account

The trade deficit with both India and COTI improved by 15.84 percent and 20.58 percent respectively in FY 2016/17. Exports to India increased by 9.26 percent mainly on account of hydro power exports. The increase is attributable to favorable hydrological flows, additional generation from the Tsibjalumchhu diversion scheme to Tala Hydropower Plant, and revision of export tariff for Kurichhu and Tala from Nu.1.98/unit to Nu.2.12/unit effective from December 2016. Simultaneously, the level of import from India declined by 3.08 percent. With the increase in exports of mineral products and base metals, the exports to COTI increased by 45.07 percent while imports declined by 3.95 percent during the fiscal year.

Table 3.2	Reconciliation be	tween N	lercha	ndise S	ource	Data 8	Total	Goods	on a
	Balance of Payme	ents Bas	sis						
Nu. in Million		FY 20 Exports	11/12 Imports	FY 2014 Exports	1/15 (r) Imports	FY 2019 Exports	5/16 (p) Imports	FY 2016 Exports	6/17 (p) Imports
Merchandise trade st	atistics as provided by DRC 1	21199.1	51134.4	24678.21	62455.16	22205.50	68304.61	23915.55	68688.06
Adjustments									
+ Hydropower exports	s <sup>2</sup>	9798.3		11303.96		10583.83		12956.48	
+ Goods procured in	ports by carriers <sup>3</sup>		663.1		1970.93		1364.16		1077.63
+ Informal Trade at th	ne Border		1815.2		1092.22		1037.61		1089.49
+ Net exports of good	ls under merchanting								
- CIF/FOB adjustmen	t for COTI		2734.6		2873.38		2397.94		2846.80
+ FOB adjustment for	India <sup>4</sup>								
Total goods on a bala	ance of payments basis	30997.4	50878.1	35982.17	62644.93	32789.32	68308.43	36872.02	68008.38
balance of payments pre	litional components added to the trade sentation. <sup>1</sup> Excluding hydropower exp ations abroad by carriers. <sup>4</sup> To be carrie	orts. For FY 20	14/15, include	s import of air	plane by Druk	Air. <sup>2</sup> Sourc	ed from resp	ective power pl	ants.

The following section reviews the trade account in more detail based on the Bhutan Trade Statistics publication of the DRC for **calendar year 2016**. For the purpose of compiling fiscal year balance of payments, the DRC currently provides the RMA with quarterly aggregates of the trade data.

### Merchandise Trade, 2016<sup>3</sup>

Total exports in 2016 amounted to Nu. 35.26 billion with hydropower being the highest export with a total percentage share of 36.96 percent. Imports for 2016 amounted to Nu. 67.36 billion (See statistical Tables 24 to 25). Imports of fuel increased in 2016 with the import of diesel accounting for 8.58 percent of the total imports at Nu. 5.78 billion. Imports related to hydropower projects and industries along with motor spirit (gasoline including aviation spirit petrol), motor vehicle, food imports such as rice, cooking oil and milk products continue to feature in the top twenty commodity list.

<sup>&</sup>lt;sup>3</sup>This section is based on the *Bhutan Trade Statistics* publication of the DRC and tracks *calendar year* developments in the composition and direction of Bhutan's trade.

Table 3.3 Top Twenty Exports 2016 & corresponding value in 2015

	20	16	201	5
Item (BTC code in brackets)	Value (Millions of Nu.)	% Share of total	Value (Millions of Nu.)	% Share of total
Hydropower	13032.05	36.96	12124.49	34.42
Ferro-alloys (72.02)	6875.16	19.50	7061.11	20.04
Cement: portland, aluminous, slag, supersulphate (25.23)	2583.45	7.33	2676.50	7.60
Dolomite	1746.80	4.95	2460.19	6.98
Carbides (calcium, silicon, others)	1501.32	4.26	1616.79	4.59
Cardamoms (0908.31.00)	1342.39	3.81	940.85	2.67
Semi finished products of iron & non alloy steel (72.07)	1278.07	3.62	1851.72	5.26
Bars & rods (hot-rolled, of iron or nonalloy steel)	842.42	2.39	869.21	2.47
Potatoes (07.01)	542.50	1.54	370.97	1.05
Gypsum (anhydrite, plasters)	480.89	1.36	704.53	2.00
Plastics (plates, sheets, film etc)(3920.99.00)	480.01	1.36	519.48	1.47
Oranges (0805.10.00)	439.08	1.25	467.61	1.33
Undernatured ethyl alcohol of vol. 80% or higher (2207.10.00)	344.27	0.98	236.86	0.67
Particle & similar board	242.52	0.69	252.44	0.72
Fruit & vegetable juices	239.32	0.68	197.17	0.56
Mineral water & aerated, sweetened waters	236.28	0.67	182.38	0.52
Limestone & other calcareous stone (2521.00.90)	214.57	0.61	351.83	1.00
Copper wire	179.46	0.51	226.57	0.64
Cordyceps sinensis (1211.90.50)	141.01	0.40	194.39	0.55
Marbles, travertine and alabaster(6802.21.00)	135.20	0.38	153.26	0.44
Others - remaining items	2381.34		3862.38	
Total Exports	35258.11	93.2*	35229.31	90.6*

Source: Bhutan Trade Statistics, Department of Revenue & Customs. \*Share of top 20 exports to total exports.

Table 3.4 Top Twenty Imports 2016 & corresponding value in 2015

	20	16	201	5
Item (BTC code in brackets)	Value (Millions of Nu.)	% Share of total	Value (Millions of Nu.)	% Share of total
High speed diesel (2710.19.15)	5776.53	8.58	5262.71	7.74
Hydraulic turbines, water wheels & regulators	4015.28	5.96	3313.84	4.87
Dumpers & motor vehicles for goods transport	2497.88	3.71	2.30	0.00
Parts for electric motors & generators & rotary converters (8503.00.00)	2351.76	3.49	1620.77	2.38
Rice	1923.39	2.86	1668.14	2.45
Ferrous products by direct reduction of iron ore (7203.10.00)	1840.37	2.73	2550.08	3.75
Motor spirit (gasolene) including aviation spirit (petrol) (2710.12.10)	1755.31	2.61	1692.97	2.49
Excavators, front-end shovel loaders, other rollers & dozers	1434.64	2.13	1028.23	1.51
Controls for distribution of electricity	1103.51	1.64	171.77	0.25
Coke & semi-coke of coal (2704.00.10)	964.47	1.43	1091.83	1.60
Wood charcoal	938.37	1.39	1408.86	2.07
Coal, briquettes & similar solid fuels of coal	758.23	1.13	953.32	1.40
Soyabean oil (crude & other)	729.48	1.08	661.14	0.97
Milk & cream in powder, granules or other solid forms (0402.10.00)	598.25	0.89	579.00	0.85
Towers & lattice masts of iron or steel (7308.20.00)	557.62	0.83	1483.22	2.18
Electrical transformers, static convertors & inductors	518.32	0.77	220.79	0.32
Meat of bovine animals	497.39	0.74	569.71	0.84
Processed cheese not grated or powdered (0406.30.00)	449.17	0.67	356.84	0.52
Ferrous waste & scrap (cast iron, tinned iron or steel etc)	434.36	0.64	413.85	0.61
Petroleum bitumen	377.86	0.56	479.68	0.71
Others - remaining items	37782.38		42578.75	
Total Imports	67359.86	43.9*	68037.32	42.9*

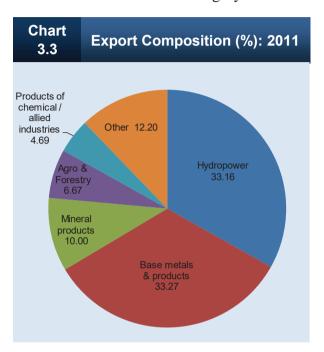
Source: Bhutan Trade Statistics, Department of Revenue & Customs. \*Share of top 20 imports to total imports.

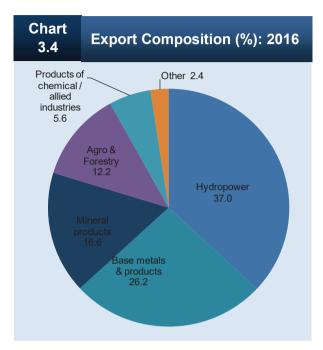
Note: Items at the unique commodity level as classified under the Bhutan Trade Classification code shown in this table (in past publications some items were added under a broader code at a higher level of classification)

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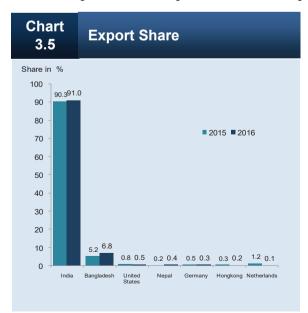
Page	Year:		ی	n-Jun 2017	Jan-Jun 2017(provisional	(le				20	2016		
This   CONT   Total   Incia   In	mot	E	<b>XPORTS</b>			IMPORTS			EXPORTS			IMPORTS	3
Officials         Confides		India	COTI	Total	India	COTI	Total	India	COTI	Total	India	COTI	Total
Producte (milk & cream, processed         7.53         0.00         7.53         7.60.21         4.66.41         6.82.68         1.23.23         6.17.33         0.07         1.41.48         4.81.43         6.81.33         0.17.41         1.41.48         4.81.33         6.82.33         6.82.33 </td <td>Meat, poultry, fish &amp; crustaceans and edible offals</td> <td></td> <td></td> <td>•</td> <td>507.44</td> <td>7.51</td> <td>514.95</td> <td></td> <td></td> <td>٠</td> <td>1,268.05</td> <td>22.03</td> <td>1,290.08</td>	Meat, poultry, fish & crustaceans and edible offals			•	507.44	7.51	514.95			٠	1,268.05	22.03	1,290.08
the control submitted         16.77         2.78.68         11.64         26.75         1.6.7         2.78.68         11.64         26.75         1.6.75	Dairy produce (milk & cream, processed cheese, honey)	7.53	0.00	7.53	780.21	46.64	826.85	12.93	0.78	13.71	1,418.94	66.36	1,485.30
Control Control         Table	Vegetables, roots & tubers	16.77	٠	16.77	247.69	11.54	259.23	616.78	19.02	635.80	581.33	4.66	585.99
The control of the million includes and material control of the mi	of which: Potatoes (including seed)	7.56	1	7.56	37.88		37.88	524.11	0.39	524.50	81.45	0.01	81.46
one-conformation         106.02         322.18         422.21         422.21         422.21         422.21         422.21         422.21         422.21         422.21         422.22         <	or which: Lentils of which: Matsutake mushroom	- 4.77		4.//	65.90	0.70		0.75	18.54	18.69	140.22	0.0	146.22
the changes and spices 447 32216 3265 1339 1349 1349 1279 1279 1279 1279 1279 1279 1279 127	Fruits and nuts	106.02	322.18	428.20	87.65	1.65	89.30	185.64	465.31	96.059	138.35	12.23	150.57
total statement         0.13         1.14         0.01         1.48         68.49         1.27         1.27           total statement         0.13         1.14         0.01         1.48         68.49         1.48         1.28         1.48         68.49         1.27         1.27         1.27         1.27         1.27         1.27         1.27         1.27         1.27         1.27         1.28 <th< td=""><td>of which: Oranges</td><td>4.47</td><td>322.18</td><td>326.65</td><td>3.39</td><td>0.00</td><td>3.39</td><td>13.48</td><td>425.60</td><td>439.08</td><td>6.43</td><td></td><td>6.43</td></th<>	of which: Oranges	4.47	322.18	326.65	3.39	0.00	3.39	13.48	425.60	439.08	6.43		6.43
tick in mind galled g	of which: Apples of which: Betel nuts	0.13		101.40	14.79	0.01	14.80	88.39	39.72	128.11	12.76	- 6	12.76
tich closes afficient with comparisons mask of burness         40711         2284         6884         156         0.04         156         6536         708.5         7225         31.7           tich closes afficient with comparisons mask of burness         A control of the page of the pag	Coffee, tea, mate and spices	446.21	292.04	738.25	92.80	3.88	96.68	704.87	716.25	1,421.12	173.51	4.07	177.58
	of which: Cardamoms, mace & nutmegs	407.11	287.84	694.94	1.06	0.01	1.06	635.05	708.53	1,343.59	2.83	0.01	2.84
this (including seed)         0.17         0.17         0.17         1.15.44         1.15.43         0.01         0.02         0.03         2.34         1.73.24         0.01         1.73.24         0.01         0.02	of which: Ginger, saffron, turmeric & other spices	38.97	06.0	39.87	15.10	0.03	15.14	29.69	3.08	72.75	31.79	0.15	31.95
tick from fulfilly find testing from fulfilly find from fulfilly from fulfilly from fulfilly find from fulfilly find from fulfilly from fu	Cereals (including seed)		0.17	0.17	1,155.14	18.16	1,173.30	0.11	0.20	0.32	2,334.71	0.87	2,335.58
obs. Magaze         17284         0.77         7.62         1.72         2.63         1.72         2.63         1.72         2.64         1.72         2.64         1.72         2.64         1.72         2.64         1.72         2.64         1.72         2.64         1.72         2.64         1.72         2.64         1.72         2.64         1.72         2.64         1.72         2.64         1.72         2.64         1.72         2.64         1.72         2.64         1.72         2.64         1.72         2.64         1.72         2.64         3.64	of which: Rice		0.17	0.17	952.16	17.77	969.93	0.11		0.11	1,923.07	0.32	1,923.39
cot of the milling industry         2.35	or which: wheat and mesim of which: Maize				172.86	0.00	173.04				306.25	0.01	306.51
Convertigations of the control	Products of the milling industry	2.35		2.35	178.77	0.65	179.42	26.75		26.75	328.93	3.29	332.23
Se fullist industrial met. grains, etc. grains in met. grains at deep constructional or deep, or sequence strategies at deep construction or deep constructions at deep construction or deep constru	of which: Wheat or meslin flour	2.30	ı	2.30	93.20	0.40	93.60	26.69	٠	26.69	170.60	0.97	171.57
si strance, motor production prod	Oll seed, oleaginous fruits; misc. grains,	1 0 7	20.51	24 58	50 23	7 03	F7 2E	1 52	141 26	142 78	87 13	11 /3	98 56
Part	plants: etrams & foddor	<u> </u>	10.04	00:17	20.53	7.07	67.70	70.1	07:1+	147.70	2	? -	90.00
128   128	of which: Cordyceps sinensis	0.00	20.48	20.48	٠	•	•	0.71	140.30	141.01	٠	٠	
Part	of which: Betel leaves		•		29.98		29.98				56.01		56.01
Section Proposition of State Inchmanal	products: prepared edible fats: animal	7 66		7 66	577 19	06.0	578 09	9 7 4	•	9 74	1 032 24	8 92	1 041 16
Part   Vigoration of the color   Vigoratio	or venetable waxes	9		2		9	200	;		;	1,000,1	5	2
128   128	of which: Vegetable oil (soya-bean, mustard,	7.62		7.62	443.58		443.85	9.38		9.38	834.46	8.01	842.46
Inch: Cancer obsertionary   0.06   -   0.06   390.55   3.35   393.90   0.03   -   0.03   5.89.92     Inch: Cancer obsertionary   0.06   -	sunitower, palm)												
pastry cooks' products product	Sugars and sugar contectionary of which: Cane or beet sugar	90.0		90.0	<b>390.55</b> 280.61	3.35	<b>393.90</b> 280.88	0.03		0.03	<b>589.92</b> 393.19	7.23 0.88	<b>597.16</b> 394.07
pastry cooks' products         18388         2920         21308         18368         2920         21308         18368         2920         21308         18368         2920         21308         18368         2920         21308         18368         2920         21308         18368         2920         21308         18368         2920         21308         18368         2920         21308         18368         29304         21308         29304         21312         0.41         21808         29304         21108		0.04		0 04	400 48	74.06	474 54	0	•	0 11	746 69	122 09	868 78
inith. Nocolles and pasta         183.88         29.20         213.08         -         -         -         367.09           inith. Brootles and pasta         -         -         188.88         29.20         213.08         -         -         -         -         315.09           atrial incir. Broutlis, pastries, cakes & other bakers?         -<	milk; pastry cooks' products			5		2		5	1	-			
rer parts for lores         49.4.1         1.08         495.29         120.44         59.34         179.78         315.00         1.84         316.84         235.55           rer parts of plants         rer parts of plants         49.4.4         0.09         49.5.5         56.40         99.04         231.25         0.46         231.71         85.93           nich. Jams, purses, pastes, marmalades         27.48         0.55         17.32         1.75         2.46         3.64         2.23         0.46         231.71         85.93           nich. Jams, purses, pastes, marmalades         16.80         0.52         17.32         1.72         2.46         3.68         2.23         0.46         231.71         85.93           allaneous edible preparations         11.63         1.73         1.72         2.45         1.95         44.68         2.23         44.90         1.08         0.087           allaneous edible preparations         1.68         0.52         1.73         4.25         1.09         44.68         2.23         44.90         1.08         1.08           allow floater and verticular (beteln nut cuts/powder)         3.67         2.74         80.44         80.52         164.95         65.66         1.73         1.73	of which: Noodles and pasta of which: Biscuits, pastries, cakes & other bakers'				183.88	29.20	213.08	0.11		0.11	367.09	52.38	419.47
ter parts of plants         194-21         1.00         199-24         190-44         190-90         190-44         190-90	Preparations of vegetables, fruits, nuts	20 20 20 20 20 20 20 20 20 20 20 20 20 2	00	101	120 44	10.04	470.70	245	70	246 04	205 55	90.00	225 04
inith: Fullitylines & wegetable jurices         49.44         0.09         49.65         56.40         99.04         231.25         0.46         231.71         65.93           inith: Jams, purees, pastes, mamalades         17.48         0.56         17.32         17.32         17.32         2.46         3.56         4.468         2.23         4.69         0.67         3.58         3.53         2.078	or other parts of plants	134.61	99.	67.061	120.44	40.66	07:671	00.616	+0	210.04	<b>7</b> 23.33	30.20	10.026
International parations   17.32   17.32   105.72   4.25   109.96   10.50   1	of which: Fruit juices & vegetable juices	49.44	0.09	49.53	42.65	56.40	99.04	231.25	0.46	231.71	85.93	83.24	169.17
inch: Supari (betal nut cuts/powder)         16.83         17.32         17.32         20.78         10.82         20.78         20.78         10.82         10.82         10.83         20.78         10.82         10.82         10.83         20.78         10.82         10.83         10.82         10.83         20.23         10.86         10.82         10.83	Miscellaneous edible preparations	16.80	0.52	17.32	105.72	4.25	109.96	44.68	2.23	46.92	213.08	26.6	223.05
inith: Supari (betel nut cus)s/powder)         472         6.52         6.53	of which: Pan masala	11.63		11.63	13.32		13.32	20.78		20.78	20.75	'	20.75
right. Tomato tectroup & seuces         4.72         0.52         6.23         0.98         0.03         1.00         7.93         2.23         10.16         1.63           ragee, spirits and vinegar         491.55         27.81         51.83         84.44         80.52         164.95         666.61         7.99         664.60         130.87           rich. Minical & serated, seelened waters         36.71         27.72         384.43         20.71         550         7.51         228.35         7.24         235.95         3.64           rich. Bernyl Alcohol         123.19	of which: Supari (betel nut cuts/powder)		•	•	3.63		3.63	14.90		14.90	10.82		10.82
rages, spirits and Vinegar         491.55         27.81         519.37         84.44         80.52         164.95         656.61         7.99         664.60         130.87           nich: Mineral & serated, seemed waters         356.77         27.72         384.43         2.07         5.50         7.51         228.35         7.24         235.95         3.64           nich: Ethyl Alcohol         123.19         123.19         29.02         45.15         74.17         50.41         0.68         51.09         46.34           ues & wastes from food industries;         14.60         179.13         0.80         179.93         50.53         7.74         58.28         368.44           uich: Residues & wastes of Wineat         0.63         0.63         0.67         179.93         50.53         7.74         58.28         368.44           nich: Residues & wastes of Wineat         0.64         4.64         4.67         0.73         85.40         6.03         7.74         18.47         0.27           13.04.187         664         4.64         4.67         0.73         85.40         6.03         7.74         18.47         0.27           13.304.87         664.32         1,368.18         3.20.25         5,278.13         2,625.	of which: Tomato ketchup & sauces	4.72	0.52	5.23	0.98	0.03	1.00	7.93	2.23	10.16	1.63	0.18	1.81
Prof. Bearrand serated, seemened waters         356.71         27.72         38443         201         5.50         7.51         228.35         7.24         235.99         3.54           Prof. Bear made from mailty clock of mich: Ethyl Alcohol         123.19         2.02         45.15         74.17         50.41         0.68         51.09         50.11           Lies & wastes from food industries;         14.60         179.13         0.80         179.93         50.53         7.74         58.28         368.44           red a nimal fooder         0.63         0.63         0.63         0.63         0.77         17.74         10.27         7.74         174.71         17.74<	Beverages, spirits and vinegar	491.55	27.81	519.37	84.44	80.52	164.95	656.61	7.99	664.60	130.87	240.30	371.17
inch: Ethyl Alcohol ues & wastes from food industries; 14.60 - 14.60 - 14.60   179.13   0.80   179.93   50.47   0.68   51.09   46.34  ues & wastes from food industries; 14.60 - 14.60   179.13   0.80   179.93   50.53   7.74   58.28   368.44  inch: Residues & wastes of Wiheat	of which: Mineral & aerated, sweetened waters of which: Beer made from malt	356.71	27.72	384.43	33.74	5.50	33.74	228.35	7.24	235.59	3.64	7.17	10.81
ues & wastes from food industries;         14.60         -         <	of which: Ethyl Alcohol	123.19	•	123.19	29.02	45.15	74.17	50.41	0.68	51.09	46.34	158.75	205.09
inch: Residues & wastes of Wheat 4.64 4.64 4.64 4.65 .		14.60		14.60	179.13	0.80	179.93	50.53	7.74	58.28	368.44	0.99	369.44
inch: Animal bodder and pet bod 4.64 6.432 1,969.19 4,957.88 320.25 5,278.13 2,625.29 1,362.64 3,987.93 9,451.01	of which: Residues & wastes of Wheat	0.63		0.63	0.01		0.01	10.72	7.74	18.47	0.27	٠	0.27
1,304.87 664.32 1,969.19 4,957.88 320.25 5,278.13 2,625.29 1,362.64 3,987.93 9,451.01	of which: Animal fodder and pet food	4.64		4.64	84.67	0.73	85.40	6.03		6.03	131.41	0.98	132.39
	Total	1,304.87	664.32	1,969.19	4,957.88	320.25	5,278.13	2,625.29	1,362.64	3,987.93	9,451.01	604.70	10,252.45

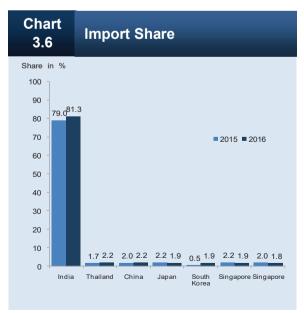
Major export categories with their relative share are shown in chart 3.3 and 3.4 below. The export of **ferro alloys** accounted for 74.50 percent of base metals and products in 2016, while major items within the category of mineral products that were exported were, **cement**, **dolomite**, **gypsum** and **limestone**. **Cardamoms**, **potatoes**, **oranges**, **alcohol and minerals**, together accounted for 68.53 percent of the export value under the category of agro and forestry products. The export of calcium and silicon carbide together accounted for over 70 percent of the total under the products of chemicals/allied industries category.





Among various countries that Bhutan exports and imports (see charts 3.5 and 3.6 and statistical table 26), **India** continues to remain Bhutan's largest trading partner, accounting for 91.0 percent share in exports and 81.3 percent share in imports in 2016.





**Bangladesh** continues to remain the second highest export destination for Bhutan followed by **United States**. Nepal, Germany, Hong Kong, Netherlands and Italy also appear in top twenty export destination for Bhutan in 2016. India, **Thailand** and **China** are the top three import sources for Bhutan in 2016

### 3.1.2 Services and Income Accounts

The net deficit in the **overall invisibles account** (services, primary income and secondary income) decreased from Nu.6.28 billion to Nu. 5.21 billion. With the increase in the interest on the debt mainly on account of the accrued interest on hydro debt, the primary income deficit increased by 14.37 percent in 2016/17. On the other hand, the services deficit improved during the year and the secondary income surplus increased to Nu. 11.63 billion from Nu. 9.55 billon resulting in the decrease in the net overall invisibles deficit.

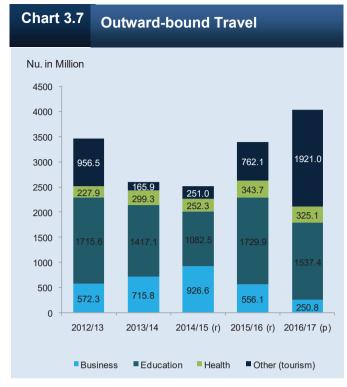
Table 3.6	Overall BOP: Invisibles					
Nu. in Million		2012/13	2013/14	2014/15	2015/16 (r)	2016/17 (p)
Services		-2,964.97	-4,004.42	-4,276.40	-4,079.49	-3,359.26
Services: (	Credit	6,764.61	7,646.23	7,864.41	9,666.68	10,526.01
Services: L	Debit	9,729.58	11,650.65	12,140.81	13,746.17	13,885.26
Maintenance and	d repair services n.i.e.	-2.00	-194.71	-300.95	-459.59	-321.43
Transport		67.50	-743.13	-2,176.68	-288.06	-629.08
Travel		1,090.30	2,551.73	3,310.17	2,677.92	2,813.78
Construction		-2,805.60	-2,950.03	-2,855.65	-3,803.93	-3,331.04
Insurance		17.70	-75.15	-105.86	-10.96	-123.04
Financial service	es	-15.63	-14.69	-23.15	-47.46	-75.25
•	use of intellectual property n.i.e.	-1.29	-40.71	-29.37	-21.15	-17.27
	tions, computer, and information services	-124.91	-307.87	-176.85	-305.17	-235.92
Other business s	services (excluding merchanting)	-972.00	-1,977.75	-1,660.36	-1,510.89	-1,131.12
Government god	ods and services n.i.e.	-219.03	-252.11	-257.71	-310.20	-308.89
<b>Primary Income</b>		-9,085.70	-7,429.59	-9,737.84	-11,770.77	-13,474.78
Primary Inc	come: Credit	965.86	1,192.43	1,650.12	1,623.07	1,998.95
Primary Inc	come: Debit	10,051.56	8,622.03	11,387.96	13,393.84	15,473.73
Compensation o	f employees <sup>1</sup>	-2,077.28	-2,061.99	-2,039.61	-2,160.48	-2,343.64
Direct investmen	nt	-1,089.83	-94.59	-328.51	-248.24	50.95
Interest on depo	sits	856.05	1,081.14	1,544.05	1,487.92	1,859.51
Interest on debt		-6,774.64	-6,354.15	-8,913.77	-10,849.97	-13,041.60
o.w. accrued	interest on Indian Rupee hydropower debt	-2,968.14	-3,611.63	-6,289.63	-8,580.04	-10,590.85
Secondary Incon	ne	6,997.55	5,912.05	5,051.96	9,572.76	11,628.88
Secondary	Income: Credit	8,684.69	7,333.36	6,912.38	11,378.14	13,256.53
Secondary	Income: Debit	1,687.14	1,421.31	1,860.41	1,805.38	1,627.65
General Governi	ment	7,716.15	5,895.06	5,234.26	8,373.35	9,332.77
of which: Bud	getary grants: Credit	4,716.15	3,856.53	4,785.01	8,373.35	6,415.85
Other Sectors		-718.60	16.98	-182.29	1,199.41	2,296.11
of which: Wor	kers' remittances <sup>1</sup>	-468.17	-255.59	-148.20	969.37	1,728.18
	Workers' remittances: Credit	536.35	766.97	1,115.53	2,149.35	2,730.72
	Workers' remittances: Debit	1,004.53	1,022.57	1,263.73	1,179.98	1,002.55
Total Invisibles		-5,053.12	-5,521.97	-8,962.27	-6,277.50	-5,205.16
in percent of G	DP	-5.19	-5.24	-7.50	-4.75	-3.50
1 Methodology to es	stimate debits were revised in 2013 affecting data	for FY 2012/13				

<sup>&</sup>lt;sup>1</sup> Methodology to estimate debits were revised in 2013 affecting data for FY 2012/13.

Note: All sub-components under each account are being reported on a net basis i.e. as credit minus debit.

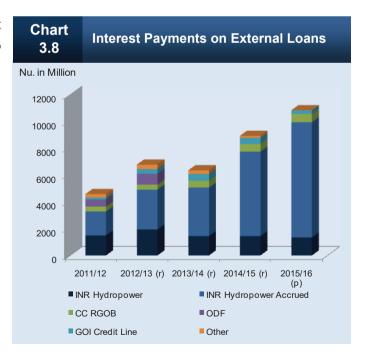
The net services account deficit decreased by 17.65 percent in the fiscal year. Within the services account, the **transport** services saw a deficit of Nu. 629.08 million mainly due to decrease in the revenues earned from sale of tickets to Indian tourists which decreased from Nu. 1.48 billion in 2015/16 to Nu. 1.15 billion in 2016/17. The estimated freight on imports from third countries also increased by 18.72 percent in 2016/17.

Similarly among the major items in travel services, gross receipts from **Indian Rupee** paying tourists<sup>1</sup> increased by 58.89 percent during the fiscal year to Nu.1.08 billion. The gross receipts from the international visitors during the year also increased around 11.90 percent, accounting



for 66.43 percent of the total service credits. On the debit side, expenditure on outbound personal travel increased by 33.43 percent. However, with the increase in both the Indian Rupee and Convertible Currency paying tourists the travel services surplus increased by 5.07 percent. (See Chart 3.7).

In the primary income account, the net deficit increased from Nu. 11.77 billion to 13.47 Nii billion. Annual interest payments on Indian Rupee hydropower debt for Tala amounted to ₹ 1.24 billion while accrued interest on the three ongoing hydropower projects (Punatsangchhu I and II and Mangdechhu) amounted to almost ₹ 10.59 billion for the year. Interest payments on convertible currency debt increased from an equivalent of USD 9.32 million to USD 10.66 million during the year. Interest income earned during the year increased to Nu.1.86 billion from Nu.



<sup>&</sup>lt;sup>1</sup>TCB figures on international inbound leisure tourists.

### 1.49 billion compared to that of the previous year

The net surplus in the **secondary income account** increased from Nu.9.55 billion to Nu.11.63 billion. Grants for budgetary support are separately classified into the secondary income and the

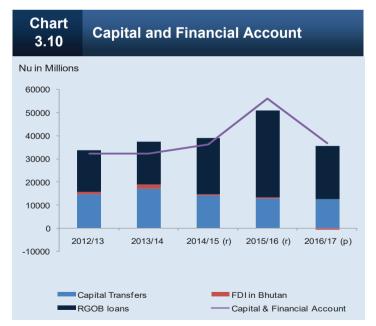
capital account, with grants for investment purposes to finance gross fixed capital formation classified as capital transfers in the capital account. The total grants (current plus capital) decreased from Nu. 14.49 billion to Nu. 9.95 billion and the grants identified as current grants decreased from Nu. 8.37 billion to Nu.6.42 billion.

In terms of outflows, **outward workers' remittances were** estimated at Nu.1.00 billion for FY 2016/17. On the other hand, inward workers' remittances covering **non-resident Bhutanese remittances** through formal channels increased from Nu.2.15 billion to Nu. 2.73 billion. The bulk of these remittances were denominated in US dollars.

# AUD 41.3 % GPB 1.8% Other 2.9% USD \* 57.4% Other currencies 0.4% Other currencies 0.2% \* Remittances through Western Union are clubbed here since information on original currency breakups are not available.

### 3.1.3 Capital and Financial Account

Inflows in the **capital account** fell by 2.18 percent in FY 2016/17 to Nu.12.39 billion as budgetary grants identified as capital transfers fell from Nu. 6.11 billion to Nu. 3.53 billion. The **financial account**<sup>2</sup> balance for the year was negative at Nu. 24.24 billion (implying a net borrower status for the country). The net incurrence of loan liabilities increased to Nu. 25.89 billion driven by hydro-related loan disbursements (₹ 11.44 billion) and accrued interest (₹ 10.59 billion).Net flows related to direct



<sup>&</sup>lt;sup>2</sup>Excluding reserve assets (overall balance).

investment during the year was negative because of the divestment of the IFC shares from Bhutan National Bank Ltd.

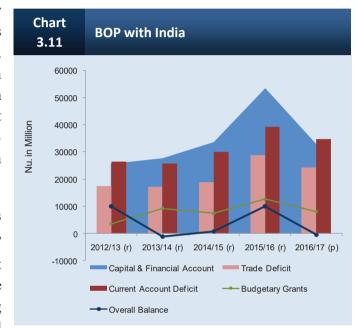
After accounting for other financial flows and the negative net errors and omissions, the overall balance was negative at Nu. 1.57 billion.

As of the year ending 2016/17, reserves were sufficient to finance 12.53 months of merchandise imports while covering 44.17 percent of public external debt.

### 3.2 Balance of Payments with India

With the increase in electricity export by 22.42 percent and with the simultaneous fall in hydro related merchandise imports, the **trade deficit** with India improved from Nu. 28.88 billion to Nu. 24.30 billion in 2016/17. Bhutan's **current account deficit** with India improved from 29.73 percent of GDP to 23.45 percent in 2016/17.

In the **income account**, budgetary grants<sup>3</sup> decreased from  $\mathbf{\xi}$  7.10 billion to  $\mathbf{\xi}$  4.57 billion. Interest paid on hydropower debt for Tala amounted to  $\mathbf{\xi}$  1.24 billion while accrued interest on the three ongoing hydropower projects (Punatsangchhu I and



II and Mangdechhu) amounted to almost ₹ 10.59 billion for the year.

In the **capital and financial account**, grants for budget support decreased from ₹ 5.57 billion to ₹ 3.48 billion while grants for hydropower projects increased from ₹ 6.55 billion to ₹ 8.86 billion.

Disbursements for the three ongoing hydropower projects amounted to ₹ 11.44 billion, decreasing from ₹ 30.00 billion in the previous year. Principal repayments for the RBI SWAP amounted to ₹ 6.72 billion. A total amount of ₹ 1.24 billion was repaid on account of Tala.

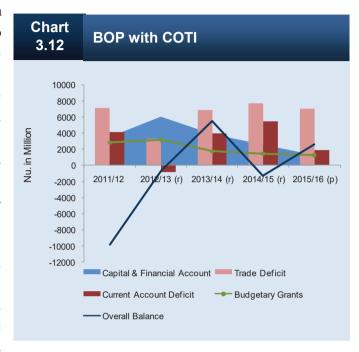
<sup>&</sup>lt;sup>3</sup> Budgetary grants for investment purposes to finance gross fixed capital formation have been reclassified as capital transfers in the capital account.

After provisioning for net errors and ommisions, Bhutan's **overall balance** with India was negative at Nu.622.47 million for the FY 2016/17. **Indian Rupee reserves** increased from ₹ 20.81 billion as of June 2016 to ₹ 25.16 billion as of June 2017.

### 3.3 Balance of Payments with Countries Other Than India

Bhutan's **current account deficit** with COTI decreased from Nu.4.49 billion to Nu.1.48 billion in FY 2016/17. Both the services and primary income accounts were in surplus during the year. The secondary income surplus also increased by 34.56 percent as formal NRB remittances increased from Nu. 2.15 billion to Nu. 2.73 billion. Budgetary grants also slightly increased from Nu.1.27 billion to Nu.1.85 billion.

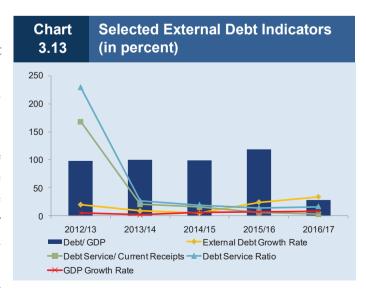
The net surplus in the **capital and financial account** increased from Nu.1.88 billion in 2015/16 to Nu.3.74 billion in 2016/17. After provisioning for possible errors and omissions, Bhutan had a



negative **overall balance** of Nu.942.83 million with COTI for 2016/17. Convertible currency reserves decreased from USD 811.98 million to USD 716.54 million between June 2016 and June 2017.

### 3.4 External Debt

Bhutan's total outstanding external debt increased to an equivalent of USD 2.51 billion as of June 2017. Of this, an equivalent of USD 663.22 million was outstanding on convertible currency loans and the remaining ₹ 118.77 billion were outstanding Indian Rupee loans. Of the total Rupee debt, 94.11 percent were outstanding public debt on hydropower projects while 5.89 percent represented debt taken to finance BOP transactions with India (the GOI line of credit). Within



the convertible currency loan portfolio, concessional public and publicly guaranteed debt accounted for 95.48 percent while the remaining 4.52 percent represented outstanding external debt of the private sector.

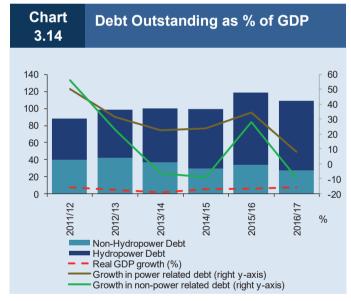
Disbursements towards the Punatsangchhu I and II and the Mangdechhu hydropower projects continued to boost Rupee loan inflows. The total cumulative amount disbursed as of FY 2016/17 amounted to ₹ 44.54 billion, ₹ 35.98 billion and ₹ 29.23 billion, respectively for the three projects.

The total rupee debt servicing for the year 2016/17 amounted to ₹ 9.80 billion, out of which ₹ 6.87 billion was on account of the RBI SWAP which was availed in FY 2015/16. Debt servicing for convertible currency debt during the year amounted to USD 30.84 million.

Overall debt servicing on both convertible currency and Indian Rupee debt for 2016/17 was USD 182.92 million as compared to USD 92.03 million in 2015/16 bringing the external debt service ratio to 24.87 percent in 2016/17 as compared to 14.30 percent in 2015/16.

The Government of India remains Bhutan's largest creditor with 73.53 percent of overall external debt at Nu.118.77 billion or 100 percent of total Rupee outstanding debt. This is followed by the ADB with USD 274.55 million, the World Bank with USD 209.02 million and the Government of Austria with USD 66.94 million.

As of June 2017, Bhutan's total debt outstanding stood at 108.64 percent of GDP. The major disbursements in the year continued to be towards hydropower (₹ 2.00 billion for Puna-I, ₹ 8.49 billion for



Puna-II and ₹ 941.00 million for Mangdechhu). A total amount of ₹ 6.72 billion under the RBI SWAP and its corresponding interest of ₹ 153.20 million which was also availed in 2015/16 was paid off during the year.

Table 3.7 External Debt Ir	ndicators					
External Debt Indicators	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Total Outstanding (USD millions) Convertible Currency (USD millions) Indian Rupee (in millions)	<b>1,333.67</b> 524.73 45,550.87	<b>1,606.83</b> 579.32 61,341.72	<b>1,758.36</b> 628.95 67,870.15	<b>1,854.58</b> 581.21 81,183.64	<b>2,315.59</b> 609.00 115,393.81	<b>2,505.43</b> 663.22 118,770.09
Debt/GDP ratio * Total Convertible Currency loan Indian Rupee loan	<b>88.40</b> 34.78 53.62	<b>98.43</b> 35.49 62.94	<b>100.27</b> 35.87 64.41	<b>98.91</b> 31.00 67.91	<b>118.60</b> 31.19 87.41	<b>108.64</b> 28.76 79.88
Debt service ratio ** (including OD) <b>Total</b> Convertible Currency loan Indian Rupee loan	<b>127.13</b> 14.48 158.68	<b>229.20</b> 15.84 285.34	<b>27.23</b> 17.40 30.11	<b>19.82</b> 16.84 20.69	<b>14.46</b> 20.84 12.58	<b>24.87</b> 16.82 27.55
Debt service ratio (excluding OD)  GDP (Nu in Millions)	12.93 84,950.01	17.52 97.452.96	27.23 105,378.35	19.82 119,545.75	14.46 132,021.30	24.87 148,678.93

<sup>\*</sup> Based on calendar year GDP figures. Example, the 2014 GDP figure is used to calculate the ratio for 2014/15.

### 3.5 International Investment Position

The **international investment position** (IIP) is a financial statement that depicts the value of country's external financial assets and liabilities. The difference between country's international financial assets and liabilities is the net international investment position. Positive net IIP indicates that the nation is a creditor nation while negative net IIP indicates that the nation is a debtor nation.

Bhutan's **external financial assets** decreased by 4.41 percent to USD 1,181.89 million between end-June 2016 and end-June 2017. This was mainly on account of decrease in reserve assets by 7.26 percent, amounting to USD 1,057.09 million. On the other hand, **external financial liabilities** increased by 13.64 percent to USD 3,363.94 million mainly driven by the increased foreign loan disbursements. Bhutan's **net external financial liabilities** increased by 27.97 percent from USD 1,705.1 million as of June 2016 to USD 2,182.05 million as of June 2017.

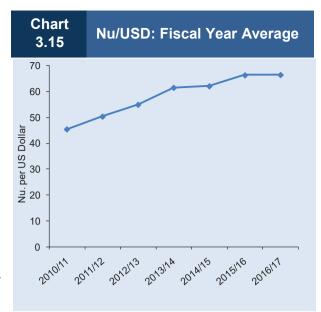
Table 3.8	Internatio	onal Inv	estme	nt Pos	ition							
ttem		Jun-07	Jun-08	Jun-09	Jun-10	Jun-11	Jun-12	Jun-13 Start of qu	Jun-14 larterly serie	Jun-15	Jun-16 revised	Jun-17 provisional
Net IIP		-250.9	-175.2	-100.2	-159.2	-491.1	-702.1	-922.4	-1,083.4	-1,366.2	-1,705.1	(2,182.05)
Assets		638.9	698.9	796.6	871.5	993.0	861.7	1,029.7	1,107.0	1,053.1	1,255.1	1,181.89
Currencyand deposits		61.3	99.8	81.0	94.5	172.7	154.9	64.0	64.6	64.4	60.4	60.06
Trade credits		41.6	50.5	40.1	20.1	43.7	34.4	47.9	44.7	30.0	48.7	59.86
Reserve assets		535.9	548.6	675.5	756.9	778.6	672.4	917.9	997.7	958.6	1,139.9	1,057.09
Liabilities		889.8	874.1	896.8	1,030.6	1,484.1	1,563.8	1,952.1	2,190.4	2,419.3	2,960.1	3,363.94
Direct investment in Bh	utan	17.9	20.6	26.3	52.6	66.7	83.0	128.8	145.4	191.4	168.8	174.68
o.w. Equity		15.8	18.0	24.0	50.2	53.0	58.1	103.3	106.3	133.7	111.8	117.38
o.w. Intercompany de	ebt	2.1	2.6	2.3	2.4	13.7	24.9	25.5	39.1	57.6	57.1	57.31
Currencyand deposits	Currencyand deposits		79.2	82.7	80.6	83.2	77.2	88.5	100.8	85.7	86.7	95.13
Loans		785.5	770.9	786.0	888.1	1,321.6	1,390.9	1,710.5	1,922.0	2,106.9	2,673.4	3,055.42
Trade credits		4.1	3.3	1.9	0.4	3.1	3.6	15.3	12.9	26.9	22.8	30.38
SDR allocations		0.0	0.0	0.0	8.9	9.6	9.1	9.0	9.3	8.4	8.4	8.33
Exchange rate to USD (end of period)		40.76	42.95	48.51	46.60	44.72	56.31	59.70	60.09	63.75	67.62	64.47

<sup>\*\*</sup> Debt service payments as a percent of the export of goods and services. The total debt service ratio represents the total debt service payments (i.e. on convertible currency & Rupee loans) as a percentage of the total export earnings (from India & other countries). Convertible currency debt service ratio is the debt servicing on convertible currency loans as a percentage of the export earnings from countries other than India. Similarly, the Indian Rupee debt service ratio is the debt servicing on Indian Rupee loans as a percentage of the export earnings from India. The debt service ratio for the latest period is calculated based on the previous year's export of goods and services.

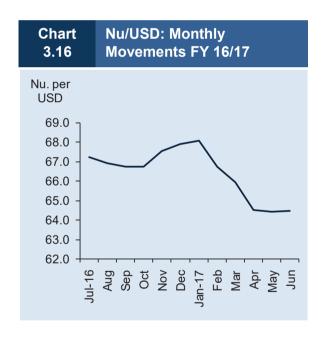
### 3.6 Exchange Rate Developments

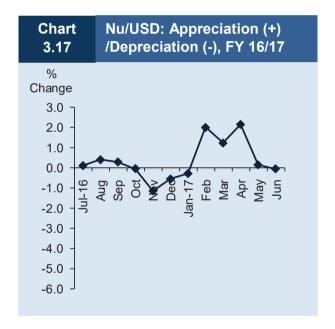
The exchange rate averaged Nu.66.43 per US dollar in the fiscal year, depreciating by 0.17 percent from the previous fiscal year. In terms of June-to-June comparisons, the Ngultrum appreciated 4.44 percent from averaging Nu.67.30 against the US dollar in June 2016 to Nu.64.44 in June 2017.

Among other major currencies, the Japanese Yen, appreciated against the US dollar by 7.15 percent from an average exchange rate of 116.86 Yen per US dollar in 2015/16 to 109.05 Yen per USD in 2016/17. The Euro depreciated by 1.77



percent from an average of 0.90 Euro to 0.92 Euro per US dollar in the same period.





### 4. FISCAL SECTOR

Given the importance of public sector in the economy, and with sizeable share of government expenditures relative to GDP, fiscal developments have a significant effect on Bhutan's economy. Key indicators to measure the development of the fiscal sector are **domestic revenue mobilization**, **progress of expenditures and the overall deficit**. In recent years, Bhutan's fiscal performance has been more expansionary, mainly reflected by the expenditure dynamics of Bhutan's Five Year Plans. Although, domestic revenue has been increasing in nominal terms, its share to GDP has been declining.

The revised budget for the **FY 2016/17** was Nu. 56.28 billion against resources of Nu.47.89 billion with a fiscal deficit of Nu.6.49 billion (4.06 percent of GDP) and resource gap of Nu.5.48 billion. On the **revenue performance**, the Government achieved revenue target with net revenue collection of Nu.29.71 billion recording a growth of 6 percent exceeding the target by 2 percent. Net revenue represents 18.7 percent of GDP fully covering recurrent expenditure and 21.6 percent of the capital expenditure.

However, given the narrow tax base, high dependence on single sector and imports, increasing revenue forgone through various exemptions and incentives pose a considerable challenge in financing public expenditure.

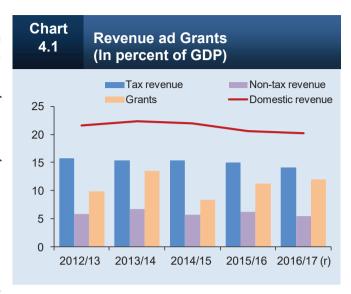
Table 4.1 Highlights of Budgetary Operations								
	2012/13	2013/14	2014/15	2015/16	2016/17 (r)			
Total revenue (including grants)	31.46	35.89	30.31	31.83	32.21			
Tax	15.81	15.36	15.38	15.05	14.18			
Non-tax	5.85	6.70	5.65	6.17	5.44			
Other receipts	(0.01)	0.32	0.95	(0.67)	0.55			
Grants <sup>1</sup>	9.81	13.51	8.33	11.27	12.04			
Expenditure and net lending	35.81	31.81	28.72	33.01	36.58			
Current expenditure	18.57	17.03	17.59	17.32	17.27			
Capital expenditure <sup>2</sup>	17.24	14.79	11.13	15.69	19.31			
Overall balance	(4.36)	4.08	1.59	(1.18)	(4.37)			
Foreign financing (net)	0.69	(0.82)	(0.76)	(0.78)	0.68			
Domestic financing (net)	(0.18)	(0.17)	(0.15)	(0.14)	(0.01)			
GDP at market prices 3	97,452.96	105,378.35	119,545.75	132,080.85	148,678.93			
Source: Ministry of Finance, Bhutan 1/ Grants include both GOI grants and grants from otl 3/ GDP figures are on calendar year basis (eg., CY 2)			O .	В.				

### 4.1 Revenue and Grants

**Total Revenue and Grants** continue to increase from Nu. 42.04 billion to Nu.47.89 billion, an increase of Nu.5.85 billion from FY 2015/16 recording a growth of 13.92 percent. The increase

was on account of rise in domestic revenue by Nu.1.92 billion, incorporation of Nu.3.55 billion from external grants, other receipts and adjustments of Nu.805.09 million.

**Domestic revenue** has been revised to Nu. 29.17 billion from Nu. 28.03 billion. The increase is on the account of excise duty refund from GOI by Nu. 896.20 million, Nu. 131 million from revision of royalty rates of mines and minerals, Nu. 1.18 billion on account of increase in Green Tax on POL and Nu. 374.07 million on account of increase in transfer of surplus from the RMA. In addition, an amount of Nu. 164.77 million is expected from DHI as dividends. As stipulated under the Public Finance Act 2007, recurrent expenditure is fully met from the domestic revenue and was able to cover



about 6.21 percent of the capital expenditure of the Government.

**Tax revenue** increased to Nu. 21.71 billion from Nu. 20.09 billion constituting 73 percent of the total net revenue whilst 27 percent (Nu.8 billion) comes from **Non-tax-revenue**. Tax revenue recorded a growth of 8 percent from the previous year, mainly from sales tax, excise duty refund from GOI, corporate income tax and royalties from various sources. However, tax buoyancy has remained considerably low for two financial years, averaging 13.80 percent of GDP.

Table 4.2	Highlights of Revenue by Sectors								
Sector	FY 2012/13	FY 2013/14	FY 2014/15	FY 2015/16	FY 2016/17 (r)				
Electricity	17.30	20.00	17.30	19.00	10.30				
Trade	36.40	30.10	29.00	28.80	29.50				
Services	12.80	12.50	18.60	18.10	23.40				
Finance	3.40	2.80	2.50	6.90	6.30				
Manufacturii	ng 2.80	2.30	2.70	1.90	1.70				
Primary	1.70	1.70	2.50	1.40	1.70				
Total	74.40	69.40	72.60	76.10	72.90				

**Sectoral Revenue** consists of gross revenue from hydropower, trade, finance, manufacturing and primary sector. It excludes collections under PIT, Interest from Corporations and DHI. The total sectoral revenue was recorded at Nu. 22.55 billion from Nu.21.73 billion in FY 2015/16, which was an increase of 3.80 percent. In terms of revenue mobilization, trade and services sector contributed significantly to the total gross revenue by 29.50 percent and 23.40 percent respectively in FY 2016/17 followed by electricity at 10.30 percent and finance at 6.30 percent.

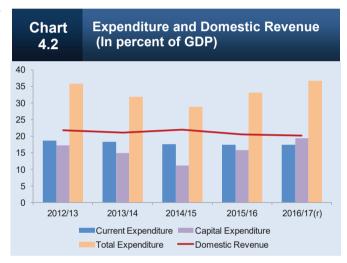
**External grants** in FY 2016/17(Nu.17.89 billion) financed 32.91 percent of the total budget outlay, an increase from 20.20 percent in the previous year and still continued to meet a large portion of the capital expenditure. In terms of composition, external grants constituted 37.37 percent of total revenue (including grants) in FY 2016/17, compared to 35.42 percent last year. Of which, total 90.50 percent (Nu.16.19 billion) were in the form of project-tied grants and the remaining Nu.1.70 billion were in the form of program grants.

The Government of India, as a major development partner, contributed 82.89 percent of total grants for various development activities. Other donors contributed Nu.5.21 billion to the total grant pool, out of which 67.4 percent (Nu. 3.51 billion) were in the form of project-tied grants and the remaining Nu.1.70 billion towards program grants.

### 4.2 Expenditure

Fiscal policy has become more expansionary in recent years, mainly because of the increase in expenditures related to economic and social services as reflected in Table 4.3. **Total expenditure** grew by 25.95 percent in FY 2016/17 to Nu. 56.28 billion, compared to 30.16 percent in the previous year. An increase of Nu.11.59 billion from Nu. 44.68 billion in FY 2015/16 due to incorporation of external funds and adjustment of prior year's advances.

Although, growth in both the current and development expenditure was high during



FY 2016/17, capital expenditure contributed the most due to incorporation of external grant and loan funded projects besides incorporation of Nu. 165.17 million for Employment Facilitation Program and Nu. 10 million for Wangdue Dzong reconstruction project.

The **current expenditure** was revised to Nu.25.67 billion, an increase of 12.19 percent over the previous year mainly attributed by growth in pay and allowances, grants, travel and interest payments. Despite the increase in the current expenditure, the domestic revenue Nu. 29.99 billion has been able to adequately meet the Constitutional requirement of financing the current expenditure.

Correspondingly, **capital expenditure** stood at Nu.30.61 billion, higher by Nu.8.80 billion from the previous year's outlay due to growth in expenditure on structure, training (HRD), non-developmental capital, equity shares/capital grants and plant & equipment.

Table 4.3	Highlights of the Budgetary Expenditure							
					% of to	otal expenditure		
Sectoral expen	nditure	2012/13	2013/14	2014/15	2015/16	2016/17 (r)		
Social services		19.20	23.10	24.52	26.12	28.14		
Health		5.63	7.88	7.94	7.76	8.22		
Education		13.57	15.22	16.58	18.36	19.92		
Economic servi	ces	21.94	28.55	30.17	35.81	34.60		
General service	es	10.36	12.60	23.02	18.67	19.52		
National debt se	ervices	41.55	26.34	13.40	10.80	9.00		
Others <sup>1</sup>		6.95	9.42	8.89	8.60	8.73		

Source: Ministry of Finance, Bhutan

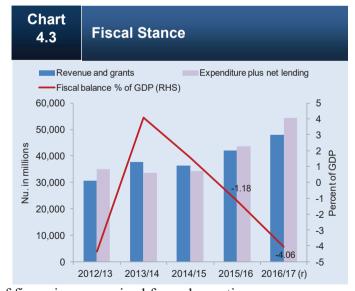
1)Others includes public order & safety services and religion & cultural services.

In terms of the **sectoral budget allocation** for FY 2016/17, as illustrated in Table 4.3, the share of expenditure on economic services (comprised of agriculture, mining and manufacturing industries, roads, housing and community amenities, communications and energy sector) as a percent of total expenditure was the highest, recording 35.81 percent in FY 2015/16 to 34.60 percent in FY 2016/17. Followed by social services at 28.14 percent, general services at 19.52 percent, national debt services at 9 percent and others (including public order & safety and religion & cultural services) at 8.73 percent in 2016/17.

### 4.3 Fiscal Deficit and Financing

Despite, the government's efforts to pursue sustainable fiscal path over the medium term through expenditure rationalization and revenue enhancement measures, the revised budget of FY 2016/17 resulted in an overall **fiscal deficit** of Nu. 6.49 billion (4.06 percent of GDP) compared to the Nu.1.56 billion in FY 2015/16.

Against the backdrop of a higher fiscal deficit, the Government's financing requirements also increased. While borrowings from external sources increased



considerably during FY 2016/17, the bulk of financing was raised from domestic sources.

# SECTION II REPORT ON KEY SECTORS

### 1. TOURISM

Tourism<sup>1</sup> is an important sector with a major impact on Bhutan's Balance of Payments through its net inflows in the travel and transport segments of the international trade in services sub-account. The industry also provides many opportunities for employment generation with positive spill-over on domestic hotels, shops and other tourism-related service providers like consulting and hiring firms.

