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**Press Information Bureau
Government of India
Ministry of Commerce & Industry**

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Trade Agreement between India and Bhutan

In 2015-16, the major commodities exported from India to Bhutan were petroleum products, machine tools, motor vehicles/cars, products of iron and steel etc. while the major imports from Bhutan were power, iron and steel, inorganic chemicals, plastic sheet and film, alcoholic beverages etc.

India and Bhutan have signed an Agreement on Trade, Commerce and Transit on 12th November 2016, which provides for a free trade regime between the two countries aimed at boosting the bilateral trade for mutual benefit. The Agreement also aims at facilitating Bhutan's trade with third countries through an improved procedure for containerised cargo, striving towards use of electronic means to facilitate the movement of transit cargo, additional entry/exit points in India, etc.

An Agreement on Trade and Commerce between India and Bhutan was first signed on 17th January, 1972. Since then, the Agreement has been renewed/revised five times, including the agreement signed on 12th November 2016.

The Government continues to engage proactively with Bhutan to strengthen trade and economic relations, inter-alia, through taking up the issues impacting the bilateral trade for early resolution, holding bilateral and multilateral trade discussions from time to time, efforts for improvement of trade infrastructure along the border, providing assistance under Market Access Initiative (MAI) and Market Development Assistance (MDA) schemes to Indian exporters, Export Promotion Councils, Apex Trade Bodies etc. for participation in events in foreign countries, including Bhutan, etc.

This information was given by the Commerce and Industry Minister Smt. Nirmala Sitharaman in a written reply in Lok Sabha today

MJPS