



ॐ नमो भगवते वासुदेवाय  
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# ANNUAL REPORT

FY 2024 - 2025



Department of Labour  
Ministry of Industry, Commerce & Employment

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## Foreword

It is with great privilege that I present the Annual Report of the Department of Labour for the Fiscal Year 2024–2025. This publication is more than a statutory account of departmental functions under the Labour and Employment Act of Bhutan 2007—it is a reflection of our sustained commitment to advancing a labour administration system that is fair, inclusive, and responsive to the demands of a rapidly transforming economy.

The year under review brought both significant challenges and opportunities for institutional growth. Despite enduring constraints in manpower and operational resources, the Department made measurable progress across key pillars of its mandate. Noteworthy achievements include the scaling up of risk-based inspections through drone technology, the implementation of standardized Occupational Health and Safety (OHS) assessment tools, the enforcement of the Regulation on Foreign Workers Management 2024, and the wider institutionalization of Alternative Dispute Resolution (ADR) mechanisms. These interventions were not only technical upgrades but strategic shifts—designed to create a compliance ecosystem that is proactive, evidence-based, and outcomes-driven.

Yet, we recognize that our success cannot be defined solely by metrics such as the number of inspections or regulatory actions taken. It must be assessed by the extent to which we are able to foster safer work environments, resolve labour grievances equitably, and extend meaningful protection to all segments of the workforce—especially the vulnerable and unrepresented. Persistent challenges such as informal recruitment practices, gaps in Internal Service Rule (ISR) compliance, fragmented documentation, and limited field enforcement capacity continue to underscore the urgency of reform and capacity enhancement.

This report stands as a testament to the dedication and professionalism of our central and regional teams, whose efforts are the foundation of our service delivery. I take this opportunity to acknowledge the resilience and diligence of our labour inspectors, who operate in complex, and at times hazardous, environments to uphold the rights and dignity of workers across Bhutan. I also extend our gratitude to our partners in government, industry, and civil society for their continued collaboration and trust.

As we move into FY2025–2026, our focus will remain on consolidating institutional reforms, enhancing data systems, investing in human capital, and deepening inter-agency synergies. These strategic priorities are anchored in our vision to promote fair, safe, and productive employment for all—a vision that will guide every inspection conducted, every dispute mediated, and every regulation enforced.

I trust this report will serve as a valuable resource for policymakers, stakeholders, and citizens alike, as we collectively strive toward a more just and resilient world of work.



**Director**  
**Department of Labour**

## Executive Summary

The Annual Report for FY2024–2025 outlines the comprehensive efforts of the Department of Labour under the Ministry of Industry, Commerce and Employment to uphold and enforce the provisions of the Labour and Employment Act, 2007 and its associated regulations. This fiscal year marked a period of reform, digital innovation, and intensified regulatory enforcement, despite ongoing limitations in inspection resources, geographic coverage, and cross-sector coordination.

The Department carried out a total of 2,903 labour inspections, of which 91% were routine inspections. These inspections spanned all 20 Dzongkhags and six administrative regions, with a focused risk-based approach prioritizing sectors with high incidence of non-compliance—namely, construction, manufacturing, and hydropower. As a result of these inspections, 439 enforcement actions were issued, including 195 Improvement Notices, 243 Penalty Memos, and 1 Prohibition Notice, primarily related to violations of occupational safety standards, improper documentation, and non-compliance with Internal Service Rules (ISR). Enforcement was guided by the Regulation on Working Conditions 2022 and the Regulation on Occupational Health, Safety and Welfare 2022.

Recognizing the rising incidence of workplace accidents and unsafe practices, the Department scaled up its OHS initiatives. The launch of the National OHS Seminar 2025, supported by JICA, marked a milestone in national advocacy, stakeholder coordination, and the unveiling of eight new OHS documents. In parallel, the Department introduced a standardized OHS assessment format applied to large enterprises, and conducted extensive inspections using high-resolution drones—improving surveillance in difficult-to-access and hazardous worksites. Several enterprises were assessed and monitored using the upgraded checklists, and non-compliant firms were issued detailed action plans.

To improve grievance redressal, the Department introduced Alternative Dispute Resolution (ADR) training for Labour Officers, enabling faster and more amicable resolution of workplace disputes. A total of over 200 labour complaints were recorded, classified into categories such as wage disputes, wrongful termination, occupational injuries, and unsafe conditions. ISR compliance remained a major focus area, with penalties imposed on non-compliant employers.

The implementation of the Regulation on Foreign Workers Management 2024 enabled the Department to tighten oversight on permit misuse, unlawful occupation changes, and the rise of informal labour contracting (Thrikhadar system). Despite these regulatory efforts, challenges such as weak on-ground monitoring, poor data sharing between agencies, and employer non-compliance persisted. A total of over 151646 foreign workers were approved across major occupational groups—reflecting the continued dependency on migrant labour in construction and related sectors.

Operational improvements were supported by the enhancement of the Bhutan Labour Market Information System (BLMIS) and use of drone technology for inspections. Additionally, coordination forums were held between the Department and regional offices to align work plans, inspection standards, and strategic goals. However, capacity constraints in terms of manpower, drone operation training, and field equipment remain a key barrier to full implementation.

In summary, while the Department has made significant strides in enforcement, training, and regulatory reform during FY2024–2025, persistent structural constraints—limited inspection capacity, employer resistance, inter-agency data gaps, and growing informalization of labour—continue to hamper full compliance. Moving forward, the Department will intensify stakeholder consultations, expand technological tools, and pursue legal amendments where necessary to build a safer, fairer, and more productive labour ecosystem in Bhutan.



## **Introduction**

The Annual Report for Fiscal Year 2024–2025 of the Department of Labour, Ministry of Industry, Commerce and Employment, presents a comprehensive overview of the Department’s regulatory, operational, and programmatic activities undertaken to promote decent employment, protect workers’ rights, and enhance workplace standards across Bhutan. Anchored in the national commitment to inclusive growth and sustainable development, this report reflects both the Department’s mandate and its evolving strategies in response to changing labour market dynamics, sectoral shifts, and emerging risks.

FY2024–2025 was a period marked by both progress and persistent challenges. Despite resource constraints and capacity gaps, the Department continued to enforce the Labour and Employment Act, 2007 and its associated regulations, with a strategic focus on workplace monitoring, Occupational Health and Safety (OHS), foreign worker management and dispute resolution. Notable achievements include the expansion of drone-enabled inspections, introduction of standardized OHS training profiles, operationalization of the Community for Skilled Workers (C4SW), and strengthened enforcement actions in high-risk sectors such as construction and manufacturing.

The report further documents the Department’s use of data-driven methodologies, inter-agency collaboration, and stakeholder engagement to drive labour reforms and foster industrial harmony. Detailed insights on inspection performance, complaint resolution, ISR compliance, accident trends, foreign worker approvals, and training programs are presented to ensure transparency, inform policy, and enable evidence-based decision-making.

This publication is intended not only as a retrospective account but also as a forward-looking reference for policy makers, regulators, employers, and workers. It underscores the Department’s continued efforts to build a resilient labour administration system that is responsive, accountable, and aligned with national priorities and international standards.

# Department of Labour

## About Us

### Our Vision

Fostering Transformation: Enabling Workforce; Improving Workplace

### Our Mission

Promote a fair, inclusive and responsive labour administration system for Decent Employment and Transformative Socio-Economic Growth

### Our Values



*The labour and economy are deeply interconnected. The efficiency and effectiveness of labour regulation affects the performance of the labour market, which in turn affects economic growth, consumer behavior, investment decisions, and overall societal well-being.*

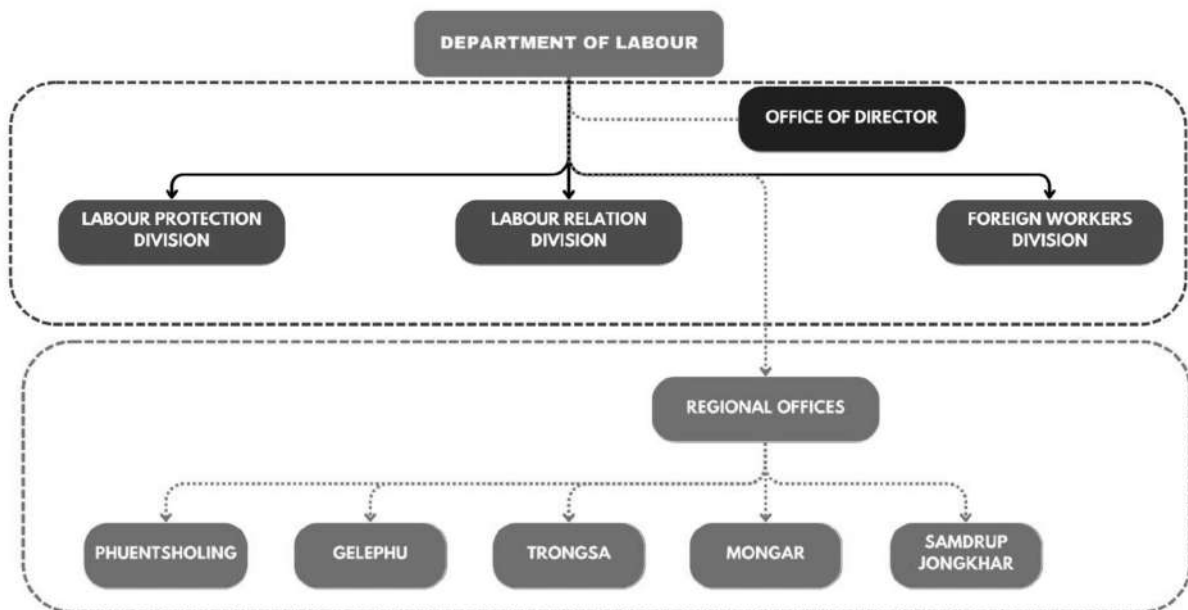
### Our Mandates

1. Policy Formulation & Implementation
2. Enforcement and Compliance
3. Public Awareness and Education
4. Social Dialogues and Labour Relations
5. Social Protection and Inclusiveness
6. Management of Foreign Workers
7. Strengthening Occupational Health And Safety
8. Building Labour Market Information
9. Adopting Digital Technology
10. Improving Labour Standards
11. Capacity Building

## Our Guiding Principles

- Gainful Employment and Economic Output
- Labour Productivity
- Economic Policies and Labour Regulation
- Attraction to Foreign Investors
- Industry and Sector Growth
- Business Reputation
- Healthy Workforce
- Stable Industrial Relations
- Income Distribution
- Social Welfare and Stability
- Reduced Labour Exploitation
- Improved Worker Well-Being
- Innovation and Technological Progress
- Economic Resilience
- Sustainable Economic Development
- Entrepreneurial Culture
- Trade and Globalization

## Our Organisation Structure



## Regulatory Framework

### **LABOUR & EMPLOYMENT ACT**

The Labour and Employment Act of Bhutan 2007 serves as the cornerstone legislation for all labour-related matters in Bhutan. It defines the legal rights, obligations, and protections afforded to both employers and employees.

### **REGULATIONS ON WORKING CONDITIONS**

The Regulations on Working Conditions, 2022 operationalize the standards prescribed under the Act, offering detailed provisions on essential aspects of employment. These include rules on working hours, overtime, rest periods, leave entitlements, and employee welfare measures. The regulation is intended to ensure that all workers are accorded fair, humane, and non-discriminatory conditions of service that align with national labour standards and international best practices.

### **REGULATION ON OCCUPATIONAL HEALTH, SAFETY, & WELFARE**

The Regulation on Occupational Health, Safety, and Welfare, 2022 provides comprehensive guidance on maintaining a safe and healthy working environment across all sectors. It mandates risk assessments, hazard identification, emergency preparedness, health surveillance, and the provision of adequate safety equipment. It also outlines employer responsibilities related to safety training, reporting of accidents, and ensuring the physical and mental well-being of workers.

### **REGULATION ON OCCUPATIONAL HEALTH AND SAFETY FOR THE CONSTRUCTION INDUSTRY**

Recognizing the inherent risks in the construction sector, this industry-specific regulation supplements the general OHS framework. The Regulation on Occupational Health and Safety for the Construction Industry, 2022 delineates safety protocols tailored to construction activities, including the safe use of scaffolding, fall protection, excavation practices, hazardous material handling, and site management. It aims to significantly reduce workplace injuries and fatalities in one of the country's most high-risk industries.

