India-Bhutan Relations
India- Bhutan Relations

“Bound by common interests and shared prosperity, India and Bhutan enjoy a unique and special relationship, which has been forged by ties of geography, history and culture. Therefore, Bhutan as the destination for my first visit abroad as Prime Minister is a natural choice. Relations with Bhutan will be a key foreign policy priority of my government.”

Prime Minister Shri Narendra Modi, 14 June 2014

Introduction

Diplomatic relations between India and Bhutan were established in 1968 with the appointment of a resident representative of India in Thimphu. Before this our relations with Bhutan were looked after by our Political Officer in Sikkim. The basic framework of India- Bhutan bilateral relations is the Treaty of Friendship and Cooperation signed in 1949 between the two countries, which was updated and signed during the visit to India of His Majesty Jigme Khesar Namgyel Wangchuck in February 2007 (Annexure-I).

The India- Bhutan Friendship Treaty not only reflects the contemporary nature of our relationship but also lays the foundation for their future development in the 21st century. Amongst others, the Treaty provides for perpetual peace and friendship, free trade and commerce, and equal justice to each other’s citizens.

The traditionally unique bilateral relations, characterised by trust and understanding have matured over the years. Today, there is extensive cooperation in the field of economic development, especially in the mutually beneficial sector of hydropower.

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1 [http://pmindia.nic.in](http://pmindia.nic.in) (Official Statements)
2 [http://www.indianembassythimphu.bt](http://www.indianembassythimphu.bt) (India-Bhutan Relations)
3 [www.mea.nic.in](http://www.mea.nic.in)
High Level Visits

This special relationship has been sustained by the tradition of regular visits and extensive exchange of views at the highest levels between the two countries. His Majesty Jigme Khesar Namgyal Wangchuck, the King of Bhutan and the Queen visited India as the Chief Guest to the 64th Republic Day celebrations preceded by the then External Affairs Minister, Shri Salman Khurshid's visit to Bhutan (14-15 Jan. 2013). Their Majesties again visited on an official visit to India from 6-10 January, 2014. In February 2013, Prime Minister Jigme Y. Thinley came to India from 7-9 February 2013 on a goodwill visit. These visits have provided further momentum to bilateral relations.

On 17 December 2009, coinciding with the 102nd National Day of Bhutan, the Royal Bhutanese Consulate was inaugurated in Kolkata by the Governor of West Bengal in the presence of the Bhutanese Foreign Minister.

In the first overseas visit after being elected Prime Minister, Tshering Tobgay visited India from 30 August to 4 September, 2013 accompanying by his wife and Foreign Minister among other senior Royal Government of Bhutan officials. Prime Minister, Tshering Tobgay met with the President, Vice President and the Prime Minister and other Ministers and dignitaries. During the visit, Government of India assistance package for Bhutan's 11th Five Year Plan was agreed upon. The two sides reaffirmed the trust and confidence between the two countries and their mutual security interests.

His Majesty the King of Bhutan visited India from 6-10 January, 2014 and stayed as the first foreign guest in twenty years at the Rashtrapati Bhawan.

Prime Minister, Mr. Tshering Tobgay, on invitation of the Government of India, visited India from 25 to 28 May, 2014 to attend the swearing in ceremony of the Prime Minister of India on 26 May, 2014. He was accompanied by Foreign Minister Rinzin Dorje.

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4 Ibid
5 Ibid
At the invitation of His Majesty and the Government of Bhutan, Shri Narendra Modi, Prime Minister of India visited Bhutan from 15 to 16 June 2014. On his arrival at the Paro International Airport he was received by the Hon’ble Prime Minister of Bhutan, Mr. Tshering Tobgay and other dignitaries.

At the invitation of His Majesty Jigme Khesar Namgyel Wangchuck, the King of Bhutan, the President of the Republic of India Shri Pranab Mukherjee paid a State Visit to Bhutan from 7-8 November, 2014. The President of India was accompanied by the Union Minister of State for Railways, four Members of Parliament, Secretary to the President, Foreign Secretary and other senior officials of the Government of India.

