

GS Paper 2

International Relations

India and its Neighbourhood

Indo-Bhutan Relations

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Why is Bhutan important for India?

India and Bhutan share a unique and proven bilateral relationship characterized by utmost trust, goodwill and mutual understanding.

1) Location

- Bhutan shares border with four Indian States: Assam, Arunachal Pradesh, West Bengal and Sikkim.

- It is land locked.

2) Economic Significance



3)Strategic Importance

- **Security concerns**
- **Vital connectivity through India's chicken neck**
- **Buffer to China**

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- **Security in North-East**

- **Chinese inroad in Bhutan**

- **Confluence of Neighbourhood First policy and Act East policy**

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Historical Ties

- **1910**--- Bhutan became a protectorate of British India
 - **1947**---the new Indian Government recognized Bhutan as an independent country.
 - **1949**--- Indo-Bhutan Treaty of Peace and Friendship of 1949
- ✓ The Treaty provides for, among other things, perpetual peace and friendship, free trade and commerce and equal justice to each other's citizens.
- ✓ Article 2 of the treaty critically gave India a role in guiding Bhutan's foreign policy. Hence, some changes in the treaty were made in 2007.

- **1950---**China's annexation of Tibet
- **1950's---**Significant increase in India's economic, military and development aid to Bhutan.
- **2007---Revised Indo-Bhutan Treaty of Peace and Friendship 2007---**
 - ✓ India should try as much as possible to remain out of Bhutan's internal matters.
 - ✓ Safety of Border from China is a concern for both nations.
 - ✓ Bhutan can import arms as long as Indian interests are not harmed and there is no re-export of the weapons.
 - ✓ Includes the issue of 'national treatment' and equal privileges for citizens on each other's soil.

- **1978---**The two offices of special representatives were upgraded to full-fledged embassies.
- **2014---**Prime Minister Narendra Modi first foreign visit to Bhutan.
- **January 21, 2021---** India sent free doses of the Covid-19 vaccine to Bhutan.
- **16th September 2022---**In a positive response to requests from the Bhutanese government, India made special trade concessions to export wheat and sugar to the country.
- **28-30 April 2022---**External Affairs Minister (EAM), Dr. S. Jaishankar had paid an official visit to Bangladesh and Bhutan.

Why in News?

April 3-5, 2023----The King of Bhutan, Jigme Khesar Namgyel Wangchuck visited India.

Key take aways:

1)India's Support to Bhutan:

- Additional Standby Credit Facility (SCF) for a period of five years.
- Assistance in digital infrastructure with establishment of Third International Internet Gateway for Bhutan.
- Integration of Bhutan's Druk Research & Education Network (DrukREN) with India's National Knowledge Network (cooperation in e-Learning).

2)Hydropower cooperation:

Discussion on Hydroelectric Power Plants in Bhutan like Mangdechhu, Chhukha, Basochhu, Punatsangchhu-I, Sankosh project etc.

3)Security cooperation: Established first integrated check post at Jaigaon (West Bengal, India) and Phuntsholing (Bhutan).

4)Connectivity: Expedited Kokrajhar (Assam)- Gelephu rail link and supported Gelephu airport construction for investment attraction.

June 16, 2023

Siliguri in northern West Bengal has a natural advantage for accelerating trade with neighbouring countries, namely Bangladesh and Bhutan.

In view of this, at a recently concluded BIMSTEC business conclave in Kolkata, businessmen from the area argued about pushing for the development of a Bhutan-Siliguri-Bangladesh corridor for accelerating trade among the nations.

It was further stated that improving road connectivity in the Northern part of West Bengal, which links the three countries – Bhutan, Bangladesh and Nepal, will help in the improvement of trade volume and also generate employment in the region.

Why Indo Bhutan relations is called “special” in nature.

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Areas of cooperation

1)Trade:

- Governed by the India Bhutan Trade and Transit Agreement 1972 which was last renewed in November 2016. This renewed treaty provides for a free trade regime between the two countries.
- India is Bhutan's largest trading partner (it is around \$ 1422 Mn for 2020-21)
- Benefits to North Eastern States
- Financial connectivity
- Start-Up ecosystem: through the National Knowledge Network & the Druk-REN connection.

2)Hydro Power cooperation:

- Government of India has constructed three Hydroelectric Projects (HEPs) in Bhutan.
 - ✓ Chukha HEP,
 - ✓ Kurichhu HEP.
 - ✓ Tala HEP.
 - India is helping Bhutan in the development of power plant on Mangdechhu River.
- 2006 Agreement on Cooperation in Hydropower.
- The Indo-Bhutan hydro power relationship has never been a zero-sum game.

3)India-Bhutan Military Relations

- 2000 strong Indian Military Training Team (IMTRAT) is permanently based in western Bhutan.
- India cooperate with the Royal Bhutan Army in matters of anti-insurgency and counter-terrorism.
- Air protection is provided by the Eastern Air Command of the Indian Air Force.

4)India-Bhutan cultural ties

- Buddhism appears as connecting link.
- The India-Bhutan Foundation, established in 2003, aims to enhance people-to-people exchanges in the cultural field.

5)Developmental projects

- India's Border Road Organisation, has built the majority of roads in Bhutan under project 'DANTAK'.

6)Multilateral Partnership

7)Tourism

8)Other cooperation

- **Maitri Initiative**
- **India Bhutan Satellite**

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Why Bhutan is India's Achilles' heel

1) Location



2) Chinese intrusive activities in Chumbi valley



3) Doklam issue

Doklam, or Donglang in Chinese, is an area spread over less than a 100 sq km comprising a plateau and a valley at the trijunction between India, Bhutan and China. It is surrounded by the Chumbi Valley of Tibet, Bhutan's Ha Valley and Sikkim.



Challenges

1)Instances of Indian interference

2)Politics behind hydropower collaboration

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3)Security concern

4)China angle

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Way Forward

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