The tourism sector has been one of the fastest growing economic sectors which also contributes to diversified growth globally. According to the United Nations World Tourism Organization (UNWTO) 2017 edition, with a growth of 4.13 percent, international tourism arrivals in 2016 increased to 1,235 million compared to 1,186 million in 2015. On the other hand, international tourist receipts have decreased by 3.28 percent to USD 1,220 billion in 2016 from USD 1,260 billion in 2015. Through international transport services rendered to non-residents in 2016, international tourism also generated USD 216 billion in exports, an average of USD 4 billion a day. Tourism sector ranked as the world's third largest export category, after chemicals and fuels and ahead of automotive products and food.

With 9 percent increase in international arrivals, Asia and the Pacific led the growth in 2016, followed by Africa at 8 percent. By sub-region, the strongest growth was recorded in Sub-Saharan Africa with 10 percent, followed by Oceania, North-East Asia and South-East Asia all with 9 percent, South Asia with 8 percent and South America by 7 percent. International tourism receipts increased in regions like Africa, Asia and the Pacific, Americas and Europe, while it declined by 2 percent in Middle East.

With the theme of "Sustainable Tourism-a Tool for Development", World Tourism Day was held on 27<sup>th</sup> September, 2017 with the day dedicated to exploring the contribution of tourism to the Sustainable Development Goals (SDGs). "Last year alone, 1.235 million travelers crossed international borders in one single year. By 2030, this 1.2 billion will become 1.8 billion. The question, as we celebrate World Tourism Day 2017, is how we can enable this powerful global transformative force, these 1.8 billion opportunities, to contribute to make this world a better place and to advance sustainable development in all its three pillars. This World Tourism Day, whenever you travel, wherever you travel, remember to respect nature, respect culture and respect your host," said UNWTO Secretary-General Taleb Rifai.<sup>2</sup>

<sup>&</sup>lt;sup>1</sup>Sources: Tourism Council of Bhutan; UN World Tourism Organization; News archives

<sup>&</sup>lt;sup>2</sup>http://media.unwto.org/press-release/2017-08-10/world-tourism-day-2017-celebrated-theme-sustainable-tourism-tool-developm-0

According to the TCB's Bhutan Tourism Monitor 2016, attractions to visit Bhutan by international visitors are mostly attributed to cultural (88 %) activities like Tshechus and festivals, visiting Dzongs and monuments and experiencing the Bhutanese way of life. Regional visitors are also mostly attracted by culture and tradition (55.24%), followed by nature and ecology and adventure.

International visitors have to pay, minimum daily tariffs of USD 250 per person per night for the months of March, April, May, September, October and November and USD 200 for the months

Break Down of Daily Tariff (USD)	
PEAK SEASON	
Client pays per day	250.0
Less 10 % commission to overseas agent	25.0
So Bhutan receives	225.0
Less Royalty to RGOB	65.0
Less 2% withheld tax	3.2
Received by tour operator	156.8
LEAN SEASON	
Client pays per day	200.0
Less 10% commission to overseas agent	20.0
So Bhutan receives	180.0
Less Royalty to RGOB	65.0
Less 2% withheld tax	2.3
Received by tour operator	112.7
Source: Tourism Council of Bhutan.	

of January, February, June, July, August and December. This tariff covers a minimum of 3-star accommodation, all meals, a licensed Bhutanese tour guide, all internal transport, camping equipment as well as internal taxes and charges while USD 65 is payable as royalty to the Royal Government of Bhutan.

### **Recent Performance**

With the highest growth of 35 percent over the last five years, the total number of visitors increased to 209,570 in 2016 from 155,121 in 2015. Of the total visitors, 54,600 comprise of international visitors with a growth rate of 11.9 percent over 2015. In the case of regional visitors (India, Bangladesh and Maldives), 146,797 visited Bhutan in 2016 as compared to 97, 584 in 2015 with an increase of 50.4 percent. International tourist earnings for 2016 was reported at USD 73.74 million as compared to USD 71.04 million in 2015, an increase of 3.80 percent. For the year 2016/17 royalty from tourism towards increased by 18.12 percent to Nu. 1372.27 million as compared to Nu. 1161.77 million in 2015/16, which was mainly due to increase in number of visitors over 2015 (National Revenue Report, 2016-2017).

Although Chinese visitors still dominate international arrivals to Bhutan (16.86 percent of total international arrivals in 2016) the number of visitors from China decreased by 2.03 percent in 2016. Out of the total international visitors, China has the higher share with 16.86 percent, followed by USA at 13.36 percent, Japan at 8.85 percent, Thailand at 7.65 percent, United Kingdom and Singapore at 5.72 percent and 5.52 percent respectively.

Table 1	Selected Tourism Indicator	rs				
	,	2012	2013	2014	2015	2016
Tourist Arriv	als	44,431	44,661	57,934	48,800	54,600
Of which: Cultural		44,102	32,156	50,020	41,470	48,048
Of which	: Nature*	3,252	3,573	23	2,826	3,822
% Change	in arrivals	17.3	0.5	29.7	(15.8)	11.9
Gross receip	ots <sup>1</sup>	62.8	63.5	73.2	71.0	73.7
% Change	in receipts	31.7	1.1	15.4	(3.0)	3.8
Contribution	to Government revenue <sup>1</sup>	17.5	16.7	21.8	19.7	21.3
% Change	in contribution	13.0	(4.7)	30.3	(9.7)	8.3

<sup>\*</sup> From 2016 onwards, tourist visiting for the purpose of trekking has been clubed with Nature 1) in millions of USD; Government revenue includes royalty and 2% tax. Source: Tourism Council of Bhutan.

In terms of bed nights from the top 20 international source markets, visitors from Switzerland and Netherlands had the highest with 10 nights, followed by Germany and France with 9 nights, USA, UK, Australia, Canada and Italy with 8 nights each, while most of the visitors from the Asian subcontinent (Japan, Thailand, and South Korea) had spent 4 nights, which is the lowest.

Table 2	Source of Internation	al Touri	sts by R	egion (	% of tota	al)		
		2010	2011	2012	2013	2014	2015	2016
Asia & Asia Pad	cific	32.0	40.3	49.0	48.4	55.8	48.9	56.1
of which: Japa	n	10.9	10.5	15.9	9.1	4.7	5.0	8.9
China		5.5	7.7	8.6	10.8	14.0	19.3	16.9
Thailar	nd	3.2	6.0	8.1	7.9	20.9	7.7	7.7
Austral	lia	4.8	4.7	4.4	4.6	3.5	3.8	3.3
Europe		43.2	37.1	32.4	30.4	26.1	30.4	26.0
of which: Gern	many	8.3	6.1	6.6	6.2	5.1	6.1	5.7
United	Kingdom	6.5	7.5	5.6	5.2	4.6	6.1	5.7
North America		22.6	20.0	16.4	18.6	15.4	18.4	16.0
of which: USA		19.1	16.6	13.7	15.7	12.6	14.6	13.4
South America	& Caribbean Islands	1.3	1.5	1.5	2.0	2.1	1.7	1.3
Middle East		0.5	0.9	0.5	0.4	0.5	0.4	0.5
Africa		0.4	0.2	0.2	0.2	0.3	0.3	0.2
Total		100	100	100	100	100	100	100

North Amercia = USA, Canada & Mexico. Source: Tourism Council of Bhutan.

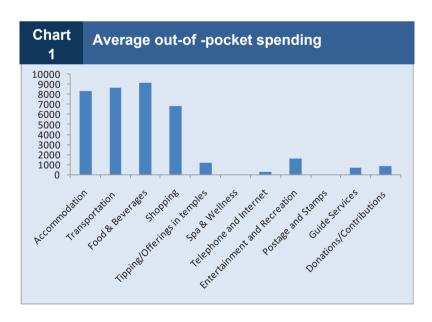
In terms of Dzongkhags, Paro had the highest bed nights with 34.4 percent followed by Thimphu and Punakha at 25.6 percent and 16.5 percent respectively.

From the regional perspective, international visitors are dominated by visitors from Asia and Asia pacific region with 56.1 percent of the total visitors, a growth rate of 14.72 percent over 2015. Asia and Asia pacific is followed by visitors from Europe with 26 percent and visitors from North America with 16 percent of the total international visitors.

# **Regional Tourists and Spending Patterns**

Visitors from India, Bangladesh and Maldives are referred to as regional visitors, and through a reciprocal arrangement, do not have to pay the minimum daily tariff. Regional visitors was recorded at 146,797 in 2016 compared to 97,584 visitors in 2015, an increase of 50.43 percent. Of the total, 138,201 were from India (2015: 89,855) and 8,596 from Bangladesh (2015: 7651). 85 percent of the regional visitors were on holiday, followed by 6 percent for employment, 3 percent for meeting and conference, and education and research, while 2 percent were visiting friends and relatives.

Out of pocket spending is the expenditure made besides their normal expenditure covered in the tour package. The exit survey done by the Tourism Council of Bhutan shows that 5.7 percent spent more than Nu. 12,000 per day per person and 4.9 percent spent less than Nu. 2,000 per person per day, on average Nu. 5,350 was spent by regional tourists in addition to their normal expenditure covered in the tour package. The highest expenditure was on food and beverages, followed by transportation, accommodation, and shopping, while the least was spent on communication and internet usage. In 2015, highest expenditure was made on accommodation and transportation while the least was expenditure on postage and stamps.



## **Developments, Challenges and Initiatives**

One of the key challenges for the tourism sector in Bhutan continues to be that of seasonality (see Chart 2). Tourism in Bhutan is defined by two peak seasons within a calendar year (the second and last quarters), coinciding with religious festivals in the major towns of Thimphu, Paro, Punakha and Bumthang. The TCB has increased the lean season which is in the month of January, February, June, July, August and December to address seasonality problems and for better distribution of tourists. Considering the importance of regional tourists, the TCB has also carried out numerous marketing and promotional activities for regional markets, focusing on attracting regional tourists during the lean seasons.

Other issues for visitors have been the ongoing road widening works for East-West national highway. Since most of the visitors were elderly ones the road conditions resulted in a drop in

number of visitors in eastern and central parts of the country, especially in Bumthang. Visitors usually travel to Bumthang after the Thimphu *Tshechu* to witness he local *Tshechus* in Bumthang. However, in 2016, many reservations were cancelled and most tourists returned to Thimphu half way to Bumthang due to landslides and poor road conditions with heavy rainfall. Domestic flights from Paro to Bumthang were also cancelled during such weather conditions.



Numerous initiatives are underway to achieve more regional balance and

improve accessibility. The road widening works for the East-West highway is expected to diversify products and promote tourism in the east for regional balance and uniform distribution of benefits from tourism. In addition, trekking routes like, *Salt Trek Rout* (which covers Samdrup Jongkhar and Tashigang), *Wild East Rodung La Trek* (which covers Bumthnag and Tashiyangtse), *Nabji Korphu Trek* (which covers Trongsa Dzongkhag) have been introduced to have more balanced tourist distribution.

The Tourism Council of Bhutan launched the 'Bhutan-Korea friendship offer' on January 18, 2017 to mark the thirty years of diplomatic relations between the two nations. During the offer Korean nationals visiting Bhutan in the month of June, July and August do not have to pay the mandatory minimum daily tariff of USD 200 per person; instead they have to pay only USD 65 as government royalty. As a result of the offer, 2016 saw the highest visitor numbers from South Korea in the

month of August (201 visitors). With such initiatives, the lean season saw higher number of visitors compared to the previous year

After the major renovation works carried out in the Yonphula domestic airport, Drukair commenced domestic flight to Yonphula and Gelephu from November 11, 2017, coinciding with the Birth anniversary of His Majesty the Fourth Druk Gyalpo. Drukair will operate about three flights a week and also offer promotional fares. With such initiatives, it will help the government to reduce the disparity even though it cannot spread visitors equally across the country, since most of the visitors may choose air transport over land transport due to road widening works for the East-West national highway.

Table 3	International 7	Γourist Arr	ivals by to	p 10 sour	ce markets	(% of total	al)
	2010	2011	2012	2013	2014	2015	2016
<b>Total Arrivals</b>	14,825	37,890	44,431	44,661	57,934	48,800	54600
China	4.87	77.15	8.59	10.81	14.00	19.26	16.86
USA	18.46	16.62	13.73	15.67	12.59	14.63	13.36
Japan	8.53	10.55	15.82	9.03	4.67	4.99	8.85
Thailand	2.81	5.95	8.14	7.90	20.89	7.74	7.65
United Kingo	lom 7.82	7.43	5.61	5.17	4.63	6.06	5.72
Singapore	2.56	3.61	3.63	4.59	2.97	5.30	5.52
Germany	8.90	6.12	6.52	6.20	5.13	5.12	4.21
Malaysia	1.31	2.11	2.95	4.60	3.57	3.17	3.60
Australia	4.91	4.74	4.39	4.62	3.52	3.76	3.33
Taiwan	1.24	2.35	1.80	2.47	2.19	2.51	3.32
Others	38.58	-36.62	28.82	28.94	25.85	27.46	27.58

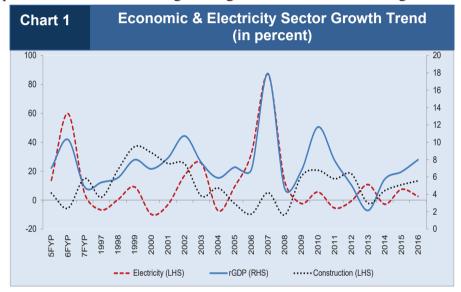
#### 2. HYDROPOWER AND THE ECONOMY

#### **Investment and Production**

Bhutan's economic growth cycle has been largely driven by hydropower sector since the 1970s. Over the decades, the sector has expanded steadily and continues to dominate the economy in terms of production, revenue generation, export earnings, and also in terms of share in the external debt. Hydropower development has economic impacts in two stages; pre-project commissioning period known as *construction stage*, and post commissioning known as *generation stage*. On an average, construction duration ranges from 6-15 years depending upon size, geographical location, geological and technological factors. Relative to economic size, investment in hydropower is large, requiring huge up-front capital construction and engineering investment. It is a long term

investment with long asset life and low operation costs.

Investments in hydropower projects also directly impact on construction activities, mining and quarrying, transport sector, and other economic sectors. After generation. the impact is directly through electricity production with benefits to ancillary sectors

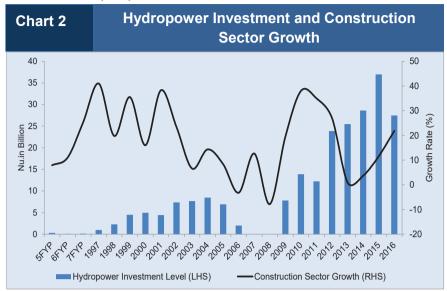


through cheaper and stable power supply for production of goods and services.

When construction of the *first mega project, the 336 MW* Chhukha Hydro project (CHP) was started in 1975, construction activities steadily picked up and its real gross value addition (GVA) was recorded at about 17.49 percent GDP in 1983, one of the highest sectoral contributions. Huge upfront capital costs for dams, tunnels, roads, bridges and other infrastructures requires huge volume of boulders, sands, and cements accelerates mining and quarrying activities. Simultaneously, transport and trading sectors also experiences similar growth trend due to overall increase in economic activities induced by hydropower construction. When it was fully commissioned in 1988, GVA from electricity sector increased to Nu. 1,933.50 million (19.89% of GDP) compared to Nu.31.20 million (0.46% of GDP) in 1985. As a result, real GDP grew by 28.70 percent in 1987, recording *historic growth*. Thereafter, the availability of cheap power supply from CHP has stimulated the manufacturing sector, especially power intensive industries.

Later, when the 7<sup>th</sup> Five Year Plan (1992-96) was mid-way, the Royal Government of Bhutan in collaboration with Government of India (GoI) started construction of the *60MW Kurichhu* 

Hydropower **Project** (KHP) in 1994. The construction sector growth accelerated in 1997 (first year of 8FYP) with start of the 1020 MW Tala Hydro **Project** (THP), and amplified when the 64 MW Basochhu Hydropower project (BHP) started in 1998. The size hydropower investment of Nu.77.27 million in 1994 million increased



Nu.4,410.16 million at the end of 8FYP (2001) and share of hydropower investment to total public investment rose to *44.47 percent in 8FYP* compared to 7.76 percent in 7FYP<sup>1</sup>. As a result, the construction sector's real GVA share to GDP increased from 8.04 percent in 1994 to 16.21 percent in 2001, and economic growth accelerated from 4.95 percent to 8.20 percent. Given the size of

investment, other auxiliary sectors such as mining and quarrying, transport and services benefitted.

With the completion of *KHP in 2002, BHP in 2003*, and pick up in THP construction activity, economic growth accelerated to 10.73 percent and 7.66 percent respectively. Growth further accelerated to



17.93 percent in 2007 when THP was commissioned, highest since CHP commissioning in 1988. The share of GVA of electricity sector was 22.15 percent of GDP in real term, while

<sup>&</sup>lt;sup>1</sup> Hydropower investment expenditure is not included in the Central Government budget and treated as off budgetary activities. In the analysis, central government capital expenditure together with hydropower investment total to public investment.

contemporaneously, due to abundant electricity supply at cheaper rate, the economy also experienced industrial boom, enabling economic diversification.

Within the first three years of 10FYP, in order to achieve the accelerated hydropower development policy of 10,000 MW by 2020, construction began on the 1200 MW Punatshangchhu I project (PHP I) in November 2008, 126 MW Dagachhu (DHP) in November 2009, 720 MW Mangdechhu (MHP) in April 2010, and 1020 MW Punatshangehhu II project (PHP II) in December 2010. The construction sector rebounded from negative growth of 10.22 percent in 2008 to positive 16.52 percent in 2009 stimulated by the investments. Thereafter, hydropower investment level rapidly intensified, averaging 36.55 percent of the Nu.131.89 billion total public investments in 10FYP. In tandem with higher central government investment, growth in other economic sectors, in particular, mining and quarrying, transport and trading activities in 10FYP also picked up until the overall economic slowdown in 2013. Despite the sudden economic slowdown, steady expansion in hydropower investment, helped mitigate further economic downturn and enabled quick recovery. This has sustained investment demand in maintaining aggregate demand and stimulating consumption demand from 2013 onwards. Commissioning of 126 MW Dagachhu in 2015 increased output growth where electricity production grew by 7.43 percent, comprising 17.20 percent of GDP. In view of favourable hydrology, a 2.64 percent growth in electricity production and ongoing hydropower construction has contributed in sustaining overall economic growth at 7.99 percent in 2016.

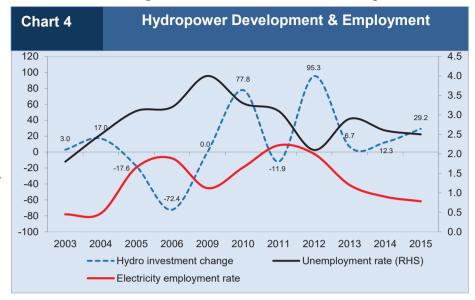
As per the latest updates, MHP is estimated to complete by mid-2018, PHP I by July 2022 and PHP II by June 2021. In terms of physical progress till June 2017, PHP I has completed about 82.90 percent, PHP II about 72.17 percent, and MHP about 90.00 percent of the works. As majority of physical works have been completed, the level of construction activities are on the verge of slowing down. Construction of the 600 MW Kholongchhu and 118 MW Nikachhu hydro projects have started in 2015 and 2016 respectively.

# **Employment**

Hydropower construction and engineering investment is capital incentive, relative to its investment size; employment generation is low except during the construction stage. As a result, the operational cost is minimum for hydroelectric plants. As per the labour force survey 2003, total employment in electricity sector was about 1,000 persons which is about 0.40 percent of total employment relative to electricity sector GVA 12.62 percent to total output. The employment in the construction sector in 2003, largely dependent on hydropower construction was about 2,900 persons, comprising 1.30 percent of total employment generation. With commissioning of 1020 MW THP, sectoral employment increased to 5,301, contributing 1.7 percent of the total employment generation in 2010, whereas share of employment in construction sector dropped being at initial stage of hydropower construction activities. Overall unemployment rate stood at 3.3 percent in 2010 compared to 1.8 percent in 2003. In 2015, employment in construction sector

largely influenced by the hydropower construction activities were doubles that of 2010. During the period, hydropower investment recorded high of Nu.36.96 billion, about 62.89 percent of total

public investment (Nu.58.77 billion) stimulated economic activities resulting in one of the lowest unemployment rate at 2.50 percent. The construction and production of hydroelectricity influences economic activities in mining and quarrying, transports and trading.



manufacturing and other sector which indirectly helps in creation of overall employment.

According to administrative data, as of June 2017 there are 3,950 (851 are key officials and staff) employees in PHP I, 6,942 (857 key officials and staff) in PHP II, and 4,857 (509 key officials and staff) in MHP<sup>2</sup>. There are about 1,687 employees under DGPC mainly for operation and maintenance of generating hydro plants, and about 2,500 under Bhutan Power Corporation (BPC) for the construction and maintenance of electricity transmission line in Bhutan.<sup>3</sup>

#### **Export & Revenue to Government**

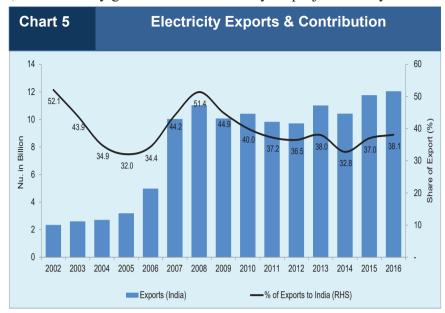
Hydropower has not only helped in maintaining higher economic growth, more importantly it is also the top most export earning sector in the economy. Hydroelectricity revenue is generated through domestic sales and from the export proceeds from India. Revenue earnings directly depend on installed capacity, hydrological conditions and the tariffs rates. There is high seasonal variation in generation, because all the plants run of the river schemes. More than two third of annual productions are generated during monsoon season (June-September).

<sup>&</sup>lt;sup>2</sup>The foreign employees working in the hydropower construction projects usually omitted while measuring employment in the labor force survey. Employment in ongoing construction projects includes both national and expatriates (source: Respective Project Authority)

<sup>&</sup>lt;sup>3</sup>Source: Annual Report of DGPC & BPC

Until CHP was commissioned, the electricity generation from mini hydel projects barely covered

domestic demand. Electricity revenue increased Nu.42.60 to million in 1986 when first unit (84 MW) of CHP was completed in September 1986, and for the first time Bhutan was able to earn about Nu.42.00 million through electricity exports. When CHP was fully commissioned in 1988. earnings rose to Nu. 279.70 million, of which Nu.275.90 million were through export

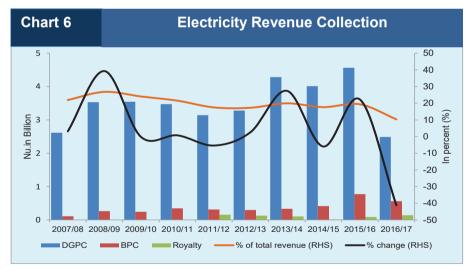


proceeds. The earnings from electricity sales increased over the plan periods with constant added generating capacity.

Majority of earnings are generated from export proceeds since about 90.0 percent of total generation are exported to India. Since the commissioning of the KHP in 2002, export increased

to Nu.2.35 billion, comprising 52.06 percent of export to India (48.38% of total exports)<sup>4</sup>. Later, when 1020 MW THP was fully commissioned,

electricity export proceeds was *Nu*. *10,034.30 million*, five times higher than in 2000 with a first time experienced overall



trade surplus in 2007. In 2008, electricity exports constituted about 52.0 percent of exports to India (48.84% of total exports). Gross earnings from electricity increased from Nu.50.99 billion in 9FYP to Nu.100.65 billion in 10FYP. In 2016, hydroelectricity exports increased to Nu.12.04 billion, contributing about 37.57 percent of exports to India (34.15% of total exports). Domestic revenue from hydropower sector is normally collected in the form of profit transfer, corporate

<sup>&</sup>lt;sup>4</sup> 64 MW Basachhu project was commissioned 2003 and production are mainly for domestic consumption.

income tax, dividends, royalty, and interest receipts<sup>5</sup>. In FY 2015/16, domestic revenue collection from electricity sector was Nu.5.25 billion, comprising about 19.40 percent of total revenue and same level of domestic revenue is estimated to be collected from electricity sector in FY 2016/17<sup>6</sup>.

## **Imports**

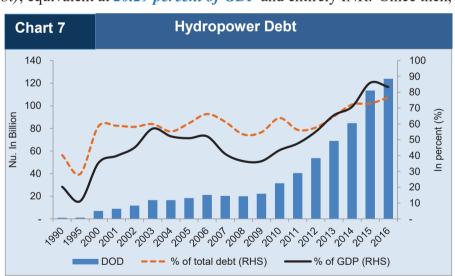
In view of limited domestic production capacity, majority of the goods and services required for project construction are imported from abroad, mainly from India. However, with increasing domestic capacity, the share of imports to total project spending over the years have been declining. For instance, majority of key materials like cement and steel, including executive manpower which were imported earlier, are now supplied domestically. Moreover, except for labourers, the majority of executive manpower are nationals.

Hydropower investment being a capital intensive project requires higher capital such as plant and machinery compared to amount of labour inputs. Most of the plant and machineries, and services like consultancy for project implementation, installation, quality control, construction, and manpower are mostly imported from India.

#### **Debt**

With high upfront capital cost, large portion of expenditure are financed through loans. Total external outstanding debt on account of hydropower (CHP) in FY 1990/91 stood at Nu.983.640 million (40.29% of total debt), equivalent at 20.29 percent of GDP and entirely INR. Since then,

hvdro debt level has declined relative to GDP until start of KHP and construction THP 1998. In FY 2000/01, outstanding hydro debt increased Nu.6.99 billion. about 35.24 of percent GDP. However, share of INR debt declined to 86.61 percent with increased convertible currency debt



on account of BHP from Government of Austria. Due to steady disbursements, debt continued to expand till completion of THP in FY 2006/07, reaching a high of Nu.21.20 billion which was

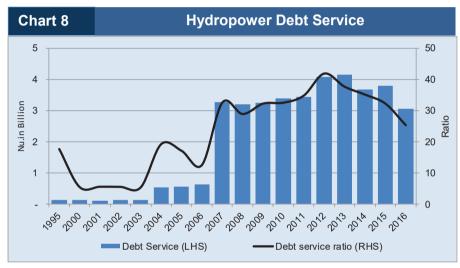
<sup>&</sup>lt;sup>5</sup>Druk Green Power Corporation (DGPC) operate and maintain existing hydropower plants (CHP, KHP, BHP & THP)

<sup>&</sup>lt;sup>6</sup>In FY 2016/17, revenue collection from electricity sector was not fully captured as per the National Revenue Report, DRC, MoF

**52.12** percent of GDP. Despite CHP debt liquidation in 2007, debt levels rapidly increased in 10FYP with higher disbursements for PHP I, DHP, PHP II and MHP. Compared to Nu.31.45 million (43.38% of GDP) in FY 2010/11, hydro debt quadrupled to Nu.123.85 billion, about 83.30 percent of GDP in FY 2016/17, constituting more than 76.67 percent of total external debt liability where 90 percent is denominated in INR.

Concurrently, hydropower debt servicing obligation escalated from Nu.127.93 million in FY 1995/96 to Nu.548.84 million FY 2005/06 when KHP and BHP were commissioned. However, hydropower debt service ratio has been contained below 18.0 percent of its export earnings. With start of THP debt servicing and increase in domestic electricity consumption, debt service increased from 2007, averaging about 32.64 percent of total electricity export proceeds. During the period, hydro debt servicing accounted about 86.06 percent of total debt servicing and Nu.2.69 billion was solely for THP.

with the Further commissioning of DHP in 2015, debt servicing increased slightly and dropped the following year with the liquidation of KHP. Hydropower debt service in FY 2016/17 stood at Nu.3.07 billion. equivalent to 25.51 percent debt service



ratio and more than 84.12 percent were in the form of INR.

Despite high level of debt, the joint World Bank-IMF Debt Sustainability Analysis, 2016 has categorized Bhutan under moderate risk of debt distress based on the unique mitigating factors. A large share of external debt is linked to hydropower project loans from GoI, covering both financial and construction risks, GoI buys surplus electricity output at price reflecting cost plus a 15 percent net return. In addition, ongoing energy deficit, and strong political commitment in India for clean energy is expected to improve Bhutan's external debt situation in the medium to long term.

# **Key Summary Tables**

Table 1			Summa	ry of Exi	sting and	Pipelin	e Hydrop	ower p	orojects
	Installe	٨	Constructi	on Period		Complet	ion Cost (Nu	ı.in Mill.)	Outstanding
SI.No	Capacity (MW)	-	Start Date	End Date	DPR cost (Nu.in Mill.)	Loan	Grant/ Equity	Total	Debt As of June 2017 (Nu. In Mill.)
				Co	mmissioned				
CHP	3	336	1974	1988	830	992	1,473	2,465	Liquidated
KHP		60	1995	2002	2,560	2,240	3,360	5,600	Liquidated
BHP		64	1997	2002-2005	2,868	2,357	921	3,278	1,718.13
THP	1,0	20	1997	2007	14,180	16,940	25,410	42,350	2,013.89
DHP	1	26	2009	2015	8,160	7,336	4,891	12,227	9,174.73
Sub-total	1,6	606						12,906.74	
	Ongoing Construction								
PHP I	1,2	200	Nov 2008	2021/22	35,148	56,254	37,502	93,756	44,543.69
MHP	7	20	April 2010	2018/19	28,963	33,729	14,455	40,206	29,230.33
PHP II	1,0	20	Dec 2010	2018/19	37,778	51,034	21,872	72,906	35,982.19
Nikachhu	1	18	April 2014	2019	10,130	7,731	4,163	11,894	1,187.39
Kholongchhu	6	800	June 2015	2022	30,710	21,497	9,213	30,710	-
Sub-total	3,6	558							110,943.59
Total	5,2	264							123,850.33
Source: DMD,	Departmer	nt of	Macroecono	mic Affairs, I	MoF				

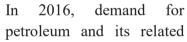
SI.No	Unit	1988	2002	2005	2007	2012	2013	2014	2015	2016
Installed Capacity	MW	336	420	460	1,480	1,480	1,480	1,480	1,480	1,606
Production	Million Unit	1,470.50	2,162.62	2,499.25	6,397.35	6,810.73	7,536.50	7,147.35	7,735.27	7,942.39
CHP	Million Unit	1,470.50	1,802.80	1,831.26	1,788.06	1,744.54	1,910.11	1,797.95	1,867.40	1,931.01
KHP	Million Unit		228.88	366.22	379.71	360.93	378.60	368.03	381.89	383.97
BHP	Million Unit		130.94	301.77	310.72	299.78	333.20	306.34	312.75	328.67
THP	Million Unit				3,918.86	4,405.48	4,914.59	4,675.03	4,823.63	4,924.51
DHP	Million Unit					-		-	349.61	374.23
Export Earnings	Million Nu.	337.30	2,347.40	3,194.00	10,034.32	9,714.53	11,011.42	10,420.53	11,758.74	12,041.71
CHP	Million Nu.	337.30	1,983.10	2,665.03	3,749.14	3,215.28	3,597.91	3,682.02	3,973.16	4,563.64
KHP	Million Nu.		364.30	528.98	392.12	274.30	301.39	201.55	238.74	144.80
THP	Million Nu.		-		5,893.06	6,224.95	7,112.11	6,536.96	6,577.10	6,143.86
DHP	Million Nu.						-	-	969.74	1,189.42
Domestic Earnings	Million Nu.	9.10	246.75	586.50	960.03	763.28	1,091.79	1,994.47	1,969.05	1,987.72
CHP	Million Nu.	9.10	149.46	243.15	58.71	54.27	129.86	264.94	290.61	568.17
KHP	Million Nu.		6.21	17.95	131.14	196.66	204.00	390.85	356.77	198.12
BHP	Million Nu.		91.08	325.39	372.87	356.49	410.59	406.47	429.90	450.73
THP	Million Nu.				397.32	155.87	347.34	932.22	891.77	770.69
Exports Tariff										
CHP	Nu./kWh	0.24	1.50	2.00	2.00	2.00	2.25	2.25	2.25	2.25
KHP	Nu./kWh		1.75	1.75	1.80	1.98	1.98	1.98	1.98	2.12
THP	Nu./kWh	-	-	-	1.80	1.98	1.98	1.98	1.98	2.12
DHP	Nu./kWh									2.96

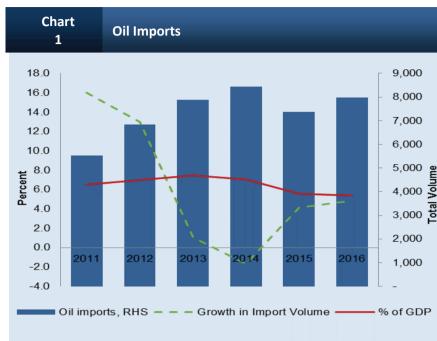
Table 3		Domesti	c Tariff			
Tariff Structure	Unit	Oct 2013	July 2014	July 2015	Jan 2017	July 2017
Talli Structure	Offic	June 2014	June 2015	Dec 2016	June 2017	June 2018
Low Voltage						
LV Block I (rural domestic) (0-100 kWh)	Nu./KWh	0.00	0.00	0.00	0.00	0.00
LV Block I (others) (0-100 kWh)	Nu./KWh	0.98	1.12	1.28	1.28	1.28
LV Block (all) (>100-300 kWh)	Nu./KWh	1.86	2.13	2.45	2.52	2.60
LV Block III (all) (>300 kWh)	Nu./KWh	2.46	2.82	3.23	3.33	3.43
LV Bulk	Nu./KWh	2.56	3.07	3.68	3.79	3.90
Medium Voltage						
Energy Charge	Nu./KWh	1.98	2.19	2.43	2.00	2.07
Demand Charge	Nu/kWh/month	155	195	235	250	275
High Voltage						
Energy Charge	Nu./KWh	1.67	1.81	1.96	1.59	1.59
Demand Charge	Nu/kWh/month	130	155	180	262	262
Wheeling	Nu./KWh	0.114	0.114	0.114	0.195	0.195
Source: Bhutan Power Corporation Ltd, No	ote: 1 unit = 1kWh;	1 million units (N	/U) = 1GWh.			

Table 4	Summa	ry of ongoing	hydropower c	onstruction <sub>l</sub>	orojects
Description	PHPAI	PHPAII	MHPA	Nikachhu	Kholongchhu <sup>1</sup>
Date of Contract Signed	July 28, 2007	April 30, 2010	April 30,2010	April 25, 2014	June 12, 2015
Development Model	Inter-Governmental (IG)	IG	IG	PPP	JV
Financing Arrangements	Government of India (GoI)	Government of India (GoI)	Government of India (GoI)	ADB-Grant/Loan, ADB-OCR Loan, ICB and DGPC	DGPC & SJVN
Commencement of Construction	November 2008	December 2010	March 2012	April 2016	September 2015
Generation Capacity	1200 MW	1020 MW	720 MW	118 MW	600 MW
DPR Completion cost	Nu. 35,148 million at Dec 2006 price level	Nu. 37,778.0 million at March 2009 price level	Nu. 28,963.000 million at March, 2008 price level	Nu. 11,894.00 Million at April 2014 price level	Nu.30,710 million at June 2013 price level
Revised Completion cost	Nu. 93,756.0 million at Dec 2013 price level	Nu. 72,906.200 million at March 2015 price level	Nu. 40,206.30 million at March 2014 price level	Nu. 11,894.00 Million	NA
DPR completion Date	July 2019	December 2017	September 2017	July 30, 2019	March 2022
Revised completion Date	July 2022	June 2021	June 2018	April 20, 2020	NA
Terms of Finance	40% Grant 60% Loan (10 % interest rate p.a and repayable in 12 equated annual installments)	30% Grant 70% Loan (10% interest rate p.a and repayable in 30 equated simi-annual installments)	30% Grant 70% Loan (10% interest rate p.a and repayable in 30 equated simi-annual installments)	Debt:Equity; 65:35	Debt:Equity; 70:30 (SJVN shall raise loan & equity portion of DGPC as grant from Gol)
Financial Progress	Nu. 72,693.0 million disbursed, of which Nu.69,794.5 million is expenditure (74.4% progress)	Nu.49,537.23 million disbursed, of which Nu.47,298.8 million is expenditure (64.9% progress)	Nu.40,206.3 million disbursed, of which Nu.37,759.1 million is expenditure (93.9% progress)	Nu.2,405.21 million (20.2%)	Nu.1,993.20 million disbursed, of which Nu.1,550.00 million is expenditure (5.05% progress)
Loan disbursement	Nu. 44,543.69 million	Nu.35,982.19 million	Nu.29,230.33 million	Nu.1,177.54 million	
Grant disbursement	Nu.28,149.31 million	Nu.13,555.04 million	Nu.10,975.97 million		
Equity disbursement				Nu.1,227.77 million	Nu.1,993.2 million
, , , ,	82.9% of work completed	71.7% of work completed	90% of work completed latest updates as of June 2017; 1	5.25% of work completed	4.0% of work completed

#### 3. SUMMARY OF PETROLEUM IMPORTS AND PRICES IN BHUTAN

Bhutan and India share close bilateral relationship in terms of trade and development. economic India continues to be the largest trading and of development partner Bhutan. The subsidy LPG and Superior Kerosene Oil on a fixed allocated quota to Bhutan has been the key factors towards uplifting the livelihood of Bhutanese population.



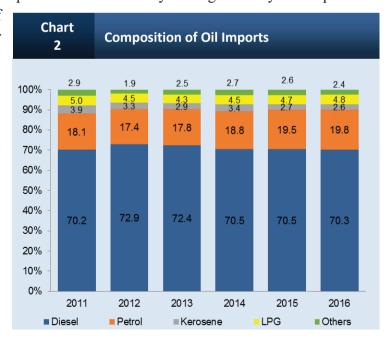


products increased to 4.8 percent from 4.1 percent in 2015. In terms of value, Bhutan imported petroleum and its related products worth Nu. 7,976.8 million compared to Nu. 7,371.5 in 2015. Petroleum products include petrol, diesel, kerosene, Liquefied petroleum gas, furnace oil, aviation turbine fuel and bitumen among others.

The import of petroleum and its related products in the country are regulated by the Department

of Trade under the Ministry of Economic Affairs. There are four distributors carrying out import and distribution of petroleum products in the country. They are Bhutan Oil Distributor, Bhutan Oil Corporation, Druk Petroleum Corporation Limited and Damchen Petroleum Distributor. The Bharat Petroleum and Indian Oil Corporation Limited in India are the main sources from which Bhutan imports its petroleum and related products.

Prices for petroleum products in the country are determined by factors



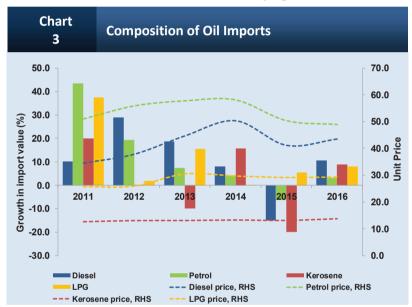
such as transportation cost, shrinkage allowance, dealer's commission, depo surcharge, and product transit insurance. In addition, 5.0 percent sales tax and 5.0 percent green tax are also levied.

Bhutan does not produce any fossil fuel. Fossil fuels such as diesel, petrol and LPG gas are imported from India. In terms of percentage share of import, diesel import accounts for the highest share at 70.3 percent, followed by petrol at 19.8 percent and LPG at 4.8 percent of the total petroleum imports. The remaining import comprised of kerosene, ATF (jet fuel) and lubricating oils.

In terms of percentage of GDP, Import of petroleum products in 2016 constituted 5.4 percent of the GDP<sup>1</sup>. Similarly, petroleum products alone accounted for 14.4 percent of the total merchandise import from India. The use of petroleum product in the country is largely limited to the transport and services sectors. Assessing the impact of oil prices on Bhutan's consumer price index (CPI), CPI inflation was recorded at 5.5 percent in the second quarter of 2017, up from 3.3 percent during the same quarter in 2016. As of June 2016, the CPI inflation of electricity, gas and other fuels,

which constitutes 4.5 percent of the expenditure basket, was recorded at 5.7 percent (year on year). The CPI inflation of fuel and lubricants was recorded at 1.2 percent (year on year as on June 2017).

Oil prices in Bhutan vary with the fluctuation in prices in India. The average price of diesel as of June 2017 was Nu.55.03 per liter, slightly higher from June 2016 when the price was Nu.52.9 per liter. Similarly, the average price of patrol was Nu. 61.35 per



price of petrol was Nu. 61.35 per liter as of June 2017.

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<sup>&</sup>lt;sup>1</sup> CY 2016 nominal GDP figure of Nu. 148,678.93 million, National Statistics Bureau.

#### **Box 1: Import of Motor Vehicles**

The number of motor vehicles registered in the country as of June 2016 increased to 80,389 from 73,815 in 2015. In value terms, imports of motor vehicles increased significantly from Nu.5.2 billion in June 2015 to Nu.6.4 billion in June 2016.

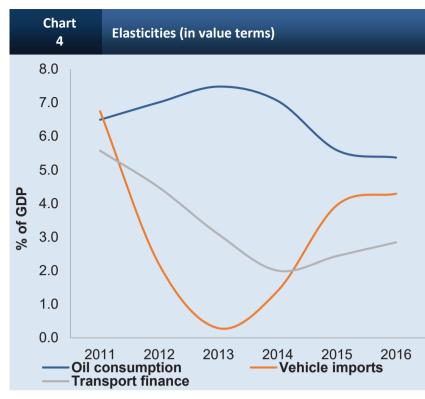
			Nu. In i	millions		
ltem		2015			2016	
	Total	India	COTI	Total	India	COTI
Import of Motor Vehicles	5,216.53	3,955.04	1,261.50	6,383.33	5,313.83	1,069.50
of which:						
1. Passenger Vehicles	3,302.23	2,054.43	1,247.80	3,365.68	2,333.68	1,032.00
Motor vehicles (for 10 persons or more)	380.82	74.10	306.72	239.68	108.89	130.79
Motor vehicles for personal transport	2,825.87	1,900.44	925.43	3,057.49	2,170.88	886.61
Motorcycles (including mopeds)	95.54	79.89	15.65	68.51	53.90	14.61
2. Heavy Duty Motor Vehicles	1,914.30	1,900.61	13.70	3,017.65	2,980.15	37.50
Tractors	39.22	25.79	13.44	30.07	29.41	0.66
Vehicles for the transport of goods	1,702.37	1,702.37	-	2,497.88	2,489.22	8.66
Special purpose vehicles 1	29.63	29.63	-	61.94	56.46	5.48
Work trucks <sup>2</sup>	0.32	0.06	0.26	25.68	2.98	22.71

Source: Department of Revenue and Customs. Does not include the import of vehicle parts.

Of the total number of 80,389 registered vehicles as of June 2016, Thimphu alone registered 41,562, followed by 29,031 in Phuentsholing, 4,523 in Gelephu, 4,483 in Samdrup Jongkhar and remaining 790 in Mongar.

Of the total vehicle registered, light vehicles constituted the highest at around 67.59 percent (excluding Taxis) with two wheelers coming in second highest at around 12.25 percent. The remaining registered motor vehicles were heavy vehicles, power tillers, tractors and heavy earth moving vehicles with the lowest registered being electric vehicle and tractors at less than one percent.

<sup>1)</sup> Includes crane lorries, mobile drilling vehicles, fire fighting vehicles, concrete mixers, road sweepers, spraying lorries, mobile workshops, etc. 2) For use in factories, airports etc. Includes those for lifting/handling equipment used in warehouses, docks, airports, short distance transport of goods etc.



Trend analysis shows a clear relationship among fuel consumption, vehicle import and transport finance. The elasticities calculated in terms of the percentage of nominal GDP reveals that the fuel consumption elasticity decreased marginally from 5.6 percent in 2016 to 5.4 percent in 2016

Likewise, the elasticity for transport finance increased slightly from 2.4 percent in 2015 to 2.8 percent in 2016. Similarly, elasticity of vehicle imports, increased slightly from 4.0 percent in 2015 to

# 4.3 percent in 2016.

Although vehicle imports in year 2013 has declined due to import restrictions, the oil consumption did not follow the same trend during the period, possibly due to a time lag factor. In view of the past trends, the effect of increase in vehicle imports in 2015 may consequently lead

to increase in import of fuel in the near future.

With the view to address the issue of increasing imports of motor vehicles and the growing fuel import bill, the government in recent years has revised sales tax, customs

End of period	2014	2015	2016
Line of perion		Nu. in Mill	lion
Oil consumption	8432.7	7371.5	7976.8
Vehicle Imports	1675.3	5216.5	6383.3
Transport Finance	2390.1	3216.4	4226.5
% change from	the previ	ous year	
Oil consumption	7.0	(12.6)	8.2
Vehicle Imports	447.8	211.4	22.4
Transport Finance	(26.4)	34.6	31.4

duty and green tax on vehicles with a 5 percent green tax on diesel and petrol still in effect.

Chart 1		40		-				ı	ı	
	i mine	агу от Бп	utan s In	summary of bnutan's import of Major Oil Products	viajor Oli	Products				ı
Quantity and Value	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Diesel (KL)* Value in millions of Mu	58892.0	57839.0	65336.0	86930.0	104053.9	122161.0	122567.80	117364.80	122175.40	127801.00
Petrol(KL)	16781.0	17393.0	19709.0	23422.5	26761.1	29094.0	30195.20	31289.20	33880.60	35960.00
Value in millions of Nu.	603.2	604.4	694.7	951.2	1364.2	1626.8	1746.16	1819.94	1705.86	1757.73
Kerosene (KL) Value in millions of Nu.	10207.0 84.7	5252.0 44.2	5427.0 46.4	5780.0 60.6	5727.0 72.7	5547.0 72.7	4990.00 65.56	5694.00 75.83	4611.00	4791.00
LPG (MT) Value in millions of Nu.	5405.5 98.2	5724.7 124.5	5856.8 116.8	6834.2 138.2	7410.9	7470.2	7335.82 223.35	7546.54 223.74	8113.14	8711.57
Aviation Turbine Fuel (KL) Value in millions of Nu.	1080.0 36.9	828.0 38.3	1008.0	1332.0	1455.0	2070.0	3168.00 197.06	3546.00 217.61	3330.00	3303.00
Lubricating Oils (MT) Value in millions of Nu.	3297.4 147.0	3767.8 180.4	1096.7 126.8	758.1 132.3	2287.7	1170.6	1058.51 169.42	993.10 178.68	1222.02 195.30	1121.52 207.16
Furnance Oil (MT) Value in millions of Nu.	2292.0 53.3	1892.0 56.9	4848.0 119.0	2757.0 85.2	564.0	12.0	0.00	0.00	0.00	0.00
Total volume (KL) Total value (Nu. millions	97,955.0 2,620.7	92,696.6 2,728.2	103,281.5 2,963.3	127,813.7 4,693.4	148,259.6 5,516.2	167,524.9 6,834.3	169,315.3 7,882.3	166,433.6 8,432.7	173,332.2 7,371.520	181,688.1 7,976.80
		(% of Tc	tal Oil Impo	(% of Total Oil Imports by Volume	ne)					
Diesel	60.1	62.4	63.3	0.89	70.2	72.9	72.4	70.5	70.5	70.341
Petrol	17.1	18.8	19.1	18.3	18.1	17.4	17.8	18.8	19.5	19.792
Kerosene	10.4	5.7	5.3	4.5	3.9	3.3	2.9	3.4	2.7	2.637
LPG	5.5	6.2	5.7	5.3	5.0	4.5	4.3	4.5	4.7	4.795
ATF(Jet fuel)	7.	6.0	1.0	1.0	1.0	1.2	1.9	2.1	1.9	1.818
Lubricating Oils	3.4	4.1	<del>.</del> .	9.0	7.5	0.7	0.6	9.0	0.7	0.617
Furnance Oils	2.3	2.0	4.7	2.2		0.0	0.0	0.0	0.0	0.000
		(% of 1	otal Oil Imp	% of Total Oil Imports by Value						
Diesel	61.0	61.6	61.7	8.69	64.9	9.79	69.5	70.2	68.2	69.7
Petrol	23.0	22.2	23.4	20.3	24.7	23.8	22.2	21.6	23.1	22.0
Kerosene	3.2	1.6	1.6	1.3	1.3	1.7	0.8	6.0	8.0	0.8
LPG	3.7	4.6	3.9	2.9	3.4	2.8	2.8	2.7	3.2	3.2
ATF(Jet fuel)	4.1	1.4	1.1	1.7	1.3	1.8	2.5	2.6	2.0	1.6
Lubricating Oils	5.6	9.9	4.3	2.8	3.8	2.9	2.1	2.1	2.6	2.6
Furnance Oils		2.1	4.0	1.8	0.4	0.01	00.0	00.00	00.0	0.00
Source: POL Section, Ministry of Economic Affairs.	Affairs.									

Source: POL Section, Ministry of Economic Affairs.

N.B. It is assumed that MT=KL. Figures are based on information submitted by the POL dealers in Bhutan. \* Speed and Hi-Speed are also included under Diesel.

SECTION III

# GOVERNANCE AND ORGANIZATIONAL DEVELOPMENTS

#### 1. OBJECTIVES AND FUNCTIONS OF THE ROYAL MONETARY AUTHORITY

The primary objective of the Royal Monetary Authority shall be to formulate and implement monetary policy with a view to achieving and maintaining price stability.

In view of the close economic and financial ties between Bhutan and India, an *exchange rate target* was chosen, i.e., the one-to-one peg between the Ngultrum and the Indian Rupee. Monetary policy, which is aimed at achieving price stability, is confined to the support of the peg, which involves the provision of at least 100 percent reserve backing for all Ngultrum issued, the avoidance of a large Ngultrum liquidity build-up, together with additional confidence-building measures for the Ngultrum.

Without prejudice to the primary objective, the secondary objectives of the RMA include:

a) <u>Formulate and apply financial regulations and prudential guidelines to promote Good</u> <u>Governance and to ensure the stability and integrity of the financial system against</u> <u>potential systemic risk.</u>

This activity involves ensuring that deposit money banks and other financial institutions conduct their businesses on a sound prudential basis and according to the various laws and regulations in force. Additionally, this includes the licensing of financial institutions to carry out Financial Services.

b) <u>Promote effective financial system comparable to international best practices to ensure</u> macro-economic stability and economic growth in Bhutan.

This refers to the establishment and promotion of an effective financial system, comparable to international best practices, ensuring that financial transactions necessary for the smooth functioning of the economy can be carried out with a minimum amount of cost and time involved. In this connection, the RMA has to be a facilitator of advanced clearing and transfer systems, promoting, supervising and if necessary, operating national and international payments and settlement systems including the electronic transfer of funds by financial institutions, other entities and individuals. Of importance are also the establishment of a deposit insurance system, the availability of certain specialized institutions, which could be represented, for example, by an industrial development bank, an agricultural development bank, and micro-finance institutions, and the facilitation of a money market, primary and secondary markets for securities, a foreign exchange market, and a capital market. All of this shall in turn be carried out to promote macroeconomic stability and economic growth in Bhutan.

In pursuance of its primary and secondary objectives, the functions of the RMA can be summarized as follows:

# a) The Bank of Issue<sup>16</sup>

The RMA has the sole right to issue notes and coins in the country for the purpose of directly influencing the amount of currency in circulation outside banks, thereby providing the economy with sufficient, if possible, non-inflationary liquidity.

## b) The Bankers' Bank

This function includes the acceptance of deposits as prudential reserves for banks (e.g., minimum reserves), the willingness to discount commercial and government papers, and the commitment to act as the "lender of last resort" to banks in the case of short-term liquidity shortages. It also involves the provision of central clearance facilities for inter-bank transactions.

# c) The Government's Bank

The RMA is the banker and the fiscal agent for the government, and may be the depository of the government. The central bank may also make temporary advances to the government.

## d) The Advisor to the Government

The RMA may advise the government on any matter relating to its functions, powers, and duties. The RMA may also be requested to advise the government on any matter related to its functions, powers, and duties, the credit conditions in the country, or any proposal, measures, and transactions relating thereto.

## e) The Guardian of the Country's External Reserves

The RMA is the depository of the official external assets of the country, including gold and foreign currency reserves. Guarding international reserves usually also implies the responsibility for the exchange rate policy (as per the RMA Act, 2010, the external value of the Ngultrum will be declared by the government on recommendation of the RMA) and reserve management, with a view to the prudential management of the funds, with due regard to *safety, liquidity and return*. In Bhutan, as in various other developing countries (e.g., in India), reserve management also includes the formulation, implementation, monitoring and enforcement of Foreign Exchange Regulations.

All functions are carried out under the general supervision of the Board of Directors by the RMA's executive management team with the close support of its departments. The Internal

<sup>&</sup>lt;sup>16</sup>Bhutan's currency notes are printed by the UK-based firm De La Rue Currency and the German firm Giesecke & Devrient. Since 2002, minting of the 1 Ngultrum coin has been replaced by the reintroduction of the Nu.1 denomination currency note, although some coins remain in circulation.

Audit Department and Governor's Office along with the Executive Committee report directly to the Governor while the other departments report to their respective Deputy Governors. The *Executive Committee* was formed in accordance with Chapter IV, Sections 29, 31 and 56 of the RMA Act, 2010 and comprises the two Deputy Governors and four Directors of the RMA. The Executive Committee assists the Governor in the implementation of the Board's policy decisions as well as any other matters pertaining to the RMA. For a comprehensive outline of the organization structure, please see the *RMA organization chart* in the first section of the report.

#### STATUS OF STAFF

As of October 2017, the RMA's staff strength totaled 201, consisting of 3 Executives, 93 Officers and 105 general support staff. Of the total, 193 employees were stationed at Head Office, while 8 employees were at the Regional Clearing House located at Phuentsholing and Mongar Dzongkhags. Out of the total number of employees, 109 are male (54.23%) and 92 female (45.77%).

#### 2. RMA ANNUAL AUDITED ACCOUNTS, FY 2016/17

In accordance with Section 164 of the Royal Monetary Authority Act of Bhutan 2010, the annual audit of the Authority's accounts for the period ending June 30, 2017 was carried out by M/S S.C.Vasudeva & Co., a chartered accountancy firm from New Delhi, India.

In this overview of the RMA's Annual Audited Accounts, FY 2015/16 is referred to as 2016 and FY 2016/17 as 2017. Factors that influenced the RMA's annual accounts for the year 2017 are summarized below.

#### BALANCE SHEET

The total assets and liabilities of the RMA for the year 2017 was Nu. 74.18 billion, which decreased by 7.39 percent from Nu.80.10 billion in 2016.

#### LIABILITIES

Total Liabilities of the RMA are made up of three major components, namely the Capital and Reserves, Foreign Liabilities and Domestic Liabilities.

Capital and Reserves decreased by 12.48 percent from Nu. 20.40 billion in 2016 to Nu.17.82 billion in 2017. Fall in capital and reserves was driven by revaluation reserve which has decreased from Nu.16.68 billion in 2016 to Nu.13.95 billion in 2017. On the other hand, profit and loss account increased marginally from Nu.0.88 billion in 2016 to Nu.1.07 billion in 2017. Other Reserves, which comprises of the Capital Reserves Grant and Clearing House Reserves, remained unchanged at Nu.0.24 million.

**Foreign Liabilities**<sup>17</sup>stood at Nu.13.03 billion in 2017 which has decreased by 35 percent. The decrease was on account of liquidation of RBI swap facility amounting to INR 6.7 billion and decrease in liabilities to the International Institutions (Nu. 10.83 billion to Nu.3.90 billion). Concurrently, the amount due to IMF and to government has decreased by 16.31 percent and 26.71 percent respectively.

