

BHUTAN

DREAMMAKER VENTURES

INSPIRE . CONNECT . CREATE .



Investment Opportunity Guide





Market Approach

Bhutan, part of a region

Value add (produce and export)

Sourcing

Import substitution

Support to growing infrastructure demands

Under-developed sectors

The Traveller Loves Bhutan



Area: 38,000 km²

Forest Cover: 70%

Elevation: 160 m – 7,000 m

Population: 735,000

Literacy Rate: 86%

GDP Growth Rate: 7%

Per Capita Income: US\$ 2800

Land of Speed and Silence and Order

Culture and policies designed to provide stability

Clean environment

English widely spoken

High literacy

Corruption very low

Wise and able kings

Approachable government



Land of Speed and Silence and Order

Not colonised

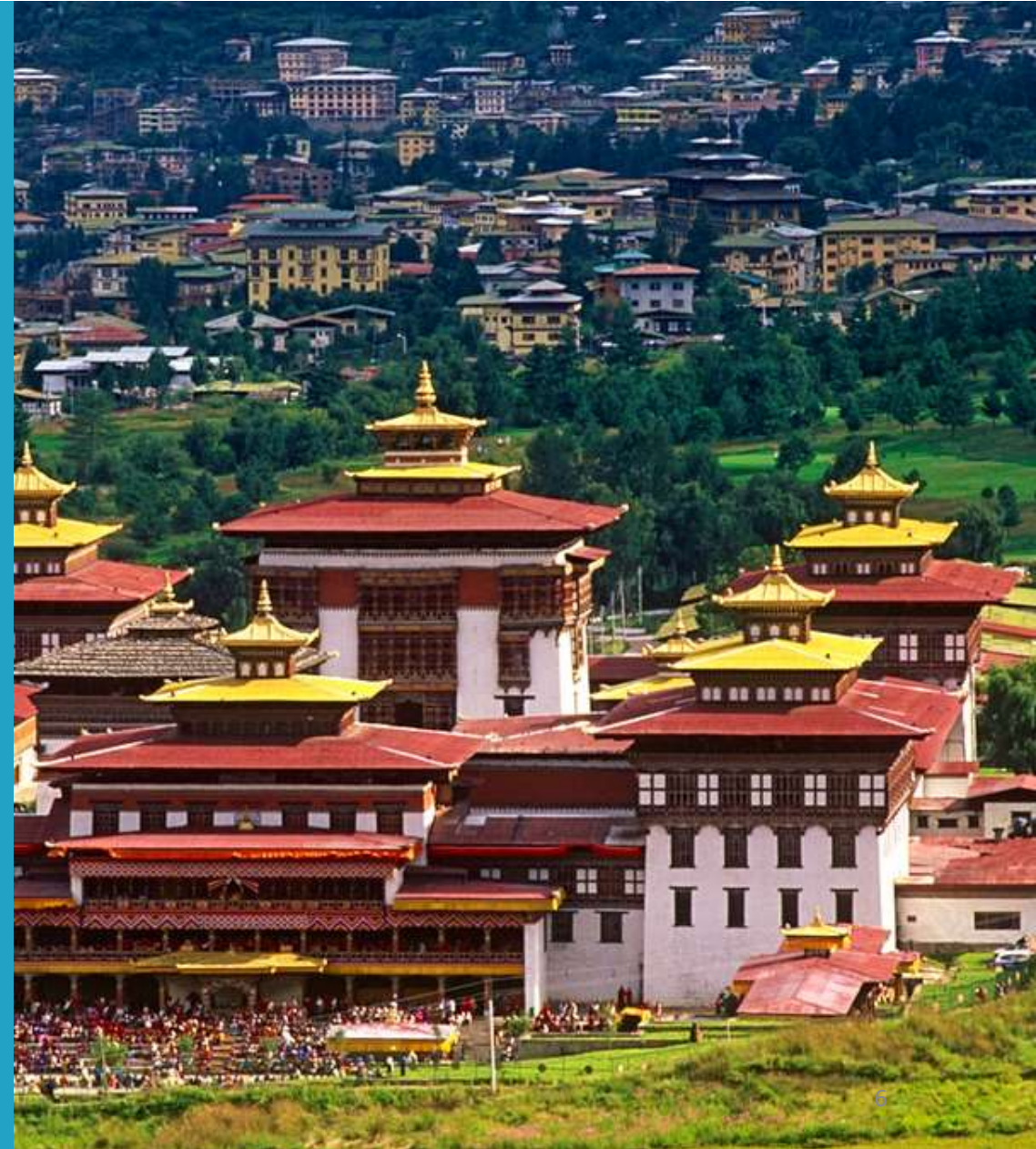
No vested interests

Many studied and trained at top universities abroad

FDI policy and “spiritually sensitive industries”

Doing Business Rating by World Bank

Rank 75 as compared to 100 of India and 33 of Switzerland





Agriculture and Food Processing

Large market in India for ingredients

Soil and climate to grow high quality produce

Land availability

Import substitution

Lack of value add

Lack of developed supply chain

Priority sector lending

User rights certificate (public land for commercial farming)