During the visit, the President of India held wide-ranging discussions with His Majesty the King of Bhutan including on bilateral and regional issues. The President also met His Majesty the Fourth Druk Gyalpo. Prime Minister Lyonchhen Tshering Tobgay called on the President. The meetings were held in a warm and friendly atmosphere, reflecting the spirit of mutual trust, cooperation and understanding that characterized the unique and special relations between the two countries.

President of India delivered an address on "India-Bhutan Relations" to Bhutanese dignitaries, intelligentsia and the media at the Convention Centre, Thimphu.

Economic Cooperation

Mutually beneficial economic ties have been the main pillar of India-Bhutan bilateral relations. India continues to be the largest trading and development partner of Bhutan. Planned development efforts in Bhutan began in the early 1960s. The First Five Year Plan of Bhutan was launched in 1961. Since then, India has been extending financial assistance to Bhutan's Five Year Plan. India continues to be the principal donor for the socio-economic development of Bhutan. So far, ten Five Year Plans of Bhutan have been completed, two of which were totally financed by India (1st & 2nd).

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7 http://www.indianembassythimphu.bt (India-Bhutan Relations)
India has also contributed to Bhutan's development outside the framework of the Five Year Plans. Plan-wise allocations made by the Royal Government, showing India's contribution therein, are as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Allocations</th>
<th>India's Contribution</th>
<th>% of India’s Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>1961 - 66 [1st Plan]</td>
<td>10.72</td>
<td>10.72</td>
<td>100%</td>
</tr>
<tr>
<td>1966 - 71 [2nd Plan]</td>
<td>20.22</td>
<td>20.22</td>
<td>100%</td>
</tr>
<tr>
<td>1971 - 76 [3rd Plan]</td>
<td>47.52</td>
<td>42.66</td>
<td>90%</td>
</tr>
<tr>
<td>1976 - 81 [4th Plan]</td>
<td>110.62</td>
<td>85.30</td>
<td>77%</td>
</tr>
<tr>
<td>1981 - 87 [5th Plan]</td>
<td>444.05</td>
<td>134.00</td>
<td>30.2%</td>
</tr>
<tr>
<td>1987 - 92 [6th Plan]</td>
<td>950.00</td>
<td>400.00</td>
<td>42.1%</td>
</tr>
<tr>
<td>1992 - 97 [7th Plan]</td>
<td>2350.00</td>
<td>750.00</td>
<td>31.9%</td>
</tr>
<tr>
<td>1997 - 2002 [8th Plan]</td>
<td>4000.00</td>
<td>1050.00</td>
<td>26%</td>
</tr>
<tr>
<td>2002-2008 [9th Plan]</td>
<td>8900.00</td>
<td>2610.14</td>
<td>29.33%</td>
</tr>
<tr>
<td>2008-2013 [10th Plan]</td>
<td>14900.00</td>
<td>3400.00*</td>
<td>23%</td>
</tr>
<tr>
<td>2013-2018 [11th Plan]</td>
<td>21300.00</td>
<td>4500.00</td>
<td>21%</td>
</tr>
</tbody>
</table>

* Excludes our assistance towards mega projects

Some of the major projects in Bhutan undertaken with Indian assistance in the past include 1020 MW Tala Hydroelectric Project, 336 MW Chukha Hydroelectric Project, 60 MW Kurichhu Hydroelectric Project, Penden Cement Plant, Paro Airport, Bhutan Broadcasting Station, Major Highways, Electricity Transmission and Distribution System, Indo-Bhutan Microwave Link, Exploration of Mineral Resources, and Survey and Mapping.
India’s assistance to the Tenth Five-Year Plan (2008-13) of Royal Government of Bhutan

Government of India committed assistance worth Rs. / Nu. 3400 crores. Out of this Rs. 2000 crore was provided as Project Tied Assistance (PTA), for funding 71 mutually agreed projects in key socio-economic areas of agriculture, Information and Communication Technology (ICT), media, health, tertiary education, school education, scholarships, labour and human resource development, roads, energy, civil aviation, urban development, road safety and transport, judiciary, culture, constitutional offices and media.

