

Switzerland and Bhutan

Exploring Business Opportunities in Bhutan

Wednesday 26 Sept 2018
from 14:00 to 17:00

Zurich, Switzerland
at the University of Applied Sciences
in Business Administration
Lagerstrasse 5, Zürich (HWZ, Room no. 311)

Ready for Business

Bhutan is growing quickly and is committed to sustainable economic development. Key attributes of doing business are in place:

- Constitutional monarchy, political stability, democratic and functioning institutions including a credible legal system
- Country with a pristine environment, offering ready access to the Indian and other dynamic markets in Asia
- Business opportunities in rapidly growing sectors such as food processing, infrastructure and information technology

ENTRY FREE | RSVP: 14 Sept 2018 (Mrs. Lakshmi Sirisha), Email: lakshmi.sirisha@eda.admin.ch
From Switzerland, dial: +41 58 4800 892 | From India, dial: +91 11 4995 9500 (extn 800892)

Programme Registration opens 13.30 h

14:00 h: Welcome and Introduction

- Introduction by Mrs. Tamara Mona, Deputy Head of Mission, Embassy of Switzerland to India and Bhutan
- Welcome address by H.E. Mr. Kinga Singye, Permanent Representative of Bhutan to the United Nations in Geneva and Ambassador to Switzerland
- "Bhutan – Switzerland: Far apart and close together" by Mrs. Marianne Frei, President, Society Switzerland – Bhutan

14:20 h: Exploring Business Opportunities in Bhutan

- "Overview of business opportunities in Bhutan" by Ms. Sonam Lhamo, Investments Division, Ministry of Economic Affairs, the Royal Government of Bhutan
- "Industry sectors of interest to Swiss companies in Bhutan" by Mr. Sapan Parekh, Founder, Dreammaker Ventures
- "Regulatory and legal aspects of doing business in Bhutan" by Mr. Adrian von Bernstorff, Director of the Entrepreneurialism Clinic at Jigme Singye Wangchuck School of Law in Thimphu
- "Success story: Swiss company's experience of setting up an office in Bhutan" by Mr. Julian Weber, CEO, SELISE

15:30 h: Switzerland and Bhutan: Ready for Business

Panel discussion moderated by Mr. Stefan Barny, Director Global Network, Switzerland Global Enterprise

Confirmed speakers:

- Dasho Yeshe Wangdi, Secretary, Ministry of Economic Affairs, the Royal Government of Bhutan
- Mr. Julian Weber, CEO, SELISE, Swiss company in Bhutan
- Mr. Sapan Parekh, Founder, Dreammaker Ventures, based in Pune with presence in Thimphu
- Mr. Adrian von Bernstorff, Director of the Entrepreneurialism Clinic at Jigme Singye Wangchuck School of Law, based in Thimphu

Followed by a Q&A session

16:30 h: Networking Apéro with snacks from Bhutan

Switzerland and Bhutan

Ready for Business

Bhutan high growth sectors

In addition to the hydropower, construction and tourism sectors, which are important drivers of economic growth in Bhutan, there are many others such as food processing, agritech, and infrastructure which offer concrete opportunities for Swiss companies. Other, lesser known, but rapidly developing sectors of interest to Swiss companies include information technology, waste management, sourcing of herbs and medicinal plants (for flavors, fragrances and nutraceuticals), financial services, and a growing demand for Swiss quality products such as watches and knives.

Food Processing and Agriculture

With a climate, varying from subtropical in the south to alpine conditions in the North, a vast range of crops can be grown in Bhutan. 60% of the population is engaged in the agriculture sector, comprising 17% of the GDP as the largest sector – approximately Nu 20 billion (CHF 0.3 billion). The majority of Bhutan's food is imported from India and Thailand and tends to be highly processed. Bhutan is known as the land of medicinal herbs, and has a rich tradition of healing (*sorig*) that shares the same characteristics as Ayurveda and nutraceutical products.

Commercialization of agriculture is identified as a priority development goal. Institutional reforms to attract investments include providing 10-year income tax holiday, easier access to finance and public land. Businesses also enjoy exemptions on sales tax and import duty on farm machinery and inputs.

Opportunities: Food processing machinery, organic food and horticulture, scaling up of the green tea plantation in central Bhutan, craft beer and bottled water, dairy processing, agriculture machinery, essential oils, farming of medicinal plants and edible flowers.

Construction and Infrastructure

As a developing nation, infrastructure projects are a perpetual feature of the Bhutanese landscape. The construction sector accounts for 16% of the GDP. In addition to roads, bridges and other public works that cater to a growing population, hydropower projects are the primary driver of infrastructure investment in Bhutan.

With the focus on developing multiple large hydropower projects by 2020, significant investments have been made into

auxiliary sectors around these projects such as roads, shops, restaurants, housing and entertainment. With more hydropower projects still in the pipeline, and with newly prosperous businesses and individuals continuing to build homes and offices, the construction sector is likely to grow further.

Opportunities: Construction equipment and materials, heating and insulation technology, energy efficient buildings, specialists and consulting services for ropeways, expertise in infrastructure areas such as bridge construction, tunneling and rock fall protection, quick drying cement, tools, hand tools, and door/window fittings.

Information Technology (IT)

After decades of looking to IT as a panacea to physical challenges like rough terrain and a small domestic market, a critical mass of IT professionals, entrepreneurs and policy support has begun to create an enabling environment. Plus, where broadband internet penetration struggled to gain traction, the ubiquity of smartphones has also proven key in spurring IT-enabled growth.

The Thimphu TechPark is currently enjoying a run of success in attracting international firms to its campus and promoting the development of startups through trainings, mentorships, idea competitions and workspace support. Sector specific incentives for the IT sector include a ten-year tax holiday for the operation of IT/Business Process Outsourcing (BPO) units.

Opportunities: Business Process Outsourcing, Knowledge Process Outsourcing, block chain, transaction processing and data centers.

Country information

The Kingdom of Bhutan is a constitutional monarchy of about 787'000 people. Landlocked between China and India, the country covers 38'394 km² (slightly smaller than Switzerland), mainly covered by forests and mountains. The long-term vision of Bhutan's Government is based on the concept of the Gross National Happiness which strives for a democratic, internationally recognized, and socially equitable society.

Bhutan has a stable economic and political environment, with a high degree of transparency. The gross national income of USD 2'720 per person is one of the highest in South Asia. Gains from the hydropower sector are used to develop a high degree of economic self-reliance. Bhutan has affirmed its clear commitment to diversify the country's economy, to foster



private-sector development and attract investment. The country offers an educated work force with youth literacy rate of 86% and English as the medium of education.

While Bhutan itself has a small domestic market, opportunities exist for Swiss small and medium-sized companies as well as for larger transnational corporations. The free-trade agreement between Bhutan and India provides investors automatic access to one of the largest and most dynamic markets in the world (US\$ 1.88 trillion GDP averaging 11.7% annual growth over ten years), and preferential access to the sub-continent through the South Asian Free Trade Agreement.

For more information, contact:

Deepti Sharma

Deputy Director

Swiss Business Hub India, Embassy of Switzerland

New Delhi 110021

Email: Deepti.sharma@eda.admin.ch

From Switzerland, dial: +91 58 480 0876

From India, dial: +91 11 4995 9500 (extn: 800876)

www.s-ge.com/ www.eda.admin.ch/newdelhi