



AGRICULTURE SECTOR



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SECTOR HIGHLIGHT

- Favorable Climatic Condition ranging from 150-4000 masl.
- Sector employees 43.5 % of the workforce & contributes 14.96 % of the GDP as of 2023.
- Ambitious goals to increase the sector's GDP contribution from Nu. 31 billion in 2023 to Nu. 50 billion by 2029.

GOVERNMENT INITIATIVES

- **Enhanced plantation:** Million-fruit tree plantation program initiated in 2022. Completed three phases of plantation with more than 3 million high value fruit saplings planted.
- **Input support:** Distribution of prefabricated greenhouses, agro-chemicals, high quality seeds, rehabilitation of land through sustainable land management.



- **Farm mechanization** by providing machine hiring services.
- **Support Organic Farming:** 14,099.54 acres registered for organic agriculture production. A total of 65 products certified as organic products.
- **Infrastructure Support:** Integrated Cold Stores were constructed by Government.
- **Initiate high value production:** Initiated Sturgeon farm for caviar production.
- **Marketing Support:** Exhaustive market surveys carried out in Singapore, Malaysia, Japan and Thailand.
- Assisted local farms with Bhutan Good Agricultural Practices (GAP) third-party certification.
- Linking schools and hospitals with producers.

GROWING DOMESTIC DEMAND

- Import value of agricultural commodities is thrice the export value.
- The Government's target to increase the annual tourist arrival to 300,000 per year.

EXPORTS ON THE RISE

- Apples, mandarin, potatoes, bettle nut, cardamom, ginger, turmeric, buckwheat and vegetables were exported to countries such as India, Bangladesh, Malaysia, Singapore and Japan.
- Total export in the FY 2022-2023 was Nu. 3012.11 M of which Nu. 2733.4 M was from the export of fresh produce and remaining from the value-added products. Cardamom (1320.41 m), Oranges (418.23 m), Potato (383.74 m), Cordyceps (214.84m) and Arecanut (213.82 m) were the top agricultural export commodities.

BUSINESS INFRASTRUCTURE

ACCESS TO LAND

- Government Land available on long- term lease.
- Lease from Private Individuals
- Four strategically located Industrial Estates/Parks are available at nominal rate.
- Three strategically located Dry ports

ACCESS TO RENEWABLE ENERGY

- The electricity prices per kWh range from USD 0.016 - 0.032 (low voltage), USD 0.019 (medium voltage) along with a demand charge of USD 2.075 per kVA per month and USD 0.019 (high voltage) along with a demand charge of USD 6.056 per kVA per month which is the cheapest in the region.
- The power supply is clean and reliable. With the cost of electricity for industrial use averaging USD 0.03 per kWh, it is one of the cheapest in the world
- Updated tariff available at <https://www.bpc.bt/electricity-tariff/>



WORKFORCE

- The current minimum wage rate for Bhutan is about USD 150 a month for unskilled and about USD 225 a month for skilled workers.
- The FDI businesses can apply for foreign workers.

LOGISTIC AND CONNECTIVITY

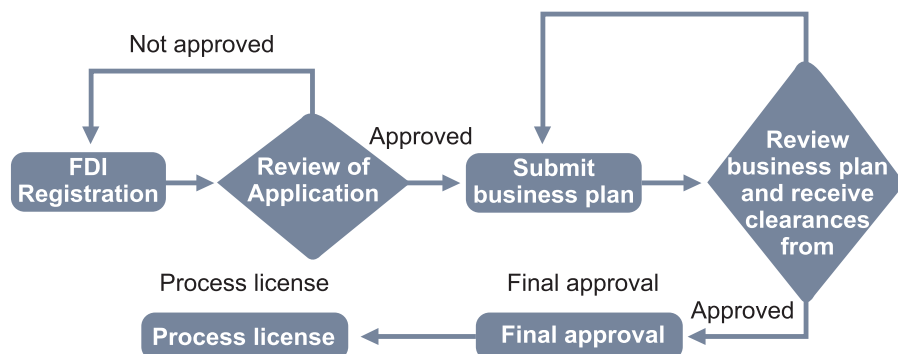
- Flights to six countries (Bangladesh, India, Nepal, Singapore, Thailand and Dubai), domestic flights to three destinations with a travel time of less than an hour.
- Access to sea via Kolkata Port(694.2km), Mongla Port(666.8km) and Chittagong Port (756 Km) from Phuntsholing, Bhutan.
- Access through the waterway via Dhubri (180 km) from Phuntsholing, Bhutan.

LANGUAGES

- Medium of Education in Bhutan is ENGLISH. Besides, Hindi and Nepali is widely spoken.

FDI REGISTRATION - A BRIEF GUIDE

- Application for FDI Registration can be submitted online through <https://ibls.systems.gov.bt>
- FDI is allowed with a minimum project cost of USD 246,639 (BTN 20 million) and maximum foreign ownership of 100 %.





INVESTMENT OPPORTUNITIES

AGRICULTURE INPUT INDUSTRIES

Input industries are currently driven by the government indicating huge opportunities for the production, commercialization and distribution of organic fertilizers, bio-pesticides & organic feed, organic seed, machines for seed cleaning/processing, labelling/packaging, mushroom spawn production laboratories, etc.

PRODUCTION AND AGRO- PROCESSING

Agro-processing such as packaging or canning industries, refrigeration/instant packaging, freeze-drying, dehydration, pre-treatment, etc. of highly valued organic products for fruits, vegetables, herbs & mushrooms, nuts and oilseeds, cereals, spices and aquaculture.

GRADING AND MARKETING

Losses due to poor storage are high for farmers, retailers or wholesalers. Investment in appropriate processing units for collection, grading, storage and cold storage would reduce post-harvest losses and improve the quality of many agricultural products.

FISCAL INCENTIVES

- **Direct Tax Incentives:** Income derived for a period of up to 10 years shall be exempted from income tax upon fulfilment of conditions.
- An investment allowance shall be provided for the fixed capital investment incurred.
- **Indirect Tax Incentives:** Sales tax and customs duty shall be exempted on the import of plant and machinery, seed and seedling and equipment and tools.



