

India-Bhutan Relations

1. Diplomatic relations between India and Bhutan were established in 1968. The basic framework of India- Bhutan relations has been the Treaty of Friendship and Cooperation signed in 1949 between the two countries, which was revised in February 2007.
2. The tradition of regular political and official exchanges is an important hallmark of the special ties of friendship and cooperation between the two countries. Prime Minister Shri Narendra Modi visited Bhutan on his first overseas visit after assuming responsibility as PM 2014. PM Modi undertook a State visit to Bhutan in August 2019, after assuming office for the second term. PM paid a landmark State Visit to Bhutan in March 2024 where he received the Order of the Druk Gyalpo, Bhutan's highest civilian decoration, from His Majesty the King, in recognition of PM's outstanding contribution to strengthening the India-Bhutan friendship. PM Modi is the first foreign national to be given this prestigious award.
3. His Majesty, the King of Bhutan visited India from 14-16 September 2022, and paid officials visits to India in April 2023, in November 2023, and again in December 2024. In February 2025, His Majesty paid a special visit to India to attend the Maha Kumbh Mela at Prayagraj. In April 2025, His Majesty visited the Jogigopha Inland Waterway Terminal facility in Assam.
4. Prime Minister of Bhutan Dasho Tshering Tobgay paid an official visit to India in March 2024. This was PM Tobgay's first overseas visit after assuming office of PM in January 2024. PM Tobgay visited New Delhi in June 2024, as an honoured guest for the swearing-in ceremony of PM Modi. PM of Bhutan visited India in February 2025 to participate as the Chief Guest and Key note speaker at the first SOUL Conclave. Most recently, PM Tobgay visited Rajgir for the consecration of Bhutanese temple in Rajgir in September 2025. He also visited the Ram temple in Ayodhya during the visit, and met EAM.
5. EAM Dr S. Jaishankar visited Bhutan in June 2019, his first overseas visit after assuming office. EAM visited Bhutan again in April 2022. Foreign Minister of Bhutan most recently visited India in March 2025 to attend the Raisina Dialogue in Delhi. Regular Ministerial and

senior officials meetings have enabled the two sides to further strengthen bilateral cooperation in all sectors.

Developmental Partnership

6. Since Bhutan's first Five Year Plan in 1971, India has closely partnered with Bhutan in its socio-economic development in line with the priorities of the people and Government of Bhutan. Gol provided an grant assistance of Rs 5000 Cr. to Bhutan for its last (12th) Five Year Plan funding 82 Project Tied Assistance Projects and 524 High Impact Community Development Projects (small projects) in Bhutan, in a range of sectors such as infrastructure development, roads, digital connectivity, energy, agriculture, ICT, health, education, human resource development and urban development.

7. For Bhutan's current (13th) Plan, Gol has committed INR 10000 Cr. grant assistance. This is being provided to Bhutan under three heads, namely, Project Tied Assistance (PTA) projects, HICDPs (small community development projects), Programme Grant and Economic Stimulus Package (ESP). The two sides have agreed on two tranches of PTA projects, totalling 71 PTA projects with a total amount of over INR 6000 Cr. Total of 283 HICDPs have been agreed. A total of INR 1000 Cr. has been released as ESP to Bhutan in four tranches.

Energy cooperation

8. The two countries enjoy long-standing and mutually-beneficial cooperation in the hydropower sector. Till date, Gol has jointly developed five major hydro-electric projects (HEPs) in Bhutan totaling 3156 MW, including 336 MW Chukha HEP, 60 MW Kurichhu HEP, 1020 MW Tala HEP, 720 MW Mangdechhu HEP, and the recently completed (August 2025) 1020 MW Punatsangchhu-II HEP. A 1200 MW Punatsangchhu-I HEP is under construction. The two sides agreed on a Joint Vision on Energy Partnership during the visit of PM to Bhutan in 2024. A number of hydro/renewable energy projects are being undertaken/under discussions by Indian private companies in Bhutan.

9. Gol has also been facilitating market access for Bhutan's power sale in India, such as Basochhu and Nikachhu HEPs to trade their energy in Indian Energy Exchange (IEX). Gol has also been supporting import of power by Bhutan in lean seasons to address shortage of power in Bhutan. In 2024, the two sides have agreed on the Joint Vision on India-Bhutan Energy Partnership, for further enhancing the partnership in this sector.

Trade and Connectivity

10. Our unique trade relations with Bhutan are governed by the 2007 India-Bhutan Friendship Treaty and the 2016 India-Bhutan Agreement on Trade, Commerce and Transit, which establishes a free trade regime between the two countries and also provides Bhutan duty free transit of goods to/from third countries. India has consistently been Bhutan's top trading partner- both as an import source and as an export destination. India's share of Bhutan's total trade grew from 79.17% in 2023 to 79.88% in 2024. In terms of INR, in 2024 (Jan-Dec), India's bilateral trade with Bhutan was INR 12669 crores, of which India's exports to Bhutan amounted to INR 9538 crores and India's imports from Bhutan were INR 3131 crores.