### **REGULATION ON FOREIGN WORKERS MANAGEMENT**

The Regulation on Foreign Workers Management, 2024 governs the recruitment, employment, and protection of foreign workers in Bhutan. It sets out clear procedures for work permit issuance, transfer, renewal, and cancellation. The regulation also codifies the responsibilities of employers and Foreign Worker Recruitment Agents (FWRAs), ensuring that foreign workers receive equitable treatment regarding wages, accommodation, health and safety, and access to redress mechanisms. It represents a key policy instrument to balance national labour needs with the rights of migrant workers.

## Methodological Framework

This report is anchored in a rigorous methodological framework leveraging structured data extracted from the Department's official annual database. The analytical process entailed systematic cleaning, validation, and formatting of raw datasets to ensure accuracy and consistency. Inspection records were then disaggregated by type, administrative region, and Dzongkhag to enable targeted analysis. Visual tools such as bar charts and ratio-based comparisons were applied to discern patterns and performance shifts. The final dataset for FY2024–2025 was comprehensive in scope, encompassing:

1. **Twenty-one major economic sectors** that formed the analytical basis of inspection, compliance, and workforce monitoring:

Sl. No.	Sector
1	Accommodation and Food service activities
2	Activities of extraterritorial organizations and bodies
3	Activities of households as employers; undifferentiated goods and services producing activities of households for own use
4	Administrative and support services
5	Agriculture, forestry and fishing
6	Arts, entertainment and recreation
7	Construction
8	Education
9	Electricity, gas, steam and air conditioning supply
10	Financial services and insurance
11	Human health and social work
12	Information and communication services
13	Manufacturing
14	Mining and quarrying
15	Other Services
16	Professional, scientific and technical services
17	Public administration and defense, compulsory social security
18	Real estate
19	Transportation and storage
20	Water supply; sewerage, waste management
21	Wholesale and retail trade



2. Four types of inspections conducted across enterprises:
  - a) Routine Inspections – for general compliance monitoring;
  - b) Follow-Up Inspections – to verify corrective action on prior non-compliances;
  - c) Special Inspections – triggered by complaints, incidents, or high-risk indicators; and
  - d) Self-Inspections – voluntary or mandated assessments by enterprises using standard checklists.
3. Six administrative regions covering 20 Dzongkhags, as follows:
  - a) Gelephu Region: Sarpang, Tsirang, Dagana, Zhemgang
  - b) Monggar Region: Monggar, Lhuentse, Trashigang, Trashiyangtse
  - c) Phuentsholing Region: Chhukha, Samtse
  - d) Samdrup Jongkhar Region: Samdrup Jongkhar, Pemagatshel
  - e) Thimphu Region: Thimphu, Paro, Gasa, Haa, Punakha, Wangdue Phodrang
  - f) Trongsa Region: Trongsa, Bumthang

This structured dataset enabled the Department to undertake disaggregated analysis by inspection type, region, Dzongkhag, and sector—laying the foundation for risk-informed enforcement, targeted outreach, and evidence-based policymaking.

## Key Highlights

### 1. ADR Training and Labour Dispute Capacity Enhancement



In response to the growing volume and complexity of labour disputes across regions, the Department of Labour has initiated a capacity-building program on Alternative Dispute Resolution (ADR) targeting Labour Officers. This strategic intervention aims to strengthen the institutional capacity to resolve disputes more efficiently, equitably, and with minimal adversarial escalation. The ADR training program was designed to equip officers with practical skills in mediation, negotiation, and interest-based conflict resolution techniques. By adopting ADR methods, the Department seeks to streamline dispute handling processes, reduce dependency on protracted adjudication mechanisms, and offer faster, low-cost resolution pathways that are acceptable to both employers and workers. This becomes particularly critical in disputes involving wages, wrongful termination, harassment, contract violations, and benefit disputes—areas that often strain traditional compliance and enforcement channels.

Moreover, the integration of ADR mechanisms is expected to substantially reduce case backlogs at both the regional and national levels, enhancing service delivery timelines and stakeholder trust in the Department's regulatory mandate. Beyond efficiency gains, ADR promotes the values of fairness, neutrality, and confidentiality—essential for sustaining harmonious workplace relations and enabling voluntary compliance with outcomes.

### 2. National Labour Coordination Meetings for Strategic Alignment

To enhance coherence, accountability, and forward-looking planning in labour governance, the Department of Labour convened a series of national labour coordination meetings with participation from its regional offices, focal divisions, and key external stakeholders. These high-level forums were instrumental in fostering alignment across inspection protocols, operational strategies, and regulatory interpretations—ensuring that enforcement practices are harmonized across jurisdictions.



A core focus of the meetings was the review of cross-sectoral labour issues, including persistent challenges in wage compliance, Occupational Health and Safety (OHS), Internal Service Rule (ISR) enforcement, and foreign worker management. By bringing diverse perspectives into a common deliberative space, the Department was able to identify systemic gaps, regional implementation discrepancies, and emerging risks that warrant policy or procedural recalibration.

The Department recognizes that sustained coordination is essential not only for consistent enforcement but also for building an adaptive, data-driven, and service-oriented labour administration. Accordingly, it is institutionalizing these coordination meetings as a standing governance mechanism, to be held annually with structured follow-up and action tracking mechanisms.





*Labour Protection  
Division*

## Workplace Inspections

The Department of Labour and its regional offices conducted a total of 2,903 inspections nationwide in Fiscal Year (FY) 2024–2025, reflecting a 25% decrease from the last FY. This decline is primarily attributed to a reduction in manpower, which significantly constrained the scale and frequency of physical inspections. Table 1 provides a breakdown of the types of inspection visits conducted.

*Table 1 - Type of Inspection Visits*

Type of Inspection	Total	
	N	%
Routine Inspection	2631	91%
Follow Up Inspection	110	4%
Special Inspection	76	3%
Self-inspection	86	3%
<b>Total</b>	<b>2903</b>	<b>100%</b>

Routine inspections constitute the overwhelming majority (91%) of all inspections. These are proactive, planned visits intended to ensure compliance with labour standards. The high percentage reflects the Department's preventive enforcement strategy, aimed at identifying and addressing issues before they escalate into disputes or accidents.

Only 4% of inspections were follow-up visits, which are conducted to verify whether enterprises have rectified violations or deficiencies highlighted in prior inspections. Special inspections, triggered by specific incidents such as complaints, accidents, or targeted enforcement campaigns, account for just 3%.

A modest number of self-inspections (3%) were recorded. These involve enterprises conducting and reporting their own compliance status using online Labour Administration System.

The Phuentsholing region accounted for over one-third (35%) of all inspections conducted nationwide, followed by Gelephu, Thimphu and Monggar. In contrast, Trongsa accounted for only 5% of the total inspections, indicating a relatively lower level of enforcement activity in the region due to lack of Labour Officials. Table 2 presents the distribution of inspection visits by Region in two Fiscal Years.



Table 2: Region-wise number of Inspections by Type of Inspection in two FY

Region	2023 - 2024					2024-2025				
	I	II	III	IV	Total	I	II	III	IV	Total
Gelephu	72	30	61	6	169	491	52	-	12	555
Monggar	211	82	44	-	337	401	-	-	2	403
Phuentsholing	751	1	103	245	1100	975	3	9	19	1006
Samdrup Jongkhar	199	77	53	21	350	236	52	1	21	310
Thimphu	1227	315	228	32	1802	389	3	66	32	490
Trongsa	80	10	26	0	116	139	-	-	-	139
<b>Total</b>	<b>2540</b>	<b>515</b>	<b>515</b>	<b>304</b>	<b>3874</b>	<b>2631</b>	<b>110</b>	<b>76</b>	<b>86</b>	<b>2903</b>

I - Routine, II - Follow up, III - Special; IV - Self inspection

The workplace inspections were unevenly distributed across Dzongkhags, reflecting the varying concentration of industries, workforce size, and enforcement priorities. Figure 1 illustrates the Dzongkhag-wise inspection visits undertaken.

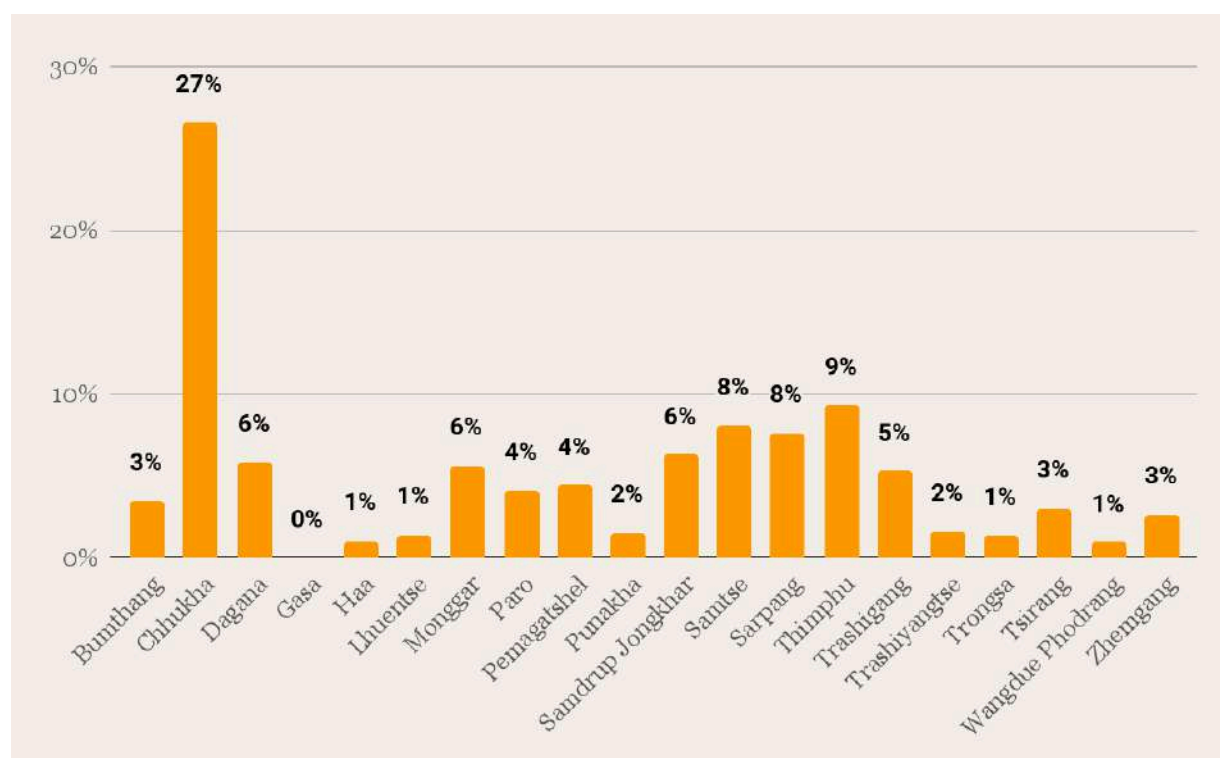


Figure 1 - Number of Inspection by Dzongkhag by Types

Chhukha Dzongkhag emerged in the top accounting for approximately 27% of the national total, followed by Thimphu (9.5%). The Samtse Dzongkhag has 234 inspection visits (8.2%), followed by Sarpang Dzongkhag (7.8%) of the total.

Table 3 shows the number of Inspections by Major Sector in two Fiscal Years. This reveals significant shifts in inspection focus across key economic sectors. The

construction sector, while still receiving the highest number of inspections, experienced a notable decline of 22% in FY 2024–2025. This reduction likely reflects resource constraints, including decreased manpower, and a strategic reallocation of inspection efforts under the Department’s evolving risk-based approach.

