



# **COUNTRY INVESTMENT CLIMATE: Rules and Regulations**

## **BHUTAN PERSPECTIVE**

PPP Unit

Department of Macroeconomic Affairs

Ministry of Finance

# Outline

- I. Brief Introduction on Bhutan
- II. Macroeconomic outlook
- III. Investment Climate in Bhutan
- IV. Brief on PPP Policy
- V. Conclusion

# I- Country Introduction

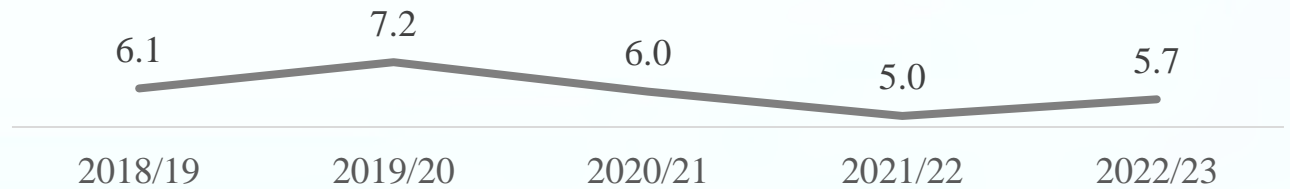
## BHUTAN

- Total Area – 38,394 Sq. Km.
- Population – 807,610 (60% farming)
- Altitude: 160 m to 7500 m
- Forest coverage : 70% (policy to ensure 60% coverage at all times and is the only carbon neutral country in the world)
- Type of Govt: Constitutional Monarchy (2008)
- Real GDP (2018) in USD: \$1.030 billion
- Real GDP per capita (2018) in USD: 1,308.998
- Plan cycle: 12<sup>th</sup> FYP (2018/19 to 2022/23)
- Gross National Happiness (GNH): is the philosophy guide for our Socio Economic Development



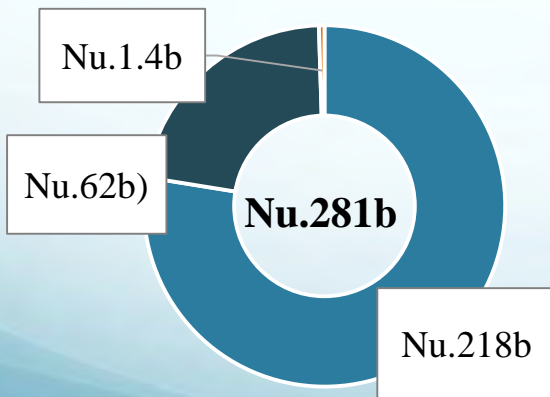
## II - Bhutan Macroeconomic Outlook

*Economy projected to grow at 6% on average in 12<sup>th</sup> FYP*

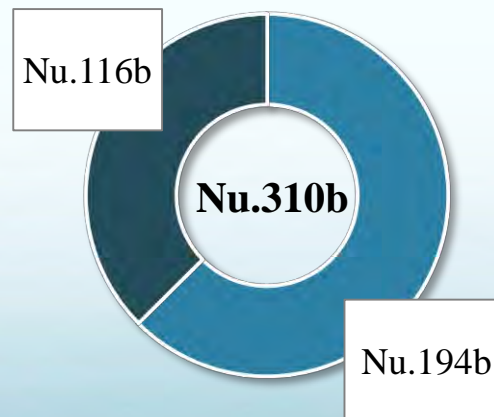


*Fiscal Deficit of Nu. 29.243b in the 12<sup>th</sup> FYP...*

### Revenue & Grants



### Outlay



**Fiscal deficit**

**Nu. 29.243b**

■ Domestic Revenue 
 ■ External Grants  
■ Internal Grants

■ Current expenditure  
■ Capital expenditure

# III - Investment Climate in Bhutan

- **GNH pillars:** Equitable and inclusive Sustainable Socio-economic Development, Preservation and Promotion of Culture, Environmental Conservation and Good Governance.
- According to Transparency International gauging the Corruption Perceptions Index, Bhutan stands at 25 out of 180 countries
- World Bank Ease of Doing Business Index ranks Bhutan at 81 in the world and 2<sup>nd</sup> in South Asia
- Ranks 82<sup>nd</sup> in the Global Competitive Index of World Economic Forum
- Legal Framework: Sound policies, rules and regulations and guidelines established for PPP, FDI etc.

## IV - Brief on PPP Policy

### Overview of the Policy

- ❖ Provides a comprehensive over-arching framework for PPPs.
- ❖ It clarifies the Government's functions, the institutional structure for implementation and the process to follow.
- ❖ Presents PPP project life cycle for development and execution of PPP project.

***Main objective:*** *to build sustainable PPP market in Bhutan*

# Conclusion

While there may be varying odds that may prove detrimental to the investment climate, by and large the investment climate in Bhutan is favorable and suitable

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**THANK YOU**