

Bhutan	
Policy responses	
Containment	<p>6 March, first confirmed case was known, a non-resident tourist; contact tracing and testing started with those who came in contact with the tourists.</p> <p>Immediately, tourists were barred from further entry and visas were cancelled; schools were closed in Thimphu; social distancing norms were encouraged.</p> <p>22 March, land borders were closed except for a very few shared with India to continue supplying essential goods to the country.</p> <p>23 March, international flights were suspended except for chartered flights to bring back students and workers who wanted to go home yet found themselves stranded.</p> <p>Government set up quarantine facilities in Thimphu and building makeshift houses that served as quarantine facility in the border districts outside Thimphu. Returning citizens who have been flown through chartered flights and evacuees who crossed the land borders were screened at the airport and borders, respectively. Some applicable cases were quarantined for 21 days in those mentioned facilities.</p> <p>27 March, more containment measures were imposed on public gatherings, travel (within and outside Bhutan), business and entertainment, games and sports and civil service, corporate, private, and other agencies.</p> <p>29 March, isolation ward in Thimphu was set up for those who tested positive from those returning citizens.</p> <p>7 April, due to the increasing number of infections in the neighboring India, 24-hour surveillance system - increased security and preventive measures - were set up in two districts bordering two Indian states; door-to-door COVID-19 awareness and prevention campaigns were also launched.</p> <p>8 April, isolation ward and testing laboratories were also set up outside Thimphu.</p> <p>To date, medical surveillances are still conducted in the border towns bearing in mind that most confirmed cases are from Bhutanese returning from abroad. The Ministry of Health strongly urges all Bhutanese especially those residing in the southern border towns to practice effective physical distancing, good personal hygiene and proper cough etiquette, at all times.</p> <p>9 July, the Ministry of Health continues to discourage mass gatherings. In unavoidable circumstances when mass gatherings are necessary, MoH</p>

	<p>issued measures that should be enforced: (1) adequate space of the venue; (2) short or quick community gathering is encouraged; (3) no sick person should attend the gathering; (4) the use of a trace app is mandatory to register the attendees; (5) wearing of face mask is mandatory; (6) physical distance of at least 1 meter apart should be maintained; (7) the venue should have an adequate number of washing stations; (8) food handlers and servers should use face masks and observe hygienic practices at all times; (9) sharing of cutlery or utensils should be discouraged; (10) local government should be informed of the gathering.</p> <p>10 August, Bhutan has imposed its first nationwide lockdown due to a virus infection in a returning traveler who had been released from quarantine. The government issued a stay-at-home order for its approximately 750,000 people, and all schools, offices and commercial establishments were closed. The lockdown would be enforced from five to 21 days “to identify and isolate all positive cases, immediately breaking the chain of transmission.”</p> <p>By 1 September, government authorities announced easing of restrictive measures, but the public still has to follow government operatives.</p> <p>23 December second lockdown was imposed by the government.</p> <p>20 January 2021, Bhutan is one of the first 6 country-recipients of Oxford-AstraZeneca vaccine from India’s domestic production as part of India’s ongoing vaccine diplomacy effort.</p> <p>1 February, following the conclusion of mass testing, the lockdown in Paro and Thimphu has been eased, allowing economic activities, schools, offices and business to resume.</p> <p>22 March, Bhutan received the second consignment of 400,000 doses of Covishield from India.</p> <p>23 March, started distributing the vaccines to districts; and 500,316 individuals have registered for vaccination.</p> <p>27 March, nationwide vaccination roll-out will begin.</p>
Fiscal	<p>The government will formulate plans to fast-track the implementation of 12th Five Year Plan prioritizing activities of tourism, agriculture and infrastructure sectors. Additional resources of Nu 2B will be allocated to health-related spending.</p> <p>The Contingency Plan or an Economic Stimulus Plan allocated Nu 30B National Relief Fund in response to the COVID-19 outbreak is not part of this 12<sup>th</sup> Plan.</p> <p>Filing of Business Income tax (BIT) and Corporate Income tax (CIT) has been extended by a few months.</p>

	<p>Loan interest waived (50 percent of cost), deferred payment of sales tax and customs duty on essential items (March to June 2020), and waiver of payment of rent and other charges (April-June 2020) by tourism-related business entities leasing government properties.</p> <p>Investments in GovTech is allowing Bhutan to reap benefits during COVID-19 including fast disbursement of cash relief funds. In late September, the first sovereign offering of a 3-year domestic bond of US\$ 41 million (or Nu. 3 billion) at 6.5 per cent was issued to support increasing fiscal needs.</p> <p>WB fast-tracked \$5M grant to support the COVID-19 Emergency Response and Health Systems Preparedness Project to help Bhutan prevent, detect, and respond to the COVID-19 pandemic and strengthen its public health preparedness.</p> <p>Parliament members have donated one month's salary to this national COVID-19 response fund. Private donations also contributed to the fund.</p>
Monetary/financial	<p>14 April, a new set of monetary relief measures were introduced by the Royal Monetary Authority (RMA). RMA and financial institutions deferred loan repayments and waived interest payments for three months from April to June 2020. Both RMA and FIs must ensure cash flow and liquidity so that small businesses are not impacted badly and consumption is boosted.</p> <p>2 May, 19,216 NPL accounts to benefit from interest waiver.</p> <p>10 April, the king commanded the PM to establish the Druk Gyalpo's Relief Kidu to help many people working in the tourism and hospitality sector, including small restaurants, entertainment centers, truck drivers, taxi drivers, etc., who have suffered loss of jobs and income.</p> <p>Parliament members have donated one month's salary to this national COVID-19 response fund. Private donations also contributed to the fund.</p> <p>30 April, the kidu relief released Nu. 150 million as the first disbursement to 13,006 people.</p> <p>5 October, the government launched the National Credit Guarantee Scheme (NCGS), to boost investments of both small and medium enterprise, by providing collateral requirement relief and a substantial credit guarantee.</p> <p>25 December 2020, in response to the second lockdown imposed on 23 Dec, the RMA activated the 24/7 Command Call Centre to ensure uninterrupted financial services and have notified financial institutions to make their digital financial services available round-the-lock.</p> <p>11 February 2021, the RMA has announced a NPL resolution framework recommended by the National High Level NPL Committee to support new</p>