*Table 3 - Number of Inspection by Major Sector in two Fiscal Year*

Major Sector	2023 - 2024					2024-2025				
	I	II	III	IV	Total	I	II	III	IV	Total
Accommodation & Food service activities	598	24	52	22	<b>696</b>	534	27	13	11	<b>585</b>
Administrative and support services	7	1	-	8	<b>16</b>	9	-	-	4	<b>13</b>
Agriculture, forestry and fishing	10	-	-	2	<b>12</b>	10	-	-	-	<b>10</b>
Arts, entertainment and recreation	16	1	4	-	<b>21</b>	37	-	1	-	<b>38</b>
Construction	1070	281	10	80	<b>1441</b>	1052	14	45	12	<b>1123</b>
Education	8	-	-	1	<b>9</b>	4	-	-	2	<b>6</b>
Electricity, gas, steam and air conditioning supply	4	-	-	1	<b>5</b>	4	1		2	<b>7</b>
Financial services and insurance	1	-	-	-	<b>1</b>	14	-	1	-	<b>15</b>
Human health and social work	4		1	1	<b>6</b>	8	-	1	2	<b>11</b>
Information & communication services	5	1	-	1	<b>7</b>	7	2		1	<b>10</b>
Manufacturing	153	28	9	127	<b>317</b>	357	26	4	33	<b>420</b>
Mining and quarrying	7	-	-	13	<b>20</b>	36	-	-	7	<b>43</b>
Other Services	352	55	31	15	<b>453</b>	114	1	1	5	<b>121</b>
Professional, scientific and technical services	64	27	393	14	<b>498</b>	134	37	3	5	<b>179</b>
Public administration & defense, compulsory social security	3	2	1	2	<b>8</b>	3	-	2	-	<b>5</b>
Real estate	2	-	-	-	<b>2</b>	-	-	-	-	<b>0</b>
Transportation and storage	69	77	6	2	<b>154</b>	3	-	-	2	<b>5</b>
Water supply; sewerage, waste management	3	-	5	3	<b>11</b>	-	-	-	-	<b>0</b>
Wholesale and retail trade	164	18	3	12	<b>197</b>	305	2	5		<b>312</b>
<b>Total</b>	<b>2540</b>	<b>515</b>	<b>515</b>	<b>304</b>	<b>3874</b>	<b>2631</b>	<b>110</b>	<b>76</b>	<b>86</b>	<b>2903</b>

*I - Routine, II - Follow up, III - Special; IV - Self inspection*

Similarly, inspections in the accommodation and food services sector declined by 17%, from 696 to 576 inspections. While the sector remains a regulatory priority due to its labour-intensive nature and public-facing operations, the decline suggests a shift in short-term enforcement priorities. Conversely, the wholesale and retail trade sector saw a substantial increase of 58%, rising from 197 inspections in FY 2023–2024 to 312 in FY 2024–2025. This surge indicates a heightened regulatory focus on commercial establishments, possibly in response to emerging compliance gaps, rising employment numbers, or increased economic activity within the sector.

These year-on-year trends underscore the Department’s dynamic inspection strategy, which adapts to evolving sectoral risks, resource availability, and enforcement intelligence, while striving to maintain regulatory coverage across all critical areas of the economy.

## Notices & Memos

To ensure compliance with national labour laws and occupational safety standards, the Department of Labour utilizes three core enforcement instruments during inspections: Improvement Notices (INs), Penalty Memos (PMs), and Prohibition Notices (PNs).

INs are issued when deficiencies in workplace conditions, employment practices, or safety standards are identified. These notices instruct the employer to undertake corrective actions within a stipulated timeframe to rectify the non-compliance. PMs are applied in cases of serious, repeated, or willful violations. These carry financial penalties or legal sanctions, serving as punitive measures to deter ongoing non-compliance and reinforce the legal accountability of employers. PNs are the most stringent enforcement tool and are issued when an activity or condition poses an immediate risk to life, health, or safety. Upon issuance, the employer is legally required to cease the hazardous activity or shut down the unsafe operation immediately until the risk is eliminated and clearance is granted.

*Table 4: Number of Notices & Memos issued*

Types	Total	
	N	%
Improvement Notices	195	44.42%
Penalty Memo	243	55.35%
Prohibition Notice	1	0.23%
<b>Total</b>	<b>439</b>	<b>100%</b>

Table 4 gives the number of Notices & Memos issued across the country. The Department of Labour issued a total of 439 enforcement instruments as part of its regulatory compliance efforts..

PMs were the most frequently issued, with 243 cases, representing 55% of the total. This indicates a firm stance on penalizing serious or repeated violations of labour laws and occupational health and safety regulations. INs accounted for 195 instances (44%), reflecting the Department's continued emphasis on corrective compliance, allowing employers to rectify shortcomings within a specified timeframe. Only 1 PN (0.23%) was issued during the period, underscoring that while rare, such notices are reserved for the most critical scenarios involving immediate and serious threats to worker safety or life.

From Table 5, we can see that Thimphu recorded the highest volume of enforcement actions, with 139 Improvement Notices and 198 Penalty Memos, accounting for almost 70% of all notices and memos issued nationwide.

*Table 5: Number of Notices & Memo issued by Region*

Region	Improvement Notices	Penalty Memo	Prohibition Notice
Gelephu	24	6	-
Monggar	1	5	-
Phuentsholing	26	16	1
Samdrup Jongkhar	5	17	-
Thimphu	139	198	-
Trongsa	-	1	-
<b>Total</b>	<b>195</b>	<b>243</b>	<b>1</b>

This concentration underscores the capital's high density of formal enterprises and ongoing regulatory focus. Phuentsholing followed with 26 INs, 16 PMs, and the only Prohibition Notice issued during the year, highlighting its status as a critical industrial and trade hub. The issuance of a Prohibition Notice in this region indicates the identification of an imminent and serious safety hazard, warranting immediate cessation of activity. Gelephu recorded 24 INs and 6 PMs, reflecting moderate enforcement activity, likely in line with the region's expanding industrial base and labour force.

*Table 6: Number of Notices & Memos issued by Dzongkhag*

Dzongkhag	Improvement Notices	Penalty Memo	Prohibition Notice	Total Notices & Memos
Bumthang	-	1	-	<b>1</b>
Chhukha	9	16	-	<b>25</b>
Dagana	3	2	-	<b>5</b>
Gasa	-	-	-	<b>0</b>
Haa	21	10	-	<b>31</b>
Lhuentse	-	-	-	<b>0</b>

Dzongkhag	Improvement Notices	Penalty Memo	Prohibition Notice	Total Notices & Memos
Monggar	1	1	-	2
Paro	49	44	-	93
Pemagatshel	2	11	-	13
Punakha	13	19	-	32
Samdrup Jongkhar	3	6	-	9
Samtse	17		1	18
Sarpang	18	4	-	22
Thimphu	51	121	-	172
Trashigang	-	4	-	4
Trashiyangtse	-	-	-	0
Trongsa	-	-	-	0
Tsirang	3	-	-	3
Wangdue Phodrang	5	4	-	9
Zhemgang	-	-	-	0
<b>Total</b>	<b>195</b>	<b>243</b>	<b>1</b>	<b>439</b>

Table 7 gives the number of Improvement Notice and Penalty Memo issued by the Major Sector. The construction sector recorded the highest volume of enforcement actions by a significant margin, with 92 Improvement Notices and 221 Penalty Memos, reflecting its continued high-risk profile and prevalence of occupational safety and labour violations.

*Table 7: Number of Improvement Notice and Penalty Memo issued by Major Sector*

Major Sector	Improvement Notices	Penalty Memo	Prohibition Notice
Accommodation and Food service activities	22	9	-
Arts, entertainment and recreation	2	-	-
Construction	92	221	-
Education	1	-	-
Manufacturing	46	2	1
Mining & Quarry	2	-	-
Other Services	15	2	-
Professional, scientific and technical services	5	-	-
Public administration and defense, compulsory social security	2	2	-
Transportation and storage	1	-	-
Wholesale and retail trade	7	7	-



<b>Total</b>	<b>195</b>	<b>243</b>	<b>1</b>
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*Note: Only sectors that were issued Notices & Memos are reflected*

The construction sector alone accounted for 71.3% of all notices and memos, reinforcing the need for sustained monitoring and enforcement in this domain. The manufacturing sector followed, with 46 INs, 2 PMs, and the only Prohibition Notice issued during the fiscal year. In the accommodation and food service sector, 22 INs and 9 PMs were issued, reflecting ongoing challenges related to working conditions, wage compliance, and hygiene standards in this labour-intensive and service-oriented industry.

*Table 8: Number of Notice & Memos issued by Contravening Section*

<b>Infringement/ Nature of Contraventions</b>	<b>Improvement Notices</b>	<b>Penalty Memo</b>	<b>Prohibition Notice</b>
Change of Worksite without CLA approval	8	6	-
Internal Service Rules related issues	31	2	-
Display the OHS policy in a prominent place.	6	-	-
Leave records	1	-	-
Wage & Wage records	8	-	-
Install appropriate & sufficient fire extinguisher	3	-	-
Maintain good house keeping at all times	2	-	-
Overtime Payment related issues	1	1	-
Maintain the gratuity payment record.	1	-	-
Probation period related issues	1	-	-
PPEs not used or worn by the employee	9	213	-
PPEs not provided by the employer	55	6	-
Provide one day off in a week	2	-	-
Register the worksite with MoICE.	-	2	-
Register all the employees into the PF scheme	30	13	1
Construction site not barricade	3	-	-
No electrical safety	33	-	-
Working hours related issues	1	-	-
<b>Total</b>	<b>195</b>	<b>243</b>	<b>1</b>

The Table 8 reveals a pattern of persistent, high-risk non-compliance across several critical areas, most notably in Personal Protective Equipment (PPE) usage. Table 9 shows the number of Notice & Memos issued by Contravening Sections. The non-use of employer-provided PPE resulted in a staggering 207 penalty memos—the highest among all contraventions—clearly highlighting a systemic failure in behavioural safety compliance. This is likely compounded by inadequate enforcement

mechanisms and a lack of comprehensive safety training at the enterprise level. On the supply side, the issuance of 51 improvement notices and 6 penalty memos for not providing appropriate PPEs points to an equally troubling employer-side failure in fulfilling fundamental safety obligations, suggesting weak internal accountability and supervision frameworks.

Meanwhile, compliance with social protection mandates remains poor, with 30 improvement notices and 13 penalty memos issued for failing to register employees under the Provident Fund (PF) scheme. This not only violates statutory requirements but also exposes workers to financial vulnerability, indicating deep-rooted employer negligence in upholding workers' rights. The situation is equally dire in relation to Internal Service Rules (ISR) compliance. With 26 improvement notices for failure to frame and submit ISRs, and 4 additional notices for not submitting them for approval, it is evident that many organizations lack structured HR processes. This systemic weakness may stem from limited HR capacity or a poor understanding of regulatory obligations, particularly among small and medium enterprises.

Electrical safety breaches also emerged as a red flag. The issuance of 28 improvement notices and one prohibition notices for using materials not in line with the Electricity Regulatory Authority reveals alarming gaps in safety compliance, posing potentially fatal risks if left unaddressed. Similarly, fire safety preparedness appears grossly inadequate—only three notices (2 for installing extinguishers and 1 for adequacy) were issued, suggesting this critical area is being dangerously overlooked.

*Table 9: Amount of Penalty collected by Region*

Region	Penalty Collected	
	N	%
Gelephu	24375	2.3%
Monggar	9375	0.9%
Phuentsholing	166875	15.9%
Samdrup Jongkhar	76850	7.3%
Thimphu	768760	73.2%
Trongsa	3750	0.4%
<b>Total</b>	<b>1049985</b>	<b>100.0%</b>

Additional violations, such as unauthorized changes to worksites without Chief Labour Administrator (CLA) approval (8 improvement notices and 6 penalty memos), reflect blatant procedural non-compliance and weak regulatory discipline. Overtime-related contraventions, including failures to maintain records or pay the proper rates, were observed but rarely penalized—implying either underreporting or regulatory leniency, both of which warrant strategic review.

The penalty collection data by region and Dzongkhag in Tables 9 and 10 reveal a striking centralization of enforcement action and financial recovery—exposing both disparities in regulatory activity and potential gaps in nationwide compliance oversight.

It shows that disproportionate concentration of enforcement in the Thimphu Region, which alone accounts for 73% of the total penalties collected (Nu. 0.76 million). This striking dominance likely stems from a combination of factors: a higher inspection rate in the capital and greater urban visibility of violations.