11. In view of the special relations, Gol has provided special exemption to Bhutan from any restrictions or prohibitions on export of essential commodities to Bhutan. At the request of Bhutan, a number of trade points/routes have been approved for facilitating Bhutan's exports to India and also to third countries. Recently, a B2B agreement for supply of various fertilizers to Bhutan was signed.

12. Further enhancing connectivity between the two countries is a priority for both the countries. This includes establishing cross-border rail links, strengthening road connectivity, establishing Integrated Check Posts and trade routes, new immigration points, multi-modal trade routes and digital connectivity. On 29 September 2025, an intergovernmental MoU for the establishment of railway links between India and Bhutan was signed in New Delhi. Under the MoU, two rail links (a) Kokrajhar-Gelephu (69 km) and (b) Banarhat-Samtse (20km) will be implemented with a total estimated cost of Rs 4033.34 Cr. To facilitate the movement of people, including third country nationals, an Immigration Check Post was inaugurated at Darranga, Assam on 07 November 2024. The Jogigopha Inland Waterway Terminal inaugurated in January 2025 in presence of the Minister of Industry, Commerce and Employment of Bhutan will further enhance regional trade connectivity.

Cooperation in New and Emerging Areas

13. Space cooperation is a new area of bilateral cooperation. In 2019, Prime Minister Narendra Modi and then Prime Minister Dr. Lotay Tshering jointly inaugurated the Ground Earth Station of the South Asia Satellite in Thimphu. Subsequently, the two sides jointly developed the India-Bhutan SAT, which was launched on 26 November 2022 by ISRO. Gol

has been extending capacity building opportunities to Bhutanese engineers in the space sector.

14. Fin-tech is another domain of collaboration between India and Bhutan. The RuPay Card was launched in Bhutan in two phases- Phase I (2019) and Phase-II (2020), to enable cross-border payments using RuPay cards. In 2021, India's BHIM UPI application was launched in Bhutan. The usage of the RuPay cards and BHIM UPI has increased since their launch.

15. India has also supported Bhutan's initiatives such as the Gyalsung National Service Programme (one year mandatory training for all Bhutanese youth attaining the age of 18 years). Gol extended grant assistance of INR 200 Crore to the Gyalsung Project, and through a concessionary loan of INR 1500 Crore to build the infrastructure for the Gyalsung academies. The two sides have also been engaged in training programmes for Gyalsung.

16. Gol has conveyed full support to Bhutan's Gelephu Mindfulness City project (GMC), which is initiative of His Majesty the King of Bhutan. The GMC project is envisaged as a service sector based special administrative region for creating better economic opportunities for Bhutanese population, and also as an economic hub in the region.

People to People Connect

17. Education and capacity building is a strong pillar of people to people cooperation between India and Bhutan. Over 1500 Bhutanese students benefit from various scholarships provided by the Gol for studying in Indian educational institutions. In addition, many Bhutanese youth also enroll as self-financed students in Indian universities. In recent years, STEM teachers from India have been recruited by RGoB, in partnership with Gol. Under the Indian Technical and Economic Cooperation program, about 325 slots for training slots at world class training institutions covering various fields are allotted annually to Bhutan. In the last decade, more than 3,000 Bhutanese nationals have availed of various ITEC training programs in India.

18. The India-Bhutan Foundation (IBF) established in 2003 has been supporting activities in educational, cultural, scientific and technical fields, further deepening the people to people contacts between both the countries.

19. Buddhism is a shared heritage between India and Bhutan. A number of Bhutanese pilgrims travel to Bodh Gaya, Rajgir, Nalanda, Sikkim, Udayagiri, Sarnath and other Buddhist sites in India. As part of the 50th anniversary celebrations of the establishment of diplomatic relations between India and Bhutan, His Holiness the Je Khenpo presided over the ground-breaking ceremony to construct a Bhutanese temple in Rajgir. The temple will be inaugurated on 4th September 2025. The statue of Zhabdrung (a revered figure in Bhutan, regarded as the founder of Bhutan nation), currently on exhibition at the Simtokha Dzong in Bhutan, has been loaned by the Asiatic Society, Kolkata.

20. About 50,000 Indians are presently working in Bhutan in the sectors such as infrastructure development, hydropower, education, trade and commerce signifying close people to people ties between the two countries. Their contribution and service in the overall development of Bhutan has been recognized locally and internationally.