Rs. 700 crore was provided for Small Development Projects. These projects are short gestation and community-oriented, focusing mainly on drinking water schemes, irrigation channels, farm roads and other infrastructure in rural areas. Focused on basic socio-economic development, these projects are found to be an effective tool for addressing rural poverty as they have a direct bearing on the lives of the grassroots people. Under the Small Development Projects, some 1800 projects were completed in the 10th Five Year Plan.

Rs. 700 crore was given as Programme Grant or development subsidy that is released in quarterly instalments of Rs. 35 crore.

In addition to the commitment of Rs. 3400 crores as assistance, Government of India also funded two major capacity building projects of Bhutan in the ICT (Rs 205 crore Chiphen Rigphel/ Total Solutions Project and health sectors (establishment of Bhutan Institute of Medical Sciences).

The overarching mechanism for discussing India's bilateral assistance to Royal Government of Bhutan (Project Tied Assistance, Programme Grant, Small Development Projects) is the Annual Plan Talks or India-Bhutan Development Cooperation Talks. Separately, to monitor implementation and fast track the progress of developmental projects particularly projects funded under the Project Tied Assistance, there is a

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8 Ibid
Project Monitoring Committee (PMC) which meets regularly. The Small Development Program Committee comprising representatives of both governments decides the projects to be under this scheme.

**India's assistance to the Eleventh Five-Year Plan (2013-2018) of Royal Government of Bhutan**

During the visit of the Prime Minister of Bhutan, Lyonchhen Tshering Tobgay to India from August 30 to September 4, 2013, Government of India's Assistance Package for Bhutan's Eleventh Five Year Plan for the period July 1, 2013 to June 30, 2018, was agreed upon. At Bhutan's request, India will contribute Rs 4500 Crores towards Bhutan's Eleventh Plan: Rs. 2800 crore as Project Tied Assistance (PTA); Rs. 850 crore as Small Development Projects and Rs. 850 crore as Development Subsidy or Program Grant. Additionally, Government of India agreed to provide as Rs. 500 Crore as Economic Stimulus Package, to boost the Bhutanese economy and help the Royal Government of Bhutan to tackle the liquidity shortage.

**Bhutan Institute of Medical Sciences (University of Medical Sciences of Bhutan):**

During Tenth Five Year Plan of Royal Government of Bhutan (2008-2013), Government of India has provided financial support of Rs. 25 crores for setting up of Bhutan Institute of Medical Sciences. Under the same project, Government of India has committed to provide support in terms of Human Resources/Faculty Members/Training.

**Trade with India:**

The updated India - Bhutan Friendship Treaty of 2007 provides for strengthening of bilateral trade relations. Article III of the Treaty states: "there shall, as heretofofe, be free trade and commerce between the territories of the Government of Bhutan and the

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9 *Ibid*
10 *Ibid*
11 [http://www.indianembassythimphu.bt](http://www.indianembassythimphu.bt) (India-Bhutan Relations)
Government of India. Both the Governments shall provide full cooperation and assistance to each other in the matter of trade and commerce".

India is not only Bhutan’s main development partner but also its leading trade partner. A free trade regime exists between India and Bhutan. Trade and Commerce Agreement between the two countries was first signed in 1972. This Agreement was renewed for a period of 10 years during 2006. Currently, the major items of exports from Bhutan to India are electricity (from Tala, Chukha and Kurichhu Hydroelectric Projects), base metals and articles, minerals, vegetable fat and oils, alcoholic beverages, chemicals, cement, timber and wood products, cardamom, fruit products, potatoes, oranges and apples, raw silk, plastic and rubber products. Major exports from India to Bhutan are petroleum products, mineral products, base metals and articles, machinery, automobiles & spares, vegetable, nuts, spices, processed food and animal products, chemicals, wood, plastic and rubber. The Agreement on Trade and Commerce also provides for duty free transit of Bhutanese merchandise for trade with third countries. The entry/exit points for bilateral trade is given in the Trade Agreement.