At the Dzongkhag level, the disparity remains stark. Thimphu Dzongkhag alone contributed 46% of the total penalties, followed by Chukha (15.9%), Paro (15.2%), and Punakha (7.1%). Conversely, Dzongkhags such as Mongar (0.2%), Dagana (0.4%), Bumthang (0.4%), and Trashigang (0.7%) recorded negligible penalty collections. This is unlikely to be due to higher compliance, and more plausibly reflects limited inspection coverage, or underreporting of violations—often influenced by geographic remoteness, resource constraints, or reluctance to escalate issues. Taken together, these patterns underscore the urgent need for more equitable, risk-based enforcement strategies, enhanced regional capacity, and standardized inspection protocols to ensure regulatory consistency and safeguard labour rights across all regions of Bhutan

*Table 10: Amount of Penalty collected by Dzongkhag*

Dzongkhag	Penalty Collected	
	N	%
Bumthang	3750	0.4%
Chukha	166875	15.9%
Dagana	3750	0.4%
Haa	31875	3.0%
Mongar	1875	0.2%
Paro	159350	15.2%
Pemagatshel	43175	4.1%
Punakha	75000	7.1%
Samdrupjongkhar	33675	3.2%
Sarpang	20625	2.0%
Thimphu	487535	46.4%
Trashigang	7500	0.7%
Wangdue Phodrang	15000	1.4%
<b>Total</b>	<b>1049985</b>	<b>100%</b>

The sector-wise breakdown of penalty collections, as presented in Table 11, highlights a pronounced concentration of enforcement action—and by extension, regulatory violations—in the Construction sector, which accounts for a staggering 81.4% of the

total penalties collected (Nu. 0.855 million). This overwhelming figure is a clear signal that the construction industry remains the most non-compliant and high-risk sector, demanding sustained regulatory scrutiny and targeted interventions. The Accommodation and Food Service sector follows distantly with 8%, suggesting a moderate level of non-compliance, possibly linked to poor working conditions, wage violations, or OHS lapses in hospitality settings. Meanwhile, Wholesale and Retail Trade contributes 6.8%, which may reflect issues around informal employment arrangements, lack of contract enforcement, or poor recordkeeping. The Manufacturing sector, despite its potential for industrial risk, accounts for only 1.3% of the total penalties. This could imply either a relatively better compliance posture or, more plausibly, under-inspection or underreporting in the sector.

*Table 11: Amount of Penalty collected by Major Sector*

Sector	Penalty Collected	
	N	%
Accommodation and Food service activities	84375	8.0%
Construction	854985	81.4%
Manufacturing	13125	1.3%
Other Services	22500	2.1%
Public administration and defense, compulsory social security	3750	0.4%
Wholesale and retail trade	71250	6.8%
<b>Total</b>	<b>1049985</b>	<b>100%</b>

## Anonymous Complaint

Anonymous complaints serve as a critical channel through which workers and stakeholders can report labour violations, unsafe working conditions, or other grievances without fear of retaliation. These complaints, while lacking identifiable sources, often provide valuable insights into systemic issues that might otherwise remain undetected.

*Table 12: Number of Anonymous Complaint by Region*

Region	Anonymous Complaint	
	N	%
Gelephu	12	4.8%
Monggar	8	3.2%
Phuentsholing	5	2.0%
Samdrup Jongkhar	23	9.2%
Thimphu	194	77.3%
Trongsa	9	3.6%
<b>Total</b>	<b>251</b>	<b>100%</b>

The analysis of anonymous complaints data by region, Dzongkhag, and complaint category reveals systemic fault lines in Bhutan's labour landscape, pointing to both spatial disparities in grievance reporting and entrenched violations of fundamental worker rights. The Thimphu Region alone accounts for 77.3% of all anonymous complaints, revealing a stark geographic concentration of labour grievances. While this figure may partially correlate with Thimphu's high concentration of enterprises and labour activity, it more convincingly reflects structural advantages unique to urban environments, including greater awareness and access to complaint channels due to proximity to regulatory agencies and better digital connectivity, higher visibility of enforcement and media coverage which fosters transparency and encourages workers to come forward, and a relatively empowered workforce that is more informed about their rights and more confident in using anonymous redress mechanisms.

*Table 13: Number of Anonymous Complaint by Dzongkhag*

Dzongkhag	Anonymous Complaint	
	N	%
Bumthang	2	0.8%
Gasa	1	0.4%
Haa	1	0.4%
Mongar	1	0.4%
Paro	75	29.9%
Pemagatshel	3	1.2%
Punakha	6	2.4%
Samdrupjongkhar	20	8.0%
Samtse	5	2.0%
Sarpang	12	4.8%
Thimphu	96	38.2%
Trashigang	5	2.0%
Trashiyangtse	2	0.8%
Trongsa	4	1.6%
Tsirang	3	1.2%
Wangdue Phodrang	15	6.0%
<b>Total</b>	<b>251</b>	<b>100%</b>

In contrast, regions such as Samdrup Jongkhar (9.2%), Gelephu (4.8%), and Trongsa (3.6%) recorded disproportionately low complaint volumes despite hosting major construction, manufacturing, and hydropower projects. This discrepancy is unlikely to reflect better compliance. Instead, it more plausibly indicates systemic underreporting arising from low worker awareness of rights and available grievance



channels, fear of retaliation or job loss—particularly among foreign and informal workers—and erosion of trust in enforcement follow-through, possibly due to previous inaction or weak institutional presence.

At the Dzongkhag level, Thimphu (38.2%) and Paro (29.9%) alone contribute nearly 68% of all anonymous complaints. While this mirrors the regional trend, it also reveals that urban centres with growing service and construction sectors are facing the brunt of workforce-related disputes. Other Dzongkhags such as Wangdue Phodrang (6.0%), Samdrupjongkhar (8.0%), and Sarpang (4.8%) show moderate engagement, suggesting some level of awareness and access to grievance mechanisms. However, Dzongkhags like Gasa, Haa, Trashiyangtse, and Mongar, which recorded only one or two complaints each, present a more concerning picture.

*Table 14: Number of Anonymous Complaint by Types*

Types of Anonymous Complaint	Anonymous Complaint	
	N	%
Contract / notice-period / probation / redundancy disputes	25	9.96%
Employee abscondment / desertion (reported by employer)	20	7.97%
Environmental nuisance (noise, chemical fumes, dust) impacting neighbours	1	0.40%
Foreign-worker / permit misuse, illegal expatriate deployment, abscondment	14	5.58%
Harassment, bullying, discrimination, toxic conduct, retaliation	16	6.37%
Occupational-safety breaches (no PPE, unsafe methods, accidents, lack of compensation)	10	3.98%
Others	12	4.78%
Statutory benefits & gratuity (PF, GIS, MPDF, gratuity, increment, annual-leave encashment)	30	11.95%
Wage-related (non-payment, under-payment, delayed payment, illegal deductions, service-charge disputes)	64	25.50%
Working-hours / overtime / leave / public-holiday violations, unfair rostering	59	23.51%
<b>Total</b>	<b>251</b>	<b>100%</b>

In terms of subject matter, the complaints expose a labour market still grappling with foundational rights violations. Wage-related issues (25.5%) top the list, encompassing non-payment, illegal deductions, and disputes over service charges. This points to weak payroll compliance and widespread financial exploitation, particularly in sectors with informal or seasonal employment.

Working hours, overtime, and leave violations (23.5%) rank close behind, reinforcing the need for stricter enforcement of the Regulation on Working Conditions and

better monitoring of scheduling, rostering, and compensation practices. These issues reflect ongoing disregard for basic entitlements such as rest periods, paid leave, and limits on excessive overtime.

Statutory benefit-related complaints (12.0%)—concerning Provident Fund (PF), Gratuity, Group Insurance Scheme (GIS), and leave encashments—highlight systemic human resource management failures. In some cases, these may reflect administrative negligence, while in others, they may be the result of intentional cost-cutting by employers.

Contractual breaches (10%), including violations of probation terms and failure to honour notice periods, underscore gaps in legal literacy among both employers and employees. These issues suggest poor contract management, limited enforcement of employment terms, and a lack of formal HR structures in many workplaces.

Harassment and bullying complaints (6.4%)—though likely underreported—continue to surface, indicating the persistence of hostile or discriminatory workplace environments. Such grievances often remain invisible to routine inspections and require confidential reporting channels and targeted interventions.

Even occupational safety concerns (4%)—typically more observable—are underrepresented in the data. This suggests a combination of fear of retaliation, normalization of unsafe practices, or low levels of hazard recognition and safety awareness among workers. The overall typology confirms that while legal protections exist on paper, their realization in practice remains uneven and fraught with structural enforcement challenges.

## Social Protection

In Bhutan, social protection mechanisms aim to provide financial security and support to individuals during retirement, or unforeseen circumstances. One of the key pillars of Bhutan's social protection system is the Provident Fund (PF), which serves as a long-term savings and retirement benefit scheme for employees in the formal sector. Under the Regulation on Working Condition<sup>1</sup>, PF contributions are typically mandatory for corporate and private sector employees, with both employer and employee contributing a fixed percentage of the employee's salary. These contributions are deposited with authorized financial institutions (FI) designated by regulatory authorities to manage and invest provident fund assets.

The institutions currently entrusted with this role include:

1. Royal Insurance Corporation of Bhutan Limited (RICBL)

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<sup>1</sup>Ministry of Labour and Human Resources, Department of Labour. *Regulation on Working Conditions*, 2022. Fourth Edition.

<https://www.moic.gov.bt/wp-content/uploads/2022/06/Regulation-on-Working-Conditions-2022.pdf>

2. Bhutan Insurance Limited (BIL)
3. National Pension and Provident Fund (NPPF)
4. Nubri Capital Private Limited (NCPL), a recently approved entity expanding the scope for fund management options.

*Table 15: Number of Enterprises (Private & Corporate) instituting PF in various FI*

Major Sector	BIL	NPPF	NCPL	RICBL	Total
Accommodation and Food service activities	87	13	1	279	<b>380</b>
Activities of extraterritorial organizations and bodies	-	-	-	5	<b>5</b>
Agriculture, forestry and fishing	-	1	-	5	<b>6</b>
Arts, entertainment and recreation	1	-	-	15	<b>16</b>
Construction	56	22	1	246	<b>325</b>
Education	14	19		94	<b>127</b>
Electricity, gas, steam and air conditioning supply	1	75	1	8	<b>85</b>
Financial services and insurance	5	33	2	33	<b>73</b>
Human health and social work	9	1	-	30	<b>40</b>
Information and communication services	-	3	-	2	<b>5</b>
Manufacturing	43	32	-	176	<b>251</b>
Mining and quarrying	12	3	-	27	<b>42</b>
Other	-	-	-	1	<b>1</b>
Other Services	1	-	-	-	<b>1</b>
Professional, scientific and technical services	156	56	1	749	<b>962</b>
Transport, Storage & Communication	-	1	-	-	<b>1</b>
Transportation and storage	8	7	-	68	<b>83</b>
Wholesale and retail trade	56	20	-	243	<b>319</b>
<b>Total</b>	<b>449</b>	<b>286</b>	<b>6</b>	<b>1981</b>	<b>2722</b>

Table 15 illustrates that the Royal Insurance Corporation of Bhutan Limited (RICBL) accounts for approximately 73% of the total 2,722 provident fund enrollments, underscoring its dominant role in managing retirement savings across sectors. Bhutan Insurance Limited (BIL) and the National Pension and Provident Fund (NPPF) occupy the second and third positions, respectively, though with significantly lower enrollment shares. Meanwhile, Nubri Capital Private Limited, as a newly authorized institution, currently reflects a minimal presence in the dataset—an expected outcome given its recent market entry. Sector-wise, the professional, accommodation, and construction sectors collectively account for over 60% of all recorded PF enrollments. This reflects stronger compliance and awareness in high-employment, high-risk sectors, but also signals deep coverage gaps in agriculture, information technology, and small service industries.

## Occupational Health and Safety

### Reported Workplace Accident

In FY2024–2025, a total of 15 workplace accidents were officially reported, of which 27% resulted in fatalities and 73% involved non-fatal injuries. However, this data likely underrepresents the true scale of occupational incidents, as there is a strong likelihood of underreporting, particularly in informal sectors or where weak internal reporting mechanisms and fear of regulatory consequences discourage transparency.

