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

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**The new Agreement on Trade, Commerce and Transit between India and Bhutan has come into force with effect
from 29th July 2017**

The bilateral trade relations between India and Bhutan are governed by the Agreement on Trade, Commerce and Transit between the Government of India and Bhutan. The Agreement provides for a free trade regime between the territories of India and Bhutan. The Agreement also provides for duty free transit of Bhutanese merchandise for trade with third countries.

The Agreement was last renewed on 29th July 2006 for a period of ten years. The validity of this Agreement was extended, with effect from 29th July 2016, for a period of one year or till the new agreement comes into force, through exchange of Diplomatic notes.

The new Agreement on Trade, Commerce and Transit Agreement was signed on 12th November 2016 by the Minister of State (IC), Ministry of Commerce and Industry on behalf of the Government of India during her visit to Bhutan on 11th-13th November, 2016. As per its provisions, the new Agreement was to come into force on a mutually decided date. As agreed to by both India and Bhutan, the new Agreement on Trade, Commerce and Transit between India and Bhutan has come into force with effect from 29th July 2017.

The new Agreement will further strengthen the bilateral trade relations between India and Bhutan.

MJPS