**Domestic Liabilities**<sup>18</sup>increased by 9.72 percent mainly on account of increased in due to the banks, which comprised of current account balances of the banks and amount pertaining to the

<sup>&</sup>lt;sup>17</sup>Consists of dues to the IMF, government and government agencies' foreign currency accounts, deposits of other foreign financial institutions such as the World Bank, ADB, and Kuwait Central Bank, GOI Stand-by credit facility. <sup>18</sup>Consists of notes and coins in circulation, due to banks, due to government (MoF Refundable deposit & MoF revaluation reserve), sweeping accounts and other miscellaneous liabilities.

cash reserve requirement maintained with the RMA. The currency in circulation also increased from Nu.9.67 billion in 2016 to Nu.11.53 billion in the review period.

#### **ASSETS**

The total assets of the RMA comprises of foreign assets, domestic assets, and non-financial assets.

**Foreign Assets** decreased by 7.76 percent from Nu.79.43 billion to Nu.73.27 billion in 2017, mainly on account of the significant withdrawal of term deposits from abroad which has fallen to Nu.42.15 billion compared to Nu.55.46 billion in 2016.

**Domestic Assets** increased from Nu.299.95 million in 2016 to Nu. 598.57 million mainly on account of balances with banks which increased by 110.82 percent.

**Non-Financial Assets** that includes fixed assets, inventories and other assets, declined by 15.88 percent from Nu.366.50 million in 2016 to Nu.308.29 million in 2017. The decline was contributed by decline in inventories during the year.

#### INCOME AND EXPENDITURE

The total **operating income** of the RMA in 2017 was Nu.1.95 billion, which improved by 30.56 percent from Nu.1.50 billion in 2016. The main contributing factor for this improvement was higher interest earnings from the Rupee investment, which recorded growth of 41.56 percent. The interest on foreign investment as well as gains on sale of foreign currencies also contributed to increase the operating income. While on other hand, components such as royalty from commemorative coins and income from other sources experienced decline in the review period.

The total **operating expenses** grew by 43.20 percent from Nu. 269.05 million in 2016 to Nu. 385.28 million in 2017. This increase was contributed by the RMA's equity contribution of Nu.51 million to the Financial Institutions Training Institute and Credit Information Bureau, which was treated as grant and assumed as expenses during the year.

The **surplus** generated during the year was Nu. 1,568.06 million, which recorded growth of 27.78 percent. After accounting for the cost of monetary policy operation of Nu.499.13 million, the net surplus of Nu. 1,068.93 million was transferred to balance sheet.

# S. C. Vasudeva & Co.

Chartered Accountants

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#### INDEPENDENT AUDITOR'S REPORT

To the Members of the Board of Royal Monetary Authority of Bhutan

#### REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

#### Opinion

We have audited the financial statements of the Royal Monetary Authority of Bhutan (the Authority), which comprise the Balance Sheet as at 30th June, 2017, the Statement of Income & Expenditure and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Authority as at  $30^{\rm th}$  June 2017 and its financial performance for the year then ended in accordance with the Generally Accepted Accounting Principles as applicable in Bhutan .

#### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities* for the Audit of the Financial Statements section of our report. We are independent of the Authority in accordance with the International Ethics Standard Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with ethical requirements that are relevant to our audit of the financial statements in Bhutan and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

# Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Generally Accepted Accounting Principles and for such internal control as the Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.



Other Offices

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B-XIX-220, Rani Jhansi Road, Near SBI Treasury Branch. Ghumaf Mandi, Ludhiana-141001, (Punjab) Tel: +91-161-2774527 Fax: +91-161-2771618 In preparing the financial statements, the Management is responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management either intends to liquidate the Authority or to cease operations, or have no realistic alternative but to do so.

Those Charged with Governance are responsible for overseeing the Authority's financial reporting process.

#### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As stipulated in serial number 5 of the Term and Conditions read with clause 9 of Attachment B of the letter of appointment of the Royal Audit Authority, we have also set out in **Annexure-I**, certain matters as "Minimum Audit Examination and Reporting Requirements", to the extent applicable, and a Management Report set out in **Annexure-II** highlighting certain issues for Management's attention and consideration.

Further to our comments in the Annexure I and II referred above, we report that:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b) In our opinion, proper books of accounts as required by law have been kept by the Authority so far as appears from our examination of the books.
- c) The Balance Sheet, the Statement of Income & Expenditure, the Statement of Changes in Equity dealt with by this report have been prepared in accordance with generally accepted accounting principles and are in agreement with the books of accounts.



d) In our opinion, the Balance Sheet, the Statement of Income & Expenditure and the Statement of Changes in Equity, comply with the provisions of the Royal Monetary Authority Act of Bhutan, 2010.

For S.C. Vasudeva & Co. Chartered Accountants Firm Reg. No: 000235N

> (Abhinav Khosla) Partner

> > M. No. 087010

Dated: September 29, 2017

# ROYAL MONETARY AUTHORITY OF BHUTAN BALANCE SHEET AS AT 30TH JUNE,2017

CAPITAL AND LIABILITIES	Schedule	As at	As at
	No.	30th June 2017	30th June 2016
Capital and Reserves Capital	25	800,000,000.00	800 000 000 00
General Reserve	23	2,000,000,000.00	800,000,000.00 2,000,000,000.00
Revaluation Reserve		13,946,883,352.91	16,682,820,191.03
Retained Earning		13,940,863,332.91	409,500.00
Profit And Loss		1,068,931,766.12	880,843,339.76
Other Reserves	27	243,249.74	243,249.74
Total Capital and Reserves	-	17,816,058,368.77	20,364,316,280.53
Foreign Liabilites	_	17,816,038,368.77	20,304,310,280.33
Due to IMF	28	1,933,723,175.58	2,058,661,844.06
Due to Government	29	164,579,439.44	224,559,439.84
Due to International Institutions	30	3,898,134,129.44	10,832,721,855.84
Interest Accrued	31	30,654,837.50	119,567,113.97
GOI Standby Credit Facility	46	7,000,000,000.00	7,000,000,000.00
Total Foreign Liabilities	_	13,027,091,581.96	20,235,510,253.71
Domestic Liabilities	9.	10,027,071,001.70	20,200,010,200.71
Currency in Circulation	34	11,528,963,176.00	9,670,921,856.00
Due to Banks	36	22,798,896,431.77	18,131,994,240.87
Due to Government		718,424,350.99	252,081,885.24
Sweepings Accounts of Banks	37	6,269,216,196.86	9,723,415,837.23
Due to other Financial Institutions	38	557,278.10	507,278.10
Other Liabilities	43	1,745,131,012.79	1,714,845,422.73
Managed Fund	51	276,158,531.54	5,333,462.53
Total Domestic Liabilities	1	43,337,346,978.05	39,499,099,982.70
Iotai Capitai and Liabilities	_	74 190 406 029 79	90 000 026 E16 04
CONSIDER STOCKED TO CONSIDER AND CONSIDER AND CONSIDER STOCKED AND CONSIDER AND CON	_	74,180,496,928.78	80,098,926,516.94
ASSETS			
Foreign Assets			
Cash in Hand	01	530,458,296.59	569,881,645.59
Balances with Banks -India	02	293,609.34	235,350.50
Balances with Banks - Abroad	03	1,662,407,190.11	2,052,033,287.22
Term Deposits -İndia	04	16,874,707,600.00	18,553,756,914.00
Term Deposits -Abroad	05	42,154,364,081.66	55,463,789,791.45
Short Term Investment Securities (India)	06	6,144,751,320.00	-
Short Term Investment Securities (Abroad)	07	3,211,136,951.29	
Long Term Investment Securities - Abroad	09	2,337,041,430.56	2,487,182,263.65
Non-Monetary Gold and Silver	10	4,436,794.98	13,733,139.60
Accrued interest on Foreign Investment	11	354,043,746.00	291,866,311.77
Total Foreign Assets	_	73,273,641,020.53	79,432,478,703.78
Domestic Assets	_		
Cash in Hand	12	199,338.00	41,918.00
Balances with Banks	13	562,034,672.69	266,594,535.07
Other Financial Assets	19	36,188,063.25	33,172,096.88
Accrued Interest	20	143,248.75	143,667.61
Total Domestic Assets		598,565,322.69	299,952,217.56
Non Financial Assets	_		
Fixed Assets (Refer Sch 2)		90,032,195.87	78,672,276.6
Inventories	22	85,559,350.67	111,992,060.77
Other Assets	23	132,699,039.02	124,831,258.15
Equity Contribution	49	-	51,000,000.00
<b>Total Non Financial Assets</b>		308,290,585.56	366,495,595.60
Total Assets	_	74,180,496,928.78	80,098,926,516.94

Significant Accounting Policies -Sch.1 Notes on Accounts -Sch.3



As per our Separate report of even date For M/s S. C. Vasudeva & Co. For M/s S. C. Vasudeva & Co.
Chartered Accountants
ICAI Firm Registration No. 000235N
Abhinav Khosla
Partner
M.No 087010

Director

Director

Director

# ROYAL MONETARY AUTHORITY OF BHUTAN STATEMENT OF INCOME & EXPENDITURE FOR THE YEAR ENDED 30th JUNE, 2017

(Amount in Nu. Ch.)

			(Amount in Nu. Ch.)
	Schedule No.	Current Year	Previous Year
Income	140.		
Interest on Foreign Investment	1	702,299,618.08	607,701,998.87
Interest on Rupee Investment	2	1,157,212,647.55	817,453,171.50
Interest on Staff Loans	3	1,671,353.53	1,330,555.45
Interest on Domestic Investment	4	162,400.94	153,301.30
Interest on Ways and Means Advance from RGoB	41	5,390,163.82	2,839,941.88
Royalty from Commemorative Coins	5	1,426,858.02	2,462,925.17
Gain or Loss on sale of Foreign Currencies	6	71,452,609.63	50,887,801.20
Commission and Fees	7	5,751,650.80	4,945,126.61
Income from other sources	9	6,534,125.62	7,710,667.53
Other Income	10	932,351.02	673,498.14
Penalties & Charges Received	41	306,800.00	_
Gain on of Sale of Securities (RAMP)	43	199,701.94	
Total Operating Income	-	1,953,340,280.95	1,496,158,987.65
	-		
Expenses			
Commission and fees paid-Foreign Banks	15	10,927,739.09	6,329,042.84
Commission and fees paid-Domestic Banks	16	212.00	50.00
Security Printing and Minting	19	83,325,193.12	113,707,881.36
Salaries ,allowances and other staff cost	20-22	135,664,598.15	84,098,984.44
Staff Superannuation Fund	23	19,845,906.87	9,068,402.37
Director's fees & expenses	24	1,150,995.00	819,055.00
Auditors' fees & expenses	25	505,105.00	446,027.00
Rent & Insurance	26	1,311,190.58	1,214,034.51
Electricity, Water and other Charges	27	1,313,880.49	1,470,041.80
Postage & Telecommunication	28	5,630,868.55	4,568,529.06
Remittances of Notes and Coins	29	655,280.00	366,730.00
Stationery & Supplies	30	3,159,897.34	1,480,444.77
Publications	31	574,530.00	298,900.00
Computer Software	32	-	327,380.92
Agency & Contractual Services	33	7,248,555.68	6,455,781.15
Miscellaneous expenses	34	34,846,470.68	12,817,941.90
Depreciation (Refer Sch 2)	35	12,123,925.48	19,934,738.02
Repairs & Maintenance	36	5,817,637.25	5,456,739.88
Write off - Fixed Assets	37	284,922.61	191,323.90
Prior Period Adjustment (Refer Note no.39)	39	2,200,322.80	
Membership & Subcription	42	2,250,015.00	-
Loss on Sale of Securities (RAMP)	44	5,443,979.32	_
Extraordinary Expenses(Refer Note no. 3.14)	45	51,000,000.00	
Total Operating Expenses	_	385,281,225.01	269,052,028.92
1 0 1	-	//	203/002/020/02
Surplus / (Deficit)		1,568,059,055.94	1,227,106,958.73
<u>Less:</u>			
Transfer to Special Reserve			
Cost of Monetary Policy Tools (Ref. Note no. 11 of Sch.3)	11	499,127,289.82	349,761,583.97
Prior Period Adjustment (Refer Note no.39)	39		(3,497,965.00)
Net Surplus / (Deficit) Transferred to Balance Sheet		1,068,931,766.12	880,843,339.76
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osudeva

As per our Separate report of even date For M/s S. C. Vasudeva & Co. Chartered Accountants

ICAI Firm Registration No. 000235N

Chairman

Director

Director

Director

Director

Director

# SECTION IV STATISTICAL TABLES

TABLE 1. GROSS DOMESTIC PRODUCT AT CURRENT PRICES

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Ngultrum in Million									-	•	
	Year										Share of
Sector	2002	2008	2009	2010	2011	2012	2013	2014	2015	2016	GDP in 2016 (%)
1. Agriculture, livestock and forestry	9,234.13	10,078.28	11,158.67	12,177.83	13,868.37	15,558.29	16,969.71	20,050.39	22,111.51	24,565.44	16.52
1.1 Crops	4,376.96	5,060.59	5,668.24	6,530.14	7,665.37	8,635.21	9,404.66	12,029.02	13,442.91	14,794.58	9.95
1.2 Livestock	2,530.94	2,624.54	2,894.92	3,109.68	3,473.20	3,996.79	4,537.22	4,869.27	5,236.88	5,779.41	3.89
1.3 Forestry and logging	2,326.23	2,393.15	2,595.51	2,538.01	2,729.79	2,926.29	3,027.84	3,152.09	3,431.72	3,991.45	2.68
2. Mining and quarrying *	890.45	1,251.99	1,392.03	1,616.89	1,941.73	1,961.96	2,793.69	3,376.43	4,484.27	6,455.09	4.34
3. Manufacturing	4,033.22	4,593.44	5,017.23	6,324.15	7,044.82	8,623.12	8,778.67	9,705.14	10,543.50	11,085.11	7.46
4. Electricity and water	10,082.04	11,552.22	11,813.45	12,763.60	11,911.61	12,303.14	15,230.29	16,917.83	18,933.12	19,892.13	13.38
5. Construction	6,781.01	6,250.98	7,469.68	10,308.86	13,916.57	17,669.80	17,826.07	18,479.70	20,649.74	24,204.73	16.28
6. Wholesale and retail trade	2,497.14	2,694.65	2,935.27	3,752.55	4,641.79	5,917.59	6,823.31	8,471.66	10,233.35	11,624.75	7.82
7. Hotels and restaurants	368.12	569.15	537.61	608.01	948.65	1,298.83	1,616.37	2,045.91	2,485.70	2,823.74	1.90
8. Transport, storage and communication	4,468.83	5,365.77	5,989.87	6,943.32	8,526.11	9,256.04	9,806.81	11,508.69	11,883.73	13,387.49	9.00
9. Financing, insurance and real estate	4,105.44	4,576.55	4,962.11	5,545.89	7,007.73	7,412.13	8,064.75	9,048.88	9,746.42	10,892.39	7.33
9.1 Finance	2,801.54	3,174.35	3,466.21	3,987.66	5,136.84	5,384.96	5,781.09	6,461.22	6,905.29	7,574.04	5.09
9.2 Real estate	1,297.44	1,374.00	1,460.30	1,507.70	1,815.30	1,947.27	2,198.01	2,489.76	2,738.74	3,176.94	2.14
9.3 Business services	6.47	28.20	35.60	50.53	55.59	79.90	85.66	97.89	102.39	141.41	0.10
10. Community, social and personal services	5,311.82	5,930.42	7,963.33	9,262.50	10,882.24	11,248.97	11,536.50	12,953.67	14,776.46	16,352.59	11.00
10.1 Public Administration	3,370.23	3,762.71	4,728.37	5,517.28	6,478.03	6,775.74	6,981.50	8,079.11	9,103.73	9,829.28	6.61
10.2 Education and health	1,941.59	2,167.71	3,234.96	3,745.21	4,404.22	4,473.23	4,555.00	4,874.55	5,672.73	6,523.31	4.39
11. Private social, personal and recreational services	241.89	267.73	276.42	297.97	338.03	390.05	436.86	471.81	503.70	532.45	0.36
12. Plus indirect taxes less subsidies	1,442.52	1,613.12	1,704.90	2,895.07	3,922.37	5,813.03	5,495.31	6,515.65	5,729.34	6,863.02	4.62
Gross Domestic Product	49,456.60	54,744.29	61,220.56	72,496.64	84,950.01	97,452.96	105,378.35	119,545.75	132,080.86	148,678.93	100.00
Nominal GDP Growth Rate (%)	21.59	10.69	11.83	18.42	17.18	14.72	8.13	13.44	10.49	12.57	

TABLE 2. GROSS DOMESTIC PRODUCT IN 2000 PRICES

Ngultrum in Million											
	Year										
Sector	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	Growth: 2015 to 2016 (%)
1. Agriculture, livestock and forestry	6,246.47	6,290.71	6,457.95	6,513.02	6,670.19	6,820.40	6,984.06	7,149.38	7,512.05	7,786.04	3.65
1.1 Crops	2,942.32	2,997.03	3,064.31	3,100.22	3,191.40	3,266.44	3,376.83	3,511.27	3,749.41	3,994.74	6.54
1.2 Livestock	1,811.66	1,821.39	1,864.22	1,919.03	1,941.24	1,965.84	2,006.01	2,052.41	2,121.29	2,238.83	5.54
1.3 Forestry and logging	1,492.48	1,472.29	1,529.42	1,493.77	1,537.55	1,588.12	1,601.21	1,585.69	1,641.35	1,552.47	(5.42)
2. Mining and quarrying*	649.69	780.20	726.30	788.11	978.72	956.80	1,303.18	1,524.82	1,728.88	1,927.27	11.47
3. Manufacturing	3,086.80	3,349.42	3,579.87	4,302.40	4,616.41	4,929.71	4,670.71	5,098.82	5,323.89	5,452.90	2.42
4. Electricity and water	8,071.39	9,146.29	8,904.13	9,389.38	8,872.26	8,821.79	9,771.36	9,495.01	10,200.18	10,469.28	2.64
5. Construction	4,465.91	4,009.56	4,672.21	5,635.11	6,464.00	7,639.27	7,474.56	7,963.34	8,807.57	9,979.74	13.31
6. Wholesale and retail trade	1,975.65	1,992.65	2,116.32	2,540.00	3,027.90	3,556.24	3,798.48	4,317.04	4,866.06	5,381.58	10.59
7. Hotels and restaurants	264.41	384.46	334.85	347.81	491.00	576.64	665.04	780.65	906.70	996.47	06.6
8. Transport, storage and communication	3,083.17	3,247.09	3,546.78	3,941.00	4,488.91	4,748.99	4,976.83	5,425.06	5,902.49	6,563.86	11.20
9. Financing, insurance and real estate	3,281.81	3,447.20	3,661.04	3,973.09	4,841.00	4,492.57	4,576.39	4,751.27	5,016.40	5,553.21	10.70
9.1 Finance	2,505.07	2,644.51	2,823.57	3,109.29	3,912.00	3,573.85	3,627.16	3,765.64	3,998.28	4,400.51	10.06
9.2 Real estate	771.83	782.91	813.54	832.06	894.00	877.15	908.27	942.38	973.87	1,094.41	12.38
9.3 Business services	4.92	19.79	23.93	31.74	35.00	41.57	40.97	43.26	44.26	58.29	31.70
10. Community, social and personal services	4,037.16	4,160.84	5,350.23	6,047.34	6,254.16	5,852.01	5,519.38	5,885.01	6,243.09	6,741.64	7.99
10.1 Public administration	2,561.49	2,639.96	3,178.84	3,602.15	3,723.00	3,524.92	3,339.28	3,574.51	3,846.35	4,052.29	5.35
10.2 Education and health	1,475.67	1,520.88	2,171.39	2,445.19	2,531.16	2,327.09	2,180.10	2,310.49	2,396.74	2,689.35	12.21
11. Private social, personal and recreational services	178.01	187.28	191.01	194.81	200.17	205.49	211.21	214.78	221.13	229.49	3.78
12. Plus indirect taxes less subsidies	1,059.25	1,128.36	1,121.00	1,759.97	2,112.66	2,903.20	2,655.25	3,023.75	2,570.56	2,955.97	14.99
Gross Domestic Product	36,399.71	38,124.04	40,661.69	45,432.04	49,017.39	51,503.11	52,606.45	55,628.93	59,299.01	64,037.45	7.99
Real GDP Growth Rate (%)	17.95	4.74	99'9	11.73	7.89	5.07	2.14	5.75	6.60	7.99	

Source: National Accounts Statistics, 2016, National Statistics Bureau. Discrepancies in the figures are due to rounding.

TABLE 3. SALES OF MAJOR INDUSTRIES

Ngultrum in Million			2	ADLE 3. SALE	TABLE 3. SALES OF MASON INDOSTRIES	INDUSTRIES						
	Period											
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2
Industry											Ø	⊠
(1) Army Welfare Project	315.06	302.06	327.80	573.81	712.37	805.79	798.32	857.91	939.83	1,082.33	322.79	260.00
Exports to India	37.91	18.31	10.61	26.41	11.64	7.08	23.16	43.54	35.79	48.66	1.12	1.26
Exports to Countries other than India	- 1	- 1000	1 7	1	1 000	1 '	, , ,	- 10	- 70	0.83	0.40	- 1 - 0 - 0
sales Within Bhutan	277.15	283.74	317.19	547.41	700.74	1.786.7	7/5.15	814.37	904.04	1,032.83	321.2/	258.74
(2) Bhutan Board Products Limited	399.95	397.77	413.70	298.86	320.39	296.38	310.18	330.55	743.04	961.01	66.21	102.75
Exports to India	328.76	301.13	305.18	123.29	258.28	236.84	239.10	262.80	494.59	395.16	51.51	71.31
Exports to Countries other than India	'	•	•	1	1	•	1	•	,	•	•	1
Sales within Bhutan	71.09	96.63	108.53	175.57	62.11	59.54	71.08	67.75	248.46	565.85	14.71	31.44
(3) Bhutan Carbide & Chemicals Ltd.	1,366.22	1,877.27	1,083.79	1,404.08	1,632.52	1,270.36	1,539.73	1,679.24	1,299.89	1,282.78	375.19	357.78
Exports to India	1,392.46	1,652.87	1,023.05	1,338.39	1,557.16	1,235.49	1,539.73	1,678.94	1,299.89	1,282.78	370.07	357.03
Exports to Countries other than India	•	•	•	•	•	•	•	•	•	•	•	1
Sales within Bhutan	(3.44)	224.41	60.73	62.69	75.36	34.87	•	0.30	•	•	5.12	0.75
(4) Bhigan Frinit Products Limited	148 50	560 83	201 17	169 76	192 71	231.26	166 53	153 60	168 94	179 49	41.31	509 10
Exports to India	120.59	426.29	169.02	137.07	160.17	192.13	131.47	104.27	124.38	118.12	29.92	316.26
Exports to Countries other than India	3.24	2.00	4.98	3.52	3.98	3.06	6.23	4.15	3.66	3.64	0.83	15.16
Sales within Bhutan	24.67	132.55	27.17	29.17	28.56	36.07	28.83	45.18	40.90	57.73	10.56	177.68
(5) Bhutan Polythene Company Ltd.	79.94	39.18	72.65	95.19	120.50	134.42	75.21	115.71	140.08	176.22	53.90	57.77
Exports to India	3.71	1.36	4.29	5.03	3.31	3.33	•	•	•	•	•	1
Exports to Countries other than India(*)	•	•	•	•	•	•	•	•	•	•	•	1
Sales within Bhutan	76.23	37.83	68.36	90.16	117.19	131.09	75.21	115.71	140.08	176.22	53.90	57.77
(6) Penden Cement Authority Ltd.	1,663.56	1,327.50	1,784.62	1,936.56	1,840.60	1,982.95	1,821.62	2,191.56	2,645.77	1,777.86	537.39	397.41
Exports to India	840.40	912.65	1,106.89	856.30	567.81	783.50	939.49	1,025.90	1,041.02	1,095.48	316.64	155.99
Exports to Countries other than India	237.17	1.85	18.72	•	•	•	1	•	•	•	•	1
Sales within Bhutan	585.99	413.02	659.01	1,080.25	1,272.79	1,199.45	882.13	1,165.67	1,604.75	682.39	220.75	241.42

TABLE 3. SALES OF MAJOR INDUSTRIES, CONTINUED Ngultrum in Million

	Period											
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	7
Industry											ਰ	Ē
(7) Bhutan Ferro Alloys Limited	1,886.40	1,898.83	1,711.77	1,919.97	1,815.46	2,084.04	2,058.60	1,989.87	2,029.95	1,840.48	965.36	560.44
Exports to India	1,825.39	1,813.21	1,707.87	1,780.54	1,668.36	1,972.60	1,997.69	1,988.19	1,962.86	1,829.26	515.08	457.08
Exports to Countries other than India	57.66	83.22	3.21	126.89	126.39	103.75	55.80	•	65.92	•	23.60	82.79
Sales within Bhutan	3.35	2.40	0.69	12.54	20.71	7.69	5.11	1.68	1.17	11.22	126.68	20.57
	C	1	77	1	0	000	200	0.00	700	110	0	1
(8) Bhutan Agro Industries Limited	20.50	57.64	71.37	77.95	83.02	100.90	122.05	144.28	163.67	179.40	37.65	27.78
Exports to India	8.44	8.91	6.78	10.30	92.9	10.41	8.19	7.52	5.30	2.77	0.89	3.33
Exports to Countries other than India	0.47	0.34	0.84	0.12	•		•	0.19	•	0.44	•	1
Sales within Bhutan	41.60	48.39	63.76	67.52	76.46	90.48	113.86	136.57	158.37	173.19	36.76	54.45
(9) S.D. Eastern Bhutan Coal Company Ltd.	222.47	337.72	197.35	243.56	441.80	473.31	578.74	882.19	247.62	746.97	182.64	239.40
Exports to India	105.02	167.35	47.94	198.76	237.05	132.78	•	81.72	17.17	'	,	1
Exports to Countries other than India	33.71	18.69	39.12	69.9	25.30	50.17	21.92	72.88	15.87	,		50.16
Sales within Bhutan	83.74	151.68	110.28	165.45	179.45	290.36	556.82	727.59	514.58	746.97	182.64	189.24
(10) Druk Satair Corporation Limited	242.57	338.50	468.78	473.57	527.51	494.59	600.46	728.80	00'.269	609.24	130.34	172.23
Exports to India	194.59	285.71	399.62	407.83	437.34	414.96	493.94	540.33	521.11	309.81	68.20	104.69
Exports to Countries other than India	12.07	11.27	23.58	23.40	48.12	41.16	52.98	114.47	57.26	177.10	33.28	33.54
Sales within Bhutan	35.91	41.54	45.56	42.34	42.05	38.48	53.54	73.99	118.63	122.33	28.85	34.00
(11) Druk Plaster & Chemicals Limited	44.48	42.43	51.91	64.38	58.28	50.06	29.76	24.09	20.23	23.57	6.43	7.57
Exports to India	43.45	40.88	51.67	63.77	57.62	18.02	9.48	•	6.54	21.16	2.40	2.85
Exports to Countries other than India	0.52	1.01	•	•	•	•	•	•	0.77	1.85	3.86	4.61
Sales within Bhutan	0.51	0.54	0.24	0.61	99.0	32.04	20.27	24.09	12.92	0.56	0.17	0.10
(12) SKW-Tashi Metals & Alloys (P) Limited								444.64	509.07			
Exports to India								392.06	438.52			
Exports to Countries other than India								51.91	70.07			
Sales within Bhutan								99.0	0.48			

TABLE 3. SALES OF MAJOR INDUSTRIES, CONTINUED Ngultrum in Million

	Period											
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	7
Industry											ō	ᅙ
(13) Bhutan Concast (P) Limited								962.66	1,633.59	1,283.83	294.64	331.48
Exports to India								962.66	1,633.59	1,283.83	234.95	294.70
Exports to Countries other than India											- 50 60	36.78
Carca Willin Dilatan											99.99	9
(14) Druk Wang Alloys Limited								440.45	905.82	1,229.37	206.22	258.15
Exports to India								175.65	582.25	933.13	92.85	193.40
Exports to Countries other than India								264.79	220.72	153.15	33.95	38.32
Sales within Bhutan								1	102.84	143.09	79.43	26.44
(15) Pelden Enterprise Limited								536.83	856.99	813.95	252.96	229.06
Exports to India								346.78	641.02	748.72	198.38	199.92
Exports to Countries other than India								188.89	215.02	61.63	54.17	27.92
Sales within Bhutan								1.16	0.95	3.60	0.41	1.22
(36) Soint Coromin Materials Britan (81)	3							326 40	SEE 32	02 008	19.2 65	170 /12
	) LEG:							226.10	000.02	033.70	100.00	170 40
Exports to India								320.10	022.32	07.880	183.05	172.43
Exports to Countries other than India											ı	i.
Sales within Bhutan											•	•
(17) Lhaki Steels & Rolling (P) Ltd.								1,037.23	2,379.51	2,768.60	856.60	901.58
Exports to India								542.09	1,152.01	801.33	212.31	146.67
Exports to Countries other than India									,	•	1	•
Sales within Bhutan								495.14	1,227.49	1,967.27	644.29	754.91
(18) Bhitan Brawary (D) Itd								338 50	1 120 70	1 663 40	AA0 55	450 O8
Exports to India								15.50	33.23	900,	277	7 03
Exports to Countries other than India								3 '	0.00	00:03		2 '
Sales within Bhutan								323.00	1.087.47	1.633.53	446.78	443.05

TABLE 3. SALES OF MAJOR INDUSTRIES, CONTINUED Ngultrum in Million

- HIML		Period											
ΔI <b>F</b>		2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	_
2 F	Industry											ਰ	ē
PC	(14) Drink Cement (D) 14								32 04	85.57	90 29	10.03	30 10
R1	Exports to India								5.68	26.51	26.04	7.99	96.9
Г 2	Exports to Countries other than India								' 10	, 6	, 2	, ,,	' 0
01	Sales within Brutan								27.72	28.02	41.97		32.22
6/1	(20) Druk Ferro Alloys Limited								484.21	715.62	765.24	231.82	235.78
7	Exports to India								401.98	99.58	733.72	231.82	220.74
	Exports to Countries other than India								70.22	17.07	31.20	•	15.04
	Sales within Bhutan								12.01	8.99	0.33	ı	•
	(21) Tashi Beverages Limited								183.01	558.46	446.53	106.65	164.98
	Exports to India											•	
	Exports to Countries other than India									•	96.9		
	Sales within Bhutan								183.01	558.46	439.55	106.65	164.98
	(22) Bhutan Silicon Metal (P) Limited								180.93	795.26	369.55	76.70	173.52
	Exports to India								162.02	217.21	209.50	76.70	173.52
	Exports to Countries other than India								18.92	578.06	160.05	•	•
	Sales within Bhutan								,	•	,	•	
						!		:					!
	TOTAL	6,442.36	7,179.78	6,384.91	7,385.03	7,745.17	7,924.06	8,101.19	14,065.30	19,611.93	18,967.59	5,097.04	5,678.47
	Exports to India	4,900.71	5,628.66	4,832.94	4,947.69	4,965.30	5,007.14	5,382.26	9,063.73	11,577.87	10,572.13	2,597.26	2,885.15
	Exports to Countries other than India	344.84	118.38	90.45	160.63	203.79	198.14	136.94	786.43	1,244.42	296.88	120.09	267.54
-	Sales within Bhutan	1,196.81	1,432.74	1,461.52	2,276.72	2,576.08	2,718.78	2,582.00	4,215.13	6,789.64	7,798.59	2,349.69	2,525.77
	Source : December and indicate independent of a policy of the Strong Str	Data antiphia	for industrion 5	SI no 12 to 22 f	, NOC 50 mo-	(Notor	O" Jo vatao a V .	o actoribai "O	o ollow logipacon	" of boroamo	" which indicate	to polycor of or the	+00

Source: Respective manufacturing industries. Data available for industries Sl.no 12 to 22 from G3, 2014 onwards. (Note: An entry of "0.0" indicates a marginal value compared to "-" which indicates no value for that particular item).

TABLE 4. SALES OF HYDROPOWER PLANTS

			Total	Total Sales					Exports (1)				Dom	Domestic Sales (2)	S (2)	
Period	Total	Basochhu	Basochhu Dagachhu	Chhukha	Kurichhu	Tala	Total	Chhukha		Kurichhu	Tala	Total	Basochhu	Chhukha	Kurichhu	Tala
2004	3,077.40	192.16		2,361.77	523.47		2,711.75	2,203.34		508.40		365.66	192.16	158.43	15.07	
2002	3,780.50	325.39		2,908.17	546.93	•	3,194.00	2,665.03		528.98	•	586.50	325.39	243.15	17.95	•
2006	5,581.76	388.67		3,592.90	537.54	1,062.65	4,978.80	3,459.49		517.99	1,001.32	602.97	388.67	133.42	19.55	61.33
2007	10,994.35	372.87		3,807.86	523.25	6,290.38	10,034.32	3,749.14		392.12	5,893.06	960.03	372.87	58.71	131.14	397.32
2008	11,885.51	398.21		3,795.86	526.67	7,164.77	11,032.60	3,724.47		348.97	6,959.16	852.91	398.21	71.39	177.70	205.61
2009	10,991.69	381.58		3,748.43	476.65	6,385.03	10,072.50	3,666.62		307.88	6,098.00	919.19	381.58	81.81	168.77	287.03
2010	11,321.02	390.71		3,761.42	517.48	6,651.40	10,411.46	3,687.36		327.40	6,396.70	909.56	390.71	74.07	190.08	254.70
2011	10,584.80	382.09		3,466.70	452.86	6,283.13	9,825.02	3,419.21		267.88	6,137.92	759.78	382.09	47.49	184.98	145.21
2012	10,477.81	356.49		3,269.54	470.96	6,380.82	9,714.53	3,215.28		274.30	6,224.95	763.28	356.49	54.27	196.66	155.87
2013	13,999.83	761.65		3,992.72	875.91	8,369.56	11,011.42	3,597.91		301.39	7,112.11	2,988.42	761.65	394.80	574.51	1,257.45
2014	12,415.00	406.47		3,946.96	592.40	7,469.18	10,420.53	3,682.02		201.55	6,536.96	1,994.47	406.47	264.94	390.85	932.22
2015	13,727.80	429.90	969.74	4,263.77	595.51	7,468.87	11,758.74	3,973.16	969.74	238.74	6,577.10	1,969.05	429.90	290.61	356.77	891.77
2016	14,029.43	450.73	1,189.42	5,131.82	342.92	6,914.55	12,041.71	4,563.64	1,189.42	144.80	6,143.86	1,987.72	450.73	568.17	198.12	69.077
Jul	2,355.56	67.84	250.48	739.18	30.53	1,267.54	2,235.51	26.989	250.48	30.53	1,267.54	120.05	67.84	52.21	•	'
Aug	2,378.10	60.34	246.52	733.62	33.55	1,304.07	2,271.67	687.53	246.52	33.55	1,304.07	106.44	60.34	46.09	•	1
Sep	2,295.06	63.95	195.37	724.53	27.54	1,283.67	2,184.51	677.92	195.37	27.54	1,283.67	110.55	63.95	46.61	•	•
Oct	2,118.96	66.23	132.69	851.83	26.63	1,041.58	1,993.46	802.27	132.69	26.63	1,031.88	125.50	66.23	49.56	•	9.70
Nov	1,086.09	44.06	112.86	484.50	•	444.67	905.48	415.22	112.86	•	377.40	180.60	44.06	69.28	•	67.27
Dec	647.06	29.74	71.83	270.73	19.87	254.89	443.71	208.31	71.83	•	163.56	203.35	29.74	62.41	19.87	91.32
2017																
Jan	529.24	24.89	52.01	206.39	19.87	226.09	203.57	106.36	52.01	•	45.20	325.67	24.89	100.03	19.87	180.89
Feb	382.59	18.56	36.97	124.66	19.13	183.28	96.37	46.23	36.97	•	13.17	286.22	18.56	78.43	19.13	170.10
Mar	533.16	20.97	42.18	193.10	27.23	249.67	198.07	66.96	42.18	•	28.90	335.09	20.97	96.11	27.23	190.77
Apr	801.19	20.88	51.35	367.47	43.26	318.24	488.26	299.90	51.35	•	137.01	312.93	20.88	67.57	43.26	181.23
May	1,028.01	27.66	56.86	312.25	66.04	565.20	724.31	283.32	26.86	19.70	364.43	303.70	27.66	28.92	46.34	200.77
June	1 555 49	44.96	124 89	469.58	77.32	838 73	121156	413.18	124 89	28.25	645.23	343.93	44.96	56 40	49.08	193 49

June 1,555.49 4.96 124.89 469.58 77.32 838.73 1,211.56 413.18 124.89 28.25 645.23 343.93 44.96 56.40 49.08 193.

Source: Respective hydropower plants. (1) Power tariff for export to India: Nu.2.25 per unit for CHP with retrospective effect from January 1,2013 (revised from Nu.2 per unit from August 2010) and Nu.1.20 for the rest from Nu.1.75 per unit from Jan. 2008) & THP (2) Power tariff for domestic sales: Nu.0.13 per unit for royalty energy (15% of total to government, revised from Nu.0.3 per unit from August 2010) and Nu.1.20 for the rest (industrial use mainly from KHP). BHP sales are to CHP at Nu.1.39 per unit (revised from Nu.1.2 from October 2013). Domestic sales are exclusive of demand/wheeling charges. Export sales reflected here are net of any payments for the import of power from India in each month.

Table 5: Tourist Arrivals (\*) and Revenue

												OSD	USD in Millions
2011		7	2012	2013	13	2014	4	2015	5	2016	9	2017	7
Number   Revenue   Number		-	r Revenue	Number	Revenue	Number	Revenue	Number	Revenue	Number	Revenue	Number	Revenue
786.00 0.68 1,496.00			0 1.29	1,042.00	0.91	1,316.00	1.33	1,781.00	1.70	1,349.00	1.47	2,167.00	2.15
1,602.00 1.70 1,810.00		0	2:00	2,649.00	2.77	2,515.00	2.47	3,923.00	4.26	3,075.00	3.52	2,878.00	3.06
3,871.00 5.00 4,347.00		0	6.73	5,265.00	8.10	4,240.00	6.46	6,195.00	9.40	5,834.00	9.05	4,862.00	7.18
4,104.00 5.50 5,871.00		0	9.24	5,268.00	8.43	7,030.00	11.47	6,749.00	10.26	5,349.00	8.18	8,583.00	13.12
2,399.00 2.93 2,697.00		0	3.62	2,647.00	3.54	3,243.00	4.61	2,988.00	4.27	3,403.00	4.74	4,057.00	5.43
1,277.00 1.18 2,335.00		0	2.27	2,288.00	2.33	3,720.00	2.62	2,133.00	2.26	3,779.00	3.49	4,575.00	3.63
1,601.00 1.56 1,583.00		0	1.52	1,325.00	1.29	3,790.00	2.42	1,553.00	1.72	3,461.00	2.76		
2,443.00 2.43 2,670.00		0	2.51	2,673.00	2.50	7,465.00	3.96	2,302.00	2.44	4,928.00	3.84		
3,792.00 5.19 4,976.00		0	8.33	4,591.00	7.46	4,989.00	8.18	4,880.00	8.61	4,372.00	6.92		
8,163.00 11.94 8,359.00		0	14.52	8,642.00	15.12	9,382.00	15.67	8,035.00	14.52	9,023.00	15.63		
5,059.00 7.12 5,013.00		0	7.93	5,230.00	8.19	5,952.00	9.73	5,185.00	8.30	5,884.00	9.82		
2,392.00 2.47 2,772.00		0	2.82	2,661.00	2.83	4,380.00	4.33	3,208.00	3.42	4,159.00	4.32		
37,489.00 47.70 43,929.00		0	62.78	44,281.00	63.48	58,022.00	73.22	51,447.00	71.15	54,616.00	73.73		
	***	1	1	4 4 h .		1			1				

TABLE 6: SUMMARY OF CONSUMER PRICE INDEX (CPI)

Second Quarter of 2013= 100

		Period													
ltem	Weight in		2014	14			20	2015			2016	16		2017	7
		Q	705	CQ3	Q4	Q1	075	Q3	Q4	Q1	۵2	Q3	D4	Q1	02
								Index	lex						
Food	39.9	115.51	117.69		121.26	121.09	121.12	122.94	124.60	124.87	125.61	127.92	131.12	133.33	135.23
Non-food	60.1	110.49	111.66	116.33	117.10	118.52	119.10	120.89	121.85	122.21	122.86	123.45	125.29	127.42	127.79
Total	100.0	112.47			118.75	119.54	119.90	121.71	122.94	123.24	123.95	125.22	127.59	129.74	130.71
								Percent	Percent (y-o-y)						
Food	39.9	13.26	12.33	9.95	96'9	4.83	2.92	2.18	2.75	2.91	3.54	3.88	5.06	6.82	7.66
Non-food	60.1	7.02	6.11	7.35	7.17	7.27	99.9	3.92	4.06	3.11	3.16	2.12	2.83	4.26	4.01
Total	100.0	9.47	8.55	8.38	6.68	6.28	5.15	3.23	3.53	3.03	3.31	2.82	3.71	5.27	5.45
PPN	1.00	68.0	28.0	0.85	0.84	0.84	0.83	0.82	0.81	0.81	0.81	0.80	0.78	0.77	0.77

3.The CPI reflected in this table is for the last quarter of each fiscal year. As of Q2, 2013 the NSB has increased the weight of food in the CPI from 31.67% to 39.92%, and correspondingly decreased the weight for Source: National Statistics Bureau. -1) 2003 Household Income and Expenditure Survey; includes rent. 2. Base year used for PPN Q2, 2013 is of December 2012 and the figures represented is month-on-month. non-food from 68.33% to 60.08%.

Table 6.1: YEAR-ON-YEAR INDEX AND PERCENT CHANGE: DOMESTIC

December 2012 = 100

				Inc	ndex				٩	Percent change (%)	nange (%	(9)	
140 m	Weight in			20	2017					2017	17		
IIIeIII	percent %	Jan	Feb	Mar	Apr	May	Jun	Jan	Leb	Mar	Apr	May	Jun
Food	17.77	136.98   139.03	139.03	134.67	140.00	140.00   139.74   139.26	139.26	8.22	10.01	6.16	66.6	9.42	6.97
Non-food	30.24	130.23   130.43		130.45   130.46	130.46	130.46	130.47	5.75	5.39	5.39	5.21	4.96	4.94
Total	48.01	132.69   133.55	133.55	131.99	133.91	131.99   133.91   133.82   133.65	133.65	6.65	7.07	5.68	96.9	6.59	5.69

Source: National Statistics Bureau, Bhutan

# Table 6.2: YEAR-ON-YEAR INDEX AND PERCENT CHANGE: IMPORT

December 2012 = 100

				lno	Index				Δ.	ercent cl	Percent change (%)	(9)	
lfom	Weight in			2017	17					2017	17		
	percent %	Jan	Feb	Mar	Apr	May	Jun	Jan	Feb	Mar	Apr	May	Jun
Food	22.15	129.76   130.71	130.71	130.71	130.71   131.52   131.78   131.60	131.78	131.60	4.87	6.10	6.41	7.11	7.01	6.18
Non-food	29.84	124.04   124.50	124.50	124.93	124.93   124.84   125.29   125.26	125.29	125.26	2.81	3.05	3.15	2.92	3.18	2.83
Total	51.99	126.44   127.11	127.11	127.36   127.65		128.02 127.92	127.92	3.68	4.34	4.53	4.69	4.79	4.24

Source: National Statistics Bureau, Bhutan

### TABLE 6.3: PRODUCER PRICE INDEX (PPI) BY INDUSTRY

	Weights		Index le	Index level (Sept	ember 20	11=00)		Mont	oly Inflation	ا (%)	Annual	al Inflation	(%)
Sectors	(%)	Apr-16	May-16	Jun-16	Apr-17	Apr-17   May-17	Jun-17	Apr-17	May-17	Jun-17	Apr-17	May-17	Jun-17
All Industry	100.00	114.28	113.72	113.45	119.76	119.57	119.45	1.42	-0.15	-0.10	4.79	5.15	5.29
Logging	0.72	131.53	131.53	131.53	134.79	134.79	134.79	0.00	0.00	0.00	2.48	2.48	2.48
Mining and quarrying	5.81	124.33	124.33	123.81	127.41	127.49	125.85	-0.34	90.0	-1.29	2.48	2.54	1.65
Manufacturing	47.66	114.43	113.22	112.69	120.74	120.35	120.28	3.13	-0.32	-0.06	5.52	6.30	6.73
Electricity, gas, steam and air conditioning supply	35.35	114.99	114.99	114.99	119.92	119.92	119.92	0.00	00.00	00.00	4.29	4.29	4.29
Water supply; sewerage, waste management and remediation activities	0.08	109.39	109.39	109.39	109.39	109.39	109.39	00.00	0.00	0.00	0.00	0.00	00.00
Transport	5.91	118.50	118.71	118.90	128.39	128.34	128.35	-0.60	-0.04	0.01	8.35	8.11	7.95
Information and communication	4.47	89.76	89.76	89.76	89.76	89.76	89.76	0.00	0.00	0.00	0.00	0.00	0.00

Source: National Statistics Bureau. (Note: An entry of "0.0" indicates a marginal value compared to "-" which indicates no value for that particular item)

### TABLE 6.4: PRODUCER PRICE INDEX (PPI) BY PRODUCT

	Share		el xepul	vel (Sept	Index level (September 2011=00)	11=00)		Month	Monthly Inflation (%)	(%)	Ann	Annual Inflation (%)	(%)
Description	(%)	Apr-16	May-16	May-16 Jun-16	Apr-17   May-17   Jun-17	May-17		Apr-17	Apr-17   May-17   Jun-17	Jun-17	Apr-17	Apr-17   May-17   Jun-17	Jun-17
All Products	100.00	114.28	114.28 113.72 113.45	113.45	119.76	119.57	119.45	1.42	-0.15	-0.10	4.79	5.15	5.29
Logging	0.72	0.72   131.53   131.53   131.53	131.53	131.53	134.79	134.79	134.79	0.00	00.00	00.00	2.48	2.48	2.48
Ores and minerals; electricity, gas and water	5.81	124.33	124.33	123.81	127.41	127.49	125.85	-0.34	90.0	-1.29	2.48	2.54	1.65
Food products, beverages and tobacco; textiles,													
apparel and leather products	3.56		110.75	110.74 110.75 110.83	112.63	112.38	112.44	0.30	-0.22	0.05	1.70	1.47	1.44
Other transportable goods, except metal products,													
machinery and equipment	15.36	15.36 121.61 121.71 121.14	121.71	121.14	126.06	126.06 127.34	127.44	3.36	1.01	0.08	3.66	4.62	5.20
Metal products, machinery and equipment	28.75	111.21	109.23	108.65	119.01	117.77	117.59	3.35	-1.04	-0.15	7.01	7.83	8.24
Distributive trade services; accommodation, food and	11 31	11 34 115 48 115 50 115 53	11550	115 53	121 08	121 07	121 07	0	0.01	0	185	7 82	7 80
beverage serving services; transport services; and	† ? †	) -	5.5	5	20.			2	-	9.	)  -  -	F. 0.	r F
Business and production services	4.47	89.76	89.76	89.76	4.47 89.76 89.76 89.76 89.76 89.76 89.76	89.76	89.76	0.00	0.00	0.00	0.00	0.00	0.00
Source: National Statistics Bureau. (Note: An entry of "0.0" indicates a marginal value compared to "-" which indicates no value for that particular item	ndicates a r	narqinal va	alue comp	ared to "-"	which indi	cates no va	alue for tha	it particulai	r item)				

TABLE 7. INDIAN WHOLESALE PRICE INDEX OF ALL COMMODITIES

2011-12 = 100

	2017		112.60	113.00	113.20	113.20	112.90	112.70								4.26	5.51	5.11	3.85	2.26	06.0						
	2016		108.00	107.10		109.00	110.40	111.70	111.80	111.20	111.40	111.50	111.90	111.70		(2.53)	(2.28)	(2.00)	(1.09)	(06.0)	(60.0)	0.63	1.09	1.36	1.27	1.82	2.10
	2015		110.80	109.60	109.90	110.20	111.40	111.80	111.10	110.00	109.90	110.10	109.90	109.40		(2.46)	(3.52)	(3.85)	(3.42)	(2.96)	(2.95)	(4.80)	(6.14)	(5.58)	(4.76)	(3.68)	(2.41)
	2014		13.60	113.60	114.30	114.10		115.20	116.70	17.20	116.40	15.60	14.10	12.10		5.19	4.80	5.25	90.5	5.71	4.63	4.95	3.81	1.84	0.87	(0.17)	(1.15)
	2013		108.00	108.40	108.60 1	108.60 1	108.60 1	110.10 1	111.20 1	112.90 1	114.30	14.60 1	14.30	113.40 1		8.00	8.40	8.60	3.72	3.13	4.56	4.71	5.61	6.23	0.70	6.52	5.88
	2012		, 00.001	, 00.001	100.001	104.70	105.30	105.30	106.20	106.90	107.60	107.40	107.30	107.10	ge (y-o-y)	(32.16)	(31.51)	(32.43)	4.70	5.30	5.30	6.20	06.9	7.60	7.40	7.30	7.10
Year	1	Index	.40	146.00	148.00	00.0	100.00		100.00	100.00	_	100.00	00.001	00.00	Percentage change (y-o-y	.35	8.31	8.98	(69)	(27.95)	(28.26)	(28.88)	(28.93)	(29.33)	(29.78)	(30.12)	.22)
	201		147			100.00		100.00			0 100.00		`	_	Percen				(27								
	2010		134.80	134.80	135.80	138.30	138.80	139.40	140.60	140.70	141.50	142.40	143.10	145.40		8.53	9.6	10.23	11.00	10.60	10.28	10.02	8.82	8.93	9.12	8.08	9.41
	2009		124.20	122.90	123.20	124.60	125.50	126.40	127.80	129.30	129.90	130.50	132.40	132.90		5.88	3.45	1.48	0.89	1.21	(0.71)	(0.62)	0.31	1.09	1.48	4.50	6.92
	2008		117.30	118.80	121.40	123.50	124.00	127.30	128.60	128.90	128.50	128.60	126.70	124.30		4.45	5.69	7.72	7.95	8.20	10.89	11.25	11.22	10.78	10.58	8.57	09.9
			112.30	112.40	112.70	14.40	14.60	14.80	15.60	15.90	116.00	116.30	16.70	16.60		6.75	6.64	6.82	6.32	5.62	4.65	4.52	4.13	3.57	3.38	3.83	4.01
	2007		7	<del>-</del>	<u></u>		<del>-</del>	<del>-</del>		<u></u>		<del>-</del>		11													
	Period		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec

Source: Reserve Bank of India. Effective April 2011, the RBI has revised the base year from 2004-05 to 2011-12, creating a break in the continuity and comparison of data. The newly-calculated WPI commences from the month of April 2011 onwards.

#### **TABLE 8. MONETARY SURVEY**

	Assets							
		Foreign Ass	ets (Net)		Domestic C	Credit		
						Public 9	Sector	
End of Period <sup>#</sup>	Total	Total	Rupee	Convertible Foreign Currency	Total	Claims on Govt. (net)	Other Public Sector*	Private Sector**
2004	22,386.3	16,456.8	3,314.3	13,142.5	5,929.5	441.7	963.8	4,524.0
2004	24,912.3	16,397.2	3,595.0	12,802.2	8,515.1	1,847.5	888.5	5,779.1
2006	31,156.9	22,505.0	3,155.5	19,349.5	8,651.9	(71.4)	871.9	7,851.5
2007	34,944.6	24,881.3	794.7	24,086.6	10,063.3	(1,432.6)	943.4	10,552.5
2008	39,463.4	26,101.2	(890.8)	26,992.0	13,362.1	(1,687.5)	719.6	14,330.0
2009	48,453.6	32,720.6	(3,258.5)	35,979.1	15,732.9	(3,677.3)	939.1	18,471.1
2010	58,400.3	35,263.7	(3,070.8)	38,334.5	23,136.5	(2,993.2)	135.8	25,994.0
2011	66,237.7	35,532.0	(7,113.4)	42,645.4	30,705.7	(3,955.3)	1,035.9	33,625.2
2012	81,998.2	35,532.1	(9,550.8)	45,082.9	46,466.1	1,245.8	1,485.7	43,734.6
2013	100,998.6	48,566.4	1,492.9	47,073.5	52,432.3	3,323.1	2,284.6	46,824.6
2014	106,185.5	53,886.5	265.2	53,621.2	52,299.0	(1,978.0)	4,438.4	49,838.7
2015								
Jan	121,611.7	67,049.1	11,336.1	55,713.0	54,562.6	(2,071.6)	3,081.5	53,552.8
Feb	117,488.6	64,199.6	7,028.4	57,171.3	53,289.0	(3,996.3)	3,120.3	54,165.0
Mar	115,416.9	60,410.6	4,219.3	56,191.3	55,006.3	(3,668.4)	3,257.7	55,417.0
Apr	114,588.4	57,137.9	3,321.4	53,816.5	57,450.6	(2,017.6)	3,887.5	55,580.7
May	118,595.6	56,297.1	2,957.4	53,339.7	62,298.5	(551.7)	6,614.6	56,235.6
Jun	114,503.9	58,248.7	4,034.4	54,214.4	56,255.1	(7,739.7)	7,174.3	56,820.5
Jul	115,469.1	56,816.7	2,887.4	53,929.4	58,652.4	(4,581.5)	6,181.4	57,052.6
Aug	119,106.0	64,841.0	8,039.9	56,801.1	54,265.1	(8,798.0)	5,432.4	57,630.7
Sep	124,839.5	72,455.3	13,552.7	58,902.6	52,384.2	(11,075.7)	5,091.8	58,368.1
Oct	123,453.1	69,871.2	12,030.2	57,841.0	53,581.9	(10,809.6)	5,175.5	59,216.0
Nov	125,642.0	68,871.2	9,406.0	59,465.1	56,770.8	(8,573.2)	5,431.6	59,912.4
Dec	125,501.6	66,305.1	7,324.0	58,981.1	59,196.5	(6,123.1)	5,340.6	59,979.0
<b>2016</b> Jan	126,053.0	65,658.2	7,758.0	57,900.2	60,394.7	(6,222.1)	5,392.6	61,224.3
Feb	129,729.4	68,914.9	9,471.7	59,443.2	60,814.5	(5,898.7)	5,392.8	61,340.5
Mar	139,542.2	75,568.3	16,053.1	59,515.2	63,973.9	(4,554.4)	5,284.6	63,243.8
Apr	124,630.7	70,224.0	11,210.9	59,013.0	54,406.8	(15,035.7)	5,284.9	64,157.6
May	129,412.1	67,297.9	6,766.3	60,531.6	62,114.2	(8,040.0)	5,197.7	64,956.5
Jun	133,508.3	67,815.6	7,316.8	60,498.8	65,692.7	(5,570.5)	6,106.0	65,157.2
Jul	130,888.7	65,480.4	4,906.8	60,573.6	65,408.3	(6,388.7)	6,114.4	65,682.6
Aug	131,897.8	66,235.7	7,120.7	59,115.0	65,662.1	(7,266.0)	6,246.0	66,682.2
Sep	133,258.2	73,517.4	14,161.3	59,356.1	59,740.7	(12,647.6)	5,245.5	67,142.8
Oct	136,820.7	72,472.2	12,390.9	60,081.3	64,348.4	(9,157.2)	4,889.6	68,616.0
Nov	143,956.4	76,472.0	17,628.1	58,843.8	67,484.4	(6,685.4)	5,043.1	69,126.7
Dec	144,334.6	73,220.2	15,748.5	57,471.8	71,114.3	(4,300.7)	4,988.8	70,426.2
2017								
Jan	142,608.7	66,992.0	12,299.5	54,692.5	75,616.7	(59.4)	5,032.9	70,643.2
Feb	143,058.6	68,683.3	14,825.5	53,857.9	74,375.3	(1,699.9)	5,031.1	71,044.0
Mar	151,296.1	73,386.8	18,522.4	54,864.4	77,909.3	(529.1)	11,400.7	67,037.7
Apr	142,599.7	62,803.4	10,063.5	52,740.0	79,796.2	745.7	5,088.6	73,961.9
May	149,492.9	65,410.4	15,819.4	49,591.1	84,082.5	2,892.0	5,157.2	76,033.3
Jun	153,560.9	68,476.0	18,236.6	50,239.5	85,084.8	2,852.9	7,046.8	75,185.1

<sup>\*)</sup> Other Public Sector includes claims on Govt. Corporations and Other Public Corporations.