As per the Annual Health Bulletin 2025<sup>2</sup>, there are a total of 12,667 work-related injuries in 2024. This underscores the urgent need for strengthening accident reporting systems, enhancing employer accountability, and promoting a culture of safety and compliance across all workplaces. The 2024 data analysis by age and gender highlights critical trends in workforce vulnerability to occupational injuries. Men accounted for 8,698 cases (69%), while women represented 3,969 cases (31%), underscoring the heightened exposure of men—particularly those employed in labour-intensive sectors such as construction, manufacturing, and transport. The 25–49 age group, representing the core of the economically active population, recorded the highest number of injuries at 5,775 cases (45.6%), followed by the 50–59 age group (1,594 cases) and the 20–24 age group (1,098 cases). These findings reinforce the need for targeted safety interventions for middle-aged workers in high-risk occupations.

*Table 16: Workplace Accident by Region*

Region	Fatal	Injury	Total
Gelephu	1	-	1
Monggar	2	1	3
Phuentsholing	1	-	1
Samdrup Jongkhar	-	4	4
Thimphu	-	6	6
Trongsa	0	0	0
<b>Total</b>	<b>4</b>	<b>11</b>	<b>15</b>

As per the reported workplace accident data of the Department, Thimphu region accounted for 40% of total reported injuries, with no fatalities, suggesting a heightened risk profile likely associated with ongoing infrastructure projects and a dense concentration of service sector activities. Samdrup Jongkhar represented 27% of injuries, reaffirming its position as a significant industrial zone with elevated occupational risk. Monggar contributed to 13% of total cases, including 50% of all

<sup>2</sup> Source: Ministry of Health. (2025). Annual Health Bulletin 2025. Policy & Planning Division, Ministry of Health, Royal Government of Bhutan. <https://moh.gov.bt/wp-content/uploads/2025/06/Annual-Health-Bulletin-2025.pdf>

fatalities, making it the region with the highest fatality rate. Gelephu and Phuentsholing each accounted for 7% of total accidents, both being fatal. Trongsa recorded 0%, though this could reflect either genuinely low-risk activity or underreporting.

At the Dzongkhag level, Thimphu alone accounted for 40% of all injuries, reflecting the broader regional trend. Pemagatshel contributed 20% of the injuries, likely linked to mining or manufacturing activities. Trashiyangtse made up 13%, while Tsirang, Monggar, and Chhukha each contributed 7%, all being fatalities. Although the absolute numbers are relatively low, the geographic spread of incidents across Dzongkhags reinforces the importance of decentralized OHS surveillance, including regionally deployed inspection teams, localized hazard mapping, and early warning systems to identify and address workplace risks. Without proactive engagement, these areas risk becoming invisible pockets of unmitigated occupational hazards, undermining the integrity of national workplace safety goals.

*Table 17: Workplace Accident by Dzongkhag*

Dzongkhag	Fatal	Injury	Total
Chhukha	1	-	1
Monggar	1	-	1
Pemagatshel	-	3	3
Samdrup Jongkhar	-	1	1
Thimphu	-	6	6
Trashiyangtse	1	1	2
Tsirang	1	-	1
<b>Total</b>	<b>4</b>	<b>11</b>	<b>15</b>

The construction sector accounted for 53% of all reported workplace accidents, reaffirming its position as the most hazardous industry in Bhutan. This included both 50% of all fatalities and 55% of all injuries, with incidents largely arising from falls and struck-by hazards—common risks in high-intensity construction environments.

Manufacturing followed with 33% of total accidents, reflecting ongoing occupational safety and health (OHS) lapses related to machinery handling, process safety, and material movement within industrial facilities. The data points to persistent systemic gaps in plant-level safety governance.

Mining and quarrying and Public Administration & Defense each contributed 7% of total incidents, though these figures are likely underrepresented. Given the inherently high-risk nature of these sectors, the low reporting may stem from infrequent inspections, limited workforce visibility, or subdued reporting mechanisms.

Table 18: Workplace Accident by Major Sector

Major Sector	Fatal		Injury		Total	
	N	%	N	%	N	%
Construction	2	50%	6	55%	8	53%
Manufacturing	1	25%	4	36%	5	33%
Mining and quarrying		0%	1	9%	1	7%
Public administration and defense, compulsory social security	1	25%	-	0%	1	7%
<b>Total</b>	<b>4</b>	<b>100%</b>	<b>11</b>	<b>100%</b>	<b>15</b>	<b>100%</b>

The continued dominance of construction in both fatal and non-fatal injuries necessitates rigorous enforcement of the OHS for Construction Regulation 2022, with a strong focus on site safety supervision, use of personal protective equipment (PPE), and compliance with safe work-at-height protocols. Proactive inspections, contractor accountability, and integration of safety leadership at project level remain critical to reversing these trends.

Table 19: Workplace accident by Major Cause

Major Cause	Fatal	Injury	Total
Caught between moving objects	-	2	2
Falls of a person from heights	1	6	7
Stepping on objects	-	1	1
Striking against stationary objects	-	1	1
Struck by falling objects	1	-	1
Struck by moving objects	1	1	2
Vehicle accident	1	-	1
<b>Total</b>	<b>4</b>	<b>11</b>	<b>15</b>

The most prevalent cause of workplace accidents was falls from height, accounting for 47% of total incidents—a persistent and predictable hazard, especially in the construction sector. This reinforces the well-documented vulnerability associated with elevated work areas and the critical need for consistent implementation of fall prevention systems.

Object-related incidents, including workers caught between moving objects (13%) and those struck by moving or falling objects (20%), also featured prominently, indicating ongoing deficiencies in machinery guarding, lifting operations, and site traffic management. Other reported causes, each contributing less than 7%, included stepping on sharp or hazardous objects, striking against stationary structures, and vehicle-related accidents. While individually minor in frequency, these still highlight lapses in basic site housekeeping and hazard identification.



## OHS Committee

In terms of OHSC formation, progress remains highly centralized and sector-skewed. Only six new committees were established during the reporting period—all of them located in the Thimphu Region. No new committees were formed in any other region, highlighting a clear regional imbalance in the institutionalization of safety committees. This points to either low awareness, poor enforcement, or lack of technical support in outlying Dzongkhags.

*Table 20: New Safety Committee formed by Major Sector*

Major Sector	N	%
Construction	3	50%
Information and communication services	1	17%
Transport & Storage	2	33%
<b>Total</b>	<b>6</b>	<b>100%</b>

*Table 21: New Safety Committee formed by Region*

Region	N	%
Gelephu	0	0.00%
Monggar	0	0.00%
Phuntsholing	0	0.00%
SamdrupJongkhar	0	0.00%
Thimphu	6	100.00%
Trongsa	0	0.00%
<b>Total</b>	<b>6</b>	<b>100%</b>

In Table 19, it shows that the construction sector led with 50% of all newly established committees, followed by transport and storage at 33%, and information and communication services at 17%. This limited diversity further suggests that safety governance remains concentrated in select urban industries, with minimal penetration into broader sectors such as manufacturing, hospitality, retail, agriculture, and mining—where risks are often just as pronounced.

## OHS Assessment

A total of 89 enterprises underwent formal Occupational Health and Safety (OHS) assessments during the reporting period. However, the distribution of these assessments reveals a continued urban and sector-specific bias in enforcement. At the regional level, Phuntsholing accounted for 48% and Thimphu for 26% of all assessments, together making up nearly three-quarters of the national total. This

concentration reflects a clear emphasis on urban and industrialized zones, where regulatory presence is stronger and enterprise visibility is higher.

*Table 22: Number of Enterprise conducted OHS Assessment by Region*

Region	N	%
Gelephu	3	3%
Monggar	7	8%
Phuentsholing	43	48%
Samdrup Jongkhar	11	12%
Thimphu	23	26%
Trongsa	2	2%
<b>Total</b>	<b>89</b>	<b>100%</b>

*Table 23: Number of Enterprise conducted OHS Assessment by Dzongkhag*

Dzongkhag	N	%
Chhukha	30	34%
Dagana	2	2%
Lhuentse	1	1%
Monggar	4	4%
Paro	1	1%
Pema Gatshel	5	6%
Punakha	1	1%
Samdrup Jongkhar	6	7%
Samtse	8	9%
Sarpang	6	7%
Thimphu	17	19%
Trashiyangtse	2	2%
Trongsa	2	2%
Wangdue Phodrang	4	4%
<b>Total</b>	<b>89</b>	<b>100%</b>

At the Dzongkhag level, Chhukha dominated with 34% of total assessments, reinforcing its status as a regulatory priority zone due to its concentration of industries and industrial parks. Meanwhile, Dzongkhags such as Dagana, Paro, and Lhuentse registered extremely low assessment figures, exposing a lack of systematic inspection coverage and highlighting the need for a more balanced, risk-based allocation of inspection resources.

From a sectoral perspective, manufacturing received 52% of all assessments, followed by electricity and gas (13%), and construction (12%).

*Table 24: Number of Enterprise conducted OHS Assessment by Major Sector*

Major Sector	N	%
Accommodation and Food service activities	2	2%
Agriculture, forestry and fishing	1	1%
Construction	11	12%
Electricity, gas, steam and air conditioning supply	12	13%
Information and communication services	3	3%
Manufacturing	46	52%
Mining and quarrying	5	6%
Professional, scientific and technical services	5	6%
Transportation and storage	3	3%
Water supply; sewerage, waste management	1	1%
<b>Total</b>	<b>89</b>	<b>100%</b>

At the Dzongkhag level, Monggar, Lhuentse, Paro, and Punakha all recorded 100% pass rates, but these were based on very small sample sizes. In contrast, Chhukha—despite having the highest number of enterprises assessed—recorded a pass rate of only 43.3%.

*Table 25: Enterprise achieving 70% and above in OHS Assessment by Dzongkhags*

Dzongkhag	N	%
Chhukha	13	35%
Lhuentse	1	3%
Monggar	4	11%
Paro	1	3%
Pema Gatshel	2	5%
Punakha	1	3%
Samdrup Jongkhar	2	5%
Samtse	3	8%
Sarpang	1	3%
Thimphu	6	16%
Trashiyangtse	1	3%
Wangdue Phodrang	2	5%
<b>Total</b>	<b>37</b>	<b>100%</b>

By sector, manufacturing accounted for 59% of all enterprises that passed the benchmark, demonstrating relatively mature safety systems and strong regulatory engagement. Construction and electricity sectors each contributed 16% of high-performing enterprises, indicating moderate progress, though not yet proportional to their risk profile or worker concentration. Sectors such as transportation and mining showed the weakest performance, reinforcing concerns around neglected high-risk sectors that remain under-addressed in current inspection regimes.

*Table 26: Enterprise achieving 70% and above in OHS Assessment by Sectors*

Sector	N	%
Construction	6	16%
Electricity, gas, steam and air conditioning supply	6	16%
Manufacturing	22	59%
Mining and quarrying	2	5%
Transportation and storage	1	3%
<b>Total</b>	<b>37</b>	<b>100%</b>

*Table 27: Pass Percentage by Dzongkhag*

Dzongkhag	OHSC Assessed	OHSC with 70% & Above	Pass %
Chhukha	30	13	43.3%
Dagana	2	0	0.0%
Lhuentse	1	1	100.0%
Monggar	4	4	100.0%
Paro	1	1	100.0%
Pema Gatshel	5	2	40.0%
Punakha	1	1	100.0%
Samdrup Jongkhar	6	2	33.3%
Samtse	8	3	37.5%
Sarpang	6	1	16.7%
Thimphu	17	6	35.3%
Trashiyangtse	2	1	50.0%
Trongsa	2	0	0.0%
Wangdue Phodrang	4	2	50.0%
<b>Total</b>	<b>89</b>	<b>37</b>	<b>41.57%</b>

## Issues/ Challenges

### **1. Lack of Training on Drone Operation and Monitoring Equipment**

Despite investments in advanced technologies such as drones and workplace environment monitoring devices, their effective deployment is severely hindered by a lack of specialized training among inspection teams. Similarly, the absence of technical training on noise, dust, light, and heat measuring equipment compromises the quality and reliability of exposure assessments, thereby limiting the scope of evidence-based enforcement.

### **2. Resource and Capacity Constraints**

Labour inspection teams continue to operate under significant limitations in terms of manpower, technical capacity, and access to specialized tools or equipment. These constraints hinder not only the timely identification and resolution of workplace violations but also the broader ability to sustain long-term compliance monitoring and uphold workers' rights across diverse sectors. Robust resourcing is essential to transform inspections from reactive exercises into proactive regulatory functions.