Import duty exempt on import of farm machinery



Wide Activities | FDI Policy

Organic Farming
Agro Processing
Poultry
Fisheries
Health Food

Animal Food
Apiculture
Horticulture
Dairy

EOU for Processing

FDI policy allows 74% equity

FTA with India - no import duty (value addition norm is 30%)

10 year tax holiday

No customs duty on equipment and raw materials

Industrial estates near the border with India





EOU for Processing

LDC status under GSP – duty-free access to Swiss and EU markets

Manufacturing profits near tax free in Bhutan and Switzerland at corporate level

Priority sector lending

User rights certificate (public land for commercial farming)

Import duty exemption on import of farm machineries

Project Ideas

Walnuts

Tea

Fruit-based products and juices

Ingredients supply to EU/India (agro trading)

Production of vegetables, fruits for Thimphu and hotels

Honey production and value-added products incl. cosmetics

Craft beer exports

Mineral water exports

Mushroom and medicinal product derivatives

Health and Wellness

- Can be developed as a wellness destination for visitors
- Current health infrastructure inadequate for local population (medical services are free)
- Medical, dental, diagnostic laboratory services





Land of Medicinal Herbs

Essential oils

Cultivation of low altitude herbs

Co-producing herbal products with SOE (Tibetan traditional medicine)

Growing and supplying key ingredients to herbal, nutraceutical and cosmetics companies worldwide

High literacy rates and English speaking workforce

Dedicated tech park

Small but highly educated pool of freelance writers and consultants can be harnessed for providing KPO services

Block-chain infrastructure that requires low temperatures and low energy costs

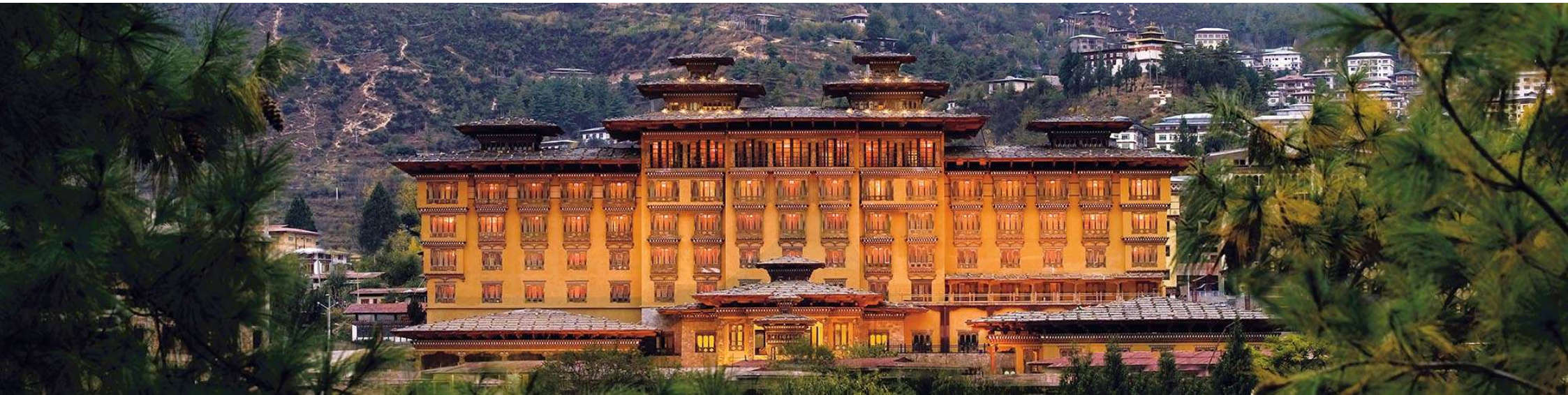
Five year tax holiday



Construction

Construction equipment, tools and materials
Quick drying cement and latest technologies
Energy efficient buildings
Expert services in roads, bridges





Sectors

Tourism

- 4 & 5 star hotels
- Ropeways and cable cars
- Adventure sports
- MICE travel
- 10 year tax holiday for hotels

Financial Services

- FDI up to 30% in CSI banks
- Insurance sector closed to FDI



Manufacturing and Exports to India case-by-case evaluation

Raw material availability in Bhutan and nearby States

Logistics costs and EOU benefits (but not if produced in India)

Import duty arbitrage could be one of the drivers

10 year tax holiday (not available anymore in India)

Ease of operations

Contract labour from India

Access to land easier and near the border reduces logistics costs



Challenges

Immigration

Status quo

Workforce outlook

Logistics costs due to mountains

Interpretation of regulations vary

FDI policy doesn't encourage start ups

Maturity/outlook of local partner

Cant inject debt from parent company into FDI project

Local banks mainly provide collateral based lending

Trading - wholesale or retail not allowed

Its the start
that stops most people



Our Story

Capabilities

Feasibility Studies

Local Partner Identification and Negotiations

Talent Identification

Approvals

Joint Venture and Agreement Negotiation

Land and Equipment Sourcing

Liaison Refinancing

Tax Structuring

Project Management (Operations Set-up)

Post Set-up Services

Experience

Professionals in
Thimphu, India, UK and USA

Advising and setting up FDI ventures
for EU companies in India since 20 years

Operating in India and Bhutan



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