





## INDIA-BHUTAN RELATIONS

---

### Why in News?

During his visit to Bhutan, the Prime Minister of India was honored with the Order of the Druk Gyalpo, Bhutan's highest civilian award. This recognition underscores India's significant contributions to fostering ties with Bhutan and its global leadership.

### Key Developments During the Visit

#### 1. Award and Recognition:

- The Order of the Druk Gyalpo celebrates the Indian PM's efforts in strengthening India-Bhutan ties and India's emergence as a global power.
- First foreign leader to receive this award.

#### 2. Financial and Developmental Commitments:

- India pledged ₹10,000 crore for Bhutan over five years, targeting cooperation in energy, space, and connectivity.

#### 3. Improved Connectivity: Agreements for two rail links:

- Kokrajhar-Gelephu
- Banarhat-Samtse

#### 4. Hydropower Collaboration: Both nations aim to commission the 1,020 MW Punatsangchhu-II Hydropower Project in 2024.

### India-Bhutan Cooperation

#### 1. Diplomatic Relations

- Foundation: Treaty of Friendship (1949, revised 2007).
- Bhutan remains a steadfast ally, with India playing a pivotal role in its development.

#### 2. Economic Cooperation

- **Trade:**
  - India is Bhutan's largest trade partner and investor.
  - A free trade regime exists under the Trade, Commerce, and Transit Agreement (2016).
- **Development Aid:**
  - Bhutan is the largest recipient of Indian aid.
  - India supports Bhutan's goal of becoming a high-income nation by 2034.

#### 3. Hydropower

- Hydroelectric projects form the cornerstone of India-Bhutan ties, including:



- Kurichhu, Tala, Chukha, and Mangdechhu (720 MW).
- Bhutan supplies surplus electricity to India, a win-win for energy security.

**4. Connectivity:** Projects like Project DANTAK (roads) and proposed rail links improve cross-border accessibility.

## 5. Cultural and Technological Relations

- Shared cultural heritage, especially Buddhism, strengthens ties.
- Technology collaborations include India-Bhutan SAT, RuPay, and the BHIM app.

## Importance of Bhutan for India

- 1. Geostategic Importance:** Bhutan's proximity to the Siliguri Corridor (India's "chicken neck") makes it critical for India's security.
- 2. Hydropower Potential:** Bhutan's hydropower supports India's renewable energy goals.
- 3. Environmental Cooperation:** Both countries share a common Himalayan ecosystem and collaborate on climate change adaptation.
- 4. Security Collaboration:**
  - The Indian Military Training Team (IMTRAT) trains Bhutan's Royal Army.
  - India aids Bhutan in curbing militant hideouts along the India-Bhutan border.

## Challenges in India-Bhutan Relations

- 1. Hydropower Concerns:** Delays in projects like Punatsangchhu-I & II and tariff negotiations affect trust.
- 2. Financial Shifts:** Transition from 60:40 (grant:loan) to 30:70 financial models increases Bhutan's debt burden.
- 3. BBIN Motor Vehicle Agreement:** Bhutan has reservations due to environmental concerns.
- 4. China's Growing Influence:** Border disputes with China, especially in Doklam, impact India's security.

## China-Bhutan Dynamics and Implications for India

### 1. China's Influence

- Economic projects like fiber optics and infrastructure strengthen Beijing's foothold.
- Assertive territorial claims (e.g., Doklam, Sakteng Wildlife Sanctuary) challenge Bhutan's sovereignty.

### 2. Threats to India

- Doklam Standoff (2017): Highlights China's intentions near India's Siliguri Corridor.



- Bhutan-China border agreements could dilute India's influence and alter Bhutan's traditional pro-India stance.

## Way Forward

### 1. Diversify Economic Cooperation:

- Explore opportunities in fintech, space tech, and biotech.
- Promote Brand Bhutan in global markets.

### 2. Strengthen Security Collaboration: Establish real-time communication channels for cross-border security.

### 3. Engage Bhutan and China: Initiate trilateral dialogue to manage disputes and ensure transparency.

### 4. People-Centric Initiatives: Leverage cultural ties (e.g., Buddhism) and increase tourism and educational exchanges.

### 5. Adaptive Strategies:

- Encourage Bhutan's sustainability goals like its Gross National Happiness (GNH) model and carbon-negative economy.

## Conclusion

India-Bhutan relations remain a shining example of a partnership based on mutual respect, trust, and shared goals. However, addressing challenges like hydropower delays and countering China's growing influence is critical for maintaining this robust relationship. By focusing on development, security, and people-to-people ties, India can further deepen its engagement with Bhutan.

### Do you know?

- Bhutan is the world's first carbon-negative country
- Bhutan is best known for its philosophy of promoting Gross National Happiness (GNH) over GDP.
- Bhutan shares an open border of 699 km with four Indian states (Assam, Arunachal Pradesh, West Bengal, and Sikkim).