### **3. Employer Non-Cooperation and Documentation Deficiencies**

Another recurring challenge is limited employer cooperation during inspections, often manifested through reluctance to share records or grant access to critical areas. Coupled with inconsistent or poorly maintained documentation, this impedes accurate verification of compliance. Moreover, a general lack of awareness or undervaluing of the role of labour inspectors further diminishes the legitimacy and effectiveness of the enforcement process. These factors collectively weaken the ability to ensure fair labour practices and uphold regulatory standards.

## Key Highlights

Despite persistent challenges such as limited resources, varying levels of employer compliance, and the need for greater technical capacity in specialized areas, the Labour Protection Division has made significant strides in strengthening Bhutan's occupational health and safety (OHS) framework.

### **1. Drone-Enabled OHS Surveillance for Enhanced Safety**

In a strategic move to modernize workplace inspections and strengthen enforcement capabilities, the Department of Labour has initiated the deployment of drone-enabled surveillance to support Occupational Health and Safety (OHS) monitoring activities. As part of this initiative, two state-of-the-art drones with high-resolution imaging capabilities and integrated sensor systems have been procured and commissioned during the reporting period.

These drones are purpose-built to address the growing challenges of inspecting large, hazardous, or structurally complex worksites—particularly in construction, hydro, manufacturing, and mining sectors—where traditional inspection methods may either be infeasible or pose a safety risk to inspectors. The drones are currently being utilized for three core operational functions:



first, to conduct remote hazard identification in otherwise inaccessible, elevated, or confined zones such as rooftops, scaffolding, trenches, and industrial interiors where fall risks or toxic exposures are high; second, to capture high-definition visual evidence of non-compliance issues including unsafe work behavior, absence or misuse of Personal Protective Equipment (PPE), and structural safety risks; and third, to enable real-time aerial surveillance during active site operations, thereby allowing inspectors to promptly flag violations, direct on-ground corrective measures, and maintain continuous oversight without physically being at risk.



The Department plans to further institutionalize drone-enabled inspections through dedicated training and certification of Labour Officers, integration with geospatial risk mapping, and incorporation of drone footage into compliance reports and enforcement actions. This innovation aligns with the National OHS Strategy's emphasis on risk-based, technology-driven enforcement, and is expected to catalyze a new standard of proactive, data-informed, and resilient workplace safety governance across Bhutan.

## **2. Development of National OHS Training Profiles**

As a foundational step toward professionalizing the OHS workforce, the Department successfully developed a suite of Occupational Health and Safety training profiles. These profiles clearly define the competencies, learning outcomes, and certification pathways for Construction Safety Supervisors, General Safety Supervisors, and Safety Officers. This initiative not only aligns with the Bhutan Qualifications Framework but also paves the way for the institutionalization of safety roles across sectors—ensuring that OHS responsibilities are clearly defined, standardized, and transferable. It represents a critical move toward establishing OHS as a recognized profession with structured career progression.

## **3. Establishment of a National OHS Training Ecosystem through Strategic Partnerships**

In a strategic effort to operationalize the training profiles and embed OHS into mainstream skills development, the Department initiated the development of a coordinated OHS training ecosystem. This was achieved through formal partnerships with the Bhutan Qualification and Professional Certification Authority (BQPCA) and accredited training institutions. By institutionalizing OHS curricula, certifying trainers, and aligning assessment standards, this ecosystem is designed to produce job-ready OHS professionals and elevate safety competencies within enterprises. This approach not only expanded training coverage but also ensured flexibility, responsiveness, and industry-aligned training outcomes. A total of 156 participants were trained under this outsourcing initiative. The initiative also supports the broader objective of creating a pipeline of certified safety personnel across high-risk industries such as construction, manufacturing, and hydropower.

## **4. Nationwide OHS Chemical Risk Assessment**

Recognizing the growing threat of hazardous substances in industrial and commercial operations, a comprehensive OHS chemical assessment was conducted. The assessment mapped the types, quantities, and management practices of chemicals used across priority sectors. This evidence-based analysis has highlighted critical gaps in labelling, storage, and exposure control. The findings will inform the development of chemical safety guidelines, training modules, and targeted enforcement strategies, strengthening Bhutan's compliance and contributing to safer working environments.

## **5. Successful Hosting of the National Occupational Health and Safety Seminar**

The Department organized the National OHS Seminar—Bhutan’s premier platform for OHS dialogue and collaboration—with participation from over 60 representatives from government agencies, private sector leaders, worker



associations, and international experts. Key outcomes included the launch of eight critical OHS documents (including strategy papers, course profiles, and technical guidelines), consensus-building on policy priorities, and a renewed commitment to strengthening institutional safety cultures. The seminar served not only as a knowledge-sharing forum but also as a public affirmation of Bhutan’s commitment to mainstreaming OHS in national development. High-level technical panels, live streaming, and multi-stakeholder engagement ensured the event’s strategic visibility and impact.=

## **6. Country-Focused OHS Training in Japan for Private Sector Empowerment**

In collaboration with Japan International Cooperation Agency (JICA), a specialized country-focused training program was conducted in Japan, with participants from government, corporate and private sectors. This high-impact program exposed participants to advanced OHS systems, regulatory frameworks, and innovative workplace safety practices in a developed economy context. The training emphasized preventive safety culture, integrated risk management systems, and cross-sector collaboration—providing Bhutanese participants with actionable insights for adapting international standards to local realities. The majority participation from the private sector marks a paradigm shift—recognizing that sustainable workplace safety requires strong industry ownership and proactive leadership.



*Labour Relation  
Division*

## Labour Dispute

The Department of Labour handled a total of 223 labour disputes and complaints during the fiscal year. These disputes were admitted based on the existence of an employment contractual agreement or enterprise relationship between employers and employees, in accordance with the provisions of the Labour and Employment Act of Bhutan 2007.

*Table 28: Number of Labour Dispute handled by Region*

Region	N	%
Gelephu	6	2.7%
Monggar	36	16.1%
Phuentsholing	8	3.6%
Samdrup Jongkhar	16	7.2%
Thimphu	152	68.2%
Trongsa	5	2.2%
<b>Total</b>	<b>223</b>	<b>100%</b>

Regionally, Thimphu accounted for the overwhelming majority of cases, handling 68.2% of all disputes (152 out of 223), reflecting its position as the country's major employment hub and the higher concentration of both employers and workers. Monggar followed distantly with 16.1% (36 cases), while other regions such as Samdrup Jongkhar (7.2%), Phuentsholing (3.6%), Gelephu (2.7%), and Trongsa (2.2%) reported significantly fewer disputes. This distribution underscores not only the geographic concentration of formal employment but also potential gaps in dispute reporting or access to redressal mechanisms in less represented regions.

At the Dzongkhag level, Thimphu again dominated with 44.4% of all disputes (99 cases), followed by Paro at 12.6% (28 cases), Wangdue Phodrang with 8.5% (19 cases), and Trashigang at 6.3% (14 cases). Dzongkhags like Trashiyangtse (4.0%), Monggar (4.5%), and Samdrup Jongkhar (5.4%) reflected moderate volumes. In contrast, multiple Dzongkhags such as Sarpang, Trongsa, and Tsirang reported only one or two cases, suggesting either limited enforcement penetration, informal resolution outside the system, or underreporting due to lack of awareness or accessibility.

When examining the nature of disputes, wage-related cases overwhelmingly dominated at 77.6% (173 out of 223), reaffirming that timely and complete wage payment remains the most pressing labour issue in Bhutan. Provident Fund and GIS-related grievances followed at 6.7%, while issues such as absconding workers (4.5%), mismanagement (4.9%), and contract breaches (1.8%) were also recorded. Other less common complaints included injury without compensation, unlawful



deductions, unpaid work permit processing fees, service charge disputes, and wrongful termination—each making up less than 1% to 2% of the total caseload.

*Table 29: Number of Labour Dispute by Dzongkhag*

<b>Dzongkhag</b>	<b>N</b>	<b>%</b>
Bumthang	4	1.8%
Chukha	4	1.8%
Dagana	3	1.3%
Lhuentse	3	1.3%
Mongar	10	4.5%
Paro	28	12.6%
Pemagatshel	4	1.8%
Punakha	6	2.7%
Samdrup Jongkhar	12	5.4%
Samtse	4	1.8%
Sarpang	2	0.9%
Thimphu	99	44.4%
Trashigang	14	6.3%
Trashiyangtse	9	4.0%
Trongsa	1	0.4%
Tsirang	1	0.4%
Wangdue Phodrang	19	8.5%
<b>Total</b>	<b>223</b>	<b>100%</b>

In terms of case resolution, the majority of wage dispute cases (96) were formally resolved, while others were either dismissed (12), forwarded to headquarters or regional offices (25), sent notification (22), or withdrawn (3). A notable 105 cases across all categories were rejected due to lack of legal merit or insufficient documentation. PF/GIS cases saw a fairly balanced mix of resolutions and forwarded decisions, while mismanagement and absconding worker cases were largely resolved or dismissed. Injury and wrongful termination cases remained rare but were acted upon, with at least some reaching resolution.

Table 30 provides a disaggregated overview of 223 labour disputes categorized by the nature of dispute and their respective resolution status. A striking observation is that wage-related disputes overwhelmingly dominate the caseload, accounting for 173 out of 223 cases (77.6%), which signals systemic non-compliance with timely or full wage payment obligations. Within this category, a large proportion—96 cases—were rejected, indicating either insufficient evidence or lack of jurisdiction. Beyond wage disputes, Provident Fund and Group Insurance Scheme (PF/GIS) issues constituted the second most reported category (15 cases). Other notable but lower-frequency



disputes include absconding workers (10 cases) and mismanagement-related complaints (9 cases), both of which reflect growing tensions around workplace discipline, grievance handling, and contract enforcement.

*Table 30: Number of Labour Dispute by Nature of Dispute and Status*

Nature of Dispute	I	II	III	IV	V	VI	Total
Absconding Worker			5	3	2		10
Contract Breach			1	3			4
Injury/No Compensation		2					2
Mismanagement		1	1	3	4	2	9
PF/GIS Issues		3		7	3	1	15
Service Charge Dispute		1		2			3
Unlawful Deduction				1			1
Unpaid fee for work permit processing			1				1
Wages Disputes	12	25	96	15	22	3	173
Wrongful Termination	1		1	1			3
<b>Total</b>	<b>13</b>	<b>32</b>	<b>105</b>	<b>35</b>	<b>31</b>	<b>6</b>	<b>223</b>

*I - Dismissed; II - Forwarded to HQ/RO; III - Rejected; IV - Resolved; V - Pending; VI - Withdrawn*

## Internal Service Rules

The data on Internal Service Rules (ISRs) reveals slight progress in regulatory compliance during FY2024–2025, alongside persistent regional and sectoral disparities. Compared to 177 submissions in FY2023–2024, a total of 181 ISRs—comprising 157 new submissions and 24 amendments—were received. This marks a substantial improvement in employer compliance, likely driven by increased awareness, targeted enforcement, and the mandatory provisions outlined in the Regulation on Working Conditions 2022, which requires all employers to develop and submit their ISRs for approval.

However, the submissions were overwhelmingly concentrated in the Thimphu Region, which alone accounted for 83 percent of the total, with 150 ISRs submitted, including 129 new and 21 amended rules. In contrast, other regions lagged significantly. Phuentsholing submitted 21 ISRs (19 new and 2 amended), while Monggar and Gelephu submitted only four and three ISRs respectively. Samdrup Jongkhar contributed three ISRs (two new and one amended), and Trongsa reported no submissions at all. This geographic skew reinforces the capital-centric nature of regulatory compliance in Bhutan, where employers in urban centres benefit from better access to information, legal support, and departmental engagement. Conversely, rural and eastern regions continue to exhibit operational inertia, possibly due to limited institutional capacity, lack of awareness, or inadequate inspection follow-through.

