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# Some facts and figures

- ✓ Location: **China and India**
- ✓ Government: **Constitutional Monarchy**
- ✓ Population : **786,676**
- ✓ Forest cover: **90% bio-diversity hot spot**
- ✓ Altitude: **90m -7000m asl**
- ✓ GDP rate: **6.49%**
- ✓ Employment: **Agriculture based (80%) 30% of GDP**
- ✓ Planned economy: **GNH philosophy (4 pillars & 9 domains)**
- ✓ Main engine of growth: **Hydro power (10000MW)**



# Transport system in Bhutan

## 1. Road Transport:

- ✓ 1962 East-West H/way
- ✓ 2.5 mtr width (8.2 ft)
- ✓ Highest pass 3800 m asl (12500 ft)
- ✓ Total length: 8,050 km (4991 paved and 3059 unpaved)

## Current development

- ✓ East-west highway widening (Gol)
- ✓ Narrow single track bridges to two-way girder spans with higher capacity (JICA-bridges, Gol, ADB, World Bank)
- ✓ **BBIN** to be discussed in the summer joint session

## Major challenges

- ✓ Frequent slips and landslides summer monsoon
- ✓ winter snow storm and frost heave

# Road connectivity



# Trade and road

- ✓ Trade routes: **Phuntsholing, Gelephu, Samdrup Jongkhar, and Samtse.**
- ✓ Commercial hub and gateway: **Phuntsholing (74% of Bhutan's Total Trade)**
- ✓ Total Trade growth – **About 16% for last 15 years**
- ✓ Trade Openness Index : **60% (1998) to 80% (2015)**
- ✓ Trade liberalization: **Bilateral, Regional and Multilateral**
- ✓ Port for third country export/import: **Kolkata**

# Air Transport

- ✓ Total Airport: **4 (1 inter. & 3 domestic)**
- ✓ Airlines: **2 (Druk Air & Bhutan Airlines)**
- ✓ International destinations/flights: **India, Nepal, Thailand, Singapore**
- ✓ Domestic flight: **Bumthang, Gelephu, and Yonphula**