<sup>\*\*)</sup> Private Sector includes Claims on NBFIs.

Note: The monetary survey data is not directly comparable with the past data as there has been reclassification in the Government Deposits with banks and foreign borrowing of the BDBL:

<sup>(</sup>i) Due to mis-classification of government accounts held by the commercial banks, adjustments have been made to make the public sector accounts more realistic.

<sup>(</sup>ii) Due to changes in the classification of foreign liabilities (others), the external borrowing of the BDBL has been reclassified as the domestic borrowing as this borrowing was lent by the Government to the BDBL.

TABLE 8. CONTINUED Monetary Survey

nguitrur	m in Million							
	Liabilities							
		Broad Mon	ey (M2)					
			Money (M1	, Narrow Mo	oney)			
				Currency				
End of				Outside	Transferable Deposits**	NBFI	Other	Other Items
Period #	Total	Total	Total	Banks	Deposits	Deposits	Deposits**	Net *
2004	22,386.3	16,592.7	8,524.7	2,015.2	6,509.4	_	8,068.0	5,793.6
2005	24,912.3	18,376.9	9,331.9	2,303.4	7,028.5	_	9,045.1	6,535.4
2006	31,156.9	23,208.7	10,678.1	2,614.9	8,063.1	-	12,530.6	7,948.2
2007	34,944.6	25,208.5	13,542.1	3,165.8	10,376.3	-	11,666.4	9,736.1
2008	39,463.4	25,784.0	14,395.7	3,641.6	10,754.1	-	11,388.3	13,679.4
2009	48,453.6	32,114.8	18,375.0	4,541.8	13,833.2	-	13,739.8	16,338.7
2010	58,400.3	41,778.7	22,537.7	5,386.5	17,151.2	-	19,241.0	16,621.6
2011	66,237.7	50,639.8	30,270.3	6,893.7	23,376.6	-	20,369.5	15,597.9
2012	81,998.2	50,122.9	31,960.2	6,390.7	25,569.5	-	18,162.7	31,875.3
2013	100,998.6	59,451.2	37,794.1	5,681.2	32,112.9	-	21,657.1	41,547.4
2014	106,185.5	63,387.8	39,701.8	5,704.6	33,997.3	-	23,686.0	42,797.7
2015								
Jan	121,611.7	75,626.2	46,300.1	5,715.3	40,584.9	-	29,326.1	45,985.5
Feb	117,488.6	71,582.9	42,747.0	5,576.1	37,170.9	-	28,836.0	45,905.7
Mar	115,416.9	67,636.3	40,068.5	5,767.2	34,301.4	-	27,567.7	47,780.6
Apr	114,588.4	68,804.1	41,077.0	5,334.4	35,742.6	-	27,727.1	45,784.4
May	118,595.6	71,188.8	42,633.4	5,676.9	36,956.5	-	28,555.4	47,406.8
Jun	114,503.9	68,344.3	41,675.5	5,946.1	35,729.4	-	26,668.8	46,159.6
Jul	115,469.1	67,943.4	40,031.2	5,939.9	34,091.3	-	27,912.2	47,525.7
Aug	119,106.0	68,616.2	40,570.9	5,570.9	35,000.0	-	28,045.3	50,489.8
Sep	124,839.5	69,742.1	40,835.3	5,626.5	35,208.8	-	28,906.8	55,097.3
Oct	123,453.1	75,716.2	44,364.5	6,038.8	38,325.7	-	31,351.7	47,736.9
Nov	125,642.0	76,991.4	45,166.3	5,936.0	39,230.3	-	31,825.0	48,650.6
Dec	125,501.6	76,148.6	44,428.8	6,587.2	37,841.6	-	31,719.8	49,353.0
2016	400 052 0	76 507 5	44.050.5	6 6 4 7 7	27.605.0		20.054.4	40 545 4
Jan Fab	126,053.0	76,507.5 77,571.1	44,253.5	6,647.7	37,605.8	-	32,254.1	49,545.4
Feb	129,729.4		45,114.4	6,610.2	38,504.2	-	32,456.7	52,158.3
Mar Apr	139,542.2 124,630.7	87,269.9	55,933.5	5,935.3	49,998.2	-	31,336.4	52,272.3
Apr	124,630.7	79,637.4 79,271.4	47,803.0 44,097.6	6,272.3 5,753.2	41,530.7	-	31,834.3 35,173.8	44,993.4 50,140.7
May Jun	129,412.1	79,271.4	44,097.6	6,101.7	38,344.4 38,831.9	-	35,173.8	50,140.7
Jul	130,888.7	79,162.7	44,933.6	5,637.3	38,812.5	-	35,162.6	54,345.5
Aug	130,886.7	83,622.0	47,876.4	5,242.3	42,634.1	_	35,745.7	48,275.8
Sep	131,097.0	81,672.6	45,298.6	5,176.9	40,121.6		36,374.0	51,585.6
Oct	136,820.7	88,028.8	50,863.5	6,027.6	44,835.9	_	37,165.3	48,791.8
Nov	143,956.4	91,295.8	51,519.9	6,958.9	44,561.0	_	39,775.9	52,660.6
Dec	144,334.6	93,680.7	52,057.5	8,318.9	43,738.6	_	41,623.2	50,653.9
2017	11,504.0	00,000.7	02,007.0	0,010.0	13,700.0		11,020.2	00,000.0
Jan	142,608.7	99,132.9	57,032.6	9,006.1	48,026.5	_	42,100.3	43,475.8
Feb	143,058.6	106,228.0	65,008.6	8,873.7	56,134.9	_	41,219.4	36,830.6
Mar	151,296.1	95,282.5	53,696.1	7,954.9	45,741.2	-	41,586.4	56,013.6
Apr	142,599.7	109,251.3	66,712.1	8,232.1	58,480.0	-	42,539.2	33,348.4
May	149,492.9	101,232.2	58,153.5	8,306.6	49,846.9	-	43,078.7	48,260.7
Jun	153,560.9	104,113.6	60,723.3	8,787.7	51,935.6	-	43,390.3	49,447.3
		es Money Mark				_	40,080.3	40,441.3

 $<sup>^{\</sup>star})$  Other Items Net includes Money Market Instruments (RGoB T-Bills).

<sup>\*\*)</sup> The terms Demand Deposits and Quasi Money are replaced by Transferable Deposits and Other Deposits.

<sup>\*</sup>Annual data are for end-of-June in each year (and are therefore, not comparable to past publications which featured data as of end-December).

TABLE 9. DEPOSIT MONEY BANKS - MONETARY AND FINANCIAL STATISTICS

rigald di	in willion									
	Assets									
			F	oreign As	sets		Claims	Claims	Claires	
End of						Claims on	Claims on Govt.	on Public	Claims on Private	Claims on
Period <sup>#</sup>	Total	Reserves	Total	Rupee	Others	Govt.	Corps.	Sector *	Sector	NBFIs
2004	17,698.1	7,072.8	4,318.8	2,553.6	1,765.2	320.0	1,202.5	210.8	4,258.9	314.3
2005	18,738.5	6,655.5	2,889.5	1,525.3	1,364.1	1,949.5	1,276.0	139.5	5,505.3	323.2
2006	23,888.7	10,788.8	3,802.6	1,648.1	2,154.5	-	1,278.4	120.5	7,338.9	559.4
2007	26,508.0	10,553.2	3,893.4	658.4	3,235.0	-	1,242.9	227.5	9,872.7	718.3
2008	27,279.9	9,873.2	1,794.5	774.1	1,020.4	577.0	641.3	78.3	13,797.6	517.9
2009	33,365.6	11,689.1	1,756.5	540.4	1,216.1	527.0	584.0	355.2	17,843.6	610.3
2010	45,442.3	15,472.1	2,804.7	1,292.3	1,512.4	1,054.0	85.3	50.5	25,177.3	798.4
2011	54,058.6	15,401.0	2,896.5	710.2	2,186.3	1,119.1	555.3	480.5	33,215.7	390.5
2012	59,623.5	10,540.0	2,809.1	1,392.6	1,416.5	1,073.0	717.8	767.9	43,158.5	557.3
2013	71,596.5 80,539.4	17,408.1	2,932.9	818.4 772.1	2,114.5	2,159.9	2,080.5	204.1	46,117.8	693.3
2014 2015	60,539.4	21,088.0	3,311.2	112.1	2,539.0	1,876.8	3,123.3	1,315.0	48,902.0	923.0
Jan	90,010.0	26,618.9	3,435.5	1,137.5	2,297.9	3,338.2	1,861.0	1,220.4	52,473.9	1,062.0
Feb	90,153.5	25,187.8	4,358.6	1,161.4	3,197.2	3,338.2	1,877.7	1,242.6	53,119.2	1,002.0
Mar	86,342.4	18,250.8	5,095.1	1,526.2	3,568.9	4,338.4	2,082.3	1,175.4	54,432.9	967.5
Apr	86,607.9	19,450.4	3,171.1	1,060.4	2,110.6	4,538.8	2,103.6	1,783.9	54,643.0	917.1
May	88,961.2	20,139.0	2,958.5	1,082.1	1,876.3	3,039.0	4,857.3	1,757.3	55,326.4	883.8
Jun	86,692.0	19,549.3	3,136.2	1,207.8	1,928.4	40.0	5,600.3	1,574.0	55,659.2	1,133.0
Jul	84,467.5	15,498.4	2,725.7	784.8	1,940.9	3,039.0	4,922.0	1,259.3	56,174.3	848.7
Aug	86,940.3	17,823.4	3,043.1	1,054.6	1,988.5	3,039.0	3,759.4	1,673.0	56,759.2	843.1
Sep	87,997.8	16,263.2	5,262.4	2,347.0	2,915.4	3,039.0	3,515.9	1,575.8	57,517.9	823.4
Oct	92,870.5	20,733.7	4,755.7	1,491.8	3,263.9	3,017.5	3,713.7	1,461.7	58,227.1	961.1
Nov	95,179.5	19,977.8	4,374.9	1,426.9	2,948.0	5,510.0	3,961.8	1,469.7	58,930.7	954.6
Dec	93,590.4	18,298.7	4,494.8	2,114.0	2,380.8	5,505.2	3,852.5	1,488.1	58,922.2	1,028.9
2016										
Jan	94,468.2	18,560.6	4,197.7	2,287.1	1,910.7	5,123.1	3,771.1	1,621.5	60,028.0	1,166.1
Feb	97,324.7	21,687.3	3,417.5	1,731.1	1,686.4	5,537.1	3,820.7	1,552.1	60,067.4	1,242.7
Mar	106,748.3	26,897.9	5,827.0	3,131.9	2,695.1	5,526.9	3,743.1	1,541.5	62,153.5	1,058.4
Apr	98,282.1	22,721.5	3,119.7	1,504.9	1,614.8	3,032.0	3,705.8	1,579.1	62,232.8	1,891.3
May	97,963.5	21,858.5	2,953.0	925.1	2,027.9	3,032.0	3,661.2	1,536.5	63,527.2	1,395.0
Jun	97,355.1	17,852.9	3,642.8	2,103.2	1,539.6	4,629.6	4,754.4	1,351.6	63,668.9	1,454.9
Jul	99,033.0	17,886.6	3,884.1	1,281.5	2,602.7	5,499.2	4,709.7	1,404.7	64,428.1	1,220.5
Aug	103,386.9	21,278.5	3,727.1	1,432.4	2,294.8	5,488.4	4,820.7	1,425.2	65,476.4	1,170.4
Sep	100,437.7	18,145.8	4,904.6	2,559.3	2,345.3	5,035.7	3,783.4	1,462.1	65,930.3	1,175.7
Oct Nov	108,183.3 110,287.0	24,863.0 26,618.3	3,848.8 3,020.2	1,582.0 1,710.5	2,266.8 1,309.7	6,001.9 6,515.2	3,382.3 3,500.2	1,507.3 1,542.9	67,188.8 67,271.7	1,391.1 1,818.6
Dec	110,287.0	25,183.6	3,020.2	1,710.5	2,592.1	6,817.6	3,500.2	1,542.9	67,786.1	2,603.1
<b>2017</b>	111,110.5	25,105.0	3,730.3	1,144.1	2,392.1	0,017.0	3,480.0	1,482.2	07,700.1	2,003.1
Jan	116,727.2	27,559.0	4,768.5	1,460.5	3,308.0	8,760.1	3,493.5	1,539.4	68,614.9	1,991.9
Feb	123,679.8	31,791.8	4,422.7	1,622.3	2,800.5	11,426.7	3,507.2	1,523.9	69,286.1	1,721.5
Mar	117,118.9	20,674.6	5,521.2	1,640.8	3,880.4	12,520.7	4,234.4	7,166.4	64,770.4	2,231.1
Apr	125,151.2	29,871.6	3,758.4	995.9	2,762.5	12,506.2	3,648.9	1,439.7	71,478.8	2,447.6
May	118,081.8	23,090.9	3,356.5	1,032.3	2,324.2	10,479.6	3,696.3	1,460.9	72,898.5	3,099.1
Jun	121,053.9	25,197.8	3,655.4	1,740.5	1,914.9	10,005.2	4,779.4	2,267.4	72,516.2	2,632.5

<sup>\*</sup> With effect from 1st January 2011, claims on joint corporations were reclassified as claims on public sector as per new reporting format by the Financial Regulation and Supervision Department of the RMA.

TABLE 9. CONTINUED Deposit Money Banks

	Liabilities										
	Liabilities				_						
					Forei	gn Liabili	ties				
		Demand		Foreign					Domestic		Other
End o	f	Deposits	Time	Currency				Govt.	Borrow-	Capital	Items
Period		(1)	Deposits	Deposits	Total	Rupee*	Others	Deposits	ings	Accounts	(Net)
2004	17,698.1	5,721.7	6,490.9	604.4	1,061.6	1,061.6	-	1,760.4	-	1,763.0	296.1
2005	18,738.5	7,028.5	8,559.9	485.2	-	-	-	-	-	1,942.2	722.7
2006 2007	23,888.7	8,063.1 10,376.3	11,853.8	676.8	-	-	-	_	-	2,148.9 2,344.7	1,146.0
	26,508.0	,	10,193.9	1,472.5 966.2		-				,	2,120.5
2008	27,279.9	10,754.1	10,422.1	1,110.9	-	-	-	-	-	2,672.0	2,465.6
2009	33,365.6 45,442.3	17,151.2	12,628.8 17,939.0	1,110.9	-	-	_	_	1 405 2	3,214.0 5,707.0	2,578.6 1,847.8
2010	54,058.6	23,376.6	17,939.0	2,958.6	-	-	-	-	1,495.2 1,547.9	6,382.3	2,382.3
2011	59,623.5	25,569.5	16,641.8	1,520.9	-	-	_	_	1,263.6	10,263.0	4,364.7
2012	71,596.5	32,112.9	20,373.6	1,283.5	-		_	_	1,374.6	13,011.1	3,440.8
2014	80,539.4	33,997.3	21,952.3	1,733.6	_		_	_	1,136.9	15,117.2	6,602.1
2015	00,000.	00,001.0	21,002.0	1,700.0					1,100.0	10,111.2	0,002.1
Jan	90,010.0	40,584.9	28,125.3	1,200.8	-	-	-	-	1,067.1	16,719.1	2,312.8
Feb	90,153.5	37,170.9	27,684.7	1,151.3	-	-	-	-	1,061.2	16,604.5	6,480.9
Mar	86,342.4	34,301.4	26,351.4	1,216.4	-	-	-	-	948.2	16,076.8	7,448.3
Apr	86,607.9	35,742.6	26,563.7	1,163.4	-	-	-	-	948.2	16,013.6	6,176.4
May	88,961.2	36,956.5	27,333.4	1,222.0	-	-	-	-	947.5	16,175.4	6,326.3
Jun	86,692.0	35,729.4	25,446.5	1,222.3	-	-	-	-	896.4	16,713.7	6,683.6
Jul	84,467.5	34,091.3 35,000.0	26,721.4	1,190.8 1,425.1	-	-	-	-	895.5 889.5	16,631.2	4,937.3
Aug Sep	86,940.3 87,997.8	35,000.0	26,620.1 27,347.3	1,559.5	-	-	_	_	880.5	16,864.8 16,947.9	6,140.7 6,053.8
Oct	92,870.5	38,325.7	30,100.4	1,251.2	_		_		880.5	17,135.8	5,176.8
Nov	95,179.5	39,230.3	30,497.4	1,327.6	_	_	_	_	879.8	17,330.5	5,913.8
Dec	93,590.4	37,841.6	30,456.4	1,263.4	-	-	-	-	824.8	17,986.5	5,217.6
2016											
Jan	94,468.2	37,605.8	30,879.2	1,374.9	-	-	-	-	817.9	17,984.7	5,805.7
Feb	97,324.7	38,504.2	31,844.9	611.9	-	-	-	-	823.9	17,816.1	7,723.9
Mar	106,748.3	49,998.2	30,053.3	1,283.1	-	-	-	-	809.8	17,521.6	7,082.2
Apr	98,282.1	41,530.7	30,594.2	1,240.1	-	-	-	-	708.9	17,720.8	6,487.3
May Jun	97,963.5 97,355.1	38,344.4 38,831.9	33,586.3	1,587.4 1,588.6	-	-	_	_	708.2 703.2	17,602.2 18,029.3	6,134.9 5,561.7
Jul	99,033.0	38,812.5	32,640.5 33,190.6	1,972.0	-	-	_	_	703.2	18,039.7	5,561.7 6,315.9
Aug	103,386.9	42,634.1	33,657.3	2,088.4	_				696.3	17,249.0	7,061.8
Sep	100,437.7	40,121.6	34,272.1	2,101.9	_	_	_	_	688.2	16,723.9	6,529.9
Oct	108,183.3	44,835.9	34,887.0	2,278.3	_	-	_	-	687.3	16,841.1	8,653.7
Nov	110,287.0	44,561.0	38,041.2	1,734.6	-	-	-	-	686.6	17,345.6	7,917.9
Dec	111,115.5	43,738.6	39,218.3	2,404.8	-	-	-	-	681.6	18,497.9	6,574.3
2017											
Jan	116,727.2	48,026.5	39,706.9	2,393.4	-	-	-	-	680.7	18,537.5	7,382.3
Feb	123,679.8	56,134.9	39,559.5	1,659.9	-	-	-	-	674.7	18,181.0	7,469.8
Mar	117,118.9	45,741.2	39,408.7	2,177.7	-	-	-	-	565.7	17,671.9	11,553.6
Apr May	125,151.2 118,081.8	58,480.0 49,846.9	40,544.0 40,735.1	1,995.2 2,343.7	-	-	-	_	565.7 565.0	17,279.5 17,111.2	6,286.8 7,480.1
Jun	121,053.9	51,935.6	40,735.1	2,343.7	-	_	-		559.0	16,915.4	8,253.5

<sup>(1)</sup> Demand Deposits includes Savings Deposits. (\*) Between 1994-2000, Rupee Liabilities were consolidated under Other Liabilities. From January 2001 onwards, Rupee Liabilities are shown separately.

Note: An entry of "0.0" indicates a marginal value compared to "-" which indicates no value for that particular item.

<sup>\*</sup>Annual data are for end-of-June in each year (and are therefore, not comparable to past publications which featured data as of end-December).

TABLE 10. ROYAL MONETARY AUTHORITY OF BHUTAN - MONETARY AND FINANCIAL STATISTICS

nguitrum	in Million								
	Assets								
		Foreign Acc	oto						
		Foreign Ass	ets	Conver-			Claims		
				tible	Claims	Claims	on	Claima	Court
End of				Foreign	on	on	Private	Claims	Govt.
Period <sup>#</sup>	Total	Total	Bunco	_	DMBs	Govt.		on NBFIs	Securitie
renou	I Olai	1 Otal	Rupee	Currency	DIVIDS	GOVI.	Sector	INDEIS	S
2004	13,486.2	13,199.7	1,822.4	11,377.3	248.7	37.0	0.8	-	-
2005	14,317.9	13,507.7	2,069.7	11,438.0	709.5	100.0	0.6	-	-
2006	19,296.8	18,702.4	1,507.4	17,195.0	591.2	-	3.1	-	-
2007	22,178.5	20,987.9	136.3	20,851.6	21.6	-	11.6	-	1,157.5
2008	26,267.8	26,106.7	135.1	25,971.6	146.6	-	14.5	-	-
2009	34,942.8	34,881.4	118.4	34,763.0	44.2	-	17.2	-	-
2010	37,610.6	36,959.3	137.3	36,822.1	633.0	-	18.3	-	-
2011	40,681.9	40,550.2	91.2	40,459.1	112.7	-	19.0	-	-
2012	45,053.9	43,896.3	229.9	43,666.4	182.2	956.5	18.8	-	-
2013	59,822.6	55,665.5	10,706.4	44,959.0	2,243.6	1,900.0	13.5	-	-
2014	75,684.2	75,502.1	19,731.0	55,771.1	166.1	-	16.1	-	-
2015	75.004.0	70.050.7	00 044 0	50 445 4	4 007 5		40.0		
Jan	75,361.0	73,656.7	20,241.6	53,415.1	1,687.5	404.0	16.8	-	-
Feb	70,953.6	69,923.0	15,949.0 9,693.1	53,974.1	909.3	104.9	16.3	-	-
Mar	62,924.3	62,315.4 60,996.0		52,622.4 51,705.9	592.3 629.6	-	16.6 20.6	-	-
Apr May	61,646.3 60,852.7	60,397.9	9,290.1 8,934.6	51,705.9	429.3	-	25.4	-	-
Jun	63,837.7	62,112.5	9,826.5	52,286.0	1,696.9	-	28.3	_	
Jul	62,544.8	61,121.2	9,020.3	51,988.5	1,394.0	-	29.6	_	-
Aug	69,649.9	68,858.2	14,045.5	54,812.6	763.3		28.4		
Sep	75,158.9	74,192.8	18,205.6	55,987.2	939.3	_	26.7		
Oct	74,095.2	72,145.7	17,568.5	54,577.2	1,921.7	_	27.8	_	_
Nov	74,037.6	71,555.6	15,038.5	56,517.1	2,454.9	_	27.2	_	_
Dec	69,582.7	68,810.3	12,210.0	56,600.3	744.5	_	27.9	_	_
2016	,		,	55,555					
Jan	70,090.4	68,490.7	12,501.1	55,989.5	1,569.6	_	30.1	_	_
Feb	74,519.6	72,555.8	14,798.9	57,756.8	1,418.3	515.2	30.4	-	-
Mar	77,220.7	76,741.3	19,921.2	56,820.1	447.5	-	31.9	-	-
Apr	79,170.6	74,133.0	16,734.8	57,398.2	5,004.1	-	33.6	-	-
May	73,910.8	71,403.4	12,899.7	58,503.7	1,188.1	1,285.0	34.3	-	-
Jun	78,276.8	77,976.8	19,017.7	58,959.1	266.6	-	33.3	-	-
Jul	76,651.6	75,380.1	17,409.1	57,971.0	1,237.5	-	33.9	-	-
Aug	80,956.6	76,347.8	19,527.6	56,820.2	4,573.4	-	35.4	-	-
Sep	83,090.0	82,340.6	25,329.8	57,010.8	712.6	-	36.8	-	-
Oct	85,717.3	82,405.2	24,590.7	57,814.5	3,276.0	-	36.1	-	-
Nov	88,074.2	87,288.4	29,754.2	57,534.2	749.4	-	36.4	-	-
Dec	78,200.7	76,484.0	21,604.3	54,879.6	1,679.7	-	37.0	-	-
2017	<b>=</b> 4.646.5	00.070	47.000	F4 654 =	4 400 6	F6 / 6	60.5		
Jan	71,319.9	69,253.2	17,868.7	51,384.5	1,499.2	531.0	36.5	-	-
Feb	72,039.6	71,317.2	20,259.8	51,057.4	685.9	-	36.5	-	-
Mar	80,315.5	74,896.3	23,912.3	50,983.9	5,383.1	-	36.1	-	-
Apr	66,704.2	66,104.5	16,127.0	49,977.5	564.2	-	35.5	-	-
May	70,083.2	69,112.4	21,845.6	47,266.8	935.2	-	35.6	-	-
Jun	72,435.4	71,820.7	23,496.1	48,324.6	578.4	-	36.3	-	-

Note: An entry of "0.0" indicates a marginal value compared to "-" which indicates no value for that particular item.

TABLE 10. CONTINUED
Royal Monetary Authority of Bhutan

	Liabilities									
		Reserve	Money	Forei	gn Liabiliti	es				
End of Period <sup>#</sup>	Total	Total	Of which: Currency Outside Banks	Total	Rupee	Others	Govt.	RMA Bills Out- standing	Capital Account	Other Items ( Net )
				I Olai	Rupee	Others				
2004	13,486.2	9,370.3	2,015.2	-	-	-	414.9	200.0	144.9	3,356.1
2005	14,317.9	9,340.1	2,303.4	-	-	-	779.0	200.0	879.0	3,119.9
2006	19,296.8	13,474.7	2,614.9	-	-	-	648.4	200.0	1,004.3	3,969.4
2007 2008	22,178.8 26,267.8	13,319.6	3,166.0 3,641.6	- 1,800.0	- 1,800.0	-	2,009.6 2,264.5	200.0 2,019.9	1,023.4	5,626.2
2009	34,942.8	12,871.8 14,697.9	4,541.8	3,917.3	3,917.3	-	4,204.3	2,019.9	1,430.0 1,133.5	5,881.5 8,989.8
2010	37,610.6	20,574.7	5,386.5	4,500.3	4,500.3	_	4,204.3	21.4	1,133.3	7,369.3
2010	40,681.9	19,727.6	6,893.7	7,914.8	7,914.8	_	5,074.4	20.7	3,256.0	4,688.4
2012	45,053.9	16,743.1	6,390.7	11,173.3	11,173.3	_	783.7	26.0	3,014.2	13,313.5
2013	59,822.6	23,997.4	5,681.2	10,032.0	10,032.0	_	736.9	-	2,726.4	22,330.0
2014	75,684.2	34,746.4	5,671.6	10,000.0	10,000.0	_	8,050.0	_	3,261.2	19,626.6
2015	. 0,00	01,710.1	0,011.0	10,000.0	10,000.0		0,000.0		0,201.2	10,020.0
Jan	75,361.0	39,097.3	5,715.3	10,043.1	10,043.1	_	5,409.8	-	3,380.2	17,430.6
Feb	70,953.6	31,849.4	5,576.1	10,081.9	10,081.9	-	7,439.4	-	3,477.8	18,105.0
Mar	62,924.3	26,311.7	5,767.2	7,000.0	7,000.0	_	8,006.8	_	3,678.2	17,927.7
Apr	61,646.3	25,643.0	5,334.4	7,029.2	7,029.2	_	6,556.5	_	3,596.0	18,821.6
May	60,852.7	27,536.3	5,676.9	7,059.3	7,059.3	-	3,590.7	-	3,679.2	18,987.3
Jun	63,837.7	26,248.8	5,946.1	7,000.0	7,000.0	-	7,779.7	-	3,597.1	19,212.1
Jul	62,544.8	25,153.7	5,939.9	7,030.1	7,030.1	-	7,620.5	-	3,660.4	19,080.1
Aug	69,649.9	25,883.0	5,570.9	7,060.3	7,060.3	-	11,837.0	-	3,729.4	21,140.1
Sep	75,158.9	28,958.5	5,626.5	7,000.0	7,000.0	-	14,114.7	-	3,907.2	21,178.6
Oct	74,095.2	29,211.0	6,038.8	7,030.1	7,030.1	-	13,827.1	-	3,897.6	20,129.4
Nov	74,037.6	27,463.8	5,936.0	7,059.3	7,059.3	-	14,083.2	-	3,986.3	21,444.9
Dec	69,582.7	25,801.1	6,587.2	7,000.0	7,000.0	-	11,628.3	-	4,057.7	21,095.6
2016										
Jan	70,090.4	26,074.8	6,647.7	7,030.1	7,030.1	-	11,345.2	-	3,352.4	22,287.8
Feb	74,519.6	28,909.1	6,610.2	7,058.3	7,058.3	-	11,951.0	-	3,433.4	23,167.8
Mar	77,220.7	34,951.1	5,935.3	7,000.0	7,000.0	-	10,081.3	-	3,520.7	21,667.6
Apr	79,170.6	29,028.6	6,272.3	7,028.8	7,028.8	-	18,067.7	-	3,612.4	21,433.2
May	73,910.8	28,901.1	5,753.2	7,058.5	7,058.5	-	12,357.0	-	3,725.4	21,868.8
Jun	78,276.8	27,802.9	6,101.7	13,804.1	13,804.1	-	10,200.1	-	3,686.8	22,782.9
Jul	76,651.6	25,233.5	5,637.3	13,783.8	13,783.8	-	11,887.9	-	3,750.6	21,995.8
Aug	80,956.6 83,090.0	28,598.2 27,264.9	5,242.3 5,176.9	13,839.2 13,727.7	13,839.2 13,727.7	-	12,754.5 17,683.3	-	3,838.3 3,066.4	21,926.4 21,347.6
Sep Oct	85,717.3	31,968.3	6,027.6	13,727.7	13,781.8	-	15,159.1	-	3,175.6	21,632.5
Nov	88,074.2	34,801.9	6,958.9	13,836.6	13,761.6	_	13,139.1	-	3,173.0	22,945.7
Dec	78,200.7	34,262.9	8,318.9	7,000.0	7,000.0	_	11,118.3	-	3,422.9	22,396.5
<b>2017</b>	70,200.7	J-7,2U2.3	0,010.9	7,000.0	7,000.0		11,110.5	_	0,422.3	22,000.0
Jan	71,319.9	31,478.2	9,006.1	7,029.7	7,029.7	-	9,350.5	_	3,509.5	19,951.9
Feb	72,039.6	29,127.1	8,873.7	7,056.6	7,056.6	_	13,126.5	_	3,624.1	19,105.3
Mar	80,315.5	35,751.9	7,954.9	7,030.7	7,030.7	_	13,049.8	_	3,800.3	20,682.7
Apr	66,704.2	28,184.6	8,232.1	7,059.5	7,059.5	_	11,760.5	_	3,830.6	15,869.1
May	70,083.2	31,550.5	8,306.6	7,058.5	7,058.5	_	7,587.6	_	3,953.2	19,933.4
Jun	72,435.4	34,327.9	8,787.7	7,000.0	7,000.0	_	7,152.2	-	3,951.5	20,003.8

<sup>\*</sup>Annual data are for end-of-June in each year (and are therefore, not comparable to past publications which featured data as of end-December).

TABLE 11. BANK OF BHUTAN LIMITED - MONETARY AND FINANCIAL STATISTICS

	n in Million Assets									
			Fo	reign Asse	ets					
End of Period <sup>#</sup>	Total	Reserves	Total	Rupee	Others	Claims on Govt.	Claims on Govt. Corps.	Claims on Public Sector *	Claims on Private Sector	Claims on NBFIs
2004	11,498.0	5,070.5	3,430.0	2,001.4	1,428.6	200.0	675.9	193.1	1,718.6	210.0
2005	11,901.7	5,562.7	2,008.9	1,087.3	921.6	1,082.6	692.6	131.9	2,189.8	233.1
2006	15,666.8	9,046.3	2,328.9	955.0	1,373.8	-	631.3	112.9	2,991.8	555.7
2007	16,870.9	9,030.4	2,344.8	407.9	1,936.9	-	617.0	219.9	3,944.2	714.5
2008	15,337.5	7,625.1	966.0	476.8	489.2	-	571.1	70.7	5,540.4	564.2
2009	17,906.7	7,780.5	777.7	396.4	381.3	-	527.0	347.6	7,867.4	606.5
2010	21,730.3	9,938.3	1,699.6	958.9	740.7	527.0	75.6	42.1	8,853.6	594.1
2011	23,108.4	9,283.7	1,947.0	341.7	1,605.3	592.1	405.0	(29.7)		301.4
2012	25,904.1	7,210.0	1,437.9	909.4	528.5	546.0	711.1	130.4	15,567.2	301.6
2013	33,291.7	12,793.0	1,614.7	299.9	1,314.8	1,632.9	795.2	54.8	15,947.3	453.8
2014	37,423.3	14,382.3	1,898.8	484.4	1,414.5	1,463.4	2,009.3	417.4	16,489.1	763.1
2015		45.004.0	4 000 0	400.7	4 444 4		4 407 4	000.0	47.000.4	500.5
Jan	37,542.3	15,864.6	1,902.8	488.7	1,414.1	-	1,167.1	380.2	17,689.1	538.5
Feb	36,667.8	14,483.7	2,317.2	486.2	1,831.0	-	1,185.9	395.4	17,780.3	505.2
Mar Apr	35,169.0 36,171.3	12,624.1 14,281.8	2,641.1 1,900.4	535.9 430.4	2,105.2 1,470.0	-	1,198.9 1,239.6	327.0 396.9	17,934.0 17,942.2	444.0 410.4
May	36,720.4	12,329.8	1,834.4	464.9	1,470.0	-	3,727.0	381.9	18,070.2	377.2
Jun	37,761.8	11,833.9	1,981.9	649.1	1,309.3	-	4,212.6	744.7	18,362.4	626.3
Jul	34,939.2	11,035.9	1,594.1	332.2	1,261.9	-	3,541.2	447.1	18,000.8	339.5
Aug	35,298.7	12,222.5	1,574.3	320.6	1,253.7	_	2,655.5	574.9	17,973.7	297.8
Sep	35,752.1	11,401.3	2,703.2	1,268.7	1,434.6	-	2,632.7	602.7	18,134.3	277.9
Oct	38,492.1	14,738.5	1,875.4	711.7	1,163.7	_	2,638.2	609.8	18,198.4	431.9
Nov	40,030.9	15,969.0	1,895.4	657.1	1,238.2	4.9	2,893.1	611.1	18,232.7	424.9
Dec	37,760.4	13,283.3	2,291.0	933.9	1,357.0	-	2,867.5	569.4	18,349.9	399.3
2016		,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	_,,		,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,		_,		,	
Jan	39,350.8	14,162.9	2,804.0	1,650.4	1,153.6	-	2,874.5	764.2	18,356.7	388.5
Feb	41,705.1	17,352.4	1,987.2	932.3	1,054.9	-	2,877.6	704.5	18,405.9	377.5
Mar	38,896.1	14,341.7	1,582.9	370.7	1,212.2	-	2,854.8	671.0	19,220.6	225.0
Apr	42,057.3	17,036.9	1,919.9	826.9	1,093.0	-	2,860.6	735.1	18,734.6	770.2
May	38,105.8	13,760.8	1,320.7	355.2	965.5	-	2,865.1	686.9	19,432.3	40.1
Jun	40,057.7	9,731.1	1,782.4	832.1	950.3	4,589.6	3,943.5	522.5	19,448.6	40.1
Jul	40,833.7		1,870.3	666.2	1,204.1	-	3,948.9	578.4	19,529.1	40.1
Aug	43,736.2	17,348.4	2,152.1	783.5	1,368.6	-	4,058.9	629.6	19,507.0	40.1
Sep	38,254.9	12,627.5	2,463.4	1,108.0	1,355.4	-	2,842.1	620.6	19,661.3	40.1
Oct	44,311.6	19,004.9	1,813.9	817.9	995.9	-	2,840.9	657.6	19,954.3	40.1
Nov	43,557.2	18,596.6	1,501.9	733.6	768.3	-	2,922.8	689.3	19,170.5	676.2
Dec	42,634.7	17,305.2	1,487.8	599.0	8.888	-	2,919.1	660.4	19,625.8	636.4
2017	44.570.5	47.000.0	0.400.0	4 400 4	4 000 5		0.004.4	0047	40.000.0	044.5
Jan	44,573.5	17,960.3	2,488.8	1,120.4	1,368.5	-	2,924.4	694.7	19,863.8	641.5
Feb	56,339.9	28,959.6	2,811.6	1,134.4	1,677.2	-	2,923.0	674.4	20,347.0	624.2
Mar Apr	50,162.1	22,436.8	2,780.1	624.9	2,155.2	-	3,188.8	677.2 500.2	20,473.0	606.2
Apr May	55,098.6	27,669.1	2,000.9	487.8 766.6	1,513.0	-	3,219.1	590.2	21,030.9	588.5 570.8
Jun	47,534.9 46,182.0	19,649.9	1,954.9	766.6 1.075.0	1,188.3 778.5	-	3,165.2	606.7 993.5	21,587.4	570.8 552.7
* \N/ith off	40,102.0	17,531.3	1,854.3	1,075.9	110.5		3,467.5	393.3	21,782.5	552.7

<sup>\*</sup> With effect from 1st January,2011 claims on Joint Corporations has been reclassified as claims on Public Sector as per new (FIRMA) reporting format by the Financial Regulation and Supervision Department of the RMA.

TABLE 11. CONTINUED Bank of Bhutan Limited

Nguittu	m in Millior	<u> </u>									
	Liabilities										
					Eoroi	ign Liabili	itios				
					1 016	gii Liabii					
				Foreign					Domestic		Other
End of		Demand	Time	Currency				Govt.	Borrow-	Capital	Items
Period <sup>#</sup>	Total	Deposits	Deposits	Deposits	Total	Rupee*	Others	Deposits	ings	Accounts	(Net)
2004	11,498.0	5,058.6	3,626.0	560.7	1,061.6	1,061.6	-	-	-	1,010.5	180.6
2005	11,901.7	5,568.2	4,768.6	336.6	-	-	-	-	-	1,150.6	77.7
2006	15,666.8	6,427.1	6,593.9	457.5	-	-	-	-	-	1,224.5	963.8
2007	16,870.9	8,452.0	4,179.4	1,008.9	-	-	-	-	-	1,407.1	1,823.5
2008	15,337.5	8,308.1	4,081.0	467.4	-	-	-	-	-	1,573.9	907.1
2009	17,906.7	10,438.3	3,408.3	655.9	-	-	-	-	-	1,941.4	1,462.8
2010	21,730.3	11,966.9	4,670.4	918.2	-	-	-	-	-	2,516.8	1,657.9
2011 2012	23,108.4	16,519.7	3,166.8	2,509.0	-	-	-	-	-	2,803.2	(1,890.2)
2012	25,904.1 33,291.7	16,973.8	3,233.7 3,894.9	594.0 789.4	-	-	-	-	-	3,406.0 3,783.6	1,696.8
2013	37,423.3	22,129.8 20,681.1	5,958.6	1,135.7	-	-	-	_	-	4,332.8	2,694.0 5,315.2
2014	31,423.3	20,001.1	3,936.0	1,133.7	-	_	_	_	_	4,332.0	3,313.2
Jan	37,542.3	25,449.1	7,813.8	692.5	_	_	_	_	_	4,927.0	(1,340.0)
Feb	36,667.8	21,154.7	7,734.4	668.4	_	_	_	_	_	4,973.5	2,136.8
Mar	35,169.0	19,259.5	7,823.2	813.8	_	_	_	_	_	4,495.8	2,776.7
Apr	36,171.3	20,747.7	7,977.0	762.5	-	-	_	_	_	4,559.9	2,124.3
May	36,720.4	21,123.2	7,930.2	798.1	_	_	-	_	_	4,660.6	2,208.3
Jun	37,761.8	21,462.6	8,236.2	794.5	-	-	-	-	-	4,818.6	2,449.8
Jul	34,939.2	20,254.5	7,673.1	722.4	-	-	-	-	-	4,881.9	1,407.2
Aug	35,298.7	20,348.3	7,692.7	768.3	-	-	-	-	-	4,976.2	1,513.2
Sep	35,752.1	20,624.6	7,807.9	792.1	-	-	-	-	-	4,994.4	1,533.0
Oct	38,492.1	22,998.4	8,389.6	789.3	-	-	-	-	-	5,020.2	1,294.5
Nov	40,030.9	24,103.5	8,425.2	829.9	-	-	-	-	-	5,106.5	1,565.8
Dec	37,760.4	22,189.2	8,307.8	832.6	-	-	-	-	-	5,285.7	1,145.1
2016											
Jan	39,350.8	23,460.9	8,310.5	866.8	-	-	-	-	-	5,308.1	1,404.4
Feb	41,705.1	23,616.4	9,043.4		-	-	-	-	-	5,314.2	3,731.1
Mar	38,896.1	22,496.2	9,074.9	570.4	-	-	-	-	-	5,255.6	1,499.0
Apr May	42,057.3	26,101.6	8,762.4	536.9 654.6	-	-	-	-	-	5,561.2	1,095.2 696.9
Jun	38,105.8 40,057.7	21,997.4 22,962.6	9,426.7 9,730.5	764.1	_	_	_	_	_	5,330.1 5,331.4	1,269.2
Jul	40,833.7	23,557.7	9,398.3	851.2			_		_	5,398.1	1,628.3
Aug	43,736.2	26,730.7	9,129.3	934.4	_		_		_	5,492.0	1,449.8
Sep	38,254.9	22,830.2	8,896.5	1,067.9	_	_	_	_	_	5,578.5	(118.1)
Oct	44,311.6		8,937.5	1,034.9	_	_	_	_	_	5,642.0	` /
Nov	43,557.2	25,827.6	9,240.4	1,021.0	-	_	-	_	-	5,629.4	1,838.7
Dec	42,634.7	25,055.1	9,810.6	1,022.0	-	_	-	_	_	6,206.5	540.7
2017											
Jan	44,573.5	26,042.9	9,850.5	1,058.2	-	-	-	-	-	6,248.2	1,373.7
Feb	56,339.9	37,002.5	9,856.3	987.3	-	-	-	-	-	6,171.5	2,322.3
Mar	50,162.1	25,830.4	9,703.6	1,167.4	-	-	-	-	-	6,235.6	7,225.0
Apr	55,098.6	37,739.0	8,987.6	980.5	-	-	-	-	-	5,896.7	1,494.8
May	47,534.9	30,463.2	8,534.6	1,035.4	-	-	-	-	-	6,006.0	1,495.7
Jun	46,182.0	29,186.8	8,696.4	997.8	-	-	-	-	-	5,590.1	1,710.8

<sup>(\*)</sup> Between 1994-2000, Rupee Liabilities were consolidated under Other Liabilities. From January 2001 onwards, Rupee Liabilities are shown separately.

<sup>#</sup>Annual data are for end-of-June in each year (and are therefore, not comparable to past publications which featured data as of end-December).

TABLE 12. BHUTAN NATIONAL BANK LIMITED - MONETARY AND FINANCIAL STATISTICS

	Assets									
	Assets									
			Foi	reign Ass	ets		a			
						Claims	Claims on	Claims	Claims	Claims
End of						on	Govt.	on Public	on Private	on
Period <sup>#</sup>	Total	Reserves	Total	Rupee	Others	Govt.	Corps.	Sector *	Sector	NBFIs
2004	6,200.1	2,002.3	888.8	552.2	336.6	569.5	77.1	17.7	2,540.4	104.3
2005	6,836.8	1,092.8	880.6	438.1	442.5	1,393.9	56.3	7.6	3,315.5	90.1
2006	8,221.8	1,742.6	1,473.8	693.1	780.7	527.0	120.1	7.6	4,347.2	3.7
2007	9,637.1	1,522.7	1,548.6	250.5	1,298.1	527.0	99.0	7.6	5,928.5	3.7
2008	11,942.4	2,248.1	828.6	297.4	531.2	527.0	70.2	7.6	8,257.2	3.7
2009	15,458.9	3,908.6	978.8	144.0	834.8	527.0	57.0 9.6	7.6 7.6	9,976.2	3.7 3.7
2010 2011	18,351.8 20,190.2	4,911.9 4,142.7	969.5 587.4	207.7 108.8	761.8 478.6	527.0 527.0	145.4	508.9	11,922.4 14,275.1	3.7
2011	21,102.7	2,114.3	1,053.8	222.8	831.1	527.0	0.4	604.9	16,783.0	19.2
2013	21,768.1	2,209.4	801.0	144.5	656.5	527.0	1,285.3	114.0	16,812.1	19.2
2014	26,818.8	6,004.2	820.9	482.1	338.8	997.8	115.3	767.6	18,092.4	20.6
2015										
Jan	28,122.4	8,168.0	1,104.2	443.5	660.7	-	115.3	739.8	17,974.5	20.6
Feb	28,154.1	7,472.2	1,597.3	435.7	1,161.6	-	115.3	744.6	18,204.0	20.6
Mar	24,994.8	3,495.7	1,747.6	488.4	1,259.3	-	115.3	717.2	18,898.4	20.6
Apr	23,953.2	3,202.2	824.0	323.1	501.0	-	115.3	1,260.7	18,530.3	20.6
May	23,783.3	2,946.5	697.9	328.0	369.9	-	115.9	1,249.0	18,753.4	20.6
Jun	23,281.9	3,075.1	753.7	295.1	458.6	-	115.9	702.9	18,613.6	20.6
Jul	23,379.0	2,756.9	633.5	129.1	504.4	-	115.9	705.2	19,127.6	39.9
Aug Sep	24,851.3 25,271.0	3,633.1 2,860.5	696.6 1,690.8	282.3 475.8	414.3 1,215.0	-	115.9 115.3	960.8 818.5	19,368.9 19,709.8	76.0 76.2
Oct	27,938.5	4,890.3	2,208.5	316.0	1,892.5	-	115.3	702.6	19,709.0	76.7
Nov	28,631.4	5,411.7	1,980.0	355.7	1,624.3	_	115.3	708.6	20,338.8	77.0
Dec	28,786.3	6,183.7	1,270.0	384.6	885.3	_	115.3	766.4	20,274.0	176.9
2016		5, 10011	,,_,							
Jan	28,661.0	5,890.4	1,007.9	343.1	664.8	-	115.3	701.4	20,604.2	341.7
Feb	29,248.0	5,936.0	1,118.1	558.5	559.6	-	115.3	706.6	20,935.0	437.0
Mar	27,781.8	3,716.5	1,685.9	305.1	1,380.8	-	155.3	712.0	21,114.4	397.7
Apr	27,742.1	4,214.2	743.8	320.0	423.8	-	155.3	686.3	21,240.1	702.4
May	29,661.5	4,960.1	1,123.1	312.7	810.3	-	115.3	691.0	21,835.8	936.1
Jun	28,012.6	3,837.3	818.0	392.9	425.1	-	115.3	672.7	21,823.2	746.0
Jul	28,652.4	3,848.6	1,389.5	414.0	975.5	-	115.3	676.3	22,111.2	511.5
Aug Sep	29,374.4 30,533.5	4,745.3 5,524.7	882.5 1,075.4	408.7 494.2	473.8 581.2	-	115.3 165.3	665.6 648.0	22,504.0 22,653.2	461.6 466.8
Oct	31,357.3	6,253.5	1,075.4	557.3	571.0	-	215.3	654.2	22,870.8	235.1
Nov	32,943.4	8,085.7	792.7	430.8	361.9	-	215.3	659.0	23,146.2	44.5
Dec	33,723.5	7,661.7	1,079.7	179.1	900.7	-	215.3	641.2	23,239.7	885.8
2017	55,. 25.5	. ,501.1	.,070.7		550.7		_ 10.0	Ų 1 1.L	_0,_00.7	550.5
Jan	32,854.0	6,771.0	1,416.7	207.5	1,209.2	-	215.3	653.1	23,521.0	276.9
Feb	32,310.1	7,181.7	663.6	218.7	444.9	-	215.3	656.8	23,448.0	144.8
Mar	31,003.1	4,367.5	1,285.4	265.2	1,020.2	-	404.7	6,200.5	18,082.8	662.2
Apr	34,258.5	8,027.4	869.2	247.4	621.8	-	115.3	640.0	23,712.9	893.6
May	33,549.0	7,406.3	635.4	82.2	553.3	0.3	209.1	646.8	23,872.2	778.9
Jun	34,056.7	7,905.2	790.2	293.5	496.8	0.3	702.5	651.9	23,289.3 or as per new (	717.3

<sup>\*</sup> With effect from 1st January 2011, claims on Joint Corporations were reclassified as claims on Public Sector as per new (FIRMA) reporting format by the Financial Regulation and Supervision Department of the RMA.

TABLE 12. CONTINUED
Bhutan National Bank Limited

	n in Million										
	Liabilities										
					Гана	an Linh	:1:4:				
					Forei	gn Liab	inues				
		Demand		Foreign					Domesti		Other
End of		Deposits	Time	Currency				Govt.	Borrow-	Capital	Items
Period*	Total	(1)	Deposits	Deposits	Total	Rupee	Others	Deposits	ings	Accounts	(Net)
2004	6,200.1	1,450.8	3,842.6	43.7	_	_	_	_	_	752.5	110.5
2005	6,836.8	1,460.5	3,791.3	148.6	_	_	_	_	_	791.7	644.8
2006	8,221.8	1,639.5	5,259.9	219.3	_	_	_	_	_	924.4	178.7
2007	9,637.1	1,925.2	6,014.5	463.5	-	-	_	_	_	937.6	296.2
2008	11,942.4	2,445.0	6,341.0	498.8	-	-	_	_	_	1,098.1	1,559.5
2009	15,458.9	3,393.0	9,220.6	455.0	-	-	_	_	_	1,272.5	1,117.7
2010	18,351.8	4,106.0	12,128.5	383.1	-	-	-	-	-	1,722.3	11.9
2011	20,190.2	4,495.7	11,862.6	413.5	-	-	-	-	-	1,694.7	1,723.7
2012	21,102.7	5,463.3	8,866.0	897.4	-	-	-	-	-	4,345.9	1,530.1
2013	21,768.1	5,849.1	9,691.3	494.1	-	-	-	-	-	6,097.7	(364.1)
2014	21,684.2	7,207.2	7,996.2	438.1	-	-	-	-	-	6,747.4	(704.5)
2015											
Jan	28,122.4	8,809.7	9,332.4	338.7	-	-	-	-	-	7,336.5	2,305.0
Feb	28,154.1	9,407.6	8,875.1	379.5	-	-	-	-	-	7,318.9	2,173.0
Mar	24,994.8	8,624.2	6,905.7	308.4	-	-	-	-	-	7,317.8	1,838.8
Apr	23,953.2	8,304.3	6,919.1	338.0	-	-	-	-	-	7,342.2	1,049.7
May	23,783.3	7,306.1	7,324.2	376.6	-	-	-	-	-	7,384.4	1,391.9
Jun	23,281.9	7,336.0	6,885.7	361.4	-	-	-	-	-	7,342.9	1,355.9
Jul	23,379.0	7,225.9	7,629.2	376.5	-	-	-	-	-	7,364.1	783.3
Aug	24,851.3	7,621.1	7,773.4	392.9	-	-	-	-	-	7,503.8	1,560.0
Sep	25,271.0	7,467.6	8,051.3	525.2	-	-	-	-	-	7,461.8	1,765.2
Oct	27,938.5	7,873.9	10,402.7	431.4	-	-	-	-	-	7,580.1	1,650.4
Nov	28,631.4	8,015.5	10,677.0	426.6	-	-	-	-	-	7,612.9	1,899.3
Dec	28,786.3	8,033.8	10,811.0	403.0	-	-	-	-	-	7,655.6	1,883.0
2016		7.550.5	44 407 4	4400						7 704 0	4 700 5
Jan	28,661.0	7,558.5	11,137.4	446.8	-	-	-	-	-	7,731.9	1,786.5
Feb	29,248.0	7,663.4	11,355.5	546.9	-	-	-	-	-	7,527.3	2,154.9
Mar	27,781.8	8,163.6	9,371.0	661.9	-	-	-	-	-	7,516.5	2,068.8
Apr	27,742.1	8,067.8	9,614.6	693.7	-	-	-	-	-	7,566.4	1,799.7
May	29,661.5	7,843.3	11,514.8	713.1	-	-	-	-	-	7,551.4	2,038.8
Jun	28,012.6	7,810.2	9,792.8	684.7	-	-	-	-	-	7,853.5	1,871.4
Jul	28,652.4	7,868.7 8,148.2	10,528.5	677.8 723.1	-	-	-	-	-	7,849.1 7,003.5	1,728.3 1,927.6
Aug	29,374.4	8,598.3	11,571.9 12,149.8	684.2	-	-	-	-	-		2,368.2
Sep Oct	30,533.5 31,357.3	8,851.2		604.2	_	_	-	_	_	6,733.1 6,651.3	
Nov	32,943.4	9,220.1	14,089.0	583.3	-	-	-	_	_	7,053.0	1,998.1
Dec	33,723.5	9,361.7	14,089.0	660.1						7,033.0	1,952.6
<b>2017</b>	33,723.3	3,501.7	17,010.0	000.1	_	_	_			1,200.0	1,302.0
Jan	32,854.0	8,598.6	14,749.6	669.0	_	_	_	_	_	7,204.1	1,632.7
Feb	32,310.1	9,266.0	14,233.0	672.5		_	_	_	_	7,204.1	1,032.7
Mar	31,003.1	9,630.4	12,132.8	1,006.8	_	_	_	_	_	6,919.1	1,313.9
Apr	34,258.5	10,654.2	14,863.0	1,008.1	_	_	_	_	_	7,024.4	708.8
May	33,549.0	9,211.8	15,620.5	1,308.0	_	_	_	_	_	6,811.8	597.0
Jun	34,056.7	9,286.8	16,042.5	1,104.6	_	_	_	_	_	7,126.1	496.7

<sup>(1)</sup> Demand Deposits include Saving Deposits.-In January 1997, the Unit Trust of Bhutan was converted to Bhutan National Bank (the second commercial bank in the country).

<sup>\*</sup>Annual data are for end-of-June in each year (and are therefore, not comparable to past publications which featured data as of end-December).