Table 31: Number of ISR received by Region in two FY

Region	2023-2024			2024-2025		
	Amendments	New ISR	Total	Amendments	New ISR	Total
Gelephu	1	16	17	-	3	3
Monggar	-	-	0	-	4	4
Phuentsholing	5	11	16	2	19	21
Samdrup Jongkhar	0	8	8	1	2	3
Thimphu	22	113	135	21	129	150
Trongsa	-	1	1	0	0	0
<b>Total</b>	<b>28</b>	<b>149</b>	<b>177</b>	<b>24</b>	<b>157</b>	<b>181</b>

From a sectoral standpoint, the Accommodation and Food Services sector submitted the highest number of ISRs, with 39 in total, including five amendments. This is likely due to the sector's visibility, labour intensity, and frequent inspection exposure.

Table 32: Number of ISR by Major Sector

Major Sector	Amendments	Endorsed	Total
Accommodation and Food service activities	5	34	39
Administrative and support services	1	-	1
Agriculture, forestry and fishing	1	-	1
Arts, entertainment and recreation	-	5	5
Construction	-	25	25
Education		2	2
Financial services and insurance	5	9	14
Human health and social work	-	1	1
Information and communication services	2	7	9
Manufacturing	3	24	27
Mining and quarrying	-	1	1
Other Services	3	31	34
Professional, scientific and technical services	1	3	4
Public administration and defense, compulsory social security	-	1	1
Transportation and storage	2	4	6
Wholesale and retail trade	1	10	11
<b>Total</b>	<b>24</b>	<b>157</b>	<b>181</b>

Other Services and Construction followed with 34 and 25 submissions respectively, while the Manufacturing sector contributed 27 ISRs, reflecting moderate but promising engagement in a traditionally high-risk industry. Despite this progress, several key sectors—including Education, Health, Agriculture, and Mining—showed minimal engagement, which is particularly concerning given their workforce size and vulnerability to compliance gaps. Their limited participation suggests systemic neglect or under-enforcement within these sectors.

It is also worth noting that only 24 of the 181 submissions were amendments, indicating that most employers are submitting their ISRs for the first time. This points to widespread historical non-compliance or late onboarding into the regulatory framework, and underscores the need for mechanisms that ensure periodic review and updates of existing ISRs.



*Foriegn Workers  
Division*



## Foreign Workers' Approval

The Foreign Workers' Approval data for FY2023–2024 underscores the structural dependence of Bhutan's economy on imported labour—particularly in the construction, manufacturing, and service sectors—while also revealing imbalances in regulatory enforcement, occupational demand, and regional deployment. A total of 151,646 foreign workers were approved during the year, highlighting the country's significant reliance on migrant labour to drive infrastructure, industrial, and service-sector development. While the approved figure is substantial, the real-time number of foreign workers present in Bhutan varies due to the temporary, rotational, and project-based nature of foreign employment.

*Table 33: Region-wise number of foreign workers*

Region	Number of Foreign Workers
Gelephu	14622
Monggar	6964
Phuentsholing	38741
Samdrup Jongkhar	11461
Thimphu	77876
Trongsa	1982
<b>Total</b>	<b>151646</b>

The Table 33 presents the regional distribution of foreign workers across six key administrative zones in Bhutan for the reporting period. The concentration of foreign workers is highest in Thimphu, which hosts 77,876 workers, accounting for over 51% of the total foreign workforce in the country. This significant figure reflects Thimphu's status as the economic and administrative hub, with high labour demand across construction, service, and institutional sectors.

Phuentsholing follows with 38,741 workers, representing roughly 25.5% of the total. Given its role as the commercial gateway and primary entry point for foreign labour, this is expected. Gelephu ranks third, employing 14,622 foreign workers, likely driven by infrastructure projects and industrial activities in the southern region. Samdrup Jongkhar accounts for 11,461 workers, while Monggar, covering the eastern industrial and hydropower corridor, reports 6,964 workers. Trongsa, a comparatively less industrialized region, has the smallest share with 1,982 workers, constituting just over 1% of the total.

The disaggregated data by Dzongkhag offers a more granular perspective on the national distribution of foreign workers, highlighting regional labour dynamics and localized demand patterns. The highest concentration is seen in Thimphu, with



53,341 foreign workers, constituting approximately 35% of the total. This underscores the capital's dominance as the primary employment centre for foreign labour, particularly in large-scale construction, service, and institutional contracts.

Chukha follows with 21,263 workers (around 14%), reflecting the district's strategic importance as a hub for cross-border trade, industry (notably Pasakha Industrial Estate), and infrastructure. Samtse (17,478 workers) and Sarpang (10,630 workers) also reflect significant concentrations due to ongoing hydropower, industrial, and agricultural activities along the southern economic belt.

*Table 34: Dzongkhag-wise number of foreign workers approved*

<b>Dzongkhag</b>	<b>Number of Foreign Workers</b>
Bumthang	1298
Chukha	21263
Dagana	1411
Gasa	1
Haa	1288
Lhuentse	292
Mongar	1339
Paro	11858
Pemagatshel	2161
Punakha	3618
Samdrupjongkhar	9300
Samtse	17478
Sarpang	10630
Thimphu	53341
Trashigang	2615
Trashiyangtse	2718
Trongsa	684
Tsirang	1839
Wangdue Phodrang	7770
Zhemgang	742
<b>Total</b>	<b>151646</b>

The distribution of foreign workers by major economic sector provides critical insight into Bhutan's sector-specific dependency on external labour. As expected, the Construction sector overwhelmingly dominates with 94,691 foreign workers, representing over 62% of the total foreign workforce. This reflects Bhutan's ongoing

reliance on foreign labour for large-scale infrastructure development, including hydropower projects, roads, bridges, and urban expansion initiatives. The second-largest share is found in Manufacturing, which employs 22,169 workers (approximately 15%), underscoring the sector's sustained reliance on foreign technicians, machine operators, and industrial workers—particularly in cement, steel, and allied industries. Public administration and defense, including compulsory social security, ranks third with 17,149 workers. This likely includes outsourced non-civil service roles such as drivers, janitors, security personnel, and other support staff working under government contracts, including in schools, hospitals, and security agencies.

*Table 35: Sector-wise number of foreign workers*

Major Sectors	Number of Foreign Workers
Accommodation and Food service activities	3153
Activities of extraterritorial organizations and bodies	163
Activities of households as employers; undifferentiated goods and services producing activities of households for own use	180
Administrative and support services	113
Agriculture, forestry and fishing	163
Arts, entertainment and recreation	162
Construction	94691
Education	851
Electricity, gas, steam and air conditioning supply	3374
Financial services and insurance	206
Human health and social work	265
Information and communication services	452
Manufacturing	22169
Mining and quarrying	539
Other Services	5074
Professional, scientific and technical services	440
Public administration and defense, compulsory social security	17149
Real estate	101
Transportation and storage	518
Water supply; sewerage, waste management	93
Wholesale and retail trade	1790
<b>Total</b>	<b>151646</b>

The data on the Top 20 Foreign Workers' Occupations Demanded provides a revealing snapshot of Bhutan's foreign labour requirements by job category, with a stark concentration in construction-related trades. Masons top the list by a wide margin, with 74,149 workers, representing nearly 49% of all workers in these top occupations. This overwhelming figure reflects Bhutan's construction-intensive development model, particularly in hydropower, roads, and urban infrastructure.

Following masons, Concrete Workers number 26,699, further reinforcing the country's dependence on manual and semi-skilled construction labour. The subsequent categories—Process Workers (8,182), Construction Carpenters (6,585), Welders (4,197), and Riggers and Cable Splicers (3,027)—round out the top half of the list, all integral roles in building, mechanical, and structural works.

*Table 36: Top 20 Foreign Workers' Occupation Demanded*

<b>Job Category</b>	<b>Number of Foreign Workers</b>
Mason	74149
Concrete Worker	26699
Process worker	8182
Construction Carpenter	6585
Welder	4197
Riggers and Cable Splicers	3027
Sheet metal worker	2902
Tile layer	2796
Fabricator	2088
Manufacturing labourer not elsewhere classified (loaders, bottle sorters, stackers)	1873
Maintenance labourer	1460
Process control technician not elsewhere classified	1314
Hand Packer	1155
Technician	1029
Building technician	828
Mechanical Engineering Technician	822
Carpenter	733
Wood furniture carpenter	717
Electrical engineering technician	585
Motor vehicle mechanic	465

The classification of foreign workers by major occupational group, aligned with international standard occupation frameworks (e.g., BSCO/ISCO), provides a clear

indication of the skill distribution within Bhutan's foreign workforce. The dominant category is Craft and Related Trades Workers, accounting for 126,630 workers, which represents an overwhelming 83.5% of the total. This category includes skilled trades such as masons, carpenters, welders, riggers, and other specialized construction roles—underscoring Bhutan's acute dependence on foreign technical labour in infrastructure and building sectors.

The second-largest group is Elementary Occupations, with 13,570 workers (approximately 9%), covering general labourers, helpers, and support roles in sectors like construction, manufacturing, and services. This reflects a consistent reliance on foreign labour for physically intensive and low-skilled tasks. Technicians and Associate Professionals comprise 6,367 workers (4.2%), indicating moderate engagement of foreign mid-level technical personnel in areas such as electrical, mechanical, and civil engineering support, process control, and equipment maintenance.

*Table 37: Number of Foreign Workers approved by Major Occupation*

<b>Major Sector</b>	<b>Number of Foreign Workers</b>
Clerical support workers Total	61
Craft and related trade workers Total	126630
Elementary Occupation Total	13570
Managers Total	720
Plant and machine operators and assemblers Total	1115
Professionals Total	1973
Service and sales workers Total	1209
Skilled Agricultural, Forestry and Fishery Total	1
Technicians and Associated Professionals Total	6367
<b>Total</b>	<b>151646</b>

## Foreign Workers Recruitment Agent (FWRA)

There are currently 54 registered FWRAs, and they are heavily concentrated in four strategic border regions. Phuentsholing hosts the largest number with 23 agencies (43% of the total), followed by Gelephu with 14 (26%), Samtse with 13 (24%), and Samdrup Jongkhar with just 4 (7%). This distribution reflects the border-centric nature of foreign worker inflow into Bhutan, with PoEs serving not only as immigration control points but also as labour-processing corridors. Such clustering emphasizes the need for enhanced oversight at these border towns, where regulatory controls must operate at scale and speed.

*Table 38: Foreign Worker Recruitment Agent by Location*

Location	N	%
Gelephu	14	26%
Phuentsholing	23	43%
Samdrup Jongkhar	4	7%
Samtse	13	24%
<b>Total</b>	<b>54</b>	<b>100%</b>

Despite their critical role, the collective employment footprint of FWRAs remains modest. The 54 agents cumulatively employ 178 staff, which translates to an average of approximately 3 to 4 employees per agency. While this may be sufficient during periods of low volume, it presents a major constraint during peak construction seasons or when national infrastructure projects ramp up. The limited human resources raise legitimate concerns about process bottlenecks, delays in medical and administrative screening, and diminished capacity for compliance monitoring.

*Table 39: Number of staffs/ workers employed by FWRA*

Region	No. of Staffs	Average per FWRA
Gelephu	42	3
Phuentsholing	81	4
Samdrup Jongkhar	17	4
Samtse	38	3
<b>Total</b>	<b>178</b>	

Night halt data—referring to the temporary holding of incoming foreign workers—further highlights the pressure points in the system. Gelephu alone accounted for 8,838 night halts, or 57% of the national total, indicating its role as the busiest corridor for foreign labour intake. Phuentsholing followed with 3,669 halts (24%), and Samtse with 2,238 (14%). These figures likely correlate with the location of major construction projects in central and southern Bhutan, but also reflect the availability of holding infrastructure and operational readiness at these points of entry.

Table 40: Location-wise number of Foreign Workers Night Halted

Region	No. of Foreign Workers	Percent
Gelephu	8838	56.97%
Phuentsholing	3669	23.65%
Samdrup Jongkhar	768	4.95%
Samtse	2238	14.43%
<b>Total</b>	<b>15513</b>	<b>100%</b>

## Private Selective Diagnostic Services Centre (PSDSC)

The role of Private Selective Diagnostic Services Centres (PSDSCs) is pivotal in Bhutan's foreign labour management framework, as they are responsible for conducting mandatory pre-employment health screenings to ensure that all incoming foreign workers are medically fit before deployment. Currently, a total of nine PSDSCs are licensed and operational across four strategic regions. Gelephu and Phuentsholing each host three centres—constituting 33% each of the national total—followed by Samdrup Jongkhar with two centres (22%) and Samtse with just one (11%).