## Major challenges

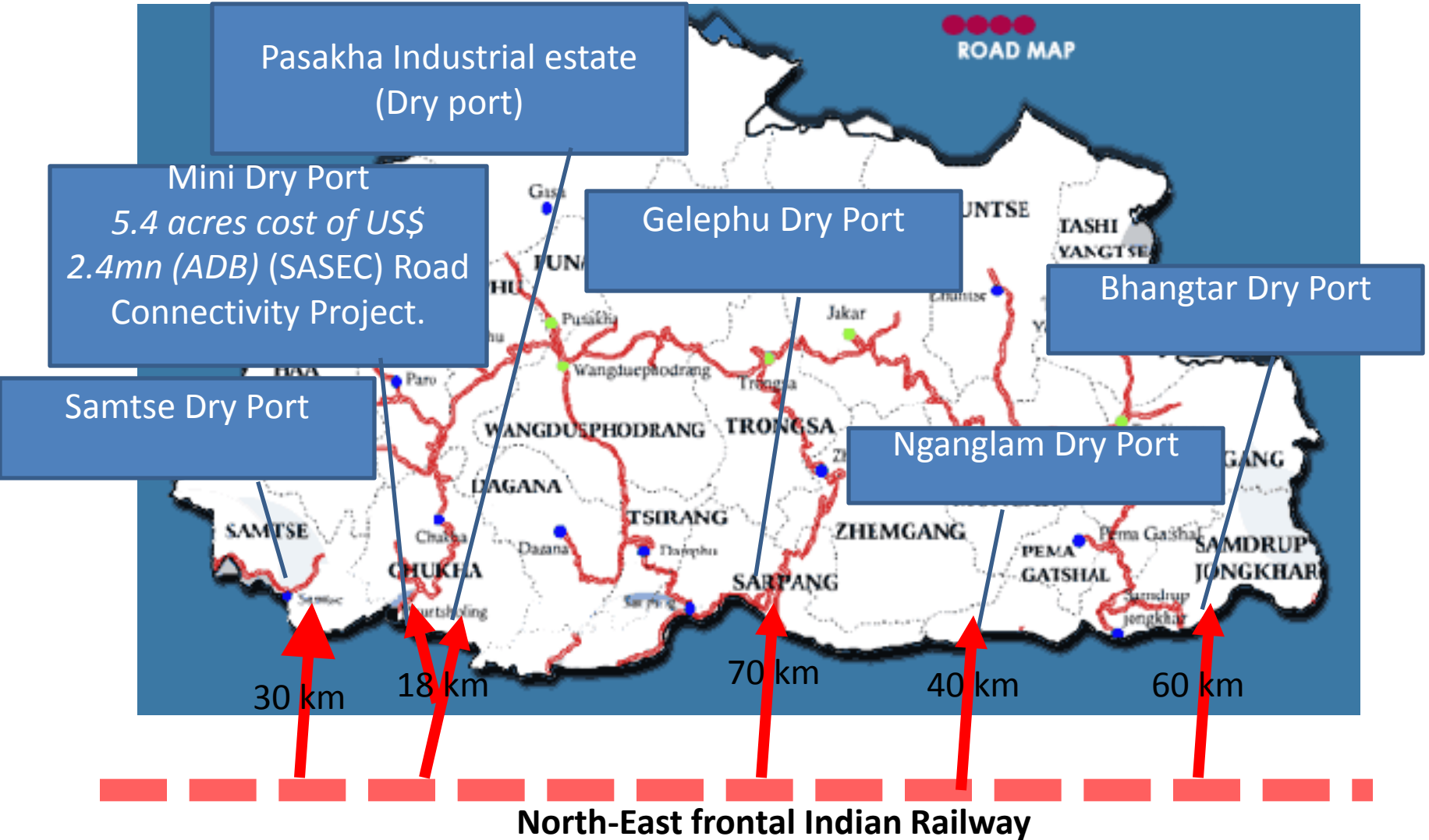
- ✓ Seasonal and mostly tourist
- ✓ Unpredictable weather



# Rail Transport

- **25/01/2005:** MoU signed to link Bhutan with IRN
- King of Bhutan and PM agreed for feasibility study for rail links
- **Possible routes:** Hasimara–Phuentsholing with a branch to Pasaka (18 km); Kokrajhar–Gelephu (70 km); Pathsala–Naglam (40 km); Rangia–Darranga–Samdrupjongkar (60 km); and Banarhat–Samtse
- Approval for 18 km indian broad gauge (5ft6 in)

# Road and rail link





# Current challenges

- Underdeveloped trade infrastructure facilities, such as dry port, cold storage, etc.
- logistic Performance Index (LPI) 128/155 in 2010 and 143/160 in 2014.
- High transaction costs ( Multiple CFA, Kolkata port, etc.)
- Transportation cost (Narrow road, rugged terrain)
- Highly dependent on single export sector (hydro)
- Small domestic market (Export is key)

# Challenges cont...

- Phuntsholing :
  - Lack adequate space
  - Traffic congestion and inconvenience of cross border movement
  - Increase in containerized traffic demand
  - No dedicated customs inspection and cargo handling area.

# Recent developments

## Dry Ports Projects in Bhutan

- Mini Dry Port (MDP) in Phuntsholing with financial support of the ADB under the South Asia Sub-regional Economic Cooperation (SASEC).
- Dry Port at Pasakha with financial support of the World Bank under the Regional Connectivity Project.