TABLE 13. BHUTAN DEVELOPMENT BANK LIMITED (\*): MONETARY AND FINANCIAL STATISTICS

	Assets									
	Accord		F		-4-					
			FOI	reign Ass	ets		Claims	Claims	Claims	
						Claims	on	on	on	Claims
End of						on	Govt.	Public	Private	on
Period <sup>#</sup>	Total	Reserves	Total	Rupee	Others	Govt.	Corps.	Sector **	Sector	NBFIs
2010	3,352.0	73.4	-	-	-	-	-	0.9	3,277.8	-
2011	4,715.9	426.5	-	-	-	-	5.0	1.4	4,283.0	-
2012	5,784.2	428.7	-	-	-	-	6.3	4.4	5,344.7	-
2013	8,284.3	621.1	11.0	11.0	-	-	-	7.4	7,644.7	-
2014	12,718.0	2,168.3	10.2	10.2	-	295.9	906.4	7.4	9,329.8	-
2015	45.040.0	2 202 0	10.0	40.0			140.4	40.0	10 720 0	414.2
Jan Feb	15,012.9 15,578.2	3,392.0 3,604.3	12.0 8.8	12.0 8.8	-	-	448.1 445.0	18.8 18.8	10,730.8 11,090.1	411.3 411.3
Mar	16,552.4	3,918.9	25.8	25.8	_	-	642.3	18.8	11,090.1	411.3
Apr	16,841.2	3,758.2	22.5	22.5	_	_	621.7	18.8	12,008.7	411.3
May	17,727.6	4,095.9	18.7	18.7	_	_	886.4	18.8	12,296.5	411.3
Jun	15,949.0	2,259.3	15.3	15.3	_	_	899.4	18.8	12,344.9	411.3
Jul	16,835.4	2,802.8	35.1	35.1	-	-	891.6	18.7	12,675.8	411.3
Aug	16,839.5	2,821.0	22.2	22.2	-	-	614.7	19.1	12,951.2	411.3
Sep	16,419.2	2,350.6	12.7	12.7	-	-	399.1	38.4	13,207.1	411.3
Oct	16,837.3	2,254.1	40.0	40.0	-	-	590.4	38.4	13,503.0	411.3
Nov	16,899.7	2,054.4	32.9	32.9	-	-	582.7	38.4	13,780.0	411.3
Dec	16,834.7	2,189.6	23.7	23.7	-	-	504.5	38.4	13,667.2	411.3
2016										
Jan	17,400.3	2,047.5	49.4	49.4	-	-	415.0	38.4	14,438.6	411.3
Feb	16,903.0	1,987.0	53.7	53.7	-	-	461.5	38.4	13,951.1	411.3
Mar	17,933.0	2,151.3	44.4	44.4	-	-	371.2	38.4	14,916.4	411.3
Apr	18,625.7 19,020.7	2,528.3 2,681.8	38.8 31.5	38.8 31.5	-	-	327.1 317.0	38.4 38.4	15,281.8 15,540.6	411.3 411.3
May Jun	19,020.7	2,584.9	52.7	52.7	-	-	335.6	38.4	15,540.6	411.3
Jul	19,211.0	2,587.7	47.2	47.2	_	_	284.4	33.4	15,847.0	411.3
Aug	19,797.5	2,735.7	41.3	41.3	_	_	284.4	33.4	16,291.4	411.3
Sep	19,915.8	2,806.2	35.8	35.8	_	38.8	471.6	33.4	16,118.7	411.3
Oct	20,089.5	2,827.3	31.7	31.7	-	-	8.5	33.4	16,330.1	858.3
Nov	20,702.5	3,112.5	119.4	119.4	-	-	54.2	33.4	16,542.4	840.5
Dec	21,182.3	3,796.1	0.9	0.9	-	-	54.3	33.4	16,474.4	823.3
2017										
Jan	21,196.6	3,661.5	0.6	0.6	-	-	54.4	33.4	16,630.7	816.1
Feb	21,332.5	3,500.1	1.0	1.0	-	-	54.4	33.4	16,943.4	800.1
Mar	21,254.8	3,172.0	0.6	0.6	-	-	50.0	33.4	17,218.0	780.8
Apr	21,561.7	3,231.2	0.4	0.4	-	-	6.9	33.4	17,526.7	763.1
May	21,828.5	3,368.5	0.4	0.4	-	-	7.8	33.4	17,673.1	745.2
Jun	21,883.9	3,576.0	0.0	0.0	-	-	-	421.3	17,527.4	359.3

<sup>(\*)</sup> BDBL received its licence to operate as a specialized deposit-taking commercial bank on March 1, 2010.

<sup>\*\*</sup> With effect from 1st January 2011, claims on Joint Corporations were reclassified as claims on Public Sector as per new (FIRMA) reporting format by the Financial Regulation and Supervision Department of the RMA.

TABLE 13. CONTINUED
Bhutan Development Bank Limited

	Liabilities										
					Fore	eign Liab	ilities				
									<b>5</b>		011
End of		Demand	Time	Foreign Currency				Govt.	Domestic Borrow-	Capital	Other Items
Period*	Total	Deposits	Deposits	Deposits	Total	Rupee	Others*	Deposits	ings	Accounts	(Net)
2010	3,352.0	246.9	459.3	_	_	_	_	_	1,495.2	1,134.4	16.2
2011	4,715.9	463.3	264.1				_	_	1,547.9	1,323.9	1,116.7
2012	5,784.2	771.0	1,875.7	_	_	_	_	_	1,263.6	1,544.9	328.9
2013	8,284.3	1,196.8	2,946.6	_	_	_	_	_	1,374.6	1,930.3	836.0
2014	12,718.0	2,622.9	4,621.1	-	-	-	_	_	1,136.9	2,489.0	1,848.2
2015	,	,	,						,	ŕ	,
Jan	15,012.9	2,230.4	7,735.3	-	-	-	-	-	1,067.1	2,829.9	1,150.2
Feb	15,578.2	2,215.3	7,814.3	-	-	-	-	-	1,061.2	2,777.0	1,710.3
Mar	16,552.4	2,300.2	8,551.9	-	-	-	-	-	948.2	2,687.8	2,064.3
Apr	16,841.2	2,455.4	8,593.0	-	-	-	-	-	948.2	2,560.1	2,284.6
May	17,727.6	2,201.9	8,876.3	-	-	-	-	-	947.5	2,545.0	3,157.0
Jun	15,949.0	2,312.4	7,160.7	-	-	-	-	-	896.4	2,927.1	2,652.4
Jul	16,835.4	2,344.2	7,989.0	-	-	-	-	-	895.5	2,808.4	2,798.3
Aug	16,839.5	2,517.0	7,880.4	-	-	-	-	-	889.5	2,792.9	2,759.7
Sep	16,419.2	2,471.3	8,006.6	-	-	-	-	-	880.5	2,842.3	2,218.4
Oct	16,837.3	2,690.3	8,011.1	-	-	-	-	-	880.5	2,884.1	2,371.3
Nov	16,899.7	2,532.5	8,277.1	-	-	-	-	-	879.8	2,950.8	2,259.5
Dec	16,834.7	2,591.3	8,214.1	-	-	-	-	-	824.8	3,378.3	1,826.3
2016	4= 400 0	0.400.0							0.47.0	0.0747	0.500.5
Jan	17,400.3	2,428.6	8,288.5	-	-	-	-	-	817.9	3,274.7	2,590.5
Feb	16,903.0	2,452.1	8,383.1	-	-	-	-	-	823.9	3,305.4	1,938.6
Mar	17,933.0	2,566.4	8,570.6	-	-	-	-	-	809.8	3,148.1	2,838.0
Apr	18,625.7	2,705.7	8,997.9	-	-	-	-	-	708.9	2,973.6	3,239.7
May	19,020.7	2,677.6	9,392.4	-	-	-	-	-	708.2	3,006.3	3,236.2
Jun Jul	19,013.3 19,211.0	2,880.5 2,939.6	9,594.9 9,916.0	-	-	-	_	-	703.2 702.3	3,087.8 3,025.9	2,746.8 2,627.3
Aug	19,797.5	3,031.8	9,470.9	_				_	696.3	2,997.7	3,600.7
Sep	19,797.5	3,186.5	9,599.6	_		_	_	_	688.2	2,997.7	3,769.6
Oct	20,089.5	3,314.3	9,833.4	_	-		_	_	687.3	2,753.3	3,501.2
Nov	20,702.5	3,550.7	10,403.8	_	_			_	686.6	2,876.6	3,184.8
Dec	21,182.3	3,541.8	10,566.6		_	_	_	_	681.6	3,241.0	3,151.3
2017	21,102.0	0,041.0	10,000.0						301.0	0,241.0	5,151.5
Jan	21,196.6	3,468.5	10,745.3	_	_	_	_	_	680.7	3,161.2	3,140.9
Feb	21,332.5	3,501.3	11,072.9	_	_	_	_	_	674.7	2,993.1	3,090.5
Mar	21,254.8	3,625.7	11,669.3	_	_	_	_	_	565.7	2,670.6	2,723.5
Apr	21,561.7	3,725.2	10,956.7	-	_	-	_	-	565.7	2,519.3	3,794.8
May	21,828.5	3,775.0	10,782.9	-	-	-	-	-	565.0	2,506.6	4,199.0
Jun	21,883.9	3,876.8	11,118.2	-	-	-	-	-	559.0	2,371.1	3,958.8

<sup>\*)</sup> Due to changes in the classification of foreign liabilities (others), the external borrowing of the BDBL has been reclassified as the domestic borrowing as this borrowing was lent by the Government to the BDBL.

<sup>\*</sup>Annual data are for end-of-June in each year (and are therefore, not comparable to past publications which featured data as of end-December).

TABLE 14. DRUK PNB BANK LIMITED - MONETARY AND FINANCIAL STATISTICS (\*)

	Assets									
			Fo	reign Ass	ate					
			10	reigii Ass	<i>-</i> (3		Claims	Claims	Claims	
						Claims	on	on	on	Claims
End of	Total	December	Total	Dunas	Othoro	on	Govt.	Public	Private	on
Period <sup>#</sup>	Total	Reserves	Total	Rupee	Others	Govt.	Corps.	Sector **	Sector	NBFIs
2010	1,290.1	384.7	82.1	73.1	9.0	-	-	-	622.7	200.5
2011	3,496.7	1,007.9	306.9	217.8	89.1	-	-	-	2,096.6	85.3
2012	4,175.7	557.3	250.8	204.1	46.7	-	-	-	3,131.1	236.5
2013	5,479.0	1,406.5	379.6	245.9	133.7	-	-		3,472.6	220.3
2014	6,064.0	2,101.9	246.6	55.7	190.9	-	143.5	51.6	3,384.6	135.8
2015	6 442 4	2 4 4 4	260.6	150 F	244.4		120 5	44.0	2 672 2	011
Jan Feb	6,443.4 6,666.9	2,141.1 2,354.7	369.6 370.7	158.5 186.0	211.1 184.7	-	130.5 131.5	44.8 46.1	3,673.2 3,679.2	84.1 84.8
Mar	6,523.3	2,354.7 1,971.2	592.8	401.2	191.5		125.9	60.5	3,688.8	84.1
Apr	6,394.4	2,074.0	338.5	207.6	130.9	-	125.9	54.5	3,733.2	67.3
May	7,532.9	3,201.6	341.2	222.3	118.8	_	120.9	55.7	3,739.3	67.3
Jun	6,350.7	1,712.7	298.9	170.3	128.6	_	372.3	55.7	3,843.8	67.3
Jul	6,140.9	1,337.2	386.9	217.1	169.8	_	373.4	36.2	3,956.7	50.5
Aug	6,676.7	1,518.1	641.1	365.2	275.9	_	373.4	66.3	4,027.4	50.5
Sep	7,300.3	2,026.8	745.5	508.3	237.2	_	368.8	63.7	4,045.1	50.5
Oct	6,388.2	1,231.8	501.8	328.5	173.4	-	369.8	59.0	4,192.1	33.6
Nov	6,484.1	1,391.9	392.5	316.5	76.0	-	370.8	59.6	4,235.7	33.6
Dec	7,070.1	1,532.9	828.3	717.8	110.5	-	365.3	61.9	4,248.0	33.7
2016										
Jan	5,953.0	970.5	244.9	170.9	74.0	-	366.2	64.9	4,289.6	16.8
Feb	6,277.1	876.9	143.1	88.2	54.9	399.3	366.2	64.9	4,409.8	16.8
Mar	18,875.4	11,493.7	2,327.6	2,245.4	82.2	-	361.7	68.1	4,607.4	16.9
Apr	6,639.3	1,279.1	303.0	223.3	79.7	-	362.7	67.3	4,627.2	-
May	7,792.8	2,745.2	340.8	129.9	210.9	-	363.8	68.2	4,274.8	-
Jun	6,844.4	1,082.1	780.3	649.5	130.8	-	360.0	66.1	4,305.9	250.1
Jul	6,773.9	1,243.6	475.3	105.1	370.2	-	361.0	64.7	4,379.1	250.2
Aug	6,800.4	1,104.1	559.2	134.3	424.9	-	362.0	44.7	4,480.3	250.0
Sep	7,634.6	1,372.2	1,097.5	730.4	367.1	-	304.4	108.2	4,502.2	250.0
Oct	7,924.2 8,116.2	1,944.1 2,413.9	745.4 441.7	86.8 283.6	658.7 158.1	-	317.6 307.9	109.2 109.5	4,557.8 4,593.2	250.1 250.0
Nov Dec	8,521.5	2,413.9	885.7	283.6 164.5	721.2		307.9	109.5	4,626.7	250.0
<b>2017</b>	0,321.5	2,040.0	003.7	104.5	121.2	-	307.9	103.0	4,020.7	230.1
Jan	13,023.7	6,997.9	618.7	(28.5)	647.2	_	299.4	106.5	4,751.3	250.0
Feb	8,888.1	2,817.3	839.3	194.9	644.4	_	314.4	107.2	4,664.9	145.0
Mar	9,254.6	2,373.9	1,130.3	540.1	590.2	_	590.8	203.3	4,781.9	174.4
Apr	8,636.5	2,554.6	665.9	91.3	574.6	-	307.6	124.1	4,789.4	195.0
May	8,595.5	2,151.8	624.0	65.0	559.0	-	314.2	122.0	5,186.8	196.8
Jun	12,476.2	5,158.8	830.5	248.8	581.7	_	609.4	148.8	5,533.1	195.7
	-	denosit-taking				.   4-   7				

<sup>(\*)</sup> Data on the two new deposit-taking commercial banks (Druk PNB Bank Ltd. and T Bank Ltd.) are available from April 2010.

<sup>\*\*</sup> With effect from 1st January 2011, claims on Joint Corporations were reclassified as claims on Public Sector as per new (FIRMA) reporting format by the Financial Regulation and Supervision Department of the RMA.

TABLE 14. CONTINUED Druk PNB Bank Limited

Nguittui	n in Million										
	Liabilities										
					Fore	ign Liabi	ilities				
				Foreign					Domestic		Other
End of	T . ( . )	Demand	Time	Currency	T : 4 : 1		041	Govt.	Borrow-	Capital	Items
Period <sup>#</sup>	Total	Deposits	Deposits	Deposits	Total	Rupee	Others	Deposits	ings	Accounts	(Net)
2010	1,290.1	714.2	584.0	0.7	-	-	-	-	-	202.0	(210.9)
2011	3,496.7	1,631.9	1,431.6	36.1	-	-	-	-	-	334.9	62.3
2012	4,175.7	1,858.2	1,663.6	29.5	-	-	-	-	-	676.7	(52.3)
2013	5,479.0	2,405.2	2,382.4	0.0	-	-	-	-	-	829.2	(137.8)
2014	6,064.0	2,868.2	2,051.9	159.9	-	-	-	-	-	1,004.0	(19.9)
2015											
Jan	6,443.4	3192.46	1964.43	154.47	-	0.00		0.00	0.00	980.25	151.77
Feb	6,666.9	3546.74	1987.97	91.24	-	0.00		0.00	0.00	987.74	53.25
Mar	6,523.3	3298.58	1946.14	87.21	-	0.00		0.00	0.00	998.54	192.84
Apr	6,394.4	3346.58	1933.42	52.91	-	0.00		0.00	0.00	1016.18	45.31
May	7,532.9	5381.25	2013.32	45.53	-	0.00		0.00	0.00	1029.72	-936.87
Jun	6,350.7	3518.11	1990.81	62.49	-	0.00		0.00	0.00	1046.81	-267.49
Jul	6,140.9	3403.09	1955.54	84.22	-	0.00		0.00	0.00	1062.53	-364.44
Aug	6,676.7	3629.24	1961.66	252.45	-	0.00		0.00	0.00	1055.36	-221.97
Sep	7,300.3	3791.77	1983.95	223.27	-	0.00		0.00	0.00	1074.79	226.55
Oct	6,388.2	3880.30	1967.97 1850.84	19.66 68.51	-	0.00 0.00		0.00 0.00	0.00 0.00	1082.40 1080.68	-562.17 -253.94
Nov Dec	6,484.1 7,070.1	3737.99 4170.00	1864.73	19.66	-	0.00	0.00	0.00	0.00	1080.67	-255.94 -64.98
<b>2016</b>	7,070.1	4170.00	1004.73	19.00	-	0.00	0.00	0.00	0.00	1000.07	-04.90
Jan	5,953.0	3303.68	1854.90	56.37	_	0.00	0.00	0.00	0.00	1095.76	-357.73
Feb	6,277.1	3799.70	1956.27	56.08	_	0.00		0.00	0.00	1099.85	-634.79
Mar	18,875.4	15939.95	1730.12	49.78	_	0.00		0.00	0.00	1115.32	40.25
Apr	6,639.3	3695.00	1896.86	5.65	_	0.00		0.00	0.00	1116.63	-74.80
May	7,792.8	4691.41	1919.37	219.72	_	0.00		0.00	0.00	1154.81	-192.52
Jun	6,844.4	3952.08	2026.03	129.16	_	0.00		0.00	0.00	1163.23	-426.07
Jul	6,773.9	3357.40	1846.66	416.65	-	0.00		0.00	0.00	1171.16	-18.00
Aug	6,800.4	3564.11	1851.69	409.03	-	0.00		0.00	0.00	1157.48	-181.86
Sep	7,634.6	4273.96	2081.56	343.45	-	0.00		0.00	0.00	1146.50	-210.91
Oct	7,924.2	4216.88	2115.32	638.79	-	0.00		0.00	0.00	1185.48	-232.28
Nov	8,116.2	4383.23	2577.62	130.36	-	0.00	0.00	0.00	0.00	1186.18	-161.20
Dec	8,521.5	4191.53	2743.13	716.25	-	0.00	0.00	0.00	0.00	1189.58	-319.03
2017											
Jan	13,023.7	8397.31	2648.99	646.90	-	0.00		0.00	0.00	1250.81	79.69
Feb	8,888.1	5015.46	2653.37	0.00	-	0.00		0.00	0.00	1196.13	23.13
Mar	9,254.6	5010.21	3890.81	0.00	-	0.00		0.00	0.00	1268.05	-914.52
Apr	8,636.5	4700.46	3859.14	0.00	-	0.00		0.00	0.00	1242.76	-1165.83
May	8,595.5	4612.14	3878.02	0.00	-	0.00		0.00	0.00	1224.26	-1118.87
Jun	12,476.2	7889.54	3585.07	0.00	-	0.00	0.00	0.00	0.00	1245.14	-243.52

<sup>#</sup>Annual data are for end-of-June in each year (and are therefore, not comparable to past publications which featured data as of end-December).

TABLE 15. T BANK LIMITED - MONETARY AND FINANCIAL STATISTICS (\*)

rigani ai	II III WIIIIOII									
	Assets									
			For	eign Ass	ets					
				0.97.00			Claims	Claims	Claims	
						Claims	on	on	on	Claims
End of						on	Govt.	Public	Private	on
Period <sup>#</sup>	Total	Reserves	Total	Rupee	Others	Govt.	Corps.	Sector**	Sector	NBFIs
2010	718.1	163.8	53.5	52.6	0.9	_	_	_	500.8	_
2011	2,547.4	540.1	55.1	41.8	13.3	-	_	_	1,952.2	-
2012	2,656.9	229.6	66.6	56.3	10.3	-	_	28.2	2,332.4	-
2013	2,773.5	378.0	126.4	117.1	9.4	-	-	28.0	2,241.0	-
2014	2,649.9	322.7	98.2	78.8	19.4	40.0	-	37.0	2,152.0	-
2015										
Jan	2,889.0	351.4	46.8	34.7	12.1	40.0	-	36.9	2,406.3	7.5
Feb	3,086.5	571.0	64.7	44.8	19.9	40.0	-	37.7	2,365.6	7.5
Mar	3,102.8	539.2	87.9	75.0	12.9	40.0	-	51.9	2,376.3	7.5
Apr	3,247.7	633.0	85.6	76.9	8.7	40.0	-	53.1	2,428.6	7.5
May	3,196.9	564.1	66.3	48.2	18.1	40.0	-	52.0	2,467.0	7.5
Jun	3,348.6	668.3	86.4	78.0	8.4	40.0	-	52.0	2,494.5	7.6
Jul Aug	3,173.0 3,274.1	584.0 627.7	76.0 108.9	71.3 64.3	4.8 44.6	40.0 40.0	-	52.0 52.0	2,413.4 2,437.9	7.6 7.6
Sep	3,255.2	623.2	110.2	81.6	28.6	40.0	_	52.6	2,437.9	7.6
Oct	3,233.2	596.5	129.9	95.6	34.3	40.0	_	51.9	2,388.6	7.6
Nov	3,133.4	616.0	74.0	64.6	9.4	40.0	_	52.0	2,343.5	7.8
Dec	3,138.8	574.2	81.9	54.0	27.9	40.0	_	51.9	2,383.1	7.8
2016	0,100.0	0	00	0				0 1.10	_,000	
Jan	3,103.1	572.3	91.6	73.3	18.4	40.0	_	52.5	2,338.9	7.8
Feb	3,191.5	625.3	115.4	98.4	17.0	47.5	_	37.7	2,365.6	-
Mar	3,261.9	681.7	186.2	166.3	19.9	40.0	-	52.0	2,294.6	7.5
Apr	3,217.6	654.9	114.1	95.8	18.3	40.0	-	51.9	2,349.1	7.5
May	3,382.7	702.6	136.9	95.7	41.2	40.0	-	51.9	2,443.7	7.5
Jun	3,427.1	617.5	209.4	175.9	33.4	40.0	-	51.9	2,500.8	7.5
Jul	3,562.0	749.1	101.9	49.0	52.8	89.9	-	51.9	2,561.8	7.5
Aug	3,678.4	793.4	91.9	64.5	27.5	40.0	-	51.9	2,693.7	7.5
Sep	4,098.9	772.0	232.6	190.9	41.6	40.0	-	51.9	2,994.9	7.5
Oct	4,500.7	795.0	129.5	88.2	41.2	40.0	-	52.9	3,475.8	7.5
Nov	4,967.8	884.7	164.4	143.0	21.4	40.0	-	51.7	3,819.4	7.5
Dec	5,053.6	852.8	282.2	200.7	81.4	40.0	-	51.6	3,819.5	7.5
2017	5 070 A	900 F	242.0	160.6	02.0	40.0		E1 6	2 0 4 0 4	7 5
Jan Feb	5,079.4 4,809.3	888.5 710.8	243.8	160.6 73.2	83.2 33.9	40.0 40.0	-	51.6 52.1	3,848.1	7.5
Mar	5,444.2	719.8 805.2	107.1 324.9	210.1	114.8	40.0	_	52.1 52.0	3,882.7 4,214.6	7.5 7.5
Apr	5,444.2 5,595.8	855.5	221.9	168.9	53.0	40.0	_	52.0	4,418.9	7.5
May	6,573.9	953.7	141.7	118.1	23.6	40.0	_	52.0	4,579.0	807.5
Jun	6,455.1	991.4	180.2	122.4	57.9	40.0	_	52.0	4,384.0	807.5
an i	0, 100.1	JU1T	100.2	122.7	DND I t			02.0	1,007.0	007.0

<sup>(\*)</sup> Data on the two new deposit-taking commercial banks (Druk PNB Ltd. and T Bank Ltd.) are available from April 2010.

<sup>\*\*</sup> With effect from 1st January 2011, claims on Joint Corporations were reclassified as claims on Public Sector as per new (FIRMA) reporting format by the Financial Regulation and Supervision Department of the RMA.

TABLE 15. CONTINUED T Bank Limited

itguittui	n in Willion										
	Liabilities										
					Forei	ign Liab	ilities				
					1 0161	gii Liab					
				Foreign					Domesti		Other
End of		Demand	Time	Currency		_		Govt.	Borrow-	Capital	Items
Period*	Total	Deposits	Deposits	Deposits	Total	Rupee	Others	Deposits	ings	Accounts	(Net)
2010	718.1	117.2	96.8	-	-	-	-	-	-	131.5	372.6
2011	2,547.4	266.0	685.8	-	-	-	-	-	-	225.6	1,369.9
2012	2,656.9	503.2	1,002.9	-	-	-	-	-	-	289.5	861.3
2013	2,773.5	531.9	1,458.4	-	-	-	-	-	-	370.4	412.7
2014	2,649.9	618.0	1,324.5	-	-	-	-	-	-	544.1	163.3
2015	2 000 0	903.1	1 070 4	15.1						CAFF	45.8
Jan Feb	2,889.0 3,086.5	846.6	1,279.4 1,272.9	15.1 12.1	-	-	-	-	-	645.5 547.4	407.5
Mar	3,102.8	818.9	1,272.9	6.9	-	_	-	_	_	547.4 576.9	575.6
Apr	3,102.0	888.7	1,124.3	10.0	_	_	_		_	535.2	672.5
May	3,196.9	944.1	1,189.3	1.8	_	_	_	_	_	555.7	506.0
Jun	3,348.6	1,100.3	1,173.1	3.8	_	_	_	_	_	578.3	493.1
Jul	3,173.0	863.6	1,474.5	7.7	_	_	_	_	_	514.2	313.0
Aug	3,274.1	884.5	1,311.9	11.5	_	-	-	_	-	536.5	529.7
Sep	3,255.2	853.6	1,497.6	18.9	-	-	-	-	-	574.5	310.6
Oct	3,214.5	882.8	1,329.0	10.9	-	-	-	-	-	569.0	422.8
Nov	3,133.4	840.8	1,267.3	2.6	-	-	-	-	-	579.6	443.1
Dec	3,138.8	857.3	1,258.8	8.2	-	-	-	-	-	586.2	428.3
2016											
Jan	3,103.1	854.0	1,287.9	4.9	-	-	-	-	-	574.2	382.1
Feb	3,191.5	972.6	1,106.7	8.9	-	-	-	-	-	569.3	534.0
Mar	3,261.9	832.1	1,306.7	1.0	-	-	-	-	-	486.0	636.1
Apr	3,217.6	960.6	1,322.5	3.9	-	-	-	-	-	503.0	427.6
May	3,382.7	1,134.6	1,333.1	0.0	-	-	-	-	-	559.5	355.5
Jun Jul	3,427.1	1,226.5	1,496.2	10.7	-	-	-	-	-	593.3	100.3
	3,562.0	1,089.0 1,159.3	1,501.1 1,633.4	26.4 21.8	-	-	-	-	-	595.5 598.3	350.0 265.5
Aug Sep	3,678.4 4,098.9	1,139.3	1,544.7	6.3	-	-	_		-	593.9	721.3
Oct	4,500.7	1,418.5	1,588.2	0.5	-		-	_	_	609.1	885.0
Nov	4,967.8	1,579.4	1,730.4	_	_	_	_		_	600.4	1,057.6
Dec	5,053.6	1,588.5	1,584.5	6.5	_	_	_	_	_	625.4	1,248.7
2017	0,000.0	1,000.0	1,004.0	0.0						020.4	1,240.7
Jan	5,079.4	1,519.1	1,712.5	19.3	_	_	_	_	_	673.1	1,155.3
Feb	4,809.3	1,349.5	1,744.0	-	-	-	_	_	-	710.6	1,005.2
Mar	5,444.2	1,644.4	2,012.2	3.5	-	-	-	-	-	578.5	1,205.7
Apr	5,595.8	1,661.1	1,877.6	6.6	-	-	-	-	-	596.3	1,454.3
May	6,573.9	1,784.7	1,919.1	0.2	-	-	-	-	-	562.5	2,307.3
Jun	6,455.1	1,695.7	1,843.3	2.4	-	-	-	-	-	583.0	2,330.7

<sup>\*</sup>Annual data are for end-of-June in each year (and are therefore, not comparable to past publications which featured data as of end-December).

TABLE 16. ROYAL INSURANCE CORPORATION OF BHUTAN LIMITED - FINANCIAL STATISTICS

regulation	n in Million										
	Assets										ı
				oreign Asset	e		Claims	Claims	Claims		
End				oreign Asset	.3	Claims	on	on	on	Claims	Claims
of						on	Govt.	Public	Private	on	On
Period <sup>#</sup>	Total	Reserves	Total	Rupee	Others	Govt.	Corps.	Sector*	Sector	DMBs	NBFIs
2004	4.450.0	402.4	0.7	0.1	2.6			22.6	4 207 2	20.4	2.0
2004 2005	1,459.2	103.4 41.6	3.7 6.8	0.1	3.6 6.7	-	-	23.6 18.7	1,297.3	28.1 8.1	3.0
2005	1,565.3 1,734.8	66.4	11.9	0.1 0.0	11.9	-	-	14.8	1,487.1	68.1	3.0
2006	1,734.6	93.5	12.8	0.0	12.8	-	-	29.8	1,570.6 1,670.6	78.1	3.0
2007	2,323.5	120.0	14.0	0.0	14.0	-	-	38.2	2,010.1	138.1	3.0
2009	2,754.0	104.0	33.6	0.0	33.5	0.0	_	47.9	2,556.2	9.4	3.0
2010	4,899.2	687.0	7.5	0.0	7.5	63.0	0.2	44.3	3,599.8	494.4	3.0
2011	6,095.4	280.9	1.3	0.0	1.3	-	-	14.0	5,336.8	459.4	3.0
2013	7,873.1	536.0	2.4	0.0	2.3	_	_	14.0	6,112.7	1,193.1	15.0
2014	10,367.2	970.6	15.5	12.9	2.6	_	_	14.0	7,549.0	1,783.1	35.0
2015	10,007.2	370.0	10.0	12.0	2.0			14.0	7,040.0	1,700.1	00.0
Jan	10,964.6	772.2	20.3	17.6	2.7	_	_	39.0	8,487.2	1,603.1	42.8
Feb	11,204.5	848.0	25.9	23.2	2.7	_	_	39.0	8,645.7	1,603.1	42.8
Mar	11,331.5	604.4	7.4	4.7	2.7	_	_	39.0	9,034.8	1,603.1	42.8
Apr	11,345.2	507.9	6.7	4.0	2.7	_	_	39.0	9,170.7	1,578.1	42.8
May	11,800.6	715.0	31.0	28.3	2.7	-	_	39.0	9,394.7	1,578.1	42.8
Jun	12,185.4	841.7	14.1	11.3	2.7	-	_	39.0	9,667.6	1,578.1	44.9
Jul	12,015.8	779.7	23.2	20.5	2.7	-	_	39.0	9,950.9	1,178.1	44.9
Aug	11,908.2	308.6	6.6	3.9	2.7	-	-	39.0	10,411.6	1,078.1	64.2
Sep	12,319.1	451.6	6.0	3.3	2.7	-	-	39.0	10,680.2	1,078.1	64.2
Oct	12,950.9	737.9	8.5	8.5	-	-	-	39.0	11,023.3	1,078.1	64.2
Nov	13,274.9	507.7	27.7	25.0	2.7	-	-	39.0	11,398.1	1,238.1	64.2
Dec	13,890.2	399.6	14.0	11.2	2.8	-	-	39.0	11,944.3	1,428.1	65.1
2016											
Jan	14,060.9	256.0	5.6	2.8	2.8	-	-	39.0	12,457.0	1,238.1	65.1
Feb	14,256.1	156.7	14.3	11.4	2.8	-	-	39.0	12,742.9	1,238.1	65.1
Mar	14,810.8	341.1	23.3	20.5	2.8	-	-	39.0	13,104.2	1,238.1	65.1
Apr	15,130.7	363.5	14.3	11.4	2.8	-	-	39.0	13,410.7	1,238.1	65.1
May	15,008.4	241.2	14.3	11.4	2.8	-	-	39.0	13,410.7	1,238.1	65.1
Jun	16,279.2	511.7	14.3	11.4	2.8	-	-	39.0	14,351.3	1,297.9	65.1
Jul	16,106.2	193.4	32.8	29.9	2.8	-	-	39.0	14,478.0	1,297.9	65.1
Aug	16,333.6	192.2	32.8	29.9	2.8	-	-	39.0	14,706.6	1,297.9	65.1
Sep	16,775.5	298.4	32.8	29.9	2.8	-	-	39.0	15,042.3	1,297.9	65.1
Oct	16,983.3	305.6	53.2	50.4	2.8	-	-	39.0	15,222.5	1,297.9	65.1
Nov	17,419.5	355.9	95.0	50.4	44.6	-	-	39.0	15,566.6	1,297.9	65.1
Dec	18,021.6	917.2	76.4	6.7	69.7	-	-	71.4	15,549.4	1,303.6	103.7
2017											
Jan	18,887.5	461.8	98.3	78.3	20.1	-	-	71.4	16,927.4	1,303.6	25.0
Feb	17,991.9	169.7	96.7	0.08	16.7	-	-	71.4	16,325.6	1,303.6	25.0
Mar	18,504.7	285.2	110.0	80.0	30.0	-	-	71.4	16,709.5	1,303.6	25.0
Apr	19,717.4	339.7	98.2	70.8	27.4	-	-	71.4	17,879.5	1,303.6	25.0
May	19,854.4	320.4	98.5	77.3	21.2	-	-	71.4	18,035.5	1,303.6	25.0
Jun	19,037.3	338.5	111.8	81.1	30.8	-	-	39.0	17,185.0	1,297.9	65.1

<sup>\*</sup> With effect from 1st January 2011, claims on Joint Corporations were reclassified as claims on Public Sector as per new (FIRMA) reporting format by the Financial Regulation and Supervision Department of the RMA.

TABLE 16. CONTINUED

Royal Insurance Corporation of Bhutan Limited

Ngultrum	III WIIIIOII							
	Liabilities							
End of Period <sup>#</sup>	Total	Life Fund	Private Provident Fund *	Group Insurance Fund	Credit from DMBs	Credit from NBFIs	Capital Accounts	Other Items (Net)**
2004	1,459.2	79.1	70.1	199.6	149.0	400.0	276.3	285.1
2005	1,565.3	102.1	84.6	221.2	160.1	400.0	350.5	246.9
2006	1,734.8	139.0	106.8	234.6	193.9	350.0	417.4	293.1
2007	1,887.9	178.3	132.3	132.3	150.8	300.0	483.6	510.5
2008	2,323.5	230.5	164.1	176.6	-	780.0	569.1	403.3
2009	2,754.0	299.5	211.3	223.4	-	757.0	719.1	543.7
2010	4,899.2	400.1	281.1	271.5	400.0	1,707.8	825.0	1,013.8
2011	6,095.4	-	-	-	500.0	2,661.0	1,037.2	1,897.2
2012	6,783.3	-	-	=	650.0	2,438.0	1,312.0	2,383.3
2013	7,873.1	-	-	-	608.6	2,739.3	1,624.4	2,900.8
2014	10,367.2	-	-	=	867.9	3,817.8	2,133.9	3,547.5
2015	40.004.0				000.4	0.005.5	0.050.0	5.074.0
Jan	10,964.6	-	-	-	626.1	3,205.5	2,059.0	5,074.0
Feb	11,204.5	-	-	-	626.1	3,198.9	2,183.3	5,196.2
Mar	11,331.5	-	-	-	526.8	3,416.9	2,131.4	5,256.4
Apr	11,345.2	-	-	-	476.6	3,410.9	2,291.9	5,165.9
May	11,800.6	-	-	-	447.1	3,704.8	2,264.5	5,384.1
Jun	12,185.4	-	-	-	413.5	4,029.2	2,461.0	5,281.6
Jul	12,015.8	-	-	-	386.5	3,648.4	2,415.4	5,565.5
Aug	11,908.2	-	-	-	347.3	3,646.3	2,522.2	5,392.4
Sep	12,319.1	-	-	-	327.4	3,458.7	2,567.5	5,965.5
Oct	12,950.9	-	-	-	464.7	3,502.7	2,702.6	6,280.9
Nov	13,274.9	-	-	-	738.4	3,528.6	2,708.6	6,299.2
Dec	13,890.2	-	-	-	812.3	3,595.7	2,518.7	6,963.5
2016								
Jan	14,060.9	-	-	-	984.9	3,543.6	2,461.8	7,070.6
Feb	14,256.1	-	-	-	1,065.9	3,490.8	2,278.2	7,421.2
Mar	14,810.8	-	-	-	1,541.1	3,410.0	2,537.9	7,321.8
Apr	15,130.7	-	-	-	1,678.2	3,354.7	2,610.9	7,487.0
May	15,008.4	-	-	-	1,788.1	3,554.8	2,674.2	6,991.3
Jun	16,279.2	-	-	-	2,445.8	3,515.4	2,781.9	7,536.2
Jul	16,106.2	-	-	=	1,958.9	3,515.4	2,761.4	7,870.5
Aug	16,333.6	-	-	-	2,096.1	3,619.8	2,709.9	7,907.9
Sep	16,775.5	-	-	-	2,134.8	3,653.9	2,795.6	8,191.1
Oct	16,983.3	-	-	-	2,053.6	3,607.6	2,793.2	8,528.9
Nov	17,419.5	-	-	-	2,126.5	3,693.0	2,900.1	8,699.9
Dec	18,021.6	3,083.5	251.4	4,140.2	2,501.2	3,595.2	2,852.3	1,597.8
2017						_		
Jan	18,887.5	3,083.5	225.2	4,986.1	2,473.2	3,550.0	3,161.5	1,408.1
Feb	17,991.9	3,083.5	225.2	4,259.7	2,182.0	3,574.2	3,309.7	1,357.6
Mar	18,504.7	3,083.5	225.2	4,116.1	2,712.2	3,507.6	3,017.7	1,842.4
Apr	19,717.4	3,083.5	251.1	4,062.4	2,909.1	3,448.7	3,132.1	2,830.5
May	19,854.4	3,083.5	250.6	4,170.6	2,772.4	3,477.8	3,040.7	3,058.8
Jun	19,037.3	3,083.5	250.7	4,275.6	2,353.3	3,758.3	3,207.4	2,108.5

<sup>\*)</sup> The Government Employee Provident Fund (GEPF) was transferred to National Pension and Provident Fund from 2002 and thereafter only Private Provident Fund was retained with the RICBL.

<sup>\*\*)</sup> Starting from January 2011, Private Provident Fund, Group Insurance Fund and Life Insurance Fund are clubbed with Other Items Net based on new reporting format introduced by the FRSD.

<sup>\*</sup>Annual data are for end-of-June in each year (and are therefore, not comparable to past publications which featured data as of end-December).

TABLE 17. BHUTAN INSURANCE LIMITED - FINANCIAL STATISTICS (\*)

	III WIIIIOI										
	Assets	T.									
End of Period <sup>#</sup>	Total	Reserves	Foreign Total	Assets	Others	Claims on Govt.	Claims on Govt.	Claims on Public Sector **	Claims on Private Sector	Claims on DMBs	Claims On NBFIs
			1 Otal	Rupco	Others	OOVI.	001 p3.	Occioi	Occioi		IIDI IS
2010	164.4	71.4	-	-	-	-	-	-	-	93.0	-
2011	306.3	54.7	-	-	-	-	-	-	211.6	40.0	-
2012	418.1	40.4	-	-	-	-	-	-	337.7	40.0	-
2013	437.4	44.5	-	-	-	-	-	-	363.0	30.0	-
2014 2015	544.0	37.0	-	-	-	-	-	-	386.9	120.0	-
Jan	631.4	75.0							425.7	130.4	
Feb	662.4	75.3 112.4	-	-	-	_	-	-	425.7	115.4	-
Mar	679.8	72.9	-	-	-	-	-	-	434.6	130.4	-
Apr	675.5	86.4	-	-	-	_	_	-	476.6	130.4	-
May	729.6	77.1	-	-	-	_	_	-	482.1	140.4	30.0
Jun	744.3	72.3	_	_	_	_	_	_	496.6	115.4	60.0
Jul	762.7	60.7	_	_		_	_	_	526.6	115.4	60.0
Aug	870.9	53.7				_			641.8	115.4	60.0
Sep	900.1	27.9						1.8	695.1	115.4	60.0
Oct	958.4	59.5			_			1.8	721.8	115.4	60.0
Nov	996.9	89.8						1.8	759.9	85.4	60.0
Dec	1,040.6	94.6	_	_	_	_	_	1.8	798.8	85.4	60.0
2016	1,040.0	34.0						1.0	700.0	00.4	00.0
Jan	1,021.9	144.2	_	_	_	_	_	1.8	730.6	85.4	60.0
Feb	1,084.7	181.6	_	_	_	_	_	1.8	755.9	85.4	60.0
Mar	1,081.9	165.8	_	_	_	_	_	7.8	762.9	85.4	60.0
Apr	1,074.8	122.2	_	_	_	_	_	1.8	805.4	85.4	60.0
May	1,086.5	99.7	_	_	_	_	_	1.8	839.6	85.4	60.0
Jun	1,108.8	110.7	_	_	_	_	_	1.8	851.0	85.4	60.0
Jul	1,139.2	125.1	_	-	_	_	-	1.8	867.0	85.4	60.0
Aug	1,155.2	90.8	_	_	-	_	-	1.8	887.2	115.4	60.0
Sep	1,163.1	117.7	_	_	-	_	-	1.8	908.3	75.4	60.0
Oct	1,191.8	141.7	-	-	-	-	-	1.8	912.9	75.4	60.0
Nov	1,211.0	128.2	-	-	-	-	-	1.8	945.6	75.4	60.0
Dec	1,248.6	109.5	-	-	-	-	-	1.8	1,001.9	75.4	60.0
2017											
Jan	1,250.3	79.9	-	-	-	-	-	1.8	1,033.2	75.4	60.0
Feb	1,329.8	103.9	-	-	-	-	-	1.8	1,088.7	75.4	60.0
Mar	1,359.3	79.5	-	-	-	-	-	1.8	1,142.6	75.4	60.0
Apr	1,460.6	126.8	-	-	-	-	-	1.8	1,196.7	75.4	60.0
May	1,440.9	86.6	-	-	-	-	-	1.8	1,217.1	75.4	60.0
Jun	1,467.3	87.3	-	-	-	-	-	1.8	1,242.8	75.4	60.0

<sup>(\*)</sup> Reports on the newly established BIL are available from April 2010.

<sup>\*\*</sup> With effect from 1st January 2011, claims on Joint Corporations were reclassified as claims on Public Sector as per new reporting format by the Financial Regulation and Supervision Department of the RMA.

TABLE 17. CONTINUED
Bhutan Insurance Limited

	n in Willi								
	Liabilitie	s							
End of Period <sup>#</sup>	Total	General Insurance Reserve Fund	Life Insurance Fund	Private Provident Fund	Group Insurance Fund	Credit from DMBs	Credit from NBFIs	Capital Accounts	Other Items (Net)*
2010	164.4	_	_	_	_	_	_	153.9	10.5
2011	306.3	_	_	_	_	85.0	_	160.2	61.1
2012	418.1	_	_	_	_	85.0	70.0	264.4	(1.2)
2013	437.4	_	-	-	_	35.0	-	464.0	(61.5)
2014	544.0	-	_	-	-	-	-	415.8	128.2
2015									
Jan	631.4	-	-	-	-	-	-	442.9	188.5
Feb	662.4	-	-	-	-	-	-	442.5	219.9
Mar	679.8	-	-	-	-	-	-	457.5	222.4
Apr	675.5	-	-	-	-	-	-	428.2	247.3
May	729.6	-	-	-	-	-	-	425.6	304.1
Jun	744.3	-	-	-	-	-	-	449.0	295.3
Jul	762.7	-	-	-	-	-	-	440.2	322.5
Aug	870.9	-	-	-	-	36.0	-	449.4	385.5
Sep	900.1	-	-	-	-	343.1	-	459.3	97.7
Oct	958.4	-	-	-	-	36.0	30.0	467.8	424.6
Nov	996.9	-	-	-	-	36.0	50.0	509.3	401.6
Dec	1,040.6	-	-	-	-	430.9	-	460.2	149.6
2016									
Jan	1,021.9	-	-	-	-	-	50.0	503.5	468.5
Feb	1,084.7	-	-	-	-	-	50.0	505.3	529.4
Mar	1,081.9	-	-	-	-	406.2	50.0	483.8	141.9
Apr	1,074.8	-	-	-	-	-	50.0	473.0	551.8
May	1,086.5	-	-	-	-	-	50.0	480.9	555.6
Jun	1,108.8	-	-	-	-	-	466.3	491.5	151.0
Jul	1,139.2 1,155.2	-	-	-	-	-	50.0 50.0	496.7 511.8	592.5 593.4
Aug Sep	1,155.2 1,163.1	-	-	-	-	-	482.6	507.5	173.0
Oct	1,191.8	-	-	-	-	-	50.0	507.5	638.9
Nov	1,191.0	-		_	-	-	50.0	545.4	615.5
Dec	1,248.6		_	_	_		505.7	506.5	236.4
2017	1,240.0	-	_	_	-	-	303.1	500.5	200.4
Jan	1,250.3	_	_	_	_	_	61.0	513.9	675.4
Feb	1,329.8	_	_	_	_	_	119.5	512.4	697.9
Mar	1,359.3	_	_	_	_	_	121.0	526.4	711.9
Apr	1,460.6	_	_	_	647.5	_	61.0	521.7	230.5
May	1,440.9	_	_	_	649.6	_	61.0	536.5	193.8
Jun	1,467.3	_	_	_	654.9	_	61.0	546.5	204.9

<sup>\*)</sup> Starting from January 2011, Private Provident Fund, Group Insurance Fund and Life Insurance Fund are clubbed with Other Items Net based on new reporting format introduced by the FRSD.

<sup>\*</sup>Annual data are for end-of-June in each year (and are therefore, not comparable to past publications which featured data as of end-December).

TABLE 18. FINANCIAL SECTOR CREDIT BY ECONOMIC ACTIVITY (a)

**Ngultrum** in Million End of June 2008 2009 2010 2011 2013 2014 2015 2016 **Economic Activity** 2012 2017 658 1 1,514.0 5.069.5 Agriculture 562 2 492 2 657.5 2,287.1 3.487.4 4.456.9 1.116.1 **BOBL** 1.7 2.0 2.9 3.2 3.0 1.1 0.3 17.5 30.6 41.5 **BNBL** 0.8 0.7 0.7 0.7 **BDBL** 558.6 656.1 488.4 652.8 1,111.3 1,511.4 2,283.7 3,467.1 4,414.0 5,003.6 T Bank Limited 1.5 1.5 14 0.4 Druk PNB Limited 0.9 0.8 10.2 1.5 1.8 1.5 0.6 15.7 RICRI 1.8 3.4 RII 4.1 Trade & Commerce 4,231.3 3 402 5 4.761.7 4.113.3 4.262.8 6 751 5 8.703.7 11.250.2 17.621.4 13 285 1 **BOBL** 1.004.1 975.4 1.022.9 964.3 1.277.2 7353 9904 9706 1 736 8 1 320 8 BNBI 1,480.6 2,142.3 2,359.1 304 7 360.0 2,461.3 3,601.6 4,269.4 6,675.5 5,123.4 **BDBL** 261.9 297.0 366.8 385.1 467.5 665.0 1.246.5 945.2 1.552.8 1.637.1 T Bank Limited 24 475.4 448.2 475.1 471.5 4956 454.0 785.1 Druk PNB Limited 5397 485 1 460 N 484 9 654 1 214 2 472 6 433 1 RICBL 655.9 816.6 1,083.8 1,377.4 1,478.5 1,642.8 2,173.1 3,374.7 6,393.7 3,801.2 BIL 8.1 33.2 83.1 69.0 101.9 154.4 184.4 Production & Manufacturing 3.297.5 4.702.0 5,085.7 6.572.0 7.827.3 10.168.9 9,915.9 10.088.9 10.433.7 12,767.1 1 190 3 2 056 3 2 205 0 2 737 4 29194 3 184 2 3 522 7 3 485 9 3 724 2 BOBL 1 836 2 **BNBL** 1.466.5 1.907.9 2.357.8 2.634.0 3.133.2 5.027.0 4.216.7 3.537.5 3.611.0 4.480.9 **BDBL** 400.9 453.2 450 4 533.5 542.9 686.9 7803 858 2 816.1 830.7 T Bank Limited 72.8 136.0 177.9 240.8 217.0 199.5 182.3 197.7 Druk PNB Limited 11.5 472.5 589.7 519.9 522.5 651.8 740.2 1,454.0 568.3 615.2 749.0 1.270.8 1.479.8 1.939.6 RICBL 239.9 284.7 357.0 973.0 BIL 22.7 31.0 25.9 22.2 48.3 118.4 140.1 Service 2,693.6 3,177.6 4,352.8 4,788.9 6,164.1 7,657.5 9,896.1 12,402.7 11,323.9 20,203.7 5.648.7 **BOBI** 1 179 7 1 408 4 16291 2 084 2 28248 4 362 8 5 570 8 3 163 5 1 853 0 **BNBL** 826.0 1.018.4 1.733.9 2.438.9 2.606.7 3.171.6 4.476.8 1 303 2 2 072 4 3 636 8 BDBI 607.8 679.7 871.8 927.9 1,185.2 1,499.2 1,825.4 2,057.5 2,384.2 2,948.6 T Bank Limited 20.0 176.9 328.7 479.4 440.5 94.3 155.8 245.3 Druk PNB Limited 288 8 239.1 559.8 573.9 655.9 916.1 896.5 1,505.0 RICRI 80.1 71 1 16.0 164 6 106.7 1236 183.0 325.2 706 1 4 924 6 BIL 20.3 17.0 32.8 57.3 259.5 5,661.2 6,072.6 7,615.8 10,281.3 13,578.1 15,234.7 15,785.0 17,371.5 19,244.0 21,519.1 Housing 5,263.4 **BOBI** 1.416.7 1,564.7 1.894.6 2.677.2 4.316.4 5 160 0 5.317.4 5.370.0 6.032.5 4,459.3 BNBI 3 138 4 3 3 1 8 2 3,828.9 5 460 4 5 767 7 5 661 1 6 181 3 6 665 3 6 962 9 **BDBL** 431.4 383.3 414.1 527.3 612.4 895.6 1.324.7 1.856.5 2.447.2 2.776.3 T Bank Limited 1696 377.6 470 2 4776 480.9 465.7 500.9 1,329.4 Druk PNB Limited 189.5 519.6 835.0 924.2 933.3 1,067.9 1,340.6 1,532.3 RICBL 806.5 1.709.0 1,876.9 1.999.1 2,047.2 2,387.6 674.7 1,119.1 2,911.5 2,811.9 BIL 10.5 20.4 42.5 11.5 6.7 115.2 73.7 1,172.1 4,042.6 2,617.8 5,003.5 Transport 1.515.2 2.298.7 4,881.9 3.777.1 2,751.7 4.535.1 **BOBL** 458.6 610.9 682.8 812.5 1.279.2 958.3 747.1 522.7 875.7 1.008.9 696.4 BNBI 438 1 497.5 680.1 1.140.1 1.458.9 1.136.1 793.2 1.041.5 1.334.4

118.7

156.8

128.1

278.7

213.6

35.3

67.1

619.8

347.0

380.0

233.0

996.2

133.7

302.5

340.2

183.0

712.0

145.0

2023

246.4

130.6

503.5

128.5

394 0

424.6

238.4

904.8

181.9

432.1

189.3

103.0

533.2

141 2

1 120 6

117.0

159.0

940.1

281.2

1 193 5

251.2

134.4

644.0

437.1

**BDBL** 

RICBL

BIL

T Bank Limited

Druk PNB Limited

TABLE 18. FINANCIAL SECTOR CREDIT BY ECONOMIC ACTIVITY (b)

End of June Naultrum in Million **Economic Activity** 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 **Loan Against Shares** 201.9 255.6 522.0 557.3 402.8 432.7 109.0 148.5 640.5 667.3 **BOBL** 8.7 27.7 1.1 57.8 161.2 146.0 118.8 171.6 6.7 32.8 RNRI 78 6 976 130.8 1043 93.0 133.0 106.4 77 9 156.8 **BDBL** 98.4 T Bank Limited 0.1 18.0 15.1 14.3 5.7 138.8 11.4 Druk PNB Limited 204.5 250.2 261.5 8.8 250.0 88.7 98.8 RICBL 21.7 23.2 44.1 58.0 26.2 45.7 96.4 77.6 92.3 111.2 BII 7.8 7.3 27.9 38.9 33.2 51.0 Personal 1,861.7 3.367.9 6,627.5 10,030.6 4.552.5 8,334.7 11,919.6 11,750.9 11,891.7 13.636.6 785.8 2.058.7 5,101.9 **BOBI** 2 403 9 3 5 1 9 0 5 274 5 5 724 1 5 4 7 9 6 5 597 0 5 463 3 **BNBL** 854.8 872.4 1,035.8 1,162.6 811.6 971.1 1,136.5 1,034.0 1,098.6 1,295.0 **BDBL** 42.8 152.5 452.0 893.1 1,012.8 2,058.0 2,591.0 2,718.5 2,633.5 2,972.3 T Bank Limited 200.6 488.9 434.6 351.7 316.2 510.5 577.6 914.7 Druk PNB Limited 43.8 133.7 424.4 534.3 545.1 510.0 555.7 532 0 1,535.4 RICRI 421 1 494 5 797 4 1,437.6 2,399.6 178.3 284 4 416.3 1.364.5 BIL 9.0 55.0 43.6 71.4 60.7 59.7 64.7 Loans to Government 4,605.5 515.2 **BOBL** 4,605.5 **BNBL** 515.2 **RDRI** T Bank Limited Druk PNB Limited RICBL BIL **Credit Card** 7.1 7 7 72 88 11.3 104 6.3 BOBL 0.8 2.5 3.6 5.3 6.0 RNRI 6.3 7.1 6.9 4.7 5.2 5.9 4.4 **BDBL** T Bank Limited Druk PNB Limited RICBL BIL Others\* 243.5 383.5 414.4 3,537.4 4,611.1 1,078.9 1,280.2 1,863.5 2,077.1 2,615.7 668.3 **BOBI** 1204 145.0 1416 131.8 371.3 327.3 330.7 3195 362.2 BNBL 100.5 231.4 277.0 331.1 1973 3,292.5 3,916.6 247.7 221.9 231.6 **BDBL** 21.8 40.6 20.2 21.1 24.7 26.2 283.4 608.0 459.3 508.5 T Bank Limited 225.4 185.5 196.0 344.2 379.1 237.0 **Druk PNB Limited** 8.4 47.4 28.9 246.0 204.7 93.3 287.0 235.6 **RICBL** 0.7 0.6 12.8 18.0 22.0 18.8 13.0 236.6 429.0 459.9 BIL 26.6 22.2 27.5 30.5 30.4 25.6 33.2

Total

Note: Prior to 2011, Government (short term loans) have been clubbed with other economic sectors and therefore not shown separately. From 2011 onward Government's short term borrowing has been shown separately. This may explain differences in Financial Sector Investment data featured in other RMA publications.

40,882.5 51,305.2

Note: An entry of "0.0" indicates a marginal value compared to "-" which indicates no value for that particular item.

19,003.5 | 24,256.7 | 29,775.8

95,058.6

56,778.3 | 63,187.0 | 71,509.0 | 86,603.4

<sup>\*)</sup> Others includes Staff Loans, Entrepreneur Development Program and Small Business and Artisans Scheme.