	credit supply in the economy.
Trade measures <sup>1</sup>	<p><b>Restrictive:</b></p> <ul style="list-style-type: none"> <li>The Bhutan government banned the import of Doma (betel nut) and Pani (betel leaf) in addition to fruit, vegetables and meat in an attempt to curb the spread of coronavirus in the country.</li> </ul> <p><b>Liberalizing:</b></p> <ul style="list-style-type: none"> <li>Bhutan temporarily lifts tobacco ban amid coronavirus measures.</li> </ul>
SME measures (last update 22 January 2021)	<p><b>Deferral of tax payment:</b></p> <ul style="list-style-type: none"> <li>The Government deferred declaration and payments of business income taxes and corporate income taxes for the income year 2019 until 30 June 2020.</li> <li>The Government deferred payment of sales tax and customs duty on essential items from March to June 2020.</li> <li>Tax payments, for tourism and related sectors (hotel, airlines and tour operators) are deferred until December 31, 2020, while for other sectors until September 30, 2020.</li> <li>Deferral of electricity charges payment until December 2020.</li> </ul> <p><b>Tax exemption:</b></p> <ul style="list-style-type: none"> <li>Payment of rent and other charges by tourism-related business entities leasing government properties has been waived from April to December 2020.</li> </ul> <p><b>Tax refund:</b></p> <ul style="list-style-type: none"> <li>Starting from 25 May 2020, the Government refund the 5 per cent sales tax collected on telecom services collected on or after January 16, 2020.</li> </ul> <p><b>Other fiscal support:</b></p> <ul style="list-style-type: none"> <li>The government exempted state-owned property rent payments for tourism-related businesses from April to June 2020.</li> </ul> <p><b>Loan support:</b><sup>2</sup></p> <ul style="list-style-type: none"> <li>The government provided working capital at 5 per cent interest for a period of three months to authorized wholesale distributors to enable them to purchase sufficient inventory and ensure that the basic supply is uninterrupted at reasonable prices.</li> <li>The government also provided working capital at 5 per cent interest for a period of three months to a tourism sector to assist companies to pay salaries and retain employees.</li> <li>Soft loans to cottage and small industries through the CSI Development Bank (micro loans at 2 per cent interest for agriculture and rural activities and working capital loans at 4 per cent interest rate) have been extended to June 2021.</li> <li>[5 October] The government launched the National Credit Guarantee Scheme (NCGS) to boost investments of both small and medium enterprise, by providing collateral requirement relief and a substantial</li> </ul>

<sup>1</sup> <https://www.macmap.org/covid19>

<sup>2</sup> <https://kuenselonline.com/govt-announces-details-of-major-initiatives/>

	<p>credit guarantee</p> <p><b>Deferral of loan repayment:</b></p> <ul style="list-style-type: none"> <li>The Royal Monetary Authority of Bhutan (RMA) (i) deferred monthly loan repayments until June 2021 and (ii) waived loan interest completely for all loans until September 2020 and partially until March 2021. The government will pay 50 per cent of all interest, and the remaining 50 per cent will be borne by financial institutions.</li> </ul> <p><b>Employment support:</b></p> <ul style="list-style-type: none"> <li>The Government announced a National Resilience Fund for mitigating COVID-19 linked job losses and salary cuts.</li> </ul>
Other policy measures	<p>10 April, the king commanded the PM to establish the Druk Gyalpo's Relief Kidu to help many people working in the tourism and hospitality sector, including small restaurants, entertainment centers, truck drivers, taxi drivers, etc., who have suffered loss of jobs and income.</p> <p>24 June, the Gross National Happiness Commission and UNDP Bhutan signed the project "<i>Support to Commercial Farming in Paro District: A Response to COVID-19</i>". The project is focused on large scale vegetation production to support 18 groups of people in the tourism sector who lost their job and income due to COVID-19 pandemic.</p>

Source: Local news and information compiled from IMF.

<https://www.reuters.com/article/us-health-coronavirus-bhutan/bhutan-orders-first-coronavirus-lockdown-as-cases-hit-113-idUSKCN2570U0>

<http://www.nsb.gov.bt/publication/files/pub1ip5024jn.pdf>