Table 41: Private Selective Diagnostic Services Centre (PSDSC) by Location

Location	N	%
Gelephu	3	33%
Phuentsholing	3	33%
Samdrup Jongkhar	2	22%
Samtse	1	11%
<b>Total</b>	<b>9</b>	<b>100%</b>

Given that Bhutan processes over 100,000 foreign worker approvals annually, this distribution raises operational capacity concerns. The current number of centres may not be sufficient to meet the high-volume demand, particularly during peak labour intake seasons. The bottlenecks this could create have implications for worker deployment timelines, employer scheduling, and even the integrity of health certifications. There is a clear case to expand capacity—either by accrediting more PSDSCs in underrepresented regions such as Samdrup Jongkhar and Samtse, or by scaling the operational capability of existing centres through infrastructure investment and staffing enhancements.



## Community For Skilled Workers (C4SW)

The Community for Skilled Workers (C4SW) initiative continues to serve as a strategic mechanism for domestic labour mobilization and skills validation, specifically targeting the construction and building services sector in Bhutan. With a focus on trades such as electrical and plumbing work, C4SW aims to reduce dependency on foreign labour by creating a pipeline of competent Bhutanese workers equipped for site deployment.



*Table 42: Number of members registered with C4SW*

Regions	Confirmed Members			Pending Members	Total Members
	Electricians	Plumbers	Both		
Thimphu	36	22	3	18	79
Mongar & Eastern	15	4	-	6	25
Gelephu/Sarpang	15	7	-	5	27
Paro	26	10	-	15	51
Tsirang/Dagana	25	5	-	2	32
Bumthang	14	6	-	3	23
Zhemgang/SJ	10	3	-	16	29
Wangdue/Punakha	11	2	-	3	16
Samtse	7	1	1	3	12
<b>Total</b>	<b>159</b>	<b>60</b>	<b>4</b>	<b>71</b>	<b>294</b>

As of the reporting period, the initiative has registered a total of 294 members, of which 159 are confirmed, while 60 remain under verification. Notably, four individuals are skilled in both electrical and plumbing trades, 71 are certified electricians, and the remaining 219 are classified as plumbers. Regionally, Thimphu emerges as the leading contributor with 79 members, followed by Paro (51), Tsirang/Dagana (32), Zhemgang/Samdrup Jongkhar (29), and Gelephu/Sarpang (27). This regional spread highlights successful outreach across central and western Dzongkhags but also exposes a critical gap in high-foreign-labour-use zones such as

Samtse and Phuentsholing. These areas, given their intense construction and industrial activity, should be prioritized for targeted mobilization and program expansion.

On the certification front, the Recognition of Prior Learning (RPL) program has validated the skills of 59 workers to date. Electrical trades account for 36 certifications—25 from Khuruthang Technical Training Institute (TTI) and 11 from Jigme Wangchuck Power Training Institute (JWPTI)—while plumbing trades have seen 23 certifications, with 11 from Chumey TTI and 12 from JWPTI. While RPL offers a credible pathway to formalize informal sector workers and raise competency standards, its current reach remains limited both geographically and numerically. Scaling the RPL framework across more locations and including additional construction trades will be essential to mainstream Bhutanese workers into competitive infrastructure projects and reduce skills mismatch.

*Table 43: Recognition of Prior Learning (RPL) Records*

RPL Batch	Location	Number of Passed Candidates
First Electrical RPL Batch	Khuruthang TTI	25
First Plumbing RPL Batch	Chumey TTI	11
Second Electrical RPL Batch	JWPTI	11
Second Plumbing RPL Batch	JWPTI	12
<b>Total</b>		<b>59</b>

Operationally, C4SW has made notable inroads, with 96 active worksites and 60 completed projects valued at over Nu. 14 million. More than 500 Bhutanese workers have been engaged under the initiative. While these figures validate C4SW's contribution to employment generation and domestic project delivery, its overall scale remains modest when juxtaposed against Bhutan's foreign worker intake—exceeding 118,000 annually. For C4SW to evolve from a promising pilot into a national labour substitution strategy, it must undergo strategic scaling, including enhanced funding, regional integration, performance-linked incentives, and alignment with public procurement and national infrastructure rollouts.



## Issues/ Challenges

### 1. Escalation of Work Permit Misuse and Procedural Violations

The Division observed a growing trend of work permit misuse and procedural violations throughout the reporting period. A key concern was the increased engagement of foreign workers through informal intermediaries, commonly referred to as thrikhadars, which bypasses formal approval processes and undermines regulatory control. Additionally, there were frequent instances of unauthorized changes in worksite locations, employers, and occupations, carried out without the Department's approval or notification.

### 2. Weak Monitoring and Enforcement Capacity

Monitoring and enforcement of foreign worker regulations continue to be constrained by resource limitations. The number of Labour Inspectors remains insufficient to adequately cover the growing number of work sites, especially in geographically remote or dispersed project areas such as hydropower and infrastructure development zones. The current enforcement model is largely reactive, often depending on third-party complaints or tip-offs rather than proactive inspection planning. Without expanded human resources and strategic use of monitoring technologies such as drones or geotagging, compliance enforcement will remain fragmented and inconsistent.

## Key Highlights

### 3. Foreign Workers' Dormitories Initiative



Recognizing the need for safe and dignified housing for foreign workers, the Division initiated the Foreign Worker Dormitory Framework, assessing five potential models—including public-private partnerships, private dormitory development, and on-site accommodations. These models are under active policy review and feasibility analysis, in line with Bhutan's labour rights and

urban planning mandates. Following consultations with the representatives of contractors, home-builders, associations, workers, and relevant government agencies, the Department has drafted a feasibility study report on improving accommodation for workers, particularly foreign workers.

To further refine and strengthen the study report, the department is engaging regional and international experts through a three-day workshop in Paro (physically and virtually), with all of them participating voluntarily, demonstrating their passion for the field and shared commitment to improving worker rights, welfare, and health.

Participants include experts from India, Sri Lanka, Norway, Australia, Malaysia, and South Africa. Their involvement reflects a common understanding that proper shelter is a basic human need and a shared responsibility. For every worker—foreign or local, access to decent accommodation is not just a wish but a necessary condition for health, safety, and overall well-being.

Improving worker accommodation is one of the key recommendations of the 2022 Foreign Workers Management Strategy and also aligns with the Bhutan Occupational Health and Safety (OHS) Strategy 2024.





*Training &  
Awareness*



## Training & Awareness Program



The data on Training and Awareness Programs conducted during the reporting period underscores Bhutan's ongoing efforts to build capacity in occupational safety and health (OSH), particularly in high-risk sectors such as construction and manufacturing. Fourteen training and awareness programs were conducted across four regions, reaching a total of 620 participants. Of these, 487 participants attended Occupational Health and Safety Awareness sessions, 43 completed the Construction Safety Supervisor Training (CSST), 71 were enrolled in the General Safety Supervisor Training (GSST), and 19 underwent the Training of Trainers (ToT) program for Safety Officers. This distribution shows that while awareness-building remains the dominant focus—accounting for 78% of all participation—there remains a substantial gap in role-specific, advanced-level training such as ToT and supervisor certification.

*Table 43: Types of Program conducted and the numbers of Participants attended*

Types of Program	No. of Participants
Awareness on Occupational Health and Safety	487
Construction Safety Supervisor Training	43
General Safety Supervisor Training	71
ToT - Safety Officer	19
<b>Total</b>	<b>620</b>

A closer look at sectoral participation further confirms a targeted but narrow training strategy. Out of 560 sector-mapped participants, 416—or 74%—came from the construction sector, followed by 80 participants (14%) from manufacturing, and the remaining 64 (11%) drawn from all other sectors combined. While this prioritization



of construction is aligned with risk-based targeting, the underrepresentation of sectors such as public administration, education, health, and services is concerning.

*Table 44: Number of participants trained*

Major Sectors	No. of Participants
Construction	416
Education	12
Electricity, gas, steam and air conditioning supply	4
Manufacturing	80
Mining and Quarrying	8
Other Services	4
Professional, scientific and technical services	8
Public administration and defense, compulsory social security	26
Transportation and storage	2
<b>Total</b>	<b>560</b>

Regionally, Thimphu leads with five programs and 332 participants, representing 53% of the total. Gelephu follows with three programs and 154 participants, Phuentsholing with four programs and 84 participants, and Samdrup Jongkhar with two programs and 50 participants. This regional spread reflects both institutional convenience and urban centralization. However, the complete absence of training programs in critical regions like Monggar, Samtse, and Trongsa points to geographic disparities in capacity-building investments. These gaps are particularly problematic given the high incidence of industrial activity and labour deployment in these regions, underscoring the need for a decentralized and inclusive training strategy.

*Table 45: Number of types of Program conducted by Region*

Location	Awareness on OHS	CSS Training	GSS Training	ToT - Safety Officer	Total
Gelephu	2	1	-	-	3
Phuentsholing	2	-	1	1	4
Samdrupjongkhar	1	-	1	-	2
Thimphu	3	1	1		5
<b>Total</b>	<b>8</b>	<b>2</b>	<b>3</b>	<b>1</b>	<b>14</b>

Table 46: Number of Participants attended the programs by Region

Location	Awareness on OHS	CSS Training	GSS Training	ToT - Safety Officer	Total
Gelephu	127	27	-	-	154
Phuentsholing	42	-	21	21	84
Samdrupjongkhar	25	-	25	-	50
Thimphu	293	19	20	-	332
<b>Total</b>	<b>487</b>	<b>46</b>	<b>66</b>	<b>21</b>	<b>620</b>

Private training institutes also played a modest but important role in this cycle, training 156 participants—137 in CSST and 19 in GSST. While this involvement reflects growing private-sector engagement in OSH capacity building, its current scope remains limited. There is a strategic opportunity to expand and formalize private participation through the establishment of certification protocols, outcome-based training contracts, and alignment with national OSH priorities through accreditation systems. Strengthening these public-private linkages could accelerate the scale and quality of OSH training, ultimately contributing to a more resilient and safety-conscious workforce nationwide.

Table 47: Number participants trained by Private Institutes

Types of Program	No. of Participants
Construction Safety Supervisor Training	137
General Safety Supervisor Training	19
<b>Total</b>	<b>156</b>

## Conclusion

The fiscal year 2024–2025 marked a pivotal chapter for the Department of Labour, reflecting both institutional progress and the persistent structural challenges inherent in Bhutan’s evolving labour landscape. Guided by the Labour and Employment Act of 2007 and its associated regulations, the Department strengthened its regulatory enforcement, expanded workplace inspections, and deepened engagement with employers, workers, and regional offices. Notable milestones such as the operationalization of the Regulation on Foreign Workers Management 2024, the rollout of drone-enabled inspections, the introduction of standardized occupational health and safety assessment formats, and the successful convening of the National OHS Seminar exemplify the Department’s shift toward modernization, innovation, and data-informed governance.

Despite these advancements, the reporting period also underscored critical gaps. Limited inspection manpower, weak compliance with Internal Service Rules and OHS standards, rising informal labour practices—including misuse of work permits and the Thrikhadar system—and fragmented data integration across regulatory agencies continue to hinder the effectiveness of enforcement. The capacity to conduct timely follow-up inspections, ensure real-time monitoring, and respond proactively to emerging risks remains constrained by both human and technological limitations. Moreover, the increasing complexity of workplace disputes, foreign worker grievances, and unsafe conditions in high-risk sectors such as construction and manufacturing demands a more agile and responsive labour administration system.

In this context, the Department recognizes that transformative change requires more than regulatory vigilance; it demands strategic investment in institutional capacity, legal modernization, inter-agency coordination, and inclusive social dialogue. Strengthening digital systems, expanding certified OHS training, building field-level capabilities, and reinforcing accountability mechanisms will be central to the Department’s agenda in the upcoming fiscal year. At the same time, promoting a culture of voluntary compliance and shared responsibility among employers and workers remains essential for achieving sustained improvements in workplace standards.

As Bhutan moves toward a more diversified economy and dynamic labour market, the Department of Labour remains committed to ensuring that growth is matched by fairness, safety, and dignity in employment. This Annual Report reaffirms that commitment, serving as both a record of what has been achieved and a strategic blueprint for advancing labour protection and governance in the years ahead.