TABLE 19. AUCTIONS OF GOVERNMENT TREASURY BILLS\*

Auction/Tap	Auction / Tap		Bids (millio	ons of Nu.)	Discount
Sale No.	Sale Date	(No. of Days)	Received	Accepted	Rate (%)
R201	14-Dec-09	91	5,287.4	2,000.0	2.50
R202	17-Mar-10	90	3,003.0	1,500.0	1.99
R203	8-Jul-10	90	2,730.0	1,000.0	2.75
R208	18-Nov-11	90	1,300.0	500.0	1.49
R212	14-May-12	90	800.0	800.0	5.00
R215	16-Aug-12	30	2,550.0	2,100.0	4.12
R223	18-Dec-12	30	2,200.0	1,000.0	3.50
R224	7-Jan-13	30	1,100.0	1,100.0	3.50
R229	15-Mar-13	90	1,500.0	1,500.0	3.00
R232	10-Jul-13	90	4,400.0	2,500.0	3.00
R233	7-Oct-13	60	2,500.0	1,500.0	4.26
R235	5-Dec-13	90	5,700.0	2,500.0	2.93
R236	4-Mar-14	90	5,750.0	2,500.0	2.28
R239	20-Aug-14	90	2,500.0	1,000.0	1.24
R242	18-Dec-14	90	5,000.0	2,000.0	0.24
R243	19-Jan-15	90	4,400.0	1,300.0	0.18
R244	6-Mar-15	90	6,100.0	3,000.0	0.14
R246	10-Jul-15	91	3,350.0	3,000.0	0.13
R247	8-Oct-15	90	3,000.0	3,000.0	3.00
R248	13-Nov-15	90	2,500.0	2,500.0	1.97
R249	6-Jan-16	61	6,400.0	3,000.0	1.04
R251	7-Mar-16	91	5,500.0	3,000.0	1.05
R252	6-Jun-16	21	4,250.0	4,000.0	2.15
R253	5-Jul-16	28	3,200.0	3,000.0	5.41
R258	2-Aug-16	99	1,100.0	1,000.0	4.88
R259	6-Sep-16	28	1,200.0	500.0	1.78
R260	6-Sep-16	63	2,800.0	1,500.0	3.07
R261	4-Oct-16	35	1,100.0	500.0	0.98
R265	8-Nov-16	56	2,400.0	2,000.0	2.62
R266	6-Dec-16	63	6,000.0	2,500.0	0.65
R268	23-Dec-16	14	2,500.0	800.0	0.26
R269	3-Jan-17	35	2,670.0	1,000.0	0.49
R273	16-Jan-17	50	1,550.0	500.0	0.55
R279	7-Mar-17	91	3,900.0	3,500.0	0.98
R281	4-Apr-17	63	4,000.0	4,000.0	2.77
R282	3-May-17	188	6,230.0	3,000.0	2.40
R284	29-Jun-17	29	7,250.0	7,000.0	0.44
R286	28-Jul-17	67	3,000.0	3,000.0	1.47
R287	5-Sep-17	91	3,000.0	3,000.0	1.57
R288	3-Oct-17	91	4,000.0	4,000.0	1.53
R289	7-Nov-17	92	8,000.0	4,000.0	0.65

N.B:\* The issue of RMA Bills has been discountinued w.e.f. December 14, 2009 and has been replaced by the issue of Government Treasury Bills thereafter.

## TABLE 20A ANNUAL OVERALL BALANCE OF PAYMENTS ESTIMATES

(Break in series from FY 2006/07: data from FY 2006/07 onwards on a BPM6 basis and includes major revisions carried out in 2013)

in millions of Ngultrum										
# 0 <u>4</u>	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
									(revised)	(provisional)
A. CURRENT ACCOUNT	4,485.5	-3,631.2	-14,863.5	-23,431.1	-19,527.6	-25,761.6	-29,742.0	-35,655.6	-43,758.8	-36,341.5
Goods and Services	4,490.7	-5,547.0	-15,884.0	-25,118.5	-24,557.6	-23,673.5	-28,224.4	-30,969.7	-41,560.8	-34,495.6
Goods: Net (Trade Balance)	-1,836.4	-3,529.0	-12,568.3	-20,835.3	-19,880.6	-20,708.5	-24,220.0	-26,693.3	-37,481.3	-31,136.4
Exports (fob)	24,170.8	24,343.0	24,480.1	30,160.1	30,997.4	29,931.5	32,876.6	35,982.2	32,789.3	36,872.0
Imports (fob)	26,007.2	27,872.0	37,048.4	50,995.4	50,878.1	50,640.0	57,096.6	62,675.5	70,270.7	68,008.4
Services	-2,654.3	-2,018.0	-3,315.8	-4,283.1	-4,677.0	-2,965.0	4,004.4	4,276.4	4,079.5	-3,359.3
Credit	2,206.9	2,700.0	3,210.0	3,703.8	5,146.0	6,764.6	7,646.2	7,864.4	9,666.7	10,526.0
Debit	4,861.2	4,718.0	6,525.8	7,986.9	9,823.0	9,729.6	11,650.7	12,140.8	13,746.2	13,885.3
Primary Income	-1,399.3	-1,560.4	-3,335.7	-4,519.3	-5,748.7	-9,085.7	-7,429.6	-9,737.8	-11,770.8	-13,474.8
Credit	1,397.6	1,012.6	762.4	753.6	875.1	965.9	1,192.4	1,650.1	1,623.1	1,999.0
Debit	2,796.9	2,573.0	4,098.1	5,272.9	6,623.8	10,051.6	8,622.0	11,388.0	13,393.8	15,473.7
Secondary Income	1,404.5	3,476.3	4,356.2	6,206.7	10,778.7	6,997.5	5,912.0	5,052.0	9,572.8	11,628.9
Credit	3,456.4	5,181.9	6,435.0	8,562.2	12,907.3	8,684.7	7,333.4	6,912.4	11,378.1	13,256.5
o.w. Budgetary grants	2,574.8	4,001.7	4,669.7	6,540.0	9,020.7	4,716.2	3,856.5	4,785.0	8,373.3	6,415.8
Debit	2,051.8	1,705.6	2,078.8	2,355.5	2,128.6	1,687.1	1,421.3	1,860.4	1,805.4	1,627.7
B. CAPITAL ACCOUNT	3,360.6	3,269.2	6,985.6	7,609.7	4,755.1	14,459.0	16,901.7	13,981.0	12,668.1	12,391.6
o.w. Budgetary grants for investment *	3,360.6	2,510.6	3,920.6	3,957.7	3,436.5	4,698.6	7,541.5	4,408.0	6,114.6	3,532.3
C. FINANCIAL ACCOUNT **	-936.8	-4,613.5	-8,933.9	-18,442.3	-15,473.5	-16,516.0	-15,347.5	-22,357.7	-43,384.0	-24,236.8
Direct Investment in Bhutan: net incurrence of liabilities	125.0	865.8	3,468.6	1,408.8	1,209.7	1,117.4	1,791.4	9.099	532.9	-777.3
o.w. Equity capital	29.9	349.1	753.3	770.5	589.3	1,028.6	810.9	311.2	263.1	-606.1
Other Investment	-811.8	-3,747.7	-5,465.3	-17,033.5	-14,263.7	-15,398.6	-13,556.1	-21,697.2	-42,851.1	-25,014.1
Other Investment: net acquisition of financial assets	512.6	-396.4	6.73	-147.6	-244.2	1,670.1	-327.5	-820.5	1,450.8	873.3
Other Investment: net incurrence of financial liabilities	1,324.4	3,351.4	5,523.2	16,885.9	14,019.5	17,068.7	13,228.6	20,876.7	44,301.9	25,887.5
o.w. RGOB loans ***	-638.8	1,318.1	4,359.0	11,784.4	11,232.1	17,933.7	18,716.2	24,217.7	37,617.5	23,159.3
o.w. Other loans	2,150.0	1,988.3	444.0	4,618.7	2,950.8	201.4	-5,842.4	-3,427.8	6,845.5	1,345.7
D. Net Errors & Omissions	876.8	2,321.1	3,354.0	-1,823.4	-9,769.4	3,998.9	1,773.2	-1,254.0	1,452.9	-1,852.2
E. Overall Balance	688.6	6,572.6	4,410.0	797.5	-9,068.4	9,212.2	4,280.5	-570.8	13,746.1	-1,565.3
F. Reserve Assets	9.889	6,572.6	4,410.0	797.5	-9,068.4	9,212.2	4,280.5	-570.8	13,746.1	-1,565.3

<sup>\*</sup> Segregation of budgetary grants into Secondary Income and Capital Transfers carried out from FY 2006/07 onwards. \*\* Net acquisition of financial assets minus net incurrence of financial liabilities; (+) ifigure denotes net lending and (-) figure denotes net borrowing; excludes reserve assets. Financial Account sign convention: (+) = increase in assets or liabilities; (-) = decrease in assets or liabilities. Includes hydropower loans & accrued interest.

Bhutan's BOP statistics were revised in line with the IMF's BPM6 methodology (from FY 2006/07 onwards) - first published in January 2014. Revisions were made with assistance from the IMF-JSA project to improve external sector statistics in the Asia-Pacific region and also includes other improvements in data coverage and classifications that were carried out at the same time (See Annual Report 2013/14, pp. 44-45, for details).

TABLE 20B. QUARTERLY OVERALL BALANCE OF PAYMENTS ESTIMATES

in millions of Ngultrum																
	FY13/14: FY13/14:		FY13/14: F	FY13/14:	FY14/15: F	FY14/15: F	FY14/15: F	FY14/15:	FY15/16:	FY15/16:	FY15/16:	FY15/16:	FY16/17: I	FY16/17: I	FY16/17: F	FY16/17:
Item	ઠ	075	<b>0</b> 3	<b>8</b>	ð	07	<b>8</b> 3	<b>8</b>	۶	Ø2	<b>0</b> 3	<b>8</b>	õ	8	ဗ	<b>8</b>
										(revised)	(þe			provisional	nal	
A. CURRENT ACCOUNT	-3,513.1	-8,409.2	-10,290.2	-7,529.5	-2,825.1	- 8.086,7-	-16,619.5	-8,280.2	-5,224.6	-14,326.2	-10,429.8	-13,778.3	-2,893.6	-8,534.2	-14,063.7 -	-10,850.0
Goods and Services	-2,368.6	-8,730.6	-9,339.7	-7,785.5	-2,504.8	-6,359.8	-14,379.4	-7,725.7	4,535.7	-12,974.4	-11,216.9	-12,833.8	4,106.7	-7,174.7	-12,235.9 -10,978.3	10,978.3
Goods: Net (Trade Balance)	-1,647.2	-8,061.0	-7,635.1	-6,876.6	-917.0	-6,202.7	-12,391.9	-7,181.7	-2,965.9	-12,698.1	-9,574.0	-12,243.5	-3,557.3	-6,998.7	-10,031.5 -	-10,548.8
Exports (fob)	10,783.3	7,738.8	6,196.5	8,158.1	12,542.9	8,474.5	6,337.6	8,627.2	12,601.7	7,297.0	5,902.3	6,988.2	12,065.5	9,311.7	6,856.9	8,637.9
Imports (fob)	12,430.5	15,799.8	13,831.5	15,034.7	13,459.8	14,677.3	18,729.5	15,808.9	15,567.6	19,995.1	15,476.3	19,231.7	15,622.8	16,310.5	16,888.4	19,186.7
Services	-721.4	9.699-	-1,704.6	-908.8	-1,587.8	-157.1	-1,987.5	-544.0	-1,569.8	-276.3	-1,643.0	-590.4	-549.4	-176.0	-2,204.3	-429.5
Credit	1,665.7	2,692.1	1,242.1	2,046.3	1,583.1	2,593.9	1,757.7	1,929.7	2,071.5	3,273.8	1,806.9	2,514.5	2,576.7	3,264.9	1,709.3	2,975.2
Debit	2,387.1	3,361.7	2,946.7	2,955.1	3,170.9	2,751.0	3,745.3	2,473.7	3,641.4	3,550.1	3,449.9	3,104.9	3,126.1	3,440.9	3,913.6	3,404.7
Primary Income	-1,971.7	-1,377.6	-1,490.1	-2,590.3	-2,332.3	-2,576.3	-2,698.4	-2,130.9	-2,680.5	-3,043.8	-2,320.4	-3,726.1	-3,082.5	-3,584.0	-2,765.6	4,042.7
Credit	263.7	325.8	270.8	332.1	352.7	206.0	-434.8	1,226.2	374.0	401.6	397.2	450.3	508.8	578.1	481.0	431.0
Debit	2,235.4	1,703.3	1,760.9	2,922.4	2,685.0	3,082.3	2,263.6	3,357.1	3,054.4	3,445.3	2,717.6	4,176.4	3,591.3	4,162.2	3,246.5	4,473.7
Secondary Income	827.3	1,699.0	539.5	2,846.2	2,011.9	1,005.4	458.3	1,576.3	1,991.6	1,692.0	3,107.6	2,781.6	4,295.6	2,224.5	937.7	4,171.0
Credit	1,271.3	2,060.1	750.9	3,251.1	2,379.5	1,631.2	857.7	2,044.0	2,483.2	2,282.4	3,468.7	3,143.7	4,672.6	2,720.1	1,242.6	4,621.3
o.w. Budgetary grants	958.7	1,541.1	474.5	882.2	1,589.9	1,229.7	456.6	1,508.9	1,894.5	1,572.9	2,616.0	2,290.0	3,615.9	1,545.0	366.3	888.6
Debit	444.0	361.2	211.3	404.8	367.5	625.8	399.4	467.7	491.7	590.5	361.1	362.1	377.0	495.6	304.8	450.3
B. CAPITAL ACCOUNT	1,760.8	4,461.9	4,601.6	6,077.4	4,190.7	4,983.2	2,964.5	1,842.6	3,839.4	4,214.6	2,162.7	2,451.3	7,433.3	141.7	2,404.6	2,412.0
o.w. Budgetary grants for investment	668.8	2,635.9	1,790.0	2,446.8	257.2	3,254.3	6.55.9	240.6	1,405.9	1,014.6	2,162.7	1,531.3	1,513.8	141.7	4.6	1,872.3
C. FINANCIAL ACCOUNT *	1,417.2	-3,692.1	-7,100.4	-5,972.2	-9,261.6	-6,439.4	-2,472.0	-4,184.7	-11,618.6	-2,648.1	-12,649.8	-16,467.5	-6,594.4	-4,030.7	-11,501.4	-2,110.3
Direct Investment in Bhutan	871.3	391.7	362.0	166.4	326.8	210.3	113.8	9.7	159.7	183.4	16.1	173.7	-1,047.9	18.8	213.7	38.1
o.w. Equity capital	157.5	243.3	294.3	115.8	240.7	0.86	45.4	-12.3	63.1	82.6	44.7	72.7	-903.2	30.3	207.4	59.3
Other Investment	2,288.5	-3,300.5	-6,738.4	-5,805.8	-8,934.8	-6,229.1	-2,358.2	-4,175.1	-11,458.9	-2,464.7	-12,633.6	-16,293.8	-7,642.3	4,011.8	-11,287.8	-2,072.2
Other Investment: net acquisition of financial assets	423.0	-1,874.0	105.4	1,018.1	1,021.6	-1,658.6	-723.6	540.1	993.5	-1,518.7	281.8	1,694.2	12.1	-1,487.5	1,018.2	1,327.6
Other Investment: net incurrence of financial liabilities	-1,865.5	1,426.5	6,843.7	6,823.9	9,956.4	4,570.5	1,634.6	4,715.2	12,452.4	946.0	12,915.5	17,988.0	7,657.4	2,524.4	12,305.9	3,399.7
o.w. RGOB loans **	3,651.6	1,500.0	6,055.1	7,509.4	10,217.1	4,964.7	4,404.2	4,631.7	13,400.6	1,065.1	12,505.5	10,646.3	6,850.4	1,613.2	11,451.6	3,244.1
o.w. Other loans	-5,481.3	-146.1	-71.4	-143.6	-71.4	-143.7	-3,071.4	-141.2	-987.4	-21.3	468.5	7,385.7	334.8	1,010.9	0.0	0.0
D. Net Errors & Omissions	-1,325.0	4,876.6	841.3	-2,619.7	-3,467.0	2,090.8	918.5	-796.3	1,887.7	-3,286.7	8,879.3	-6,027.4	4,039.5	-8,109.4	-251.8	10,548.5
E. Overall Balance	4,494.4	4,621.4	2,253.1	1,900.4	7,160.2		-10,264.5	-3,049.2	12,121.2	-10,750.2	13,262.0	-886.9		-12,471.3	409.5	4,220.8
F. Reserve Assets	4,494.4	4,621.4	2,253.1	1,900.4	7,160.2	5,582.6	-10,264.5	-3,049.2	12,121.2	-10,750.2	13,262.0	-886.9	7,094.6	-12,471.3	-409.5	4,220.8

<sup>\*</sup> Net acquisition of financial assets minus net incurrence of financial liabilities; (+) figure denotes net lending and (-) figure denotes net borrowing; excludes reserve assets. Financial Account sign convention: (+) = increase in assets or liabilities; (-) = decrease in assets or liabilities. \*\* Includes hydropower loans & accrued interest.

Note on quarterly breakdowns: where quarterly breakdowns of data were unavailable from source, fiscal year data have been divided among the quarters and may partly explain the large variations in the net errors and omissions within a fiscal year. An entry of "0.0" indicates a marginal value compared to "-" which indicates no value for that particular item.

(Break in series from FY 2006/07; data from FY 2006/07 onwards on a BPM6 basis and includes major revisions carried out in 2013) TABLE 21A. ANNUAL BALANCE OF PAYMENTS ESTIMATES WITH INDIA

in millions of Ngultrum

- Against											
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
INGILI								(revised)	(revised)	(revised)	(provisional)
A. CURRENT ACCOUNT	3,248.2	-3,497.7	-3,554.4	-9,211.2	-17,981.1	-15,413.2	-26,616.4	-25,775.0	-30,203.9	-39,271.2	-34,863.1
Goods and Services	3,244.0	-2,453.1	-2,834.8	-8,372.5	-18,203.4	-16,357.2	-21,346.0	-21,487.0	-23,059.2	-33,471.6	-28,050.9
Goods: Net (Trade Balance)	4,447.6	-27.8	-593.2	-5,855.3	-15,160.0	-12,795.1	-17,468.8	-17,362.4	-18,993.7	-28,878.4	-24,303.8
Exports (fob)	20,911.0	21,721.8	22,936.0	22,461.9	25,460.6	27,546.8	27,559.3	29,908.1	31,946.8	29,870.1	32,637.1
Imports (fob)	16,463.4	21,749.7	23,529.2	28,317.2	40,620.6	40,342.0	45,028.1	47,270.6	50,940.5	58,748.5	56,940.8
Services	-1,203.6	-2,425.2	-2,241.7	-2,517.2	-3,043.4	-3,562.1	-3,877.2	-4,124.5	-4,065.6	-4,593.2	-3,747.1
Credit	455.9	416.5	422.7	433.0	559.7	688.8	1,493.5	1,428.9	1,217.0	2,947.2	2,943.4
Debit	1,659.5	2,841.8	2,664.4	2,950.2	3,603.1	4,250.8	5,370.6	5,553.4	5,282.6	7,540.4	6,690.5
Primary Income	-642.0	-1,882.7	-2,380.4	-3,627.7	4,860.8	-6,195.1	-8,597.7	-7,687.6	-9,748.6	-11,856.2	-13,709.9
Credit	112.5	270.9	72.5	18.8	83.4	6.9	4.3	390.3	850.7	817.5	1,157.2
Debit	754.5	2,153.5	2,452.8	3,646.5	4,944.2	6,202.1	8,602.0	8,077.9	10,599.3	12,673.7	14,867.1
o.w. Interest on hydropower loans *	209.6	1,519.0	1,608.5	1,996.6	2,314.0	3,274.2	4,906.0	5,057.0	7,735.0	9,924.6	11,834.6
Secondary Income	646.2	838.1	1,660.9	2,789.0	5,083.2	7,139.1	3,327.3	3,399.6	2,604.0	6,056.7	6,897.6
Credit	1,781.6	2,082.9	2,984.0	4,128.2	6,572.8	8,762.8	4,708.0	4,473.9	4,041.4	7,412.5	8,179.8
o.w. Budgetary grants	1,386.6	1,347.5	2,042.1	3,007.6	5,129.5	6,180.9	1,513.7	2,175.7	3,346.0	7,099.3	4,566.5
Debit	1,135.4	1,244.8	1,323.1	1,339.2	1,489.6	1,623.7	1,380.7	1,074.3	1,437.4	1,355.8	1,282.1
B. CAPITAL ACCOUNT	3,165.6	3,323.6	3,111.5	6,541.4	6,405.3	4,141.2	11,780.8	16,417.9	13,650.5	12,122.0	12,337.7
o.w. Budgetary grants for investment **	2,637.7	3,323.6	2,352.8	3,476.4	2,753.3	2,822.6	2,020.4	7,057.7	4,077.4	5,568.5	3,478.5
o.w. Grants for hydropower development	528.0	•	758.7	3,065.0	3,652.0	1,318.6	9,760.4	9,360.2	9,573.0	6,553.5	8,859.2
C. FINANCIAL ACCOUNT ***	1,064.6	-392.6	-3,178.7	-2,367.4	-12,872.6	-12,492.9	-13,015.6	-11,375.4	-20,108.2	-41,506.5	-20,497.7
Direct Investment in Bhutan: net incurrence of liabilities	31.3	33.0	92.7	354.0	359.7	334.4	773.2	175.0	139.0	195.9	6.03
o.w. Equity capital	•	•	52.0	201.0	211.9	260.6	739.4	143.3	14.8	13.0	0.0
Other Investment	1,095.9	-359.6	-3,086.0	-2,013.4	-12,512.9	-12,158.5	-12,242.4	-11,200.4	-19,969.2	-41,310.6	-20,446.7
Other Investment: net acquisition of financial assets	821.7	500.4	-447.7	113.0	-168.3	-367.4	1,571.5	-680.3	-21.7	1,310.4	481.3
Other Investment: net incurrence of financial liabilities	-274.2	860.0	2,638.3	2,126.5	12,344.6	11,791.1	13,813.9	10,520.1	19,947.5	42,620.9	20,928.1
o.w. Hydropower loans (incl. accrued interest)*	-274.2	-1,171.2	274.1	1,293.2	7,186.5	9,675.4	14,275.7	16,353.6	22,890.0	37,154.1	20,683.9
o.w. Other loans	•	2,222.3	2,028.8	543.4	4,773.2	3,074.0	336.8	-5,698.5	-3,286.9	5,729.4	0.0
D. Net Errors & Omissions	-7,707.3	-44.7	-2,966.0	1,052.9	-1,900.8	-479.1	11,656.0	-3,237.2	-2,819.7	4,413.8	1,405.3
E. Overall Balance	-2,358.1	173.8	-230.1	750.5	-604.0	741.7	9,836.0	-1,219.0	735.1	9,943.5	-622.5
F. Reserve Assets	-2,358.1	173.8	-230.1	750.5	-604.0	7.41.7	9,836.0	-1,219.0	735.1	9,943.5	-622.5

<sup>\*</sup> Includes accrued interest (from FY 2006/07 onwards), and are therefore not comparable with figures published by the Ministry of Finance. \*\* Segregation of budgetary grants into Secondary Income and Capital Transfers carried out from FY 2006/07 onwards. \*\*\* Net acquisition of financial assets minus net incurrence of financial liabilities; (+) figure denotes net lending and (-) figure denotes net borrowing; Excludes reserve assets Financial Account sign convention: (+) = increase in assets or liabilities; (-) = decrease in assets or liabilities.

The net errors and omissions figure in FY 2012/13 can be largely attributed to the sale of USD 200 million for Indian Rupees in the year. Since the re-composition of reserves between the US dollar and the Rupees took place at the end of the fiscal year and a majority of the sales proceeds were not immediately used to meet payment obligations, Indian Rupee reserves registered a huge increase in the fiscal year. Because the counterenty is in the BOP with COTI statement (where a corresponding decrease in dollar assets were registered), the NEO figure in the BOP with India has resulted as a large and positive figure. There was a similar recomposition of reserves in 2011/12 as well but the Indian Rupees were used up immediately within the fiscal year to settle payment obligations.

Note on historical revisions: 1) Revisions in FY 2010/11 and FY 2011/12 are largely on account of revised figures for accrued interest on hydropower loan (affecting the primary income and financial accounts). 2) For FY 2012/13, imports and trade credits (assets & liabilities) were revised.

TABLE 21B. QUARTERLY BALANCE OF PAYMENTS ESTIMATES WITH INDIA

in millions of Ngultrum																
llem	FY13/14: FY13/14: Q1 Q2	FY13/14: Q2	FY13/14: Q3	FY13/14:	FY14/15: F Q1	FY14/15: F Q2	FY14/15: FY Q3	FY14/15: F	FY15/16: F Q1	FY15/16: F Q2	FY15/16: 1 Q3	FY15/16: Q4	FY 16/17 Q1	FY 16/17 Q2	FY 16/17 Q3	FY 16/17 Q4
		(revised)	ed)			(revised)	•			(revise	<del>0</del>			(provisional)	ional)	
A. CURRENT ACCOUNT	-3,472.5	-5,794.5	-9,701.1	6.908,9-	-2,468.7	-8,111.5 -1	-11,821.7	-7,802.0	4,446.5	-12,155.2 -	-10,291.3	-12,378.2	-3,494.3	9.699.8-	-13,300.4	-9,398.9
Goods and Services	-1,442.1	-5,308.2	-8,165.1	-6,571.5	-1,497.8	-6,107.2	-9,183.7 -	-6,270.6	-3,004.5	-10,028.1 -	-10,045.2	-10,393.8	-3,251.7	-5,923.6	-10,271.0	-8,604.6
Goods: Net (Trade Balance)	-678.5	4,391.6	-6,707.0	-5,585.2	-175.5	-5,199.4	-7,933.5	-5,685.3	-1,585.5	-9,084.3	-8,464.5	-9,744.2	-2,416.8	-5,030.9	-8,728.1	-8,128.0
Exports (fob)	9,930.6	7,124.6	5,527.6	7,325.3	11,218.9	7,516.6	5,423.3	7,788.1	11,628.0	6,596.3	5,252.4	6,393.5	11,189.4	8,226.8	5,625.4	7,595.5
Imports (fob)	10,609.2	11,516.2	12,234.6	12,910.5	11,394.3	12,715.9	13,356.8 13	3,473.4	13,213.5	15,680.5	13,716.9	16,137.7	13,606.2	13,257.7	14,353.5	15,723.5
Services	-763.6	-916.6	-1,458.1	-986.3	-1,322.3	8.706-	-1,250.2	-585.3	-1,419.0	-943.9	-1,580.7	-649.6	-834.9	-892.7	-1,542.9	476.7
Credit	326.6	312.6	294.2	495.5	280.3	368.0	208.3	360.5	703.6	931.9	466.5	845.3	859.1	9.908	483.4	794.3
Debit	1,090.1	1,229.2	1,752.3	1,481.8	1,602.6	1,275.8	1,458.5	945.7	2,122.6	1,875.8	2,047.2	1,494.9	1,694.0	1,699.3	2,026.3	1,270.9
Primary Income	-2,026.6	-1,451.5	-1,566.1	-2,643.4	-2,350.6	-2,513.0	-2,346.7	2,538.4	-2,759.5	-3,012.5	-2,392.5	-3,691.7	-3,253.5	-3,588.0	-2,837.4	4,031.0
Credit	109.1	73.4	81.7	126.2	137.3	305.5	-255.7	663.6	187.1	222.1	183.2	225.1	286.3	358.4	270.5	242.0
Debit	2,135.6	1,524.9	1,647.8	2,769.6	2,487.9	2,818.5	2,091.0	3,201.9	2,946.7	3,234.5	2,575.7	3,916.8	3,539.8	3,946.5	3,107.8	4,273.0
o.w. Interest on hydropower loans *	1,220.6	746.7	1,216.8	1,872.9	1,547.7	2,170.4	1,692.1	2,324.9	2,059.1	2,607.8	2,190.2	3,067.5	2,565.6	3,204.4	2,706.3	3,358.2
Secondary Income	8. 8.	965.2	30.2	2,408.0	1,379.7	508.7	-291.3	1,007.0	1,317.6	885.4	2,146.4	1,707.2	3,010.9	842.0	-191.9	3,236.7
Credit	367.1	1,230.6	166.1	2,710.1	1,687.5	963.4	32.7	1,357.8	1,702.9	1,340.4	2,381.6	1,987.6	3,289.8	1,283.1	43.9	3,562.9
o.w. Budgetary grants	350.0	1,050.0	148.9	626.8	1,212.8	845.3	13.5	1,274.5	1,569.2	1,227.9	2,358.2	1,944.0	3,134.6	885.2	0.0	546.8
Debit	370.9	265.4	135.9	302.2	307.8	454.8	324.0	350.9	385.3	454.9	235.2	280.4	279.0	441.1	235.9	326.2
B. CAPITAL ACCOUNT	1,679.9	4,208.5	4,558.7	5,970.7	4,144.5	4,732.4	2,937.2	1,836.4	3,700.1	4,066.7	2,052.2	2,303.1	7,398.9	132.5	2,400.0	2,406.3
o.w. Budgetary grants for investment	587.9	2,382.5	1,747.1	2,340.1	211.0	3,003.5	628.6	234.4	1,266.6	866.7	2,052.2	1,383.1	1,479.4	132.5	0.0	1,866.6
o.w. Grants for hydropower development	1,092.0	1,826.0	2,811.6	3,630.6	3,933.5	1,728.9	2,308.6	1,602.0	2,433.5	3,200.0	0.0	920.0	5,919.5	0.0	2,400.0	539.7
C. FINANCIAL ACCOUNT **	1,937.3	-2,290.8	-5,102.2	-5,919.7	-7,765.8	-6,577.1	-1,435.7	4,329.6 -1	-10,514.0	-2,668.8 -	-12,438.4	-15,885.2	-6,812.4	-3,505.5	-9,466.4	-713.3
Direct Investment in Bhutan: net incurrence of liabilities	73.0	59.5	22.6	19.9	6.69	13.3	8.7	47.0	76.1	68.7	22.6	28.5	-17.4	28.9	39.4	0.0
o.w. Equity capital	130.3	3.0	2.9	7.1	6.69	2.3	0.0	3.0	0.0	6.3	0.0	6.7	0.0	0.0	0.0	0.0
Other Investment	2,010.3	-2,231.3	-5,079.7	-5,899.8	-7,695.8	-6,563.8	-1,426.9	4,282.6 -1	-10,437.9	-2,600.1 -	-12,415.8	-15,856.7	-6,829.8	-3,476.6	-9,427.0	-713.3
Other Investment: net acquisition of financial assets	102.2	-1,675.0	-90.8	983.4	816.2	-1,741.5	344.0	9.655	716.9	-1,247.3	247.6	1,593.1	-7.6	-1,546.3	730.3	1,304.9
Other Investment: net incurrence of financial liabilities	-1,908.2	556.3	4,988.9	6,883.1	8,512.0	4,822.4	1,770.9	1,842.2	11,154.8	1,352.9	12,663.4	17,449.8	6,822.2	1,930.3	10,157.3	2,018.2
o.w. Hydropower loans (incl. accrued interest)*	3,574.5	713.5	5,003.3	7,062.4	8,573.8	4,911.3	4,595.1	4,809.8	12,343.1	1,314.6	12,609.5	10,886.9	6,706.5	1,911.3	10,001.1	2,065.1
o.w. Other loans	-5,481.3	-74.3	-71.4	-71.4	-71.4	-72.7	-3,071.4	-71.3	-987.4	0.0	0.0	6,716.8	0.0	0.0	0.0	0.0
D. Net Errors & Omissions	-3,321.9	1,155.0	-587.9	-482.5	-5,730.1	3,848.7	-2,461.7	1,523.3	-239.6	-785.2	4,373.9	-7,763.1	-3,393.3	-1,735.1	1,824.6	4,709.1
E. Overall Balance	-7,051.8	1,859.8	-628.0	4,601.1	3,711.6	7,046.7	-9,910.5	-112.7	9,528.0	-6,204.8	8,573.3	-1,953.0	7,323.7	-6,766.7	390.7	-1,570.2
r. Reserve Assers	0.100,7-	1,039.0	-0.020-	4,001.1	0,7 11.0		0,016,6	-117.1	9,920.0	0,404.0	0,010,0	0.006,1-	1,020,1	-0,700.7	330.1	2.0 /6,1-

\*Includes accrued interest (from FY 200607 onwards), and are therefore not comparable with figures published by the Mnistry of Finance. \*\* Net acquisition of financial assets minus net incurrence of financial liabilities; (+) figure denotes net borrowing, excludes reserve assets. Financial Account sign convention: (+) = increase in assets or liabilities; (-) = decrease in assets or liabilities. Note on quartery breakdowns: where quartery breakdowns of data were unavailable from source, fiscal year data have been divided among the quarters and may partly explain the large variations in the net errors and omissions within a fiscal year. An entry of "0.0" indicates a marginal value compared to "." which indicates no value for that particular item.

(Break in series from FY 2006/07: data from FY 2006/07 onwards on a BPM6 basis and includes major revisions carried out in 2013) TABLE 22A. ANNUAL BALANCE OF PAYMENTS ESTIMATES WITH COUNTRIES OTHER THAN INDIA

in millions of Ngultrum											
ll†am	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
								(revised)	(revised)	(revised)	(provisional)
A. CURRENT ACCOUNT	429.4	6.786-	-76.8	-5,652.3	-5,449.9	4,114.4	854.8	-3,967.0	-5,451.7	-4,487.7	-1,478.4
Goods and Services	-1,053.5	-2,037.7	-2,712.2	-7,511.5	-6,915.0	-8,200.4	-2,327.5	-6,737.5	-7,910.4	-8,089.2	-6,444.7
Goods: Net (Trade Balance)	-977.8	-1,808.6	-2,935.8	-6,713.0	-5,675.3	-7,085.5	-3,239.7	-6,857.5	9.669,7-	-8,602.9	-6,832.6
Exports (fob)	4,422.8	2,449.0	1,406.9	2,018.2	4,699.5	3,450.6	2,372.2	2,968.4	4,035.3	2,919.2	4,234.9
Imports (fob)	5,400.5	4,257.6	4,342.7	8,731.2	10,374.8	10,536.1	5,611.9	9,826.0	11,735.0	11,522.1	11,067.5
Services	-75.7	-229.1	223.7	-798.6	-1,239.7	-1,114.9	912.2	120.1	-210.8	513.7	387.9
Credit	2,205.3	1,790.4	2,277.3	2,777.0	3,144.1	4,457.3	5,271.1	6,217.4	6,647.4	6,719.5	7,582.6
Debit	2,281.0	2,019.4	2,053.6	3,575.6	4,383.8	5,572.2	4,359.0	6,097.3	6,858.2	6,205.7	7,194.8
Primary Income	627.0	483.3	819.9	292.0	341.5	446.4	-488.0	258.0	10.8	85.5	235.1
Credit	1,049.4	1,126.7	940.1	743.6	670.2	868.2	961.6	802.1	799.4	805.6	841.7
Debit	422.4	643.4	120.2	451.6	328.7	421.8	1,449.6	544.1	788.6	720.2	9.909
Secondary Income	885.9	566.5	1,815.4	1,567.2	1,123.6	3,639.6	3,670.3	2,512.5	2,448.0	3,516.0	4,731.3
Credit	2,050.6	1,373.5	2,197.9	2,306.8	1,989.5	4,144.5	3,976.7	2,859.4	2,870.9	3,965.6	5,076.8
o.w. Budgetary grants	1,912.7	1,227.3	1,959.7	1,662.1	1,410.6	2,839.9	3,202.4	1,680.8	1,439.0	1,274.0	1,849.3
Debit	1,164.7	807.0	382.5	739.6	865.9	504.9	306.4	347.0	423.0	449.6	345.5
B. CAPITAL ACCOUNT	63.9	37.0	157.8	444.1	1,204.4	614.0	2,678.2	483.9	330.6	546.0	53.8
o.w. Budgetary grants for investment *	63.9	37.0	157.8	444.1	1,204.4	614.0	2,678.2	483.9	330.6	246.0	53.8
C. FINANCIAL ACCOUNT **	-7,154.4	-544.2	-1,434.8	-6,566.5	-5,569.7	-2,980.6	-3,500.3	-3,972.1	-2,249.5	-1,877.6	-3,739.2
Direct Investment in Bhutan: net incurrence of liabilities	6,378.5	92.0	773.1	3,114.6	1,049.1	875.3	344.2	1,616.3	521.6	337.0	-828.2
o.w. Equity capital	3,185.4	29.9	297.1	552.3	558.7	328.8	289.2	9.799	296.4	250.0	-606.1
Other Investment	-775.8	-452.1	-661.7	-3,451.9	-4,520.6	-2,105.2	-3,156.2	-2,355.7	-1,727.9	-1,540.5	-4,567.4
Other Investment: net acquisition of financial assets ***		12.3	51.3	-55.2	20.7	123.1	98.7	352.7	-798.8	140.5	392.0
Other Investment: net incurrence of financial liabilities	775.8	464.4	713.0	3,396.7	4,541.3	2,228.4	3,254.8	2,708.5	929.2	1,681.0	4,959.4
o.w. RGOB loans	813.6	532.4	1,043.9	3,065.8	4,597.9	1,556.7	3,658.0	2,362.6	1,327.7	463.4	2,475.4
o.w. Other loans	-37.8	-72.3	-40.5	-99.4	-154.5	-123.3	-135.4	-143.9	-140.9	1,116.0	1,345.7
D. Net Errors & Omissions	101.7	921.5	5,287.0	2,301.1	77.4	-9,290.3	-7,657.1	5,010.4	1,565.7	2,866.7	-3,257.5
E. Overall Balance	7,779.3	514.8	6,802.8	3,659.5	1,401.5	-9,810.1	-623.8	5,499.5	-1,305.9	3,802.6	-942.8
F. Keserve Assets	7,779.3	514.8	6,802.8	3,659.5	1,401.5	-9,810.1	-623.8	5,499.5	-1,305.9	3,802.6	-942.8

\* Segregation of budgetary grants into Secondary Income and Capital Transfers carried out from FY 2006/07 onwards. \*\* Net acquisition of financial assets minus net incurrence of financial liabilities; (+) figure denotes net borrowing; excludes reserve assets. Financial Account sign convention: (+) = increase in assets or liabilities; (-) = decrease in assets or liabilities. \*\*\* Data on net acquisition of financial assets were compiled from FY 2007/08 onwards.

TABLE 22B. QUARTERLY BALANCE OF PAYMENTS ESTIMATES WITH COUNTRIES OTHER THAN INDIA

Item	FY13/14: FY13/14: FY13/14: Q1 Q2 Q3	'Y13/14: F'		EV 42 /4 4.	FY14/15. F	FY14/15: F	EV14/15- 1	EV44/4E.	EV45/46.	0772	EV15/16-	EV45/46.	EV46/47	EV46/47-	EVACIAT.	-146/47
	9								T 1 10/ 10:	FY15/16:	51.5	-13/10				F Y 16/1 /:
		075						8	8	07	ဗ	<b>Q</b>	<u>ج</u>	05	ဗ	. Q
		(revised)	0			(revised)	g)			(revised)	(pec			(provisional)	ional)	
A. CURRENT ACCOUNT	-40.5	-2,614.7	-589.1	-722.6	-356.5	180.8	-4,797.8	-478.2	-778.1	-2,171.0	-138.4	-1,400.1	600.7	135.4	-763.3	-1,451.1
Goods and Services	-926.5	-3,422.4	-1,174.6	-1,214.0	-1,007.0	-252.6	-5,195.7	-1,455.1	-1,531.2	-2,946.2	-1,171.7	-2,440.1	-855.1	-1,251.2	-1,964.8	-2,373.7
Goods: Net (Trade Balance)	-968.7	-3,669.4	-928.0	-1,291.4	-741.5	-1,003.4	-4,458.3	-1,496.4	-1,380.3	-3,613.8	-1,109.5	-2,499.3	-1,140.5	-1,967.8	-1,303.4	-2,420.8
Exports (fob)	852.6	614.2	668.8	832.8	1,324.0	6.736	914.3	839.1	973.8	700.8	650.0	594.7	876.1	1,084.9	1,231.5	1,042.5
Imports (fob)	1,821.3	4,283.6	1,596.9	2,124.2	2,065.5	1,961.3	5,372.7	2,335.5	2,354.1	4,314.6	1,759.4	3,094.0	2,016.6	3,052.8	2,534.9	3,463.3
Services	42.2	247.0	-246.5	77.4	-265.5	7.057	-737.4	41.3	-150.8	9.799	-62.2	59.2	285.4	716.7	-661.4	47.1
Credit	1,339.2	2,379.5	947.9	1,550.8	1,302.8	2,225.9	1,549.4	1,569.2	1,368.0	2,341.9	1,340.5	1,669.2	1,717.5	2,458.3	1,225.9	2,180.9
Debit	1,297.0	2,132.4	1,194.4	1,473.4	1,568.3	1,475.2	2,286.8	1,527.9	1,518.8	1,674.3	1,402.7	1,610.0	1,432.1	1,741.6	1,887.3	2,133.8
Primary Income	54.9	73.9	76.1	53.1	18.3	-63.3	-351.7	407.5	79.1	-31.3	72.1	-34.4	171.0	4.0	71.8	-11.7
Credit	154.7	252.4	189.1	205.9	215.4	200.5	-179.1	562.6	186.8	179.5	214.1	225.2	222.6	219.7	210.5	189.0
Debit	8.66	178.4	113.1	152.8	197.1	263.8	172.6	155.1	107.8	210.8	141.9	259.7	51.5	215.7	138.7	200.7
Secondary Income	831.1	733.8	509.4	438.3	632.3	496.8	749.6	569.4	674.0	806.5	961.2	1,074.4	1,284.7	1,382.5	1,129.7	934.3
Credit	904.2	829.5	584.8	541.0	692.0	8.799	825.0	686.2	780.3	942.1	1,087.1	1,156.1	1,382.7	1,437.0	1,198.6	1,058.4
o.w. Budgetary grants	608.7	491.1	325.6	255.3	377.1	384.5	443.1	234.4	325.2	345.0	257.8	346.0	481.2	6.659	366.3	341.9
Debit	73.1	95.8	75.5	102.7	29.7	171.0	75.4	116.8	106.4	135.5	125.9	81.8	0.86	54.5	0.69	124.1
B. CAPITAL ACCOUNT	80.9	253.4	42.9	106.7	46.2	250.8	27.3	6.3	139.4	147.9	110.5	148.3	34.4	9.1	4.6	5.7
o.w. Budgetary grants for investment	80.9	253.4	42.9	106.7	46.2	250.8	27.3	6.3	139.4	147.9	110.5	148.3	34.4	9.1	4.6	5.7
C. FINANCIAL ACCOUNT *	-520.1	-1,401.4	-1,998.1	-52.5	-1,495.8	137.7	-1,036.3	144.9	-1,104.6	20.7	-211.4	-582.3	218.0	-525.1	-2,035.0	-1,397.0
Direct Investment in Bhutan: net incurrence of liabilities	798.3	332.2	339.4	146.4	256.9	197.0	105.0	-37.3	83.6	114.7	-6.5	145.2	-1,030.5	-10.1	174.3	38.1
o.w. Equity capital	27.2	240.3	291.3	108.7	170.7	92.6	45.4	-15.3	63.1	76.3	44.7	0.99	-903.2	30.3	207.4	59.3
Other Investment	278.2	-1,069.2	-1,658.7	94.0	-1,238.9	334.7	-931.3	107.6	-1,021.0	135.4	-217.8	-437.1	-812.5	-535.3	-1,860.7	-1,358.9
Other Investment: net acquisition of financial assets	320.9	-199.0	196.2	34.7	205.4	82.9	-1,067.6	-19.5	276.6	-271.4	34.2	101.1	22.7	58.8	287.9	22.6
Other Investment: net incurrence of financial liabilities	42.7	870.2	1,854.9	-59.2	1,444.4	-251.8	-136.3	-127.0	1,297.6	-406.8	252.1	538.2	835.2	594.1	2,148.6	1,381.5
o.w. RGOB loans	77.1	786.5	1,051.8	447.1	1,643.3	53.4	-190.9	-178.1	1,057.4	-249.5	-104.0	-240.6	143.9	-298.1	1,450.5	1,179.0
o.w. Other loans		-71.8		-72.2		-71.0		-69.9	•	-21.3	468.52	668.8	334.8	1,010.9	0.0	0.0
D. Net Errors & Omissions	1,996.9	3,721.6	1,429.2	-2,137.2	2,263.1	-1,757.9	3,380.2	-2,319.6	2,127.3	-2,501.6	4,505.3	1,735.6	-646.2	-6,374.3	-2,076.5	5,839.4
E. Overall Balance	2,557.4			2,700.7	3,448.6	-1,464.1	-353.9	-2,936.5	2,593.2			1,066.1		-5,704.7	-800.2	5,791.0
Other Investment: net acquisition of financial assets Other Investment: net incurrence of financial liabilities ow. RGOB loans ow. Other loans O. Net Errors & Omissions E. Overall Balance F. Reserve Assets	320.9 42.7 77.1 - 1,996.9 2,557.4 2,557.4			34.7 -59.2 447.1 -72.2 -2,137.2 -2,700.7	205.4 1,444.4 1,643.3 - 2,263.1 3,448.6 3,448.6	82.9 -251.8 53.4 -71.0 -1,757.9 -1,464.1	-1,067.6 -136.3 -190.9 - 3,380.2 -353.9 -353.9	-19.5 -127.0 -178.1 -69.9 -2,319.6 -2,936.5	276.6 1,297.6 1,057.4 2,127.3 2,593.2 2,593.2	, 44	4 1 9 4 4 4	538.2 -240.6 -240.6 668.8 1,735.6 1,066.1		22.7 835.2 143.9 334.8 -646.2 -229.0	, 6, 6, 6, 6, 6, 6, 6, 6, 6, 6, 6, 6, 6,	58.8 594.1 -298.1 1,010.9 -6,374.3 -: -5,704.7

\* Net acquisition of financial assets minus net incurrence of financial liabilities; (+) figure denotes net borrowing; excludes reserve assets. Financial Account sign convention: (+) = incurease in assets or liabilities; (+) = decrease in assets or liabilities; (-) = decrease in assets or liabilities. Note on quarterly breakdowns: where quarterly breakdowns of data were unavailable from source, fiscal year data have been divided among the quarters and may partly explain the large variations in the net errors and omissions within a fiscal year. An entry of "0.0" indicates a marginal value compared to "." which indicates no value for that particular fiem.

TABLE 23. GROSS INTERNATIONAL RESERVES (\*)

Item	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
1. Rupee Reserves (INR in Million)	858.2	628.1	1378.6	774.6	1,516.3	11,352.2	10,133.3	10,865.9	20,811.9	25,155.3
Royal Monetary Authority of Bhutan	135.1	118.4	137.3	91.2	229.9	10,706.4	9,493.1	9,826.5	19,017.7	23,496.1
Bank of Bhutan Limited	435.8	373.0	923.0	329.4	857.3	229.8	447.9	598.0	830.3	1,075.9
Bhutan National Bank Limited	287.3	136.7	196.3	99.5	171.8	56.5	61.9	193.9	142.0	212.2
T Bank Limited	•	•	20.0	39.8	53.3	115.7	74.9	77.3	175.9	122.4
Druk PNB Limited	ı	•	72.1	214.7	204.1	243.8	52.5	170.1	642.9	248.8
2. Convertible Currency Reserves (USD in Million)	527.2	662.2	729.8	778.9	647.4	726.7	829.3	788.0	811.0	716.5
Royal Monetary Authority of Bhutan (1)	503.9	637.5	698.5	731.8	623.6	692.7	789.1	759.4	789.5	688.7
Bank of Bhutan Limited	11.2	9.7	15.4	35.1	9.0	21.6	22.7	20.3	13.4	11.0
Bhutan National Bank Limited	12.1	17.0	15.8	10.0	14.2	10.6	14.8	6.9	2.8	7.3
T Bank Limited	•	•	0.0	0.2	0.1	0.1	0.1	0.1	0.4	0.8
Druk PNB Limited	1	•	0.2	1.7	0.5	1.7	2.5	6.1	1.9	8.7
3.Total Reserves (USD in Million) (1+2)	547.1	675.2	759.4	796.2	674.3	916.9	997.9	928.2	1,118.8	1,106.7
4. Exchange rates used	42.95	48.51	46.60	44.72	56.3	2.65	60.1	63.8	9'.29	64.5
5. Months of Merchandise Imports (2)										
Total Reserves	10.8	14.1	11.5	8.4	9.0	13.0	12.6	11.7	13.3	12.5
Rupee Reserves	0.5	0.3	9.0	0.5	0.5	3.0	2.6	2.6	4.3	5.1
Convertible Currency Reserves	63.8	88.8	46.7	40.3	41.5	92.8	61.2	51.4	68.8	58.0
6. Months of Imports (Merchandise + Services) (2)										
Total Reserves	9.1	12.1	9.8	7.3	7.5	10.9	10.5	9.8	11.1	10.4
Rupee Reserves	0.4	0.3	0.5	0.2	0.4	2.7	2.3	2.3	3.8	4.6
Convertible Currency Reserves	43.3	60.3	33.2	28.3	27.2	52.2	37.7	32.5	41.7	35.2

(\*) Excludes cash in hand of commercial banks.

Ocovertible currency reserves of RMA have been revised in 2013 to exclude the US dollar pledge on any outstanding overdraft as of each reference period. Reserves also exclude (from July 2007 onwards) the local currency component of Bhutan's IMF Quota and the Kuwait Fund Investment. (2) Imports on fob basis. Figures differ from previous publications due to revision in import figures - data for 2015/16 onwards are based on provisional import figures for 2015/16 and are subject to change.

TABLE 24A. COMPOSITION OF IMPORTS FROM INDIA

Σ	Millions of Ngultrum					•		-	•	•		
ळ	IMPORT CATEGORY	2008	2009	2010	2011	2012	2013	2014	2015	2016	2016 % Share in Total	Annual % change
-	Live Animals & Animal Products	776.4	984.9	1,180.6	1,299.6	1,995.0	2,331.1	2,674.7	2,755.5	2,713.7	4.9	(1.5)
7	Vegetables, Fruits, Nuts, Coffee, Tea, Spices, Cereals, Grains & Seeds	1,121.5	1,290.3	1,523.4	1,840.3	2,748.5	3,260.9	3,551.3	3,412.9	3,757.0	6.8	10.1
က	Animal or Vegetable Fats & Oils	480.7	407.7	489.9	661.9	906.3	978.4	1,005.5	976.0	1,032.2	1.9	5.8
4	Processed Foods & Beverages	822.46	1,009.81	1,212.99	1,477.74	1,707.03	1,812.37	2,024.26	2,159.53	2,306.03	4.17	6.78
2	Mineral Products inc. oils & fuels	4,917.41	4,996.81	7,263.40	8,795.96	11,625.14	12,848.24	13,329.63	12,341.91	12,423.94	22.47	0.66
9	Electricity	16.05	127.25	8.89	10.23	12.70	222.92	319.02	249.65	172.95	0.31	(30.72)
_	Products of Chemical & Allied Industries	750.91	821.22	1,081.23	1,358.28	1,850.06	1,885.03	1,954.89	2,098.72	2,129.60	3.85	1.47
7.1	7.1 Medicine / Pharmaceutical Products	132.69	131.37	108.39	141.43	276.19	200.31	173.54	338.18	297.15	0.54	(12.14)
∞	Plastic & Rubber Products	458.68	557.49	794.84	1,105.84	1,561.80	1,627.85	1,727.67	1,793.07	1,807.81	3.27	0.82
0	Wood and Wood pulp products	823.16	1,126.53	1,375.40	1,879.00	1,940.68	1,911.86	2,349.58	2,391.06	1,868.29	3.38	(21.86)
9.1	9.1 Wood and Wood Products	516.46	684.76	869.03	1,275.95	1,242.90	1,200.04	1,611.34	1,683.13	1,183.67	2.14	(29.67)
9.2	9.2 Wood Pulp Products	306.70	441.77	506.37	603.05	697.78	711.82	738.24	707.93	684.63	1.24	(3.29)
10	Textiles, Footwear & Hats/Headgear	251.72	286.94	368.24	418.81	750.81	738.56	835.44	925.18	826.70	1.50	(10.64)
<del>-</del>	Articles of Stone, Plaster, Cement, Asbestos, Ceramics & Glass	305.69	356.17	499.97	727.28	967.76	925.99	803.45	80.08	902:06	1.64	0.67
11	11 Ceramic Products	111.30	142.26	224.72	350.39	439.87	340.90	254.02	320.14	316.16	0.57	(1.24)
12		0.72	1.40	0.61	1.03	0.67	16.16	1.07	06:0	0.28	0.00	(69.08)
400		0000	00 020 0	707 00	0 101 50	0000	7 525 04	0 404 03	00 257 00	00000	24	(24.06)
2	Dase Metals and Atticles of base Metal	7,940.30	3,270.00	20.1.04,0	0,101.0	10.008,0	40.000,7	0,407.03	00.162,8	0,290.39	90.II	(08.15)
4		2,066.59	2,420.10	4,698.72	4,499.30	4,501.73	6,550.70	6,604.79	9,282.39	12,197.97	22.06	31.41
4	14 Magnetic Discs & Media	2.51	22.13	13.45	15.08	24.29	19.20	16.21	21.79	13.97	0.03	(35.86)
15	Transport Vehicles & Aircraft and Engines & Parts	1,321.97	1,953.19	2,964.10	4,409.36	1,766.90	625.45	1,623.92	4,319.48	5,758.68	10.42	33.32
16		131.07	162.09	129.44	271.76	209.38	256.33	227.22	300.77	497.22	06:0	65.32
17		0.03	0.03	0.75	0.03	0.20	0.03	1.84	0.38	0.04	00.00	(90.09)
18	18 Miscellaneous Manufactured Products	146.18	195.21	313.75	263.06	362.95	362.49	406.23	577.04	588.83	1.07	2.04
	TOTAL	17,339.55	19,968.00	29,337.99	35,201.07	41,838.28	43,889.37	47,847.62	53,740.51	55,284.73	100.00	2.87

TABLE 24B. COMPOSITION OF EXPORTS TO INDIA

Ξ	Millions of Ngultrum											
ळ	EXPORT CATEGORY	2008	2009	2010	2011	2012	2013	2014	2015	2016	2016 % Share in Total	Annual % change
_	Live Animals & Animal Products	0.24	4.93	2.75	0.19	5.77	2.55	2.91	6.81	12.94	0.04	06.68
1.1	1.1 Raw Hides & Skins	0.05	•	•	1	1	1	1	•	1	•	1
2	Vegetables, Fruits, Nuts, Coffee, Tea,	241.68	606.74	452.67	595.28	783.20	69'926	1.475.16	1.131.99	1.535.74	4.79	35.67
	Spices, Cereals, Grains & Seeds											
2.1	Potatoes	119.78	401.87	197.31	250.67	309.19	360.13	686.30	370.90	542.11	1.69	46.16
က	Animal or Vegetable Fats & Oils	605.30	3.92	13.44	23.83	7.48	2.94	13.71	8.04	9.74	0.03	21.13
3.1	Palm Oil	1	0.07	•	0.11	0.17	•	00.00	1	1	1	1
4	Processed Foods & Beverages	276.28	318.87	317.51	406.54	441.15	578.91	838.00	897.39	1,067.38	3.33	18.94
2	Mineral Products inc. oils & fuels	2,161.57	2,519.04	2,782.42	2,573.19	2,931.04	3,308.93	4,800.19	4,813.75	4,646.48	14.50	(3.47)
9	Electricity	11,032.59	10,090.72	10,411.46	10,441.50	9,125.17	11,227.26	10,633.64	12,124.49	13,032.05	40.66	7.49
7	Products of Chemical & Allied Industries	893.55	1,050.87	1,453.94	1,476.49	1,638.56	1,885.13	1,953.88	1,989.97	1,714.73	5.35	(13.83)
∞	Plastic & Rubber Products	214.08	308.41	246.03	309.75	331.28	462.58	635.97	678.76	678.21	2.12	(0.08)
0	Wood and Wood Pulp Products	306.65	323.16	319.63	317.45	369.48	314.58	380.69	353.03	318.19	0.99	(9.87)
9.1	Wood Pulp Products	2.09	9.90	8.24	11.79	19.77	17.55	15.44	19.80	14.66	0.05	(25.97)
10	Textiles, Footwear & Hats/Headgear	291.00	66.48	41.44	32.14	47.16	43.95	29.93	10.81	1.11	00.00	(89.73)
7	Articles of Stone, Plaster, Cement,	122.28	80.59	74.11	120.58	126.52	152.40	196.47	168.41	150.24	0.47	(10.78)
12	_	5,250.93	7,012.65	9,833.50	10,044.12	10,799.96	10,004.89	10,826.22	9,605.77	8,874.63	27.69	(7.61)
13	Machinery, Mechanical Appliances & Electrical Equipment and Parts	51.99	8.87	2.62	2.58	6.29	3.69	3.00	2.29	3.22	0.01	40.47
4	Transport Vehicles & Aircraft and Engines & Parts	•	•		•	•	0.33	,	,	'	,	'
15		0.07		0.04	0.04	•	0.02	•	0.04	,	1	(100.00)
16		0.03	1	0.00	0.01	60:0	0.10	0.13	•	0.26	00.00	,
17		31.77	39.13	49.33	34.28	14.18	14.22	11.55	08.6	7.51	0.02	(23.34)
	TOTAL	21,480.02	22,434.38	26,000.88	26,377.97	26,627.35	28,979.16	31,801.45	31,801.35	32,052.42	100.00	0.79

Source: Bhutan Trade Statistics, Department of Revenue & Customs. (Note: An entry of "0.0" indicates a marginal value compared to "-" which indicates no value for that particular item.)