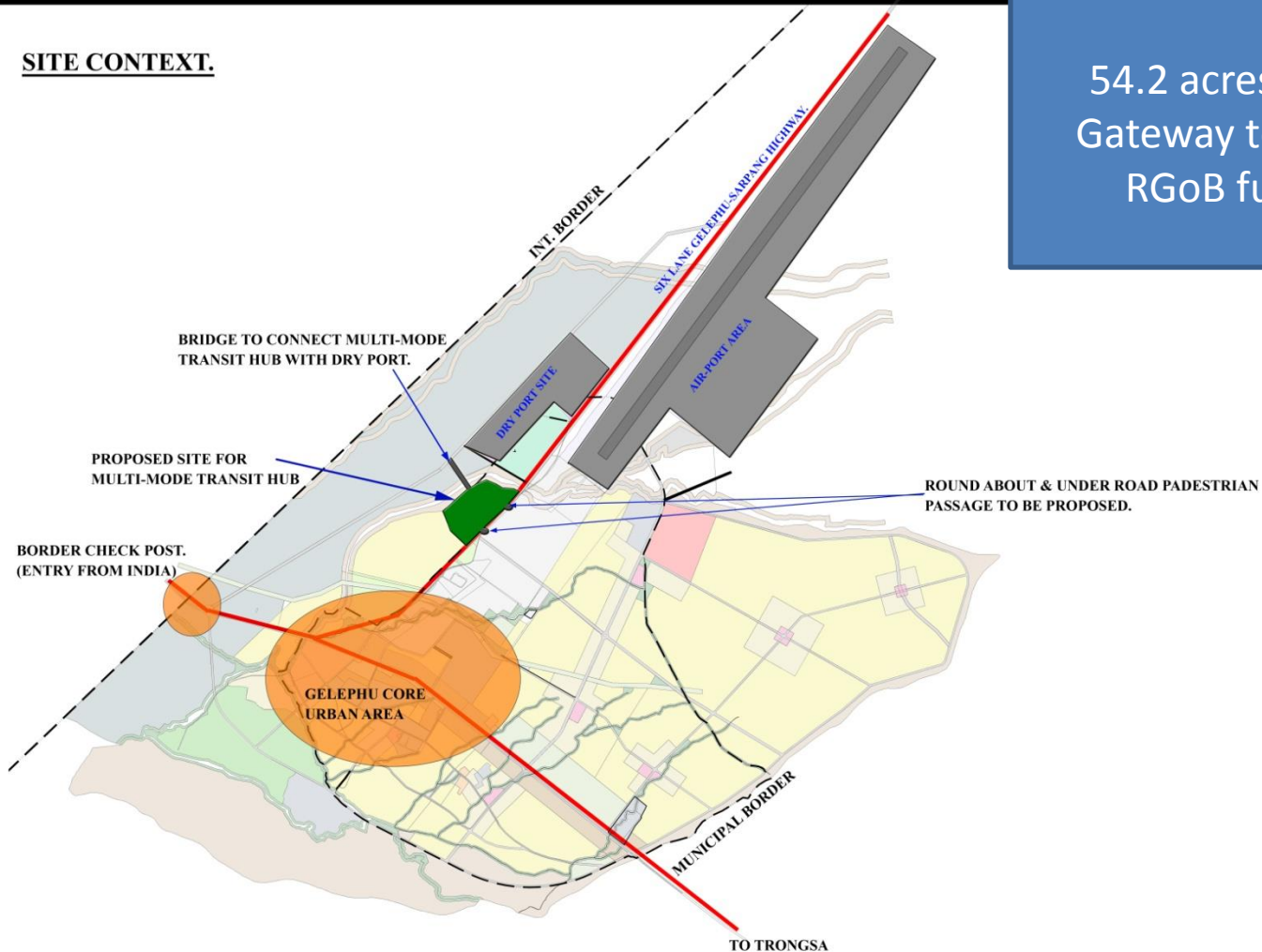
# Pasakha Dryport

- Area: 15.6 Acres
- •3-Zones: 1.Export Zone
- 2.Administrative area 3. Import Zone
- Cost estimate : USD 16m
- Project life cycle : 20 Yrs (2+18)
- Full fledged dry port
- For med to long run
- TEU 0.064m (2016) – 0.327m (2035)



# Gelephu Transport Hub

## SITE CONTEXT.



54.2 acres of land  
Gateway to Bhutan  
RGoB funding

# Conclusion

- Bhutan is getting ready in terms of construction of new or upgrading existing infrastructure
- Sees lot of opportunity to gain
- Existing instructional and facilitation arrangements with India

# Benefit



Trade deficit widens to Nu 32B

Source: kuensel issue 10/03/2017



Thank you