TABLE 25A. COMPOSITION OF IMPORTS FROM COUNTRIES OTHER THAN INDIA

Ξ	Millions of Ngultrum				•							
ਲ	IMPORT CATEGORY	2008	2009	2010	2011	2012	2013	2014	2015	2016	% Share in Total	Annual % change
_	Live Animals & Animal Products	12.79	7.83	69.7	12.23	22.98	49.47	69.45	92.12	107.45	0.89	16.64
7	Vegetables, Fruits, Nuts, Coffee, Tea, Spices, Cereals, Grains & Seeds	10.37	4.68	36.29	216.35	133.31	65.70	50.25	111.95	83.98	0.70	(24.98)
က	Animal or Vegetable Fats & Oils	485.48	6.35	18.95	5.82	19.91	1.91	10.78	14.26	8.92	0.07	(37.44)
3.1	1 Palm Oil (Crude & Other)	483.61	5.82	9.29	0.01	17.59	•	10.31	11.90	7.19	90.0	(39.59)
4	Processed Foods & Beverages	179.66	151.26	212.03	264.77	225.15	262.61	334.93	493.92	482.23	3.99	(2.37)
2	Mineral Products inc. oils & fuels	94.65	63.13	80.92	140.58	144.66	151.54	237.74	120.60	351.77	2.91	191.68
9	Products of Chemical & Allied Industries	158.17	149.72	236.30	510.57	345.12	905.61	740.91	99'002	427.25	3.54	(39.02)
_	Plastic & Rubber Products	353.70	282.64	412.54	478.52	516.99	694.29	863.85	902.96	832.16	6.89	(8.15)
∞	Wood and Wood Products	44.68	4.99	7.24	22.51	14.44	18.38	23.73	21.29	27.99	0.23	31.49
ത	Wood Pulp Products	153.20	53.28	39.01	233.27	39.49	271.57	83.39	187.41	173.05	1.43	(7.67)
10	Textiles, Footwear & Hats/Headgear	388.50	97.24	168.85	178.28	210.20	273.16	195.85	208.95	280.37	2.32	34.18
7	Articles of Stone, Plaster, Cement, Asbestos, Ceramics & Glass	36.78	14.92	39.62	28.92	198.16	56.06	57.82	57.46	68.23	0.57	18.74
11	1 Ceramic Products	25.30	4.86	13.30	8.77	10.15	15.17	21.98	16.50	17.28	0.14	4.74
12	Pearls and Products of Precious/Semiprecious Metal & Stones	109.51	136.72	17.15	83.02	61.97	70.87	8.84	14.20	39.53	0.33	178.37
13	Base Metals and Articles of Base Metal	827.91	1,134.76	2,571.05	2,384.09	2,842.40	794.70	1,494.43	978.93	856.82	7.10	(12.47)
14	Machinery, Mechanical/Electrical	2,084.80	2,810.73	4,461.20	5,754.14	5,425.26	4,755.91	3,894.79	4,607.76	6,021.01	49.86	30.67
14	14 Magnetic Discs & Media	34.70	18.54	46.25	8.01	16.90	14.49	128.52	387.84	199.41	1.65	(48.58)
15	Transport Vehicles & Aircraft and Engines & Parts	865.68	495.16	1,024.93	2,971.93	740.83	467.37	502.71	5,199.76	1,612.95	13.36	(88.98)
16	Optical, Photographic, Cinematographic & Measuring Equipment	301.59	157.59	309.79	88.51	186.73	340.44	242.16	349.62	478.29	3.96	36.80
17		96:0	0.46	1.64	06:0	1.12	3.26	0.97	8.50	7.81	90.0	(8.07)
18	Miscellaneous Manufactured Products	47.16	110.69	100.89	122.16	126.61	200.77	224.32	223.47	215.31	1.78	(3.65)
	TOTAL	6,155.59	5,682.17	9,746.09	13,496.57	11,255.34	9,383.63	9,036.92	14,296.82	12,075.13	100.00	(15.54)

TABLE 25B. COMPOSITION OF EXPORTS TO COUNTRIES OTHER THAN INDIA

ิด	EXPORT CATEGORY	2008	2009	2010	2011	2012	2013	2014	2015	2016	% Share in Total	Annual % change
~	Vegetables, Fruits, Tea, Spices, Cereals, Grains & Animal Products	462.03	523.50	554.89	729.87	817.90	1,185.96	1,387.46	1,284.80	1,342.87	41.89	4.52
1	1 Oranges	226.48	352.18	304.65	306.52	419.29	489.01	520.11	446.55	425.60	13.28	(4.69)
1.		24.86	32.72	76.04	71.64	18.59		59.10	61.43	39.72	1.24	(35.35)
1.	1.3 Cardamoms	76.04	49.00	105.77	250.63	256.25		421.42	565.41	708.53	22.10	25.31
7	Processed Foods & Beverages	6.72	2.09	17.43	25.93	37.23	41.01	43.50	24.93	19.81	0.62	(20.56)
က	Mineral Products inc. oils & fuels	314.41	353.83	408.79	576.44	508.12	583.30	770.46	713.81	1,205.96	37.62	68.95
<i>ω</i>	3.1 Limestone & other calcereous stone	125.32	141.80	236.10	281.87	255.06		348.31	338.08	169.44	5.29	(49.88)
<i>ω</i>		ı	73.96	72.01	142.64	111.49	,-	169.67	520.30	205.60	6.41	(60.48)
ю. С	3.3 Bituminous Coal	18.19	38.05	09.9	8.83	54.76	29.37	74.99	•	ı	ı	
4	Products of Chemical & Allied Industries	1.59	06.0	0.56	0.36	3.36	23.72	34.08	645.16	263.60	8.22	(59.14)
2	Plastic & Rubber Products	0.09	0.03	0.11	00.0	0.04	0.09	0.01	0.02	2.28	0.07	9,314.13
9	Wood and Wood Products	4.52	0.03	0.03	0.73	0.56	1.35	0.97	0.77	3.87	0.12	405.44
_	Wood Pulp Products	0.64	0.63	0.94	00.00	0.20	0.65	00.00	60.0	1.11	0.03	1,160.35
∞	Textiles, Footwear & Hats/Headgear	3.35	09.0	0.09	0.34	0.32	0.79	0.54	4.70	2.90	0.00	(38.34)
တ	Articles of Stone, Plaster, Cement,	0.75	0.70	0.31	0.04	0.19	0.44	0.38	2.33	5.26	0.16	126.35
	Aspestos, ceramics & Glass											
10	Articles of Precious/Semi-precious Metals	28.69	0.03	0.04	0.15	00.00	00.00	1	0.00		,	(100.00)
	Base Metals and Articles of Base Metal	284.40	49.22	190.84	431.91	421.01	1,034.02	1,541.02	745.11	353.19	11.02	(52.60)
12	Machinery, Mechanical & Electrical											
	Appliances, Equipment & Parts & Aircraft	0.30	619.34	2,146.00	3,340.73	-	0.21	1	1	0.02	00.0	-
	Parts											
12.1	.1 Recorded or Unrecorded media (discs, tapes, smart cards)	00.00	619.29	2,145.97	3,340.73	1	1	1	•		1	1
13	Handicrafts, Works of Art, Philatelic	2.33	1.66	1.94	0.34	2.13	1.51	3.96	4.60	1.64	0.05	(64.31)
14		0 8 0	0.78	1 16	1 13	171	0.73	1 16	1 64	3 19	0.10	94 14
		1.110.62		3.323.13	5.107.98	1.792.78	2.873.79	3.783.55	3.427.96	3.205.70	100.00	(6.48)
ď			- 4						20.12.6			1-1-1-1

Source: Bhutan Trade Statistics, Department of Revenue & Customs. (Note: An entry of "0.0" indicates a marginal value compared to "-" which indicates no value for that particular item.)

TABLE 26. DIRECTION OF TRADE \*

Milliana of Naultrum			IAI	DLE 26. DIF	RECTION O	FIRADE				
Millions of Ngultrum	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Exports	200.	2000	2000	2010	2011	2012	2010	2014	2010	2010
India	22,723.7	21,480.0	22,434.4	26,000.9	26,378.0	26,627.35	28.979.16	31,801.45	31,801.35	32,052.42
Bangladesh	469.6	632.4	758.0	906.1	1,226.7	1,172.17	1,464.98	1,661.89	1,817.47	2,397.96
United States	15.6	15.1	9.7	7.6	4.7	10.78	25.33	30.66	292.88	171.20
Nepal	54.3	195.8	84.8	39.7	76.1	107.45	87.09	178.49	80.69	152.40
Germany	4.9	2.0	0.3	0.4	81.5	30.31	298.31	597.10	186.17	121.96
Hongkong	2,764.3	105.3	677.6	2,188.3	3,404.9	79.09	234.72	252.91	110.09	77.19
Greece	0.0						8.73			58.02
Netherlands	0.0	0.1	0.3	0.2	3.9	70.05	154.71	227.67	434.09	51.19
Thailand	1,092.9	4.7	1.9	4.7	4.7	5.59	28.93	32.49	23.06	40.61
Italy	4.4	0.0	0.1	15.5	119.3	124.97	191.13	477.66	152.18	26.96
Vietnam	0.1 21.2	0.3 66.0	2.7	0.4 132.5	0.2 130.1	3.78 113.73	1.93 65.67	9.33 14.06	4.14 16.76	26.20 22.13
Japan slovenia	21.2	00.0	2.7	132.5	1.6	3.96	05.07	14.00	10.70	18.32
Malaysia	0.1	0.8	2.1	0.3	0.8	8.25	13.67	12.32	10.98	16.04
China	2.0	12.5	1.6	0.3	6.2	2.47	1.56	4.07	1.92	8.50
Singapore	683.8	11.2	8.6	19.6	12.1	20.42	17.28	61.69	169.82	7.64
Taiwan	0.3	0.7	1.8	2.9	0.9	2.85	2.70	3.58	7.17	5.12
Canada	-	0.1	0.1	0.3	0.0	2.00	0.16	0.00	0.13	1.00
Indonesia	_	0.0	0.1	-	0.0	1.21	3.24	-	0.02	0.50
France	0.1	0.4	0.0	0.6	0.2	0.08	152.10	0.23	70.46	0.39
Others	21.8	63.3	8.5	4.2	34.1	35.62	121.56	219.42	49.93	2.36
Total Exports	27,859.1	22,590.6	23,992.7	29,324.0	31,485.9	28,420.13	31,852.95	35,585.00	35,229.31	35,258.11
Imports						,				
India	15,099.5	17,339.5	19,968.0	29,338.0	35,201.1	41,838.28	43,889.37	47,847.62	53,740.51	55,284.73
Thailand	224.9	410.8	348.9	988.1	1,223.7	740.65	1,080.89	812.15	1,168.95	1,486.73
China	402.7	844.7	487.3	611.0	878.3	1,330.17	1,089.31	949.86	1,333.48	1,476.22
Japan	460.1	1,098.9	558.5	845.1	1,536.6	1,260.75	295.68	1,401.10	1,466.62	1,298.87
South Korea	644.5	286.7	383.8	2,004.7	2,916.2	1,658.94	280.77	240.71	344.14	1,262.69
Singapore	1,109.7	964.8	744.0	903.0	1,844.5	783.47	969.73	724.56	1,391.27	1,206.31
Italy	60.3	63.9	179.1	186.7	641.6	305.36	193.07	314.41	111.37	444.30
Germany	125.4	285.0	222.7	362.0	639.2	223.89	304.20	478.37	416.77	407.65
France	30.1	86.4	172.6	196.3	33.1	37.50	60.99	29.44	3,548.88	407.41
United States	53.3	83.8	103.2	155.0	125.6	193.06	183.60	137.54	176.78	360.93
UAE	3.6	23.6	54.8	63.0	49.9	81.08	69.90	150.24	161.15	306.61
Sweden	306.2	240.7	462.4	550.3	581.4	609.16	816.95	244.20	732.84	260.20
Bangladesh	75.4 54.4	123.6 101.0	117.4 113.1	190.1 170.5	169.3 133.5	281.29 166.45	161.43 90.55	170.34 119.41	169.66 133.73	218.17 179.14
Hong Kong Malaysia	193.4	207.1	374.5	164.9	70.0	112.28	267.80	64.88	192.41	179.14
Saudi Arabia	74.0	90.2	74.2	99.5	115.9	80.58	174.46	221.25	271.55	159.87
Qatar	55.7	99.0	49.8	72.1	88.8	131.25	152.13	202.86	136.88	147.63
Finland	-	0.0	44.3	63.5	246.1	105.28	130.77	2.01	122.64	137.82
Russian Federation	731.4	206.2	6.3		-	113.67	48.70	63.64	44.61	127.23
Others <sup>1)</sup>	2,040.8	939.5	1,185.1	2,120.1	2,202.9	3,040.50	3,012.69	2,709.96	2,373.10	2,012.24
Total Imports	21,745.4	23,495.1	25,650.2	39,084.1	48,697.6	53,093.61	53,272.99	56,884.54	68,037.33	67,359.84
				Shar	e in percen	it				
Exports										
India	81.6	95.1	93.5	88.7	83.8	93.69	90.98	89.37	90.27	90.91
Bangladesh	1.7	2.8	3.2	3.1	3.9	4.12	4.60	4.67	5.16	6.80
United States	0.1	0.1	0.0	0.0	0.0	0.04	0.08	0.09	0.83	0.49
Nepal	0.2	0.9	0.4	0.1	0.2	0.38	0.27	0.50	0.23	0.43
Germany	0.0	0.0	0.0	0.0	0.3	0.11	0.94	1.68	0.53	0.35
Hongkong	9.9	0.5	2.8	7.5	10.8	0.28	0.74	0.71	0.31	0.22
Greece	0.0	0.0	0.0	0.0	0.0	-	0.03	-	-	0.16
Netherlands	0.0	0.0	0.0	0.0	0.0	0.25	0.49	0.64	1.23	0.15
Thailand	0.0	0.0	0.0	0.4	0.4	0.02	0.09	0.09	0.07	0.12
Italy	0.0	0.0	0.0	0.1	0.4	0.44	0.60	1.34	0.43	0.12
Others	4.1	0.7	0.1	0.5	0.6	0.19	0.45	0.67	0.20	0.27
Imports	60.4	72.0	77.0	75.4	72.2	70.00	92.20	94 44	79.00	92.07
India	69.4	73.8	77.8	75.1	72.3	78.80	82.39	84.11	78.99	82.07
Thailand	1.0	1.7	1.4	2.5	2.5	1.39	2.03	1.43	1.72	2.21
China	1.9		1.9	1.6	1.8	2.51	2.04	1.67	1.96	2.19
Japan South Koroo	2.1	4.7	2.2	2.2	3.2	2.37	0.56	2.46	2.16	1.93
South Korea	3.0	1.2	1.5 2.2	5.1 2.2	6.0	3.12	0.53	0.42	0.51	1.87
Singapore Italy	2.1 5.1	4.7 4.1	2.2	2.2	3.2 3.8	2.37 1.48	0.56 1.82	2.46 1.27	2.16 2.04	1.79 0.66
Germany	0.6		0.9	0.9	1.3	0.42	0.57	0.84	0.61	0.66
France	0.0	0.4	0.9	0.9	0.1	0.42	0.57	0.04	5.22	0.60
1 Tarioc	0.1	0.4	0.7	0.5	0.1	0.07	0.11	0.03	0.22	0.00

<sup>\*</sup>By latest year rankings. 1) Others include imports from COTI routed through India from 2012 onwards. An entry of "0.0" indicates a marginal value compared to "-" which indicates no value for that particular item. Source: Bhutan Trade Statistics, Department of Revenue and Customs.

6.0

4.5

0.36

5.79

0.34

7.19

0.24

0.26

0.54

United States

Others

12.9

3.2

6.5

TABLE 27. PUBLIC EXTERNAL DEBT: DISBURSEMENTS BY SECTOR

In millions of USD & Indian Rupees											
			2012/13	2013/14	114		2014/15		2015/16	2016/17	
Sector	Creditor	USD	Rupee	USD	Rupee	USD	Rupee	OSD	Rupee	USD	Rupee
Acriculture & Forcetty		3 52		2 63		2 82		1 87		05 0	
Market Access & Growth Intensification Divisor	IFAD	27.6		1 75		2 42		0 0		3	
Mainet Access & Growth International Polyace	1 1 1	2.7		2 0		27.7		0000			
Strg. Regional Cooperation for viviging Protection in Asia	World Bank	U.Z.I		0.88		0.40		0.50		0.00	
Commercial Agriculture & Resilient Ilvelinoous Enchancement	UA'							0.80		0.50	
Education		- 0.00									
Education Development Proj.	World Bank	٠		•		,		,		٠	
Financial Sector		0.02						•		•	
Financial Sector Dev. Proj.	ADB	0.05		•		•		•		1	
				Ì							
Transport & ICT		•				•		•		•	
Multi Sector		13.72		13.57		22.21		22.48		48.21	
Second Lirban Development Proj (II)	World Bank	3.01		26.0		1 25		1 06		0.65	
Remote Rural Communities Dev. Proj.	World Bank	0.31		5 69		. '				1 71	
Urban Infrastructure Project	ADB			2.13		0.19		0.13		1.57	
SASEC Trade Facilitation Prod	ADB	3.13		•		4 93					
Strengthening Economic Management Program	ADB					14.04		٠		,	
Additional Financing for LIDP II	World Bank			0 0		600		1 25		77.0	
Strongthoning Economic Management Drogram II/Ioan)new	ADB			5		63:0		2		10.07	
Circal Outhing Economic Management Flogram III(ban)hew	World Bank							. 00		20.5	
riscal dustainadhirt & Illyestilleir, ciilliate Dev. Policy Filiaticing	World Book							20.04			
DPC II Fiscal Sustainibility & Investment Climate	Wolld Ballh									23.69	
Industry										-	
		05 40	42 070 23	02 00	44 074 07	44.00	40 420 62	2 0	00 000 00	0.46	44 425 60
Ellergy	٥	20.43	13,076.23	20.00	14,271.27	77:41	10,129.02	0.70	30,003.33	9.10	1,455.09
Green Power Dev. Proj. (Special Operations)ADF	0 1	1.96		0.71						•	
Green Power Dev. Proj. (Ordinary Operations)OCR	ADB	2.03		0.72						•	
Green Power Dev. Proj - Additional Financing	ADB			29.03		5.99				•	
Green Power Dev. Prj.(Ordinary Operation-Tangsibji)	ADB							2.53		89.8	
2nd Green Power Dev. Prj.(Special Operation-Tangsibji)	ADB							•		0.40	
Dagachhu Hydroelectric Proj.	Govt. of Austria	9.08				7.11					
ification	Govt. of Austria	1.16		3.42				,		,	
	ACII/OIBI			7		0					
Pural Flooring on Distance (Disco II)	IBIC/IICA	10.01		5. 6.		22.0				000	
	cipal ac	5		2	1	0.90		0.02	000	00.00	0000
Funatsangcnnu-i Hydroelectinc Proj.	Govt. of India		5,821.00		4,050.57		5,685.62		11,120.00		2,000.00
Punatsangchhu-II Hydroelectnc Proj.	Govt. of India		5,240.40		4,675.60		6,955.33		6,503.17		8,494.69
Mangdechhu Hydroelectric Proj.	Govt. of India		2,814.83		4,939.10		5,488.67		12,386.82		941.00
				Ì	Ī						
Other			77,495.86					6.94	6,716.82		
GOI Line of Credit	Govt. of India		4,000.00								
OD Facility	SBI & PNB		96.085.96				•		•		
RBI SWAP	RBI		5,409.90		•		•		6,716.82		•
Bhutan Hydropower Services Ltd	DEG							6.94			
TOTAL		42.72	91,372.09	52.75	14,271.27	39.25	18,129.62	34.44	36,726.81	57.88	11,435.69
Other Loans."								10.00		20.00	
Bhutan Ventures Hospitality Pvt Itd								10.00		20.00	
								:			:
TOTAL (Publicly + Non-Publicly Guaranteed Debt)		42.72	91,372.09	52.75	14,271.27	39.25	18,129.62	44.44	36,726.81	77.88	11,435.69

TABLE 28. EXTERNAL DEBT SERVICING BY SECTOR

In Millions of USD and Rupees											
Š		2012/13	9/13	2013/14	4	2014/15	/15	2015/16	9/16	2016/17	117
2000		USD	Rupee	OSD	Rupee	OSD	Rupee	USD	Rupee	OSD	Rupee
Acriculture & Ecreetmy	Interest	0.40		0.41		0.39		0.38		0.38	
Agricultule & Polestry	Principal	1.37		1.44		1.42		1.80		1.76	
2 2 3 3 4 1 1	Interest	0.52		0.51		0.45		0.40		0.42	
Education	Principal	1.00		1.69		1.60		1.54		1.51	
	Interest	0.23		0.23		0.21		0.24		0.24	
rilialicial Sector	Principal	0.28		0.28		0.62		0.96		0.94	
Tonsact & ICT	Interest	0.54		0.48		0.53		0.46		0.48	
200000000000000000000000000000000000000	Principal	2.49		3.24		3.53		3.38		2.60	
3 ( ) ( ) ( ) ( ) ( ) ( ) ( ) ( ) ( ) (	Interest	0.98		1.65		1.78		2.18		2.30	
Maiii Sector	Principal	1.27		1.29		1.68		2.27		2.18	
Indiietro	Interest	0.02	235.96	0.02	195.06	0.04	140.87	0.04	66'6	0.04	•
, and a second	Principal	0.29	285.71	0.29	288.60	0.27	286.87	0.26	987.38	0.26	•
	Interest	3.96	1,937.86	4.98	1,445.41	5.51	1,445.41	5.53	1,344.56	5.14	1,243.71
Ellergy	Principal	4.84	2,329.96	5.27	1,529.26	7.23	1,529.26	9.17	1,435.92	10.18	1,342.59
20130	Interest	0.15	1,235.00	0.14	58.85	0.12	456.58	0.11	349.76	0.39	499.13
	Principal	0.84	76,873.39	0.84	5,409.90	0.81	3,000.00	0.77	•	0.76	6,716.82
GOI Line of Credit	Interest		353.29		497.26		456.58		349.76		345.93
	Principal		•		•		3,000.00		•		•
OD Facility	Interest		806.71		•		•		•		•
	Principal		76,873.39		•				•		•
RBI SWAP	Interest		75.00		71.59		•		•		153.20
	Principal		-		5,409.90				-		6,716.82
Total Bublic External Loans	Interest	6.83	3,408.81	8.43	2,209.31	9.03	2,042.85	9.34	1,704.31	9.39	1,742.84
Total Fublic External Edgils	Principal	12.38	79,489.07	14.34	7,227.76	17.15	4,816.13	20.15	2,423.30	20.18	8,059.41
Drivate Sector Leans	Interest	0.41		0.26		0.16		0.47		1.27	
	Principal	2.46		2.96		2.25		0.32			
TOTAL (Public + Private)	Interest	7.23	3,408.81	8.69	2,209.31	9.19	2,042.85	9.81	1,704.31	10.66	1,742.84
	Principal	14.84	79,489.07	17.31	7,227.76	19.40	4,816.13	20.47	2,423.30	20.18	8,059.41
GRAND TOTAL (Interest + Principal)	Total	22.08	82,897.88	26.00	9,437.08	28.59	6,858.98	30.28	4,127.61	30.84	9,802.25

source: Department of Public Accounts, RMA and Private sector.

TABLE 29. RUPEE DEBT INDICATORS

Millions of Indian Rupees										
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Total INR Debt Outstanding	18.948.37	21.400.71	22.777.91	34.062.30	45.550.87	61.341.72	67.870.15	81.183.64	115.393.81	118.770.09
Hydronower Debt	17 320 25	17 483 39	18 277 57	24 647 54	32 546 30	44 368 96	56 595 90	73 196 26	101 676 99	111 770 09
Chhikha	000	000	000	00 0	000	00 0	000	0 0	00 0	0.00
2 - 4	4 402 22	1 206 67	4 420 00	00:00	746.67	00:0	02:00	106.67	0000	00:0
Varicina	1,493.33	1,300.07	1, 120.00	955.55	/40.0/	00.000	5/3.33	100.00	00:00	00.00
Tala	15,346.92	13,951.74	12,556.57	11,161.40	9,766.22	7,384.25	6,041.66	4,699.07	3,356.48	2,013.89
Punatsangchhu - I	480.00	2,224.98	4,601.00	10,169.50	15,260.50	21,596.57	25,738.07	31,423.69	42,543.69	44,543.69
Punatsangchhu - II				1,638.00	4,113.00	9,353.40	14,029.00	20,984.33	27,487.50	35,982.19
Mangdechhu				745.31	2,659.91	5,474.74	10,413.84	15,902.51	28,289.33	29,230.33
Non-hydropower Debt	1,628.12	3,917.32	4,500.34	9,414.76	13,004.57	16,972.76	11,274.25	7,987.38	13,716.82	7,000.00
GOI Line of Credit		3,000.00	3,000.00	3,000.00	6,000.00	10,000.00	10,000.00	7,000.00	7,000.00	7,000.00
OD Facility	1,628.12	917.32	1,500.34	4,914.75	5,156.00	00:00	00.0	00.0	00.0	00:00
RBI SWAP						5,409.90	00.00	00.00	6,716.82	00.00
Dungsam Cement Corp Ltd				1,500.00	1,848.57	1,562.86	1,274.25	987.38	00.00	0.00
Debt Service Payments	4,245.66	7,741.92	7,481.38	16,522.47	44,804.34	82,897.88	9,437.08	6,858.98	4,127.61	9,802.25
Principal	2,697.14	6,143.48	5,795.21	14,696.90	42,413.35	79,489.07	7,227.76	4,816.13	2,423.30	8,059.41
Interest	1,548.52	1,598.43	1,686.17	1,825.57	2,390.99	3,408.81	2,209.31	2,042.85	1,704.31	1,742.84
Debt Service Ratio (%)	19.18	33.14	32.68	63.50	158.68	285.34	30.11	20.69	12.58	27.55
Interest Payments / Export of	66.9	6.84	7.36	7.02	8.47	11.73	7.05	6.16	5.19	4.90
Goods & Services (INR)										
Principal Repayments / Exports	12.18	26.30	25.31	56.48	150.21	273.60	23.06	14.52	7.38	22.65
Debt Outstanding/GDP (%)	38.31	39.09	37.21	46.98	53.62	62.94	64.41	67.91	87.41	79.88

Source: Department of Public Accounts & RMA

TABLE 30. CONVERTIBLE CURRENCY DEBT INDICATORS

Millions of US Dollars			·		,	,	,		
Items	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
:						10000	70	0000	
Debt Outstanding	196.89	237.09	338.00	524.73	579.32	628.95	581.21	609.00	663.22
				516.00					
Debt Service Payments	12.68	22.04	21.43	22.77	22.08	26.00	28.59	30.28	30.84
Principal	8.49	11.62	14.92	14.76	14.84	17.31	19.40	20.47	20.18
Interest	4.19	10.42	6.51	8.02	7.23	8.69	9.19	9.81	10.66
Debt Service Ratio (%)	16.45	21.44	12.38	14.48	15.84	17.40	16.84	20.84	16.82
Interest Payments / CC Exports of Goods & Services	5.43	10.14	3.76	5.10	5.19	5.82	5.34	6.75	6.29
Principal Repayments/ CC Exports of Goods & Services	11 01	11 30	8 62	0 38	10.65	ر 1 ک	11.07	14.09	11 01
		)	i ) ;	)			İ	) : -	
Debt Outstanding/GDP (%)	17.18	18.07	20.85	34.78	35.49	35.87	31.00	31.19	28.76

Source: Department of Public Accounts & private sector companies.

TABLE 31. BHUTAN'S OUTSTANDING EXTERNAL DEBT - FISCAL YEAR POSITION

		C								
Item		КU	Kupee/Nguitrum Million	n Million				<b>USD Million</b>		
	2012/13	2013/14	2014/15	2015/16	2016/17	2012/13	2013/14	2014/15	2015/16	2016/17
1. Convertible Currency Debt	34585.02	37795.56	37055.03	41178.49	42759.00	579.32	628.95	581.21	00.609	663.22
<b>Public</b> World Bank	<b>34209.85</b> 10282.40	<b>37598.12</b> 10952.37	<b>37010.21</b> 10542.53	<b>40502.32</b> 12507.16	<b>40824.86</b> 13475.71	<b>573.03</b> 172.24	<b>625.66</b> 182.26	<b>580.51</b> 165.36	<b>599.00</b> 184.97	<b>633.22</b> 209.02
IFAD A D B	2145.82	2278.60	2304.61	2442.71	2275.99	35.94	37.92	36.15	36.13	35.30
ADB KFAED	0.00	-	00.0	0.00	0.00	0.00	00.0	00.0	0.00	0.00
Govt of Austria	5648.38	290	5163.43	4918.12	4315.46	94.61	98.23	80.99	72.74	66.94
Govt. of Denmark	355.53		139.19	48.83	00.00	5.96	4.44	2.18	0.72	0.00
JICA	2469.23	2586.98	2337.25	2997.52	2593.68	41.36	43.05	36.66	44.33	40.23
Deutsche Investition				472.93	463.56				6.99	7.19
Private	375.16	197.44	44.82	676.17	1934.15	6.28	3.29	0.70	10.00	30.00
2. Rupee Debt	61341.72	67870.15	81183.64	115393.81	118770.09	1027.51	1129.41	1273.37	1706.59	1842.21
Hydropower debt	44368.96	56595.90	73196.26	101676.99	111770.09	743.20	941.80	1148.09	1503.73	1733.64
Tala	7384.25	6041.66	4699.07	3356.48	2013.89	123.69	100.54	73.71	49.64	31.24
Punatsangchhu-l	21596.57	25738.07	31423.69	42543.69	44543.69	361.75	428.30	492.88	629.19	690.91
Punatsangchhu-II	9353.40	14029.00	20984.33	27487.50	35982.19	156.67	233.45	329.14	406.52	558.11
Mangdechhu	5474.74	10413.84	15902.51	28289.33	29230.33	91.70	173.29	249.43	418.38	453.38
Other					1					
GOI Line or Credit	10000.00	1000	7000.00	7000.00	7000.00	167.51	166.41	109.80	103.52	108.58
OD Facility	0.00		00.0	00.0	0.00	00.00	0.00	0.00	0.00	0.00
KBI Swap	5409.90	0.00	0.00	6716.82	0.00	90.62	0.00	0.00	99.34	0.00
	1302.00	12/4.23	000	00		20.10	21.20	- - - - -	9.5	0.00
Total (CC + Rupee)	95926.73	105665.71	118238.67	156572.31	161529.09	1606.83	1758.36	1854.58	2315.59	2505.43
Convertible Currency Debt  As a % of Total Debt						36.05	35.79	31.34	26.30	26.47
Rupee Debt As a % of Total Debt	63.95	64.23	99.89	73.70	73.53					
Total Loans in % of GDP	98.43	100.27	98.91	118.60	108.64					
Nominal GDP(Calendar Year) Exchange Rate	97452.96	105378.35	119545.75	132021.30	148678.93					
Ngultrum/USD exchange rate	59.70	60.09	63.75	67.62	64.47					

Note: Debt data published by the RMA include the total external debt of the country (public + private) and are therefore not comparable to data published by the Ministry of Finance which covers only public debt. Furthermore, the RMA uses calendar year GDP figures for all ratios to the GDP. Hydropower debt excludes accrued interest.

Source: Department of Public Accounts, Royal Monetary Authority of Bhutan & private sector enterprises.

# TABLE 32A: EXCHANGE RATE, NGULTRUM/US DOLLAR

#### **Period Average**

					Ye	ar				
Period	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Jan	39.37	48.83	45.96	45.39	51.35	54.31	62.08	62.14	67.29	68.09
Feb	39.73	49.26	46.33	45.44	49.16	53.75	62.25	62.03	68.24	66.74
Mar	40.36	51.23	45.50	44.99	50.32	54.39	61.01	62.45	67.02	65.92
Apr	40.02	50.06	44.50	44.37	51.80	54.38	60.36	62.75	66.47	64.51
May	42.13	48.53	45.81	44.90	54.44	55.03	59.31	63.81	66.89	64.41
Jun	42.82	47.77	46.56	44.85	56.03	58.33	59.73	63.86	67.30	64.44
Jul	42.84	48.48	46.84	44.42	55.50	59.78	60.06	63.65	67.22	
Aug	42.94	48.34	46.57	45.28	55.56	63.21	60.90	65.07	66.94	
Sep	45.56	48.44	46.06	47.64	54.61	63.64	60.88	66.19	66.74	
Oct	48.66	46.72	44.41	49.26	53.02	61.63	61.35	65.08	66.76	
Nov	49.00	46.57	45.02	50.84	54.78	62.71	61.68	66.05	67.53	
Dec	48.63	46.63	45.16	52.67	54.65	61.95	62.71	66.60	67.90	
Calendar year average	43.51	48.41	45.73	46.67	53.43	58.59	61.03	64.14	67.19	
Fiscal year	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
average	40.37	47.78	46.65	45.33	50.27	54.86	61.47	62.05	66.32	66.43

Source: International Financial Statistics, IMF.

TABLE 32B: EXCHANGE RATE, NGULTRUM/US DOLLAR

**End of Period** 

					Yea	ar				
Period	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
January	39.395	49.02	49.02	45.950	49.68	53.29	62.48	61.76	67.88	67.81
February	39.925	50.73	50.73	45.180	48.94	53.77	62.07	61.79	68.62	66.74
March	39.985	50.95	50.95	44.650	51.16	54.39	60.10	62.59	66.33	64.93
April	40.46	50.22	50.22	44.380	52.52	54.22	60.34	63.58	66.52	64.22
May	42.585	47.29	47.29	45.030	56.42	56.50	59.03	63.76	67.20	64.63
June	42.95	47.87	47.87	44.720	56.31	59.70	60.09	63.75	67.62	64.47
July	42.485	48.16	48.16	44.155	55.81	61.12	60.25	64.01	67.03	
August	43.785	48.88	48.88	46.019	55.72	66.57	60.47	66.31	66.98	
September	46.935	48.04	48.04	48.925	52.70	62.78	61.61	65.74	66.66	
October	49.245	46.96	46.96	48.873	54.12	61.41	61.41	65.22	66.86	
November	49.84	46.48	46.48	52.165	54.53	62.36	61.87	66.81	68.53	
December	48.455	46.68	46.68	53.260	54.85	62.00	63.33	66.33	67.95	

TABLE 33: EXCHANGE RATE, JAPANESE YEN /US DOLLAR

Period Average

r criou Average						Year					
Period	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Jan	120.58	107.66	90.48	91.16	82.61	76.98	89.16	103.94	118.31	118.31	114.75
Feb	120.45	107.16	92.50	90.28	82.50	78.39	93.17	102.16	118.56	115.09	113.07
Mar	117.28	100.79	98.16	90.52	81.79	82.44	94.75	102.27	120.39	113.07	113.06
Apr	118.87	102.54	99.00	93.38	83.35	81.49	97.71	102.56	119.55	109.97	110.06
May	120.73	104.14	96.30	91.77	81.26	79.72	101.08	101.79	120.69	109.06	112.33
Jun	122.62	106.90	96.52	90.92	80.51	79.32	97.43	102.05	123.75	105.49	110.86
Jul	121.59	106.81	94.50	87.71	79.40	78.98	99.67	102.78	123.24	103.97	
Aug	116.72	109.28	94.84	85.47	77.22	78.67	97.87	102.96	123.23	101.27	
Sep	115.02	106.75	91.49	84.39	76.84	78.17	99.28	107.24	120.29	101.94	
Oct	115.74	100.33	90.29	81.87	76.77	78.97	97.85	108.06	120.06	103.82	
Nov	111.21	96.68	89.19	82.48	77.58	80.79	99.79	116.02	122.53	107.62	
Dec	112.25	91.32	89.56	83.43	77.86	83.58	103.41	119.31	121.92	115.90	
Calendar year average	117.76	103.36	93.57	87.78	79.81	79.79	97.60	105.93	121.04	108.79	
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Fiscal year average (+)	118.52	110.14	98.68	91.49	83.11	78.67	87.70	101.05	114.80	116.86	109.05

Sources: International Financial Statistics, IMF and Bank of Japan Website.

TABLE 34: EXCHANGE RATE, EURO /US DOLLAR

Period Average

					Yea	ar				
Period	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Jan	0.679	0.755	0.701	0.749	0.775	0.753	0.735	0.862	0.921	0.941
Feb	0.678	0.782	0.731	0.733	0.756	0.749	0.732	0.881	0.902	0.939
Mar	0.644	0.767	0.736	0.714	0.758	0.771	0.723	0.923	0.901	0.936
Apr	0.635	0.758	0.746	0.692	0.760	0.768	0.724	0.928	0.882	0.933
May	0.643	0.734	0.796	0.697	0.782	0.770	0.728	0.896	0.883	0.906
Jun	0.643	0.714	0.819	0.695	0.798	0.757	0.736	0.892	0.891	0.891
Jul	0.634	0.710	0.783	0.702	0.814	0.764	0.739	0.910	0.904	
Aug	0.668	0.701	0.776	0.697	0.807	0.751	0.751	0.898	0.892	
Sep	0.696	0.687	0.765	0.727	0.778	0.749	0.775	0.891	0.892	
Oct	0.752	0.675	0.720	0.730	0.771	0.733	0.789	0.891	0.907	
Nov	0.785	0.671	0.732	0.738	0.780	0.742	0.802	0.930	0.924	
Dec	0.734	0.685	0.757	0.759	0.758	0.730	0.811	0.919	0.949	
Calendar year										
average	0.683	0.720	0.755	0.719	0.778	0.753	0.754	0.902	0.904	
Fiscal year	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
average (+)	0.681	0.732	0.721	0.734	0.748	0.773	0.737	0.837	0.902	0.918

Sources: International Financial Statistics, IMF and European Central Bank Website.

**TABLE 35. SUMMARY OF BUDGETARY OPERATIONS** 

**Ngultrum** in Million

Ngultrum in Million	Year					
ltem	2012/13	2013/14	2014/15	2015/16	2016/17 (r)	2017/18 (est.)
Total Revenue	21,093.48	23,582.77	26,276.03	27,149.69	29,993.03	34,700.36
Tax	15,403.12	16,182.77	18,387.34	19,884.63	21,078.49	24,444.48
Non-tax	5,698.57	7,061.84	6,753.69	8,149.19	8,089.44	10,255.88
Others	(8.21)	338.16	1,135.00	(884.12)	825.10	-
Grants	9,562.64	14,236.35	9,955.02	14,889.61	17,897.05	16,702.54
From India	4,693.40	10,684.43	6,593.76	10,721.70	12,688.83	13,845.37
Others	4,869.23	3,551.92	3,361.26	4,167.91	5,208.22	2,857.17
Total Revenue and Grants	30,656.12	37,819.12	36,231.05	42,039.30	47,890.08	51,402.89
Expenditure (1)	34,900.81	33,522.83	34,334.26	43,603.00	54,380.43	55,850.26
Current	18,096.55	17,941.15	21,032.04	22,880.59	25,670.60	28,569.67
Capital <sup>(1)</sup>	16,804.26	15,581.68	13,302.22	20,722.41	28,709.83	27,280.59
Budget surplus or Deficit (-)	(4,244.69)	4,296.29	1,896.79	(1,563.70)	(6,490.35)	(4,447.37)
Financing Transactions (2)	4,244.69	(4,296.29)	(1,896.79)	1,563.70	6,490.35	4,447.37
External borrowings (Net of Principal repayments)	667.61	(867.01)	(911.11)	(1,031.65)	1,012.24	(338.33)
Internal borrowings (Net of principal repayments	(175.30)	(175.30)	(175.30)	(183.83)	(9.19)	(9.91)
Cash and bank balances <sup>(3)</sup>	3,752.39	(3,253.98)	(810.39)	2,779.18	5,487.30	4,795.61
Others	_	-	_	_	_	_

Source- National Budget Report: 2017-18 and Annual Financial Statements: 2015-16, Ministry of Finance. Figures may not add due to rounding. (1) Includes:Net Lending and Advance/Suspense (Net) (2) Financing transactions by definition must equal the budget deficit or surplus on revenue/grant/expenditure which they finance. Negative financing transactions depicts net repayment of borrowings or increase in cash or bank balances. (3) Resource Gap.

Others: other receipts.

TABLE 36A. Information on Listed Companies

Company*		Paid Up	No. of	C 4-clin of	Good William	Market	Profits	Reserves	Book	Earnings	PE	:	Dividend	Return
(Year of	Kererence Year	Capital	Share-	Market Price (Nu)	lice (Mu)	Capitalization	Nu. in	Nu. in	Value	Per Share	Ratio	Dividend (%)	Yield	on Capital
Listing)		Nu. in Mill	holders	High	Low	Nu. in Mill.	Mill.	Mill.	Nu.	Nu.			(%)	(ROC)
BCCL	2013	100.0	259	770.0	770.0	770.0	46.3	472.3	572.3	46.3	16.7	40.0	5.2	0.1
1993	2014	100.0	259	77.0	0.77	770.0	73.7	206.0	9.09	7.4	10.4	40.0	5.2	0.1
	2015	100.0	260	75.0	75.0	750.0	(51.3)	414.7	51.5		(14.6)	10.0	1.3	(0.1)
	2016	100.0	263	75.0	75.0	750.0	(0.06)	314.7	41.5	(0.6)	٠	•		(0.2)
RICBL	2013	240.0	1,506	700.0	700.0	1,680.0	365.2	1,524.6	735.2	152.2	4.6	45.0	6.4	0.2
1993	2014	480.0	1,494	70.0	57.0	2,736.0	401.6	2,205.9	56.0	8.4	8.9	35.0	6.1	0.2
	2015	1,200.0	1,493	57.0	25.0	4,512.0	510.6	1,868.6	25.6	4.3	8.8	20.0	9.3	0.2
	2016	1,200.0	1,484	46.0	35.0	4,800.0	472.7	2,097.7	27.5	3.9	10.2	25.0	6.3	0.1
PCAL	2013	340.0	1,447	700.0	700.0	2,380.0	272.0	727.8	314.1	80.0	8.8	0.06	12.9	0.3
1993	2014	340.0	1,425	80.0	70.0	2,380.0	208.0	993.8	37.5	6.1	11.4	80.0	11.4	0.2
	2015	340.0	1,417	65.0	52.0	2,040.0	118.8	782.6	33.0	3.5	17.2	35.0	5.8	0.1
	2016	340.0	1,418	0.09	51.6	1,754.0	183.3	846.9	34.9	5.4	9.6	70.0	13.6	0.2
BFAL	2013	150.0	43	1	1	0.006	115.8	734.1	589.4	77.2	7.8	65.0	10.8	0.1
1995	2014	150.0	43	1	1	0.006	189.4	838.9	62.9	12.6	4.8	75.0	12.5	0.2
	2015	150.0	43	1	•	0.006	66.5	792.9	62.9	4.4	13.5	40.0	6.7	0.1
	2016	150.0	43	0.09	0.09	0.006	2.0	722.0	58.1	0.1	428.6	٠		1
BBPL	2013	140.0	487	100.0	100.0	140.0	45.7	162.9	216.3	32.7	3.1	10.0	10.0	0.2
1993	2014	140.0	480	1	1	140.0	6.2	154.2	21.0	0.4	22.5	7.0	7.0	0.0
	2015	140.0	479	10.0	10.0	140.0	7.5		20.9	0.5	18.7	8.0	7.0	0.0
	2016	140.0	477	10.0	10.0	140.0	9.7	150.5	20.8	0.5	18.5	•		0.0
BTCL	2013	20.9	156	400.0	400.0	83.8	30.1	173.7	929.4	143.6	2.8	25.0	6.3	0.2
1994	2014	20.9	155	40.0	40.0	83.8	34.3	188.7	100.1	16.4	2.4	15.0	3.8	0.2
	2015	20.9	156	40.0	40.0	83.8	37.4	230.0	119.8	17.9	2.2	1	3.8	0.2
	2016	20.9	156	-	-	83.8	30.1	256.0	132.3	14.4	2.8	30.0	7.5	0.1
BNBL	2013	2,534.4	4,519	335.0	335.0	8,490.2	482.7	3,205.7	226.5	19.1	17.6	7.7	2.3	0.1
1996	2014	3,548.1	4,521	39.0	25.0	9,934.6	744.4	3,330.3	19.4	2.1	13.4	10.0	3.6	0.1
	2015	3,548.1	4,514	31.0	23.0	10,289.4	789.6	3,820.8	20.8	2.2	13.0	14.1	4.9	0.1
	2016	3,291.9	4,514	30.0	27.0	8,888.2	702.3	3,534.1	20.7	2.1	12.7	13.4	5.0	0.1
BPCL	2013	24.9	128	1	ı	24.9	4.0	42.6	270.9	16.0	6.2	8.0	8.0	0.1
1997	2014	24.9	127	1	•	24.9	2.0	36.2	18.0	2.0	2.0	•	•	0.1
	2015	24.9	128	•	٠	24.9	14.5	34.4	23.8	2.8	1.7	15.0	150.0	0.2
	2016	24.9	129	10.0	10.0	24.9	11.0	41.7	26.7	4.4	2.3	25.0	25.0	0.2
STCBL	2013	180.0	137	200.0	200.0	360.0	4.6	0.36	152.8	2.6	78.4	•		0.0
1997	2014	180.0	134	1	1	360.0	7.9	102.9	15.7	0.4	45.6	1	1	0.0
	2015	180.0	136	17.2	17.2	9.608	71.8	174.2	19.7	4.0	4.3	15.0	1	0.2
	2016	180.0	137	18.0	17.5	315.0	82.5	228.9	22.7	4.6	3.8	18.0	10.3	0.2
DSCL	2013	91.3	1,267	1	I	273.9	111.8	140.9	254.3	122.5	2.5	100.0	33.3	0.5
1998	2014	91.3	1,266	1	1	273.9	124.7	219.9	34.1	13.7	2.2	125.0	41.7	0.4
	2015	91.3	1,265	1	•	273.9	126.7	188.1	30.6	13.9	2.2	130.0	43.3	0.5
	2016	91.3	1,262	-	-	273.9	101.7	261.2	38.6	11.1	2.7	80.0	26.7	0.3
Note: An en	itry of "0.0" in	Note: An entry of "0.0" indicates a marginal value compared to "-" which indicates no value for that particular item.	nal value co	mpared to	"-" which it	ndicates no valu	ue for that	particular ite	m.					

TABLE 36B. Information on Listed Companies

Company*	Reference	Paid Up	No. of	Market Price (Nu)	ice (Nu)	Market	Profits No. in	Reserves	Book	Earnings	PE	Dividend	Dividend	Return
Listing)	Year	Nu. in Mill.	holders	High	Low	Nu. in Mill.	M	Mill.	Nu.	Nu.	Natio	(%)	(%)	(ROC)
DPOP	2013	10.0	214	,		20.0	1.8	17.3	273.4	18.0	11.1	10.0	5.0	0.1
2001	2014	10.0	214	,	•	20.0	0.4	17.7	27.7	0.4	51.4	•	•	0.0
	2015	10.0	214	'	'	20.0	0.4	18.2	28.2	0.4	47.6	٠	٠	0.0
	2016	10.0	214	1		20.0	(2.1)	16.0	26.0	(2.1)	(9.4)		٠	(0.1)
EBCC	2013	52.1	1,069	344.0	344.0	179.2	138.8	419.3	904.8	266.4	1.3	200.0	58.1	0.3
2005	2014	52.1	1,062	40.0	35.0	208.4	248.7	563.8	118.2	47.7	0.8	300.0	75.0	0.4
	2015	52.1	1,059	40.0	40.0	208.4	174.2	581.7	121.7	33.4	1.2	200.0	20.0	0.3
	2016	52.1	1,053	40.0	40.0	208.4	159.4	632.3	131.4	30.6	1.3	200.0	20.0	0.2
KCL	2013	20.0	233	120.0	120.0	0.09	0.9	104.1	308.3	12.1	10.0		1	0.0
2007	2014	20.0	233	1	1	0.09	17.9	111.8	32.4	3.6	3.4	12.0	10.0	0.1
	2015	20.0	232	12.0	12.0	0.09	27.1	129.8	36.0	5.4	2.2	18.0	15.0	0.2
	2016	20.0	231	12.0	12.0	0.09	25.4	146.9	39.4	5.1	2.4	18.0	15.0	0.1
DWAL	2013	194.0	496	450.0	450.0	873.0	132.7	112.9	158.2	68.4	2.0	20.0	11.1	0.4
2008	2014	194.0	494	45.0	38.7	750.8	151.3	128.0	16.6	7.8	15.2	70.0	18.1	0.5
	2015	203.7	494	38.0	38.0	774.1	51.1	135.4	16.7	2.5	15.2	15.0	4.0	0.2
	2016	203.7	498	38.0	38.0	774.1	39.3	143.4	17.0	1.9	19.7	20.0	5.3	0.1
JMCL	2013	6.95	418	850.0	850.0	483.5	132.1	299.2	626.0	232.3	3.7	125.0	14.7	0.4
2008	2014	6.95	420	92.0	0.06	511.9	151.9	365.7	74.3	26.7	3.4	150.0	16.7	0.4
	2015	6.95	416	78.0	71.0	403.8	212.5	569.2	110.1	37.4	1.9	200.0	28.2	0.3
	2016	39.8	417	80.0	80.0	318.5	226.4	887.9	233.0	56.9	1.4	200.0	62.5	0.2
BIL	2013	200.0	4,395	162.0	162.0	324.0	44.1	69.2	134.6	22.1	7.3	10.0	6.2	0.2
2009	2014	200.0	4,370	19.5	13.2	390.0	47.1	116.3	15.8	2.4	8.3	9.4	4.8	0.2
	2015	200.0	4,318	24.0	17.5	440.0	67.5	164.9	18.3	3.4	6.5	16.8	7.6	0.2
	2016	200.0	4,294	27.0	21.0	540.0	98.7	229.8	21.5	4.9	5.5	27.0	10.0	0.2
DFAL	2013	289.8	459	300.0	300.0	869.3	67.1	71.9	124.8	23.2	13.0	20.0	6.7	0.2
2009	2014	289.8	457	28.0	25.0	811.4	102.5	116.4	14.0	3.5	7.9	30.0	10.7	0.3
	2015	289.8	459	24.0	24.0	695.5	2.6	203.7	17.0	0.1	270.6	٠	٠	0.0
	2016	289.8	459	24.5	22.0	637.5	39.2	231.8	18.0	1.4	16.3	11.0	2.0	0.1
DPNBL	2013	449.4	22,378	297.0	297.0	1,334.7	97.1	186.3	141.5	21.6	13.8	7.0	2.4	0.2
2010	2014	449.7	22,253	30.0	20.0	6.996	9.66	286.7	16.4	2.2	9.7	8.0	3.7	0.1
	2015	450.0	22,143	25.0	17.5	922.5	129.0	379.7	18.4	2.9	7.2	٠	٠	0.2
	2016	450.0	22,050	24.0	19.0	945.0	176.4	557.6	22.4	3.9	9.7	10.0	2.6	0.2
TBL	2013	300.0	7,955	150.0	150.0	450.0	18.9	74.1	124.7	6.3	23.9	٠	٠	0.1
2011	2014	300.0	7,864	17.0	11.5	435.0	36.7	93.0	13.1	1.2	11.9	2.7	3.9	0.1
	2015	300.0	7,756	17.0	13.0	390.0	36.8	112.7	13.8	1.2	10.6	2.7	4.4	0.1
	2016	300.0	7,703	16.0	14.0	480.0	50.1	165.3	15.5	1.7	9.6	٠	•	0.1
DPL	2013	82.7	14,833	240.0	230.0	198.5	(24.9)	(44.1)	46.7	(30.1)				(0.6)
2013	2014	82.7	14,487	30.0	15.5	140.6	(28.1)	(72.2)	1.3	(3.4)	٠	٠	٠	(2.7)
	2015	82.7	14,416	19.0	16.0	157.2	(5.3)	(51.4)	3.8	(0.6)	٠	•	٠	0.1
	2016	82.7	14,359	19.0	17.0	157.2	(19.8)	(92.6)	(1.6)	(2.4)	•	•	٠	1.5
GBRL	2014	200.0	1,230	12.0	10.0	0.009	(27.8)	(28.9)	9.4	(0.6)	,	,		(0.1)
2014	2015	200.0	1,157	12.0	10.5	0.009	15.1	14.3	9.7	0.3	٠	٠	٠	0.0
	2016	200.0	1,138	14.0	12.0	675.0	23.4	9.1	10.2	0.5	28.9	•	•	0.1
Source: Royal \$	Securities Excha	source: Royal Securities Exchange of Bhutan. Formula used : 1) Book Value = Capital + Reserves/ No. of Shares. 2) EPS = Net Profit No. of Shares. 3) PE = Market Price/ EPS. 4) Return on Capital = Net Income.	ormula used: 1	) Book Value =	Capital + Res	erves/ No. of Share	s. 2) EPS = N	et Profit/No. of	Shares. 3) PI	= = Market Pri	ce/ EPS. 4	1) Retum on	Capital = Net	Income/

Source: Royal Securities Exchange of Bhutan. Formula used: 1) Book Value = Capital + Reserves/No. of Shares. 2) EPS = Net Profit/No. of Shares. 3) PE = Market Price/ EPS. 4) Return on Capital = Net Income/ (Equity + Reserves). 5) Dividend Yield = Dividend X 100/ Book Value Per Share.

(\*) BCCL-Bhutan Carbide & Chemicals Ltd; RCBL-Royal Insurance Corporation of Bhutan; PCAL-Penden Cement Authority Ltd; BFAL-Bhutan Ferro Alloys Ltd; BBPL-Bhutan Board Products Ltd; BTCL-Bhutan Tourism Corporation Ltd; DSCL-Druk Statir Corporation Ltd; DSCL-Druk Plaster & Chemicals Ltd; EBCC-S. D Eastern Bhutan Coal Company Ltd; KCL-Kuensel Corporation Ltd; DWAL-Druk Wang Alloys Ltd; JMCL-Jigme Mining Corporation Ltd; BLL-Bhutan in Surance Corporation Ltd; DFAL-Druk Ferro Alloys Ltd; DPNBL-Druk PNB Bank Ltd; TBL-TBank Ltd; DPL-Dungsam Polymers Ltd; GBRL - GIC Bhutan Re Ltd.

# SECTION V ANNEXURES

# CHRONOLOGY OF MAJOR FINANCIAL SECTOR DEVELOPMENTS

Year	<b>Developments</b> ANNEX	ΧI
1982	The <b>RMA Act</b> was passed during the 56 <sup>th</sup> session of the National Assembly in <b>August 1982.</b>	
1983	The RMA commenced operations from April 1, 1983by taking over the issue of the natio currency, the management of external reserves, and foreign exchange operations.	nal
1984	The Cash Reserve Ratio was introduced for liquidity management and prudential purposes.	
1988	In March 1988, the RMA took over the additional function of banker to the Government, holding the bulk of government deposits, and to provide short term advances to the Government whenever necessary.	-
1992	The <b>Financial Institutions Act</b> , <b>1992</b> was passed by the National Assembly in <b>November 19</b> to provide the RMA with the necessary legal framework to issue licenses to financial institution and to regulate, supervise, and inspect their operations.	
	The FI Act 1992 is superseded by the <b>Financial Services Act of Bhutan</b> , <b>2011</b> .	
1993	The RMA initiated the establishment of the <b>Royal Securities Exchange of Bhutan</b> to facilit the development of Bhutan's capital market and to enable public participation in public a private companies.	
	<b>RMA Discount Bills</b> were introduced as a monetary policy tool. In December 2009, the RM Discount Bills were discontinued and replaced by <b>RGoB Treasury Bills</b> .	ИΑ
1996	In order to improve its liquidity management functions, the RMA introduced the <b>reservenchase</b> as its second debt instrument in <b>September 1996</b> . The repurchase was rolled o until <b>January 2002</b> , after which it was discontinued.	
1997	To enhance competition in the banking sector, the Unit Trust of Bhutan was converted i Bhutan National Bank, a full-fledged commercial bank, in January 1997.	nto
	Cheque clearing facilities were established in the country (the first in Thimphu in 1997 and second in Phuentsholing in 1999) to enable commercial banks to settle claims against each ot involving cheques and other negotiable instruments.	

Year	Developments
1997	In line with the Government's program of liberalizing trade and industrial policies, the RMA Board approved the new <b>Foreign Exchange Regulations 1997</b> , removing various restrictions on foreign exchange transactions.
	The Foreign Exchange Regulations 1997 and all related past notifications, circulars and guidelines is superseded by the <b>Foreign Exchange Regulations</b> , 2013.
	The RMA partially liberalized interest rates from October 1997, allowing FIs to determine their rates in accordance with the "spread system". The spread system allowed financial institutions to determine their deposit and lending rates, while maintaining an overall interest spread of a maximum of six percentage points.
1999	To further encourage competition among financial institutions, the RMA fully liberalized interest rates on both deposits and advances of the FIs in April 1999.
	The <b>Moveable and Immovable Property Act</b> and the <b>Bankruptcy Act</b> were enacted to provide the legal framework for loan recovery and collateral requirement.
2000	The <b>Negotiable Instruments Act</b> was passed in <b>July 2000</b> to provide legal support for cheque clearing houses and use of negotiable instruments in the payments and settlement system.
	As part of the financial sector reform program, the Government Employees Provident Fund was transferred from the RICBL to the newly created National Pension and Provident Fund.
2002	The RMA made arrangements with the <b>Reserve Bank of India</b> to participate in the auctions of Government of India securities by <b>investing in the Indian Rupee</b> and from January 2003 the RMA started investing in GoI T-bills.
2007	The NPPF formally came under the purview of the RMA on March 9, 2007.
2009	Bhutan's first issue of <b>RGoB Treasury Bills</b> was auctioned on <b>December 14, 2009</b> , replacing the RMA discount bills.
	On August 17, 2009, RMA issued license to Bhutan Insurance Ltd. to carry on non-life insurance business. The BIL officially commenced business transactions from August 20, 2009.
	The RMA launched Bhutan's Credit Information Bureau on September 9, 2009.

The RMA issued **commercial banking license to Druk PNB Bank Ltd.,** an FDI joint venture bank, on **January 19, 2010.** Druk PNB Bank Ltd. commenced its business on January 27, 2010 and established its first branch office in Phuentsholing on February 7, 2010.

On March 1, 2010, the RMA granted license to the BDBL, formerly the Bhutan Development Finance Corporation, to operate as a specialized deposit-taking commercial bank. The license allowed BDBL to engage in depository banking, excluding foreign exchange transactions.

On March 10, 2010, the RMA issued commercial banking license to TBank Ltd. TBank Ltd. formally commenced its business on March 12, 2010 and set up its Phuentsholing branch office on September 14, 2010.

The RMA delegated transactions in gold and silver as well as distribution of fresh notes to the commercial banks in May 2010.

The Royal Monetary Authority Act of Bhutan, 2010 was formally enacted during the 5<sup>th</sup> session of Parliament on June 2, 2010, superseding the RMA Act 1982

The RMA formally launched the Electronic Funds Transfer and Clearing System on June 11, 2010.

On August 18, 2010, His Majesty the King appointed the Managing Director of the RMA, Mr. Daw Tenzin, as the RMA's first Governor.

The RMA delegated the release of foreign exchange for current transactions to the commercial banks on August 20, 2010.

On March 8, 2011, the RMA's first two Deputy Governors were appointed in pursuance to Chapter IV Section 44 of the RMA Act of Bhutan 2010.

The **Financial Services Act of Bhutan, 2011** was formally enacted during the 7<sup>th</sup> session of the Parliament on May 26, 2011. The FSA 2011 came into force from **July 5, 2011** superseding the FI Act 1992.

The RMA formally launched the National Electronic Fund Transfer System and Bhutan Financial Switch on December 2, 2011.

2012

The RMA granted license to **Nubri Capital Pvt. Ltd.** in **November 2012** to operate as **Bhutan's first Fund Management Company** and to conduct fund management business in terms of improving and developing the capital market in Bhutan with the objective of providing the Bhutanese investors with an alternative source of investment besides equities and debt instruments.

On March 8, 2012, following the growing external imbalances with India and rising pressures on the demand for Indian Rupees, the RMA temporarily suspended access to Indian Rupees to finance imports of personal transport vehicles and private housing construction materials that were approved after March 8, 2012. Specifically, the RMA issued a circular to FIs titled "Circular on Foreign Currency" explicitly highlighting the status of the Indian Rupee as a foreign currency. The Circular outlined the eligibility and limits for access to Indian Rupees by residents; closure of the accounts of non-resident foreigners; and the requirement to channel all export proceeds via the banking channel within 91 days of the date of export.

A year later, in March 2013, the RMA (i) lowered the international credit card limit from USD 3,000 p.a to USD 1,000 p.a and (ii) lowered the transaction limit on point-of-sale (POS) machines in India (through debit cards) from INR 1 lakh per month to INR 15,000, to ease pressures on Rupee reserves since INR outflows from these channels were escalating.

Housing and vehicle loans were reintroduced with effect from September 1, 2014.

The RMA introduced the RMA Short Term Liquidity Adjustment Window Facility (RSTLAW) on March 29, 2012 to provide short-term liquidity to liquidity-deficient banks to meet daily operational requirements and short term outstanding liabilities only and not for long term lending activities. To ensure that liquidity injected through the RSTLAW was prudently utilized and not directed towards further credit creation, prudential guidelines and criteria were issued.

Indian Rupee management and public access to the Rupee were streamlined to reflect its status as a foreign currency, following growing imbalances with India. The **Operational Guidelines for Indian Rupee Transactions** to facilitate the operational arrangements relating to the access of Indian Rupees for transactions was issued in **May 2012.** 

In consultation with the FIs, the RMA finalized the structure of the **Base Rate** and with effect from **September 1, 2012** each FI launched and implemented their respective base rates. The base rate is the minimum rate below which it is not viable for FIs to lend. The base rate will also serve as the reference benchmark rate for floating rate loan products, apart from other external market-based benchmark rates.

2013

The RMA issued license to **Kubera Insurance Brokerage Pvt. Limited** in **February 2013** to conduct **composite insurance brokerage business** with the objective to facilitate the public and companies in smoothly conducting insurance transactions through a third party.

Exercising the powers conferred by Section 117 of the RMA Act of Bhutan 2010, the RMA Board of Directors endorsed the new Foreign Exchange Regulations, 2013 with effect from March 30, 2013. The new regulation supersedes the Foreign Exchange Regulations, 1997 including all related past notifications, circulars and guidelines.

On March 8, 2013, the RMA in collaboration with the Royal Government entered a Rupee Currency SWAP agreement with the RBI for a total of INR 5.4 billion at 5.5% p.a for the duration of 6 months (3 month-period with an additional 3 months rollover). Such financing was taken to provide short-term relief to meet immediate BOP transactions. The Swap was liquidated in September 2013.

The **Financial Intelligence Unit** was formally established with the enactment of the Financial Services Act 2011. Although the FIU operated as part of the FRSD since October 2010, it was officially instituted as a separate unit from the FRSD on **May 16, 2013.** 

The RMA established the Central Registry for movable properties in September 2013, with the objective to facilitate secured credit transactions and provide secured creditors' rights as provided under the Movable and Immovable Property Act (MIPA) 1999. The registry will enable creditors to register movable assets with the central registry which will then facilitate smooth credit appraisal and the foreclosure of bad loans. It will also enable the public and other entities to inquire any lien by any creditor on any kind of movable assets that they intend to transact.

In **August 2013**, the RMA issued license to **GIC-Bhutan Re Limited**, the first reinsurance company in Bhutan, to conduct general reinsurance business. The company is owned by **two Bhutanese promoters** and **GIC India**.

- The RMA reintroduced housing and vehicle loans with effect from September 1, 2014(after access to Indian Rupees to finance imports of personal vehicles and housing construction materials was temporarily suspended in March 2012). New housing, vehicle and consumer loans guidelines were also issued to guide FIs in prudently managing and monitoring credit to these sectors thereby mitigating any potential systemic risk that could arise.
- In February 2015, the RMA issued Securities Broker's license to Drukyul Securities Private Limited under the Securities Brokers Regulations 2011 to carry out securities broking business.

In March 2015, the CRR was increased to 10 percent from 5 percent in order to sterilize persistent excess liquidity in the banking system. The CRR was first revised and reduced in March 2012 from 17 percent to 10 percent to address liquidity shortages in the banking system, with retroactive effect from March 2012. Subsequently, with effect from June 2012 the CRR was further revised and reduced from 10 percent to 5 percent to address the continued liquidity shortage in the banking system.

2015

The Macro Prudential Regulations on Disclosure Requirement was approved by the RMA Board in January 2015 and issued to financial institutions for implementation.

The Investment Guidelines for Insurance Business was issued in January 2015 for implementation by the insurance companies from January 2016.

The RMA issued a directive on **Abandoned Property (in line with Section 245 of FSA)** duly approved by the Board in **February 2015**.

The Credit Information Bureau Regulations was issued in March 2015 to safeguard the credit data and consumers' interests.

On November 6, 2015, the RMA launched the Commemorative coins for the 60<sup>th</sup> Birth Anniversary celebration of His Majesty the Fourth Druk Gyalpo Jigme Singye Wangchuck.

2016

On January 12, the RMA launched INR exchange counters.

On March 3, the RMA launched the Global Money Week.

On March 17, the RMA renewed the Bilateral Currency Swap arrangement with RBI for INR/NU equivalent of USD 100 million

On May 21, registration of REDCL and RENEW as micro-Loan Institutions.

On August 1, the RMA implemented the new Interest Rate Policy-Minimum Lending Rate.

On September 21, His Excellency, Lyonchhen DashoTshering Tobgay launched the Nu.1000 Denomination Commemorative Banknote to celebrate the birth of the Gyalsey. RemitBhutan was also launched on the same day to provide Foreign Currency Account facility for Non-Resident Bhutanese. In addition, the RMA Handed over surplus profit (of new Nu.874 Million to the RoGB).

On November 28, Parliament endorsed the RMA's proposal on tax waiver on interest earned from fixed deposits.

On December 2, RMA's Historic growth in the country's INR reserves to 31.74billion

On December 29, the RMA approved the Rules and Regulations for Deposit Taking Microfinance Institution (DTMFI).

2017

Bhutan Immediate Payment Service (BIPS) was launched on 27th January, 2017.

The design of Nu.100 Denomination Commemorative Banknote was launched on February 5, 2017 to celebrate the First Birth Anniversary of His Royal Highness The Gyalsey, Jigme Namgyel Wangchuck

The RMA implemented the Private Money Lending Rules and Regulations on April 1, 2017

The RMA, in collaboration with the Ministry of Labour and Human Resources, the Ministry of Finance and Banks introduced the Overseas Education and Skill Development Scheme on April 7, 2017.

As the inaugural BEFIT event, the International Financial Inclusion Summit on the theme "Equitable Growth through Financial Inclusion" was hosted in from 24 to 26, May 2017.

On June 15, the RMA in collaboration with the commercial banks and the Department of Trade, Ministry of Economic Affairs (MoEA), launched the Internet-based Point of Sales (PoS) service at fuel stations.

The RMA signed the MoU on money laundering and terrorist financing with Bhutan Narcotic Control Authority on July 7, 2017

The Financial Intelligence Unit of Bhutan has signed MoU on money laundering and terrorist financing with FIU Sri Lanka and FIU Cambodia on July 16 and 19, 2017 respectively.

The RMA Board approved the e-Money Issuer Rules and Regulations during its 130th Board Meeting held on September 29, 2017 to promote Financial Inclusion through available digital financial services technologies.

The RMA signed a MoU with Myanmar Financial Intelligence Unit concerning cooperation in the exchange of financial intelligence relating to money laundering associated predicate offences and terrorist financing on 31st October 2017

All regulations and guidelines issued by the RMA are available on the RMA's website

# DEVELOPMENTS IN BHUTAN'S FINANCIAL INSTITUTIONS (FY 2016/17)

The *finance, insurance, real estate and Other business services* sector collectively contributed 7.33 percent to the country's nominal GDP in 2016 with the *finance and insurance* sector alone contributing 5.09 percent. Bhutan's financial system experienced a growth of 19.81 percent in total assets, with assets reaching Nu.149.0 billion in 2016/17. Of the total assets, 86.04 percent belonged to commercial banks while the remaining 13.96 percent were that of the non-banks financial institutions.

The tables below provide a glimpse of the financial institutions in Bhutan.

As at June 2017

Banks	Bank of Bhutan Ltd.	Bhutan National Bank Ltd.	Druk PNB Bank Ltd.	T-Bank Ltd.	Bhutan Development Bank Ltd.
Year Established	1968	1997	2010	2010	1988
No. of Branches*	47	33	7	7	53
No. of ATMs	96	44	19	15	25
No. of Deposit Accounts	337,677	157,276	99,428	29,784	146,625
of which: Individual Accounts	326,720	148,415	96,582	29,037	143,931
Corporate Accounts	10,957	8,861	2,846	747	2,694
Deposit Liabilities (Nu.in millions)	38,881	26,434	11,475	3,541	14,995
No. of Loan Accounts	21,863	13,282	1,746	4,165	55,849
of which: Individual Accounts	21,644	11,096	1,672	4,165	55,751
Corporate Accounts	219	2,186	74	0	98
Loans Outstanding (Nu.in millions)	23,947	24,525	5,941	4,437	17,871

\*Branches include regional offices, field offices, extension counters etc...

Note: Bhutan Development Bank Ltd.received its license to operate as a specialized deposit-taking commercial bank on March 1, 2010.

As at June 2017

Non-Banks	Royal Insurance Corporation of Bhutan Ltd.	Bhutan Insurance Ltd.	National Pension and Provident Fund
Year Established	1975	2009	2000
No. of Branches*	27	17	N/A
No. of Policy Holders/Members	104,154 policy holders	19,901 policy holders	51,539 members
No. of Loan Accounts	7,307	846	16,318
of which: Individual Accounts	6,917	846	16,292
Corporate Accounts	390	0	26
Loans Outstanding (Nu.in millions)	14,317	851	8,738

<sup>\*</sup>Branches include regional offices, field offices, extension counters etc...

This section provides a brief history and recent developments of each financial institution including the National Pension and Provident Fund and the Royal Securities Exchange of Bhutan for the year 2016/17.

# BANK OF BHUTAN LIMITED (BOBL)

Year of Establishment: 1968 Head Office: Thimphu

Current CEO: Mr. Pema N. Nadik

**Shareholding Pattern: Druk Holding and Investments: 80%** 

State Bank of India: 20%

Paid-up Capital: Nu. 3,000 million

BOBL	During the year of establishment	Dec-12	Dec-13	Dec-14	Dec-15	Dec-16	Jun-17
No. of Branches*	1	34	37	42	46	47	47
No. of ATMs	0	41	52	54	66	74	96
No. of Deposit Accounts**	8	73,565	352,987	404860	450513	314083	337,677
of which: Individual Accounts	7	72,829	346,293	397,744	443,118	304,333	326,720
Corporate Accounts	1	736	6,694	7,116	7,395	9,750	10,957
No. of Loan Accounts		21,506	21,437	22,573	22,012	21,275	21,863
of which: Individual Accounts		21,472	21,437	22,439	21,854	21,098	21,644
Corporate Accounts		34	0	134	158	177	219

<sup>\*</sup>Branches include regional offices, field offices, extension counters etc...

#### Dzongkhag-wise details as at June 2017

Dzongkhag	No. of Branches*	No. of Deposit Accounts (Individual)	No. of Deposit Accounts	No. of Loan Accounts (Individual)	No. of Loan Accounts (Corporate)
1 Thimphu	7	99,336	3,301	6,602	176
2 Chukha	7	47,156	1,932	3,792	43
3 Paro	2	18,797	422	1,105	
4 Punakha	1	8,339	255	444	
5 Wangduephodrang	2	18,834	387	731	
6 Haa	1	5,307	116	388	
7 Gasa	1	992	32	51	
8 Samtse	3	19,390	686	1,287	
9 Dagana	2	4,222	221	350	
10 Tsirang	1	7,395	206	617	
11 Trongsa	2	9,586	262	496	
12 Sarpang	2	17,667	618	1,068	
13 Bumthang	1	7,952	305	647	
14 Zhemgang	2	4,656	159	418	
15 Lhuentse	1	3,703	191	259	
16 Mongar	2	10,526	539	715	
17 Pemagatshel	2	8,880	314	711	
18 Tashiyangtse	2	5,660	203	419	
19 Tashigang	3	12,860	296	696	
20 Samdrup Jongkhar	3	15,462	512	848	
TOTAL	47	326,720	10,957	21,644	219
*Branches include regional	offices, field off	ices, extension cour	ters etc		

The oldest and largest commercial bank, the Bank of Bhutan Limited was established on May 28, 1968. Prior to the establishment of the Royal Monetary Authority of Bhutan, functions relating to Central Banking were conducted jointly by the Ministry of Finance, State Trading Corporation of Bhutan and the Bank of Bhutan. In order to improve banking services in Bhutan, the Bank collaborated with the State Bank of India (SBI) in 1971, making it the first bank with foreign investors. This resulted in the re-constitution of the Bank in 1972 with 40 percent equity shareholding by the SBI and the remaining 60 percent by the RGoB. In 2002, the SBI's shareholding was reduced to 20 percent and the management was handed over to the Bhutanese. The control of BOB was taken over by the Druk Holding and Investments, after its establishment in the year 2007.

The RMA in collaboration with Ministry of Economic Affairs to promote digital payment, initiated installation of PoS machines in the fuel stations and the new fuel card was introduced by BOB to facilitate government ministries and corporation for the cashless transactions. It also launched Flexi Recurring Deposit scheme during the year. The special feature under this scheme is to provide greater flexibility for the customers to deposit fund in multiple times in a month. To promote financial inclusion, it launched Agency Banking which will help the financial sector to outreach and provide the basic financial services at their doorsteps.

# **BHUTAN NATIONAL BANK LIMITED (BNBL)**

Year of Establishment: 1997

**Head Office: Thimphu** 

**Current CEO: Mr. Kipchu Tshering** 

**Shareholding pattern: General Public: 53.44%** 

National Pension and Provident Fund: 23.38% International Finance Corporation: 10.78% Druk Holding and Investments: 12.40%

Paid-up Capital: Nu. 3,291.94 million

BNBL	During the year of establishment	Dec-12	Dec-13	Dec-14	Dec-15	Dec-16	Jun-17
No. of Branches*	2	20	25	28	28	33	33
No. of ATMs	0	27	31	33	33	42	44
No. of Deposit Accounts	N/A	127,788	119,715	128,358	132,779	144,475	157,276
of which: Individual Accounts		120,928	113,436	121,540	125,762	136,311	148,415
Corporate Accounts		6,860	6,279	6,818	7,017	8,164	8,861
No. of Loan Accounts	N/A	14,992	13,073	11,682	11,607	12,141	13,282
of which: Individual Accounts		13,710	11,671	10,223	10,050	10,156	11,096
Corporate Accounts		1,282	1,402	1,459	1,557	1,985	2,186

\*Branches include regional offices, field offices, extension counters etc...

#### Dzongkhag-wise details as at June 2017

Dzongkhag	No. of Branches*	No. of Deposit Accounts (Individual)	No. of Deposit Accounts	No. of Loan Accounts (Individual)	No. of Loan Accounts (Corporate)
1 Thimphu	6	69,816	5,800	5,213	1,055
2 Chukha	2	13,185	1,248	711	161
3 Paro	3	14,588	532	1,022	172
4 Punakha	-	-	-	-	-
5 Wangduephodrang	3	9,057	238	668	105
6 Haa	-	-	-	-	-
7 Samtse	3	5,858	158	711	67
8 Tsirang	2	3,063	66	256	86
9 Trongsa	-	-	-	-	-
10 Sarpang	2	8,338	279	763	218
11 Bumthang	2	5,960	108	455	62
12 Zhemgang	-	-	-	-	-
13 Mongar	3	7,994	156	532	102
14 Tashiyangtse	-	-	-	-	-
15 Tashigang	4	6,773	129	387	67
16 Samdrup Jongkhar	3	3,783	147	378	91
TOTAL	33	148,415	8,861	11,096	2,186
*Branches include regional	offices, field off	fices, extension cour	nters etc		

Bhutan National Bank Limited, formerly known as the Unit Trust of Bhutan (UTB), was established in the year 1980as a subsidiary of the RICBL, jointly owned by the RGoB and the

RICBL. From 1992 onwards, the UTB functioned as an independent financial institution aimed at promoting and inculcating saving habits among the general public and channeling capital into productive sectors in the economy. The RGoB with assistance from the ADB, converted the UTB into the Bhutan National Bank on December 5, 1996. The bank's equity was floated to the public in 1996 making BNBL the first bank in the country to be owned by the public. Apart from the RGoB, other shareholders included the RICBL, ADB and Citibank. The bank officially opened for business on January 6, 1997.

In collaboration with the Himalayan Bank in Nepal, it has issued new credit cards from December 2016. These new cards are with EMV compliant and state of the art chip. Customer can use these cards to make online purchases and bookings, thus promoting the less cash transactions. In order to outreach their services, it has opened two extensions offices, one in Gasa and the other in Sipsoo.

# DRUK PNB BANK LIMITED (DPNBL)

Year of Establishment: 2010 Head Office: Thimphu Current CEO: Mr. D.K Gupta

**Share Holding Pattern: Punjab National Bank: 51%** 

Public: 30%

**Local Promoters: 19%** 

Paid-up Capital: Nu.450 million

DPNBL	During the year of Establishment	Dec-12	Dec-13	Dec-14	Dec-15	Dec-16	Jun-17
No. of Branches*	3	5	5	6	6	6	7
No. of ATMs	9	13	14	15	16	18	19
No. of Deposit Accounts		39,292	56,284	71,501	82,740	92,177	99,428
of which: Individual Accounts		38,007	54,383	69,147	80,197	89,508	96,582
Corporate Accounts		1,285	1,901	2,354	2,543	2,669	2,846
No. of Loan Accounts		1,697	1,675	1,624	1,611	1,693	1,746
of which: Individual Accounts		1,667	1,632	1,572	1,558	1,630	1,672
Corporate Accounts		30	43	52	53	63	74

\*Branches include regional offices, field offices, extension counters etc...

#### Dzongkhag-wise details as at June 2017

Dzongkhag	No. of Branches*	No. of Deposit Accounts (Individual)	No. of Deposit Accounts (Corporate)	Accounts	No. of Loan Accounts (Corporate)
1 Thimphu	1	54,356	1,636	784	40
2 Chukha	1	17,872	722	369	29
3 Paro	1	6,671	133	155	
4 Wangduephodrang	1	8,791	166	143	
5 Trongsa	1	1,179	10	81	
6 Sarpang	1	7,614	194	138	4
7 Samtse	1	98		2	1
Total	7	96,581	2,861	1,672	74
*Branches include regional	offices, field offi	ces, extension coun	ters etc		

Druk PNB Bank Limited, the third FDI owned bank in the country, started business on January 27, 2010 with a total paid up capital of Nu. 300 million. The bank opened its first branch office in Phuentsholing in February, 2010 and currently has a total of seven branch offices.

# T BANK LIMITED (TBL)

Year of Establishment: 2010 Head Office: Thimphu

Current CEO: Mr. Pema Tshering

**Share Holding Pattern: Promoters: 60%** 

Public: 40%

Paid-up Capital: Nu.300 million

T Bank Ltd.	During the year of Establishment	Dec-12	Dec-13	Dec-14	Dec-15	Dec-16	Jun-17
No. of Branches*	2	3	4	4	4	5	7
No. of ATMs	8	9	10	10	10	11	15
No. of Deposit Accounts	3207	9220	11849	14546	17212	22278	29,784
of which: Individual Accounts	3,189	9,186	11,811	14,510	17,177	21,585	29,037
Corporate Accounts	18	34	38	36	35	693	747
No. of Loan Accounts	1,388	3,141	3,065	3,263	2,972	3,585	4,165
of which: Individual Accounts	1,388	3,141	3,065	3,263	2,972	3,585	4,165
Corporate Accounts	0	0	0	0	0	0	0

\*Branches include regional offices, field offices, extension counters etc...

#### Dzongkhag-wise details as at June 2017

Dzongkhag	No. of Branches*	No. of Deposit Accounts	No. of Deposit Accounts	No. of Loan Accounts	No. of Loan Accounts
1 Thimphu	1	11,188	289	2,153	
2 Chukha	1	8,618	257	599	
3 Wangduephodrang	1	4,779	58	544	
4 Sarpang	1	3,046	113	536	
5 Paro	1	987	13	282	
6 Mongar	1	272	3	41	
7 Samdrup Jongkhar	1	147	14	10	
TOTAL	7	29,037	747	4,165	0
*Branches include regional	l offices, field of	ffices, extension co	unters etc		

T Bank Limited, the fourth Commercial Bank in the country was established on March 12, 2010. Initially, the bank was established with three domestic promoters, holding a total of 60 percent shares (20 percent each), and its IPO was floated for the remaining 40 percent in December 2010. After floating its shares to the public, the bank listed with the Royal Securities Exchange of Bhutan Limited on March 17, 2011.

The Bank has recently introduced an inter country ATM transaction facility between Nepal and Bhutan, allowing clients to carry out transactions in Nepal using their T Bank debit card from any of the ATM machines that are under the SCT network.

To cater the needs of the general public and to facilitate the financial services being provided by the existing financial institution, the bank has opened a new bank branch at Mongar, Samdrup Jongkhar and one extension office at Trongsa during the year. The bank is in the process of developing mobile banking apps which will have advanced features for internal fund transfers, utility bill payments, etc.

# BHUTAN DEVELOPMENT BANK LIMITED (BDBL)

Year of Establishment: 1988

Head Office: Thimphu
Current CEO: Mr. Phub Dorji

Share Holding Pattern: RGoB: 96%

BOBL: 2.51% RICBL: 1.00% BNBL: 0.49%

#### Paid-up Capital: Nu. 507.3 million

BDBL	During the year of establishment	Dec-13	Dec-14	Dec-15	Dec-16	Jun-17
No. of Branches*	18	33	33	33	33	34
No. of ATMs		5	5	25	28	40
No. of Deposit Accounts		86895	107366	133378	159,576	164,887
of which: Individual Accounts		85,751	107,227	133,220	159,382	164,753
Corporate Accounts		1,144	139	158	194	134
No. of Loan Accounts		40,713	46,327	52,249	56,195	58,318
of which: Individual Accounts		40,693	46,300	52,205	56,140	58,254
Corporate Accounts		20	27	44	55	64

<sup>\*</sup>Branches include regional offices, field offices, extension counters etc...

#### Dzongkhag-wise details as at June 2016

Dzongkhag	No. of Branches*	No. of Deposit Accounts (Individual)	No. of Deposit Accounts	No. of Loan Accounts (Individual)	No. of Loan Accounts (Corporate)
1 Thimphu	2	17,431	78	5,526	50
2 Chukha	3	11,609	2	3,699	3
3 Paro	1	9,516	3	3,144	2
4 Punakha	1	6,406	0	2,644	0
5 Wangduephodrang	2	9,545	0	3,639	0
6 Haa	3	4,281	0	1,490	2
7 Gasa	1	1,210	0	345	0
8 Samtse	5	12,965	46	4,983	0
9 Dagana	3	8,211	1	2,927	0
10 Tsirang	1	4,679	0	1,931	0
11 Trongsa	2	4,818	0	1,836	0
12 Sarpang	2	9,142	0	3,270	2
13 Bumthang	1	5,139	0	1,850	1
14 Zhemgang	3	5,857	0	2,196	0
15 Lhuentse	2	4,645	0	1,182	0
16 Mongar	4	12,679	0	4,616	0
17 Pemagatshel	2	8,917	2	2,675	2
18 Tashiyangtse	1	5,149	0	2,010	1
19 Tashigang	8	12,980	0	4,737	1
20 Samdrup Jongkhar	4	9,574	2	3,554	0
TOTAL	51	164,753	134	58,254	64

<sup>\*</sup>Branches include regional offices, field offices, extension counters etc...

The Bhutan Development Bank Limited was established on January 31, 1988 with assistance from the ADB, and equity participation of the RGOB, BOBL, RICBL and BNBL. The bank was set up to primarily assist the private sector by providing financial and technical assistance for industrial, agricultural and commercial projects. The BDBL is funded by international multilateral agencies such as the UNCDF, HELVETAS Swiss Inter-cooperation, KFAED, IFAD, SDC, and the ADB, through concessional loans and grants. On March 2010, the BDBL received its license from the RMA to operate as a specialized deposit-taking commercial bank. On March 01, 2015, the BDBL took over the operation and management of Community Centers from

Bhutan Post, requiring the bank to provide Banking services, Government to citizen services, online public services and postal services to the people. Currently, there are 201 operational Community Centers in the country.

During the year, the Overseas Education and Skill Development Loan Scheme was introduced. The main objective of the scheme was for Bhutanese youth to access higher education and develop proficiencies or skills abroad to improve their employment opportunities or business positions while they return home. Bank is in the process of launching Flexi Recurring Deposit. Under this scheme, there will be no limit to the number of deposits that the customer can make and hence will encourage to save more. Further it is working on launching the mobile apps to enhance its services.

# ROYAL INSURANCE CORPORATION OF BHUTAN LIMITED (RICBL)

Year of Establishment: 1975

**Head Office: Thimphu** 

Current CEO: Mr. Namgyal Lhendup

Share Holding Pattern: His Majesty's Secretariat: 20.83%

Druk Holding & Investments: 18.41% Private & Public Holding: 60.76%

Paid-up Capital: Nu. 1,200 million

RICBL	During the year of establishment	Dec-12	Dec-13	Dec-14	Dec-15	Dec-16	Dec-17
No. of Branches*	N/A	22	26	26	26	27	34
No. of Policy Holders	N/A	73,143	83,116	96,927	115,664	104,154	125,635
No. of Loan Accounts	N/A	4,355	4,746	5,365	7,068	7,307	6,912
of which: Individual Accounts		4,187	4,573	5,136	6,744	6,917	6,495
Corporate Accounts		168	173	229	324	390	417

\*Branches include regional offices, field offices, extension counters etc...

#### Dzongkhag-wise details as at June 2017

Dzongkhag	No. of Branches	No. of Policy Holders	No. of Loan Accounts (Individual)	No. of Loan Accounts (Corporate)
1 Thimphu	4	56,682	3,447	263
2 Chukha	3	23,390	987	89
3 Paro	1	4,013	385	0
4 Punakha	1	2,764	132	4
5 Wangduephodrang	1	3,436	134	11
6 Haa	1	839	40	
7 Gasa	1	248	6	
8 Samtse	3	4,298	48	19
9 Dagana	2	1,244	39	0
10 Tsirang	1	1,690	102	0
11 Trongsa	1	2,219	119	1
12 Sarpang	1	4,565	123	5
13 Bumthang	1	2,689	117	1
14 Zhemgang	2	469	24	0
15 Lhuentse	1	682	37	0
16 Mongar	2	4,144	290	2
17 Pemagatshel	2	2,534	124	1
18 Tashiyangtse	1	1,712	69	2
19 Tashigang	3	4,857	138	5
20 Samdrup Jongkhar	2	3,160	134	14
TOTAL	34	125,635	6,495	417
*Branches include regional	offices, field off	ices, extension o	counters etc	

The Royal Insurance Corporation of Bhutan Limited commenced its operations on January 7, 1975 under the Royal Charter, with 39.3 percent share owned by the RGoB and the remaining 60.7 percent held by the public. RICBL was subsequently incorporated under the Companies Act of Bhutan 1989 (amended in 2000) and licensed under the Financial Institutions Act of Bhutan, 1992 (amended in 2011 as the Financial Services Act). The RICBL provides Life Insurance, General Insurance, Credit facilities and other social security schemes for its customers. Prior to the establishment of the NPPF, the Government Employees Provident Fund was also managed by the RICBL.

#### **BHUTAN INSURANCE LIMITED (BIL)**

hare Ho	CEO: Mr. Tshe	Prom	oters: 3		Pub	olic: 65	%				
BIL	Capital: Nu. 20	During	the year	De	c-12	Dec-13	Dec-14	Dec-	15	Dec-16	Jun-17
No of Dropohoo*		4			9	10	11	13		17	19
No. of Branches* No. of Policy Holders		4	•		526	11,104	12,484	16,7		19,901	
	,	1,	1,174		526 02	521	561	740		846	8,507
No. of Loan Accounts of which: Individual Accounts			0		02 02	521 521	561	740		846	1,057
			0	-	02 0	521 0	0	740	,	846 0	1,057 0
C	orporate Accounts		•			Ū				U	U
		Dzon	igkhag-v	vise	e de	tails as	at June	<b>201</b>	7		
									-		
	Dzongkhag		No. of		No. of Policy		No. of Loan			lo. of ₋oan	
									_	_oan counts	
Dzongknag		9 Branche		s* Holders					rporate		
					(Ge	neral)	(iiiaivia	uaij	(00	)	1
	1 Thimphu		2		3	754	1,057	7			
	2 Chukha 3 Paro 4 Punakha 5 Haa		2 1 1 1			204	.,				
					ç	900					
						73					
					175						
	6 Wangdueph	odrang	1		663						
	7 Samtse 8 Tsirang 9 Trongsa 10 Sarpang 11 Bumthang		1 1 1 1		2	204					
					3	300					
						143					
						314					
						145					
12 Zhemgang		1		49							
13 Mongar			1		152						
14 Pemagatshel		1		105							
15 Tashigang 16 Samdrup Jongkhar		1			169 151						
	16 Samdrup Jo 17 Trashi Yang	_	1		1	6					
		ise.	19		9	<b>507</b>	1,057	7		0	
*Branches include regi			19		0,	307	1,057			9	

Bhutan Insurance Limited was incorporated on July 24, 2009 under the Companies Act of the Kingdom of Bhutan, 2000 and started operations on August 20, 2009. On April 19, 2010, BIL was granted approval by the RMA to operate a Financing and Investment Department. Similarly, on August 13, 2014, the RMA granted approval to the BIL for managing Gratuity Funds. The BIL offers all types of non-life insurance services, including personal insurance, commercial insurance, industrial insurance, and liability insurance.

# NATIONAL PENSION AND PROVIDENT FUND (NPPF)

Year of Establishment: 2000

**Head Office: Thimphu** 

Current CEO: Mr. Dungtu Drukpa

Fund Size: 2,386 million

NPPF	During the year of establishment	Dec-12	Dec-13	Dec-14	Dec-15	Dec-16	Dec-17
No. of Members*	29,464	47,019	48,385	50,728	51,333	51,539	53,202
No. of Loan Accounts	N/A	7,586	9,013	11,384	14,424	16,318	12,773
of which: Individual Accounts		7,568	8,992	11,362	14,402	16,292	12,750
Corporate Accounts		18	21	22	22	26	23

<sup>\*</sup>As of end of June of each year

### Dzongkhag-wise details as at June 2017

Dzongkhag	No. of Loan Accounts (Individual)	No. of Loan Accounts (Corporate)	No. of Members (Civil)	No. of Members (Armed Forces)	
1 Thimphu	851	14	4,434	381	
2 Chukha	458	3	1,739	2,820	
3 Paro	662	1	1,809	295	
4 Punakha	651		1,264	466	
5 Wangduephodrang	705		1,564	470	
6 Haa	230		720	122	
7 Gasa	37		98	30	
8 Samtse	512		2,456	237	
9 Dagana	429	1	1,168	349	
10 Tsirang	421		1,685	149	
11 Trongsa	351		983	300	
12 Sarpang	612		2,198	405	
13 Bumthang	300		1,065	179	
14 Zhemgang	832		1,883	900	
15 Lhuentse	601		1,583	525	
16 Mongar	1,153		3,428	1,037	
17 Pemagatshel	873	3	3,163	529	
18 Tashiyangtse	592		1,855	579	
19 Tashigang	1,638	1	5,552	1,276	
20 Samdrup Jongkhar	842		2,686	820	
TOTAL	12,750	23	41,333	11,869	

Formally established on March 30, 2000, the National Pension and Provident Fund is responsible for managing and administering retirement schemes in the country. In 1999, the RGoB with the assistance of ADB reviewed and evaluated the 1997 UNDP study on the *Feasibility of Introducing a Pension Scheme in Bhutan* and recommended an annuity-based, multi-tiered retirement plan called the National Pension and Provident Fund Plan (NPPFP). Thereafter, the RGoB formally established the National Pension and Provident Fund consisting of two tiers: the National Pension Plan (NPP)<sup>1</sup> and the Provident Fund Plan (PFP)<sup>2</sup>.

<sup>&</sup>lt;sup>1</sup>The NPP, titled Tier 1 of the NPPFP, is a defined benefit plan under which monthly pension benefits will be provided to a member upon retirement. In addition, disability benefits to a member and survivor(s) will also be provided.

<sup>&</sup>lt;sup>2</sup>The PFP, Tier 2, is a benefit plan where members receive lump sum payments of accumulated balances upon retirement.

Prior to the establishment of the NPPF, the GEPF was managed by the RICBL and covered only government employees whereby the benefits were limited to a gratuity and provident fund scheme which were paid as a lump sum post-retirement. On July 3, 2000, the NPPF took over the GEPF and real estate operations worth Nu.2 billion in the form of fixed deposits, cash, and real estate assets from the RICBL. Realizing the importance of investing its assets in a prudent manner, on March 9, 2007, the NPPF was licensed by the RMA to carry out limited financial services. In order to ensure that members' funds were safeguarded, the NPPF came under the purview of the RMA with effect from July 1, 2007.

Some of the services apart from Pension and Provident schemes offered by NPPF include member Housing Loan, member Education Loan and Student Loan. More recently, the new member Loan and Member Home Loan were introduced for their clients.

# ROYAL SECURITIES EXCHANGE OF BHUTAN LIMITED (RSEBL)

The Royal Securities Exchange of Bhutan Limited was established in August 1993, with a total paid up capital of Nu. 2 million, which was provided by four FIs whose subsidiary units, the brokerage firms<sup>3</sup>, were licensed to serve as brokers. The RSEBL is incorporated under the Companies Act of the Kingdom of Bhutan, 2000, and licensed under the Financial Institutions Act, 2011. The exchange commenced operations in 1993 with four listed companies and a total market capitalization of Nu.393 million. Currently, the RSEBL has 21 listed companies with a market capitalization of Nu. 24.70 billion and 62,146 shareholder accounts.

With technical assistance from the World Bank and the RMA, the RSEBL changed its trading platform from the existing backend office trading system to a web-based Integrated Exchange Solution. Jointly funded by the World Bank, ADB and the RMA, the RSEBL's new web based Integrated System was formally launched on April 23, 2012 providing investors convenient access to real time market data along with online trading facilities.

With the establishment of the Integrated System, the RSEBL started issuing online trading terminals to investors in order to encourage wider participation in the secondary market. Moreover, on August 1, 2014, the RSEBL successfully converted the face value of Nu.100 to Nu.10 in an effort to introduce the lot system in the market and to increase the frequency of trading in the secondary market. As of 30<sup>th</sup> June 2016, a total volume of 4,752,410 shares of 14 listed companies amounting to Nu.132.86 million were traded in the Secondary Market. The RSEBL also established its Clearing and Settlement House as a unit with the objective to act as a legal counter party to all trades and to guarantee the settlement for all members.

The RSEB introduced commercial papers which are short-term debt instruments which are issued at discounted rate to ease the financing of accounts receivable, inventories and meeting

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<sup>&</sup>lt;sup>3</sup>RICB Securities Ltd., BNB Securities Ltd., BOB Securities Ltd., and BDBL Securities Ltd.

short-term liabilities for the companies. During the year RSEB launched E-Auction Platform for the auction of properties.

#### INTEREST RATES

Ever since the establishment of first bank in 1968, banks have been playing important role in supporting the economy activities of the country. Our economy is heavily depending on banking system as the capital market is still at the nascent stage. Since investment for economic activities was relying on banking sector, regulating of interest rates was necessary. During 1990s there was major development in financial sector as the global and regional financial sector were deregulated. Similarly, RMA also follow the suit of regional financial sector and with effect from April 1999, interest rates in Bhutan was deregulated. Thereafter, the interest rates on deposits as well as lending were determined in the market by forces of demand and supply for the fund.

To strengthen monetary policy mechanism, the RMA introduced and implemented the base rate system in September 2012. The base rate was the minimum rate below which it was not viable for the financial institutions to lend. The base rate also served as the reference benchmark rate for floating rate loan products, apart from other external market-based benchmark rates.

After the implementation of the Base Rate system, a review was conducted early 2016 and it has revealed some rigidities in the model. In order to address the rigidities in the base rate system, a new policy rate known as Minimum Lending Rate (MLR) was introduced and implemented with effect from August 1, 2016. It is a forward-looking and integrated policy approach which is expected to address the rigidities of the Base Rate system. The main objective of the MLR has been to encourage competition and develope professionalism among the financial institutions to result in a balance approach of engaging in financial intermediation.

The following types of loans have been exempted from the MLR-based computed final lending rates:

- (i) Advances to depositors against their own deposits;
- (ii) Loans for liquidity management of a maturity of less than 90 days;
- (iii) Consortium loans approved by the Royal Government for Bhutan for investment in strategic sectors that are of national interest;
- (iv) Strategic/priority sectors as defined from time-to-time by the RMA; and
- (v) Staff Incentive Loans.

Table 1	Deposit Rates of Commercial Banks in Bhutan									
					Percent	per annum; as	of end of June			
Type of Deposits	Type of Deposits 2012 2013 2014 2015 2016 201									
Savings		4.50-5.50	5.00-5.50	5.00-6.00	5.00-6.00	5.00-6.00	5.00-6.00			
Term Deposits										
a) 3 months to less than 1 year		5.00-6.00	5.00-6.50	5.00-7.00	4.00-7.00	4.00-6.50	3.00-7.00			
b) 1 year to less than 2 years		7.00-7.25	7.00-7.50	7.00-7.50	6.75-7.50	6.00-7.00	6.50-7.50			
c) 2 years to less than 3 years		7.50-7.75	7.50-7.75	7.50-7.75	7.00-8.00	7.00-7.50	7.00-8.00			
d) More than 3 years		8.00-9.00	8.00-8.75	8.00-10.00	8.00-10.00	8.00-9.25	7.75-10.00			
Source: Commercial Banks										

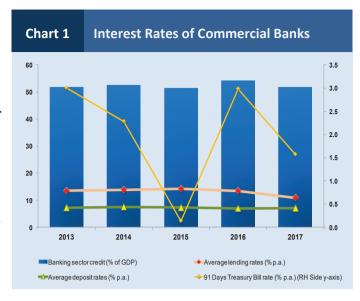
During the year, the banks' savings rate remained similar range as in 2016 which ranges from 5.00-6.00 percent per annum. The lower bound on the interest rate range for various time deposits with maturity up to 3 years have marginally decreased in 2017 while the upper bound has increased slightly by 50 basis points from 7.5 percent to 8 percent. Meanwhile, lower bound of interest rates for deposits with a maturity more than 3 years slightly declined by 25 basis points but at the same time the upper range has increased to 75 basis points. On an average from June 2016 till June 2017, the deposit rates of commercial banks increased from 6.9 percent to 7.1 percent, reflecting marginally increased in the overall deposits rates with the banks.

On the lending front, average lending rates of commercial banks across all the sectors declined during the year. The major sectors such as housing and service sectors decreased from the range of 12.48-14.00 to 8.20-13.00 and 11.73-14.00 to 8.00-12.00 percent, respectively. Under the personal and transport sectors, the lending rates to these sectors have declined from 15.00 to 8.85-14.00 range and 11.73-14.00 to 8.92-12.50, respectively. On an average, the overall lending rate of the banks decreased from 13.4 percent in 2016 to 10.9 percent in 2017. Banks have been leading in providing investment for the economy activities as banking sector's credit to the GDP has reached 51.6 percent in June 2017.

Table 2 Selected Lendi	Selected Lending Rates in Bhutan									
				Percent	per annum; a	s of end-June				
Loans by Purpose	2012	2013	2014	2015	2016	2017				
1. General Trade	13.00-14.00	13.00-14.00	13.00-14.15	13.75-16.00	13.00-14.00	10.50-13.00				
2. Export Finance	13.00-14.00	13.00-14.00	13.00-14.00	13.75-14.00	13.00-13.75	9.71				
3. Manufacturing Industry	12.00-13.00	11.73-13.13	11.73-16.00	13.00-16.00	11.73-13.00	9.98-12.50				
4. Service Industries	10.00-13.00	11.73-13.13	11.73-16.00	13.00-15.15	11.73-14.00	8.00-12.00				
5. Transport	10.00-16.00	11.73-16.00	11.73-14.10	12.15-16.00	11.73-14.00	8.92-12.50				
6. Agriculture & Livestock	10.00-13.00	11.73-13.00	11.73-13.00	12.00-13.00	11.73-13.00	7.99-11.00				
7. Housing	10.00-13.00	12.73-14.63	12.73-16.00	13.00-15.25	12.48-14.00	8.20-13.00				
8. Personal Loan	15.00-16.00	15.00-16.00	13.00-16.00	15.00-16.00	15.00	8.85-14.00				
Source: Commercial Banks										

Since the publication of advanced released calendar for the issuance of Treasury bill in 2016/17, it has provided information in advance to the investors to plan their investment in T-bills. Similarly, to the past, only few institutional investors have been dominating in participation for the purchase of Treasury Bills. Mostly it was the banks that were active in purchasing the T-bills as they have ample short term liquidity with them. It also shows that in the absence of short term investment avenues, banks have been investing in the T-bills. T-Bill rates with varying maturities have been fluctuating during the year and in recent time it has declined compared to the past few months.

During the year T-bills rates have remained on an average of 1.2 percent compared to around 2.5 percent in the previous year. The T-bills rates have been determining depending on the liquidity in the banking system. In the month of November 2017, T-Bill of R289 was issued amounting Nu.4 billion at the weighted average rate of 0.7 percent for the maturity of ninety-two days. (See Table 19 in the Statistical Section for details of issue of T-Bills)



### MINIMUM LENDING RATE

Minimum Lending Rate (MLR) was introduced and implemented with effect from August 1, 2016. The objective of the MLR is to enhance transparency in the credit market there by encouraging competition and professionalism among the banks. The MLR is computed adding up the three cost parameters.

- 1. Marginal Cost calculated based on interest times the weight. The weight is derived as the percentage of total fund)
- 2. Negative Carry Charges on CRR: The cost that the banks incur while maintaining 10% reserve with the RMA (Required CRR \* (Marginal Cost/ 1-Required CRR)
- 3. Operating Cost: Arrived based on dividing the operating cost by the total deposits of the bank.

On the single, common MLR, each financial institution is free to add its expected spread to arrive at the median final lending rate. Financial institutions shall compute their product-specific final lending rates by adding the following components to the MLR: credit risk and tenor premium, and an item covering the bank's business strategy cost. Financial institutions cannot lend below the MLR except for selected loans such as:

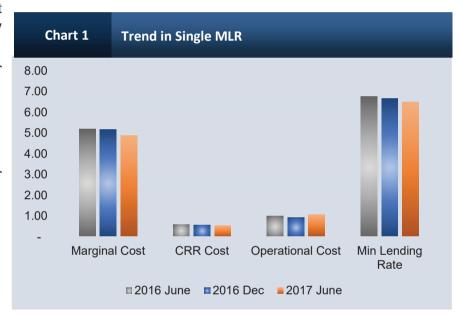
- (i) Advances to depositors against their own deposits;
- (ii) Loans for liquidity management of a maturity of less than 90 days;
- (iii) Consortium loans approved by the Royal Government for Bhutan for investment in strategic sectors that are of national interest;
- (iv) Strategic/priority sectors as defined from time-to-time by the RMA; and
- (v) Staff Incentive Loans.

As of June 2017, the Single MLR is computed at 6.51 percent, a decrease by 0.15 percentage points from 6.66 percent as of December 2016. The table below illustrates the computation of MLR.

Table 1 Computation of MLR												
	Ma	arginal Co	ost		CRR Cost	t	Ope	rational (	Cost	Min	Lending l	Rate
Bank	16-Jun	16-Dec	17-Jun	16-Jun	16-Dec	17-Jun	16-Jun	16-Dec	17-Jun	16-Jun	16-Dec	17-Jun
BOBL	3.62	3.75	3.46	0.4	0.42	0.38	0.84	0.88	0.88	4.86	5.05	4.72
BNBL	5.27	5.26	4.87	0.59	0.58	0.54	1.29	0.87	0.91	7.15	6.71	6.32
DPNBL	4.81	4.77	4.4	0.53	0.53	0.49	1.06	0.86	1.66	6.4	6.16	6.55
T-Bank	5.09	5.09	4.73	0.57	0.57	0.53	0.97	0.86	1.18	6.63	6.52	6.44
BDBL	7.13	6.96	6.97	0.79	0.77	0.77	0.79	1.12	0.76	8.71	8.85	8.5
Average	5.18	5.17	4.89	0.58	0.57	0.54	0.99	0.92	1.08	6.75	6.66	6.51

Amongst the three key components of MLR (which includes the marginal cost of funds, CRR cost and the operating cost), the decrease in MLR was mainly contributed by marginal cost which

decreased to 4.89 percent in June 2017 from 5.17 percent in December 2016. Marginal cost of mobilizing corporate deposits by the banks continued to remain significant which remained at average of 2.46 percent during June 2017.CRR cost also observed a fall from 0.57 percent to 0.54 percent. While, the operating costs of banks increased from



0.92 percent in December 2016 to 1.08 percent in June 2017. Wages and salaries continue to be major components of bank's operating cost. It was observed that the decrease in the marginal cost has off-set by increased in the operating cost of the banks resulting in overall decrease in the Single MLR during June 2017.

The types of deposits with the commercial banks can be broadly categorized into six different

categories Its observed that corporate time deposit has the highest share of deposit followed by saving deposits and current deposits.



#### Computation of Marginal Lending Rate (MLR)

The MLR is a single benchmark or minimum reference rate for lending of money across all financial institutions. The MLR uses three cost parameters that are common across all banks. A single MLR is computed by averaging the MLR of the individual banks.

Minimum Lending Rate = (i) Marginal Cost of Funds + (ii) Negative Carry Charges on CRR + (iii) Operating Costs

(i) Marginal Cost of Funds for a bank is the marginal cost of mobilizing all funds (such as deposits and borrowings) calculated as under:

For each type of fund = Interest rate x Percent Share to Total Funds

(ii) **Negative Carry Charges on CRR:** the negative carry on the mandatory CRR which arises due to return on CRR balances being nil, will be calculated as under:

Required CRR x (marginal cost) / (1- CRR)

The marginal cost of funds arrived at (i) above will be used for arriving at negative carry on CRR.

(iii) Operating Costs for each bank is calculated as a function of total funds of the bank, calculated as under:

(Operating Cost / Total Funds) x 100

Since the MLR will be reviewed on a semi-annual basis, only the half-yearly operating cost will be accounted while computing the MLR.

#### I. Computation of Final Lending Rate

On the single common MLR, each financial institution will competitively add its expected spread – which is the Average Return on Net Worth (ARNW) – to arrive at the **median final lending rate**.

Financial institutions will compute their product-specific final lending rates by adding the following components on to the MLR: (i) **Credit Risk Premium**; (ii) **Tenor Risk Premium**; and (iii) **Business Strategy.** 

- (i) The **credit risk premium** charged to the customer represents the default risk arising from loan sanctioned will be arrived at based on a standard credit appraisal model
- (ii) The **tenor risk premium** will not be borrower specific or loan class specific but will be uniform for all types of loans for a given tenor.

The financial institutions can choose to apply either fixed or residual maturities for assessing their tenor risk premium depending upon the choice over fixed or flexible interest rate system.

(iii) The **business strategy** component will be arrived at by taking into consideration the market competitiveness and the financial institutions' business strategy. The business strategy will be computed based on a transparent policy approved by the Board.

#### II. Review of MLR

The MLR will be reviewed on a semi-annual basis, based on the end of June and December months' balance sheets. The reviewed MLR will be finalized and implemented within two months i.e. by the end of August and February respectively.

## READERS' FEEDBACK ON THE ANNUAL REPORT

Dear Reader,

We welcome comments or suggestions that will help us improve the content and format of the Annual Report. Please contact us at the following address:

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You can also email us at: rsd@rma.org.bt

Please visit our website <u>www.rma.org.bt</u> for information on the RMA and to access all of our publications.

The **RMA Publication User Survey** is also attached at the end of this report and can be accessed online on the RMA website.

Thank you.

### **USER SURVEY FOR RMA PUBLICATIONS**

Please take a few minutes to answer the following questions to help improve the quality and accessibility of RMA's publications.

Yes ( ) No ( )  Q2. How do you usually gain access to RMA publications?  Website ( ) Hardcopy ( ) Others - please specify ( )  Q3. Which RMA publications do you usually use?
Website ( ) Hardcopy ( ) Others - please specify ( )
O3 Which DMA publications do you usually uso?
Q5. Which KWA publications uo you usuany use:
Monthly Statistical Bulletin ( ) Quarterly Selected Economic Indicators ( ) Annual Report ( ) Monetary Policy Statement ( ) Other – please specify ( )
Q4. Which sections of the RMA publications do you find most useful?
Economic Review ( ) (featured in the Annual Report and SEI) Administration and Operations ( ) (featured in the Annual Report) Statistical Tables ( ) Annexure Feature Reports ( ) (featured in the Annual Report)
Q5. On a scale of 1 to 5, where 1 = "extremely dissatisfied" and 5 = "extremely satisfied", how would you rate your level of overall satisfaction with RMA publications?
1() 2() 3() 4() 5()
Q6. RMA publications are comprehensive in covering all Bhutan macroeconomic issues. Please indicate whether you:
1. Strongly disagree 2. Disagree 3. Undecided 4. Agree 5. Strongly Agree
Q7. Do you use the data found in RMA publications?
Yes ( ) No ( ) Sometimes ( )
Q8. If you have any additional comments and/or suggestions to improve the quality of RMA publications, please write them here.

Thank you very much! On completing this survey, kindly send it to the Research and Statistics Department, Royal Monetary Authority of Bhutan, by email, fax or post.

The questionnaire can also be accessed online at www.rma.org.bt

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