India is Bhutan’s largest trading partner. During 2013, bilateral trade reached Rs. 7287Cr. Imports from India were Rs. 4389 cr., accounting for 82.4% of Bhutan’s total imports. Bhutan’s exports to India stood at Rs. 2898 cr. (including electricity) and constituted 91% of its total exports. Total bilateral trade grew by about 4.7% in 2013.

<table>
<thead>
<tr>
<th>Particulars</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exports to Bhutan (Imports from India) (Rs. Cr)</td>
<td>1984</td>
<td>2930</td>
<td>3520</td>
<td>4180</td>
<td>4389</td>
</tr>
<tr>
<td>Exports to Bhutan from India as a % to total Bhutanese import</td>
<td>77.7%</td>
<td>75.1%</td>
<td>72.3%</td>
<td>79.4%</td>
<td>82.4%</td>
</tr>
<tr>
<td>Imports from Bhutan(Exports to India) (Rs. Cr)</td>
<td>2241</td>
<td>2600</td>
<td>2640</td>
<td>2780</td>
<td>2898</td>
</tr>
<tr>
<td>Imports from Bhutan to India as a % to total Bhutanese export</td>
<td>93.5%</td>
<td>88.7%</td>
<td>83.8%</td>
<td>93.9%</td>
<td>91%</td>
</tr>
</tbody>
</table>
Educational and Cultural Cooperation

There is close bilateral cooperation in the educational and cultural fields between India and Bhutan.

Government of India scholarships are granted to Bhutanese students at undergraduate and post graduate levels every year in Indian institutions of higher learning. Several hundred Bhutanese students are studying in India under these two schemes. In addition, under the Nehru Wangchuck Scholarship Scheme (implemented in 2010) and under the new Bhutan ICCR Scholarship Scheme (implemented in 2012), 67 Bhutanese students are undergoing graduate/post graduate courses in India. For the academic session 2014-15, 89 Undergraduate scholarships and 20 Bhutan ICCR Scholarship nominees have been selected and have been placed in various educational institutions in India. Ambassador’s scholarships are granted to deserving Bhutanese self financing students studying in India. In the past ten years, more than 3000 Bhutanese students have benefited from the Ambassador’s Scholarship Scheme. Every year ten slots are being provided at Sainik Schools in India for Bhutanese students of the 6th Std level. The entire cost of their studies in the Sainik School upto 12th Std is borne by the Government of India. One Lecturer from India is on deputation in Gaedu college of Business Studies of the Royal University of Bhutan under the TCS Colombo Plan. The request of RGoB for a further 29 Lecturers from India under this scheme is under process in MEA. Through the ITEC Programme (200 slots) and the Technical Cooperation Scheme of the Colombo Plan (60 slots) have been provided to Bhutan in the current financial year 2014-15 for upgrading administrative and technical skills of Government/Semi-Government/Private Sector Employees. Out of which, till date, 156 slots have been utilized by Bhutan.

Nehru-Wangchuck Cultural Centre: Dr. Karan Singh, President, Indian Council for Cultural Relations (ICCR) and the Bhutanese Minister for Home and Cultural Affairs, Mr. Minjur Dorji, inaugurated the "Nehru-Wangchuck Cultural Centre" in Thimphu, on 21 September 2010. The Centre is abuzz with activities round the year. Many local students come for yoga, music, exhibitions and screening of films. On 15 August 2013,
veteran Kathak dancer Uma Sharma along with her troupe performed at the India House Estate Auditorium.

India-Bhutan Foundation: India-Bhutan Foundation

India-Bhutan Foundation was established in August 2003 during the visit of the present King (then Crown Prince) to India with the aim of enhancing people to people exchanges in focus areas like education, culture and environment protection. Ambassador of Bhutan and India are the Co-Chairpersons of the Foundation. The Royal Government of Bhutan and the Government of India have contributed Rs. 5 Crore each as main corpus fund to IBF and the entire amount of Rs.10 Crores has been kept in a fixed deposit in Bhutan. Interest earned from the fixed deposit is used for financing proposals received from Bhutanese/Indian citizens and Non Governmental Organisations on studies, research, and similar activities, exchanges of a cultural/educational/scientific nature, programmes and activities such as seminars, workshops on subjects of common mutual interest etc. that can help in achieving the objectives of the Foundation. The 13th Board of Directors Meeting was held in Delhi on 19th December, 2013. The various proposals approved by the Board are as follows:

1. Mountain Echoes 2014 by SIYAH!
2. Evoke 2014 by Sulabh School Sanitation Club;
3. Early Learning Center, Thimphu's participation at the "Be the Change Conference and Global Partners’ Meet" in India;
4. Support for Printing & Designing Training for Special Children and Youth by Draktsho Vocational Training Center for Special Children & Youth;
5. Participation at SAMBHAV 2014 by Disabled Persons Association of Bhutan, Thimphu;
6. Purchase of Library Books for Youth Resource Center at Mongar;
7. Purchase of Musical Instruments for Youth Resource Center at Mongar;
8. Visit of two eminent Indian speakers to Thimphu to be organised by CBS & GNHR;
9. Lecture & Demonstration of Odissi Dance at Thimphu by Ms Paulami Guha;
10. Jigme Dorji Wangchuck Traditional Archery Tournament 2014 by BIGSA (last year of support)

The 14th Board of Directors Meeting of the India Bhutan Foundation is scheduled to take place in Thimphu in the first week of January, 2015.
Election Commissions

The 2006 MOU on Institutional cooperation between the two Election Commissions was renewed during Chief Election Commissioner Dr. S.Y. Quraishi’s visit to Bhutan, in Sept 2011. Chief Election Commissioner of Bhutan visited India in Feb 2006 and then in May 2009 and January 2010. Several officials from the Election Commission of Bhutan including Dzongdas (District Collectors) and Dzongkhag (district) officials have visited India to observe various state and local elections. India has extended assistance to Bhutan in formulating its election laws.

Government of India also provided a grant of Rs 47.506 million to the Royal Government of Bhutan to source electronic voting machines from India. Several Election Observers from India visited Bhutan during the National Council Elections and the two rounds of mock elections. Government of India also provided helicopters during the National Council elections to transport election officials and equipment to remote areas.

Chief Election Commissioner, Shri Navin Chawla visited Bhutan in October 2009. A four member delegation from the Election Commission of India led by Chief Election Commissioner, Shri N. Gopalaswami visited Bhutan to observe the National Assembly Elections in March 2008. Shri Shyam Saran, Special Envoy of Prime Minister and former Foreign Secretary, and Shri Salman Haider former Foreign Secretary visited Bhutan as Election Observers from the GoI in March 2008. CEC V.S. Sampath along with Chief Electoral Officer from Karnataka visited to observe General Elections held on 13 July, 2013 in Bhutan. Both the CECs signed a Joint Communiqué to further promote good electoral practices in the region.

The Government of India also facilitated holding of a workshop in Thimphu for senior bureaucrats in Bhutan on ‘Democratic Constitutional Monarchy’ with eminent civil servants from India acting as resource persons. Specific Election Coverage Training programmes were also organized for journalists from both public and privately owned media in Bhutan with the help of External Publicity Division which was well appreciated in Bhutan. In the last phase of Local Government elections India provided logistical
assistance in terms of providing helicopter for transporting polling officials and election equipments from Gasa to Lunana on 20\textsuperscript{th} December 2011 and from Lunana to Gasa on 27 December 2011 during the local government elections.

**Interaction between the two Parliaments**

Officials of Bhutanese Parliament have been attending various training programmes conducted by the Bureau of Parliamentary Studies and Training (BPST) in the Indian Parliament. BPST has also organized Orientation Programmes for Members of the Bhutanese Parliament. Speaker of the Bhutanese Parliament Lyonpo Jigme Tshultim visited India in August-September 2008. Speaker, Lok Sabha, Smt. Meira Kumar, led an Indian Parliamentary delegation to Bhutan from 26-29 May 2010. This was the first visit of an Indian Speaker to Bhutan. During the visit, it was agreed to constitute a Parliamentary Friendship Group to promote regular exchange of Parliamentarians from both sides. The speaker attended the opening ceremony of the 5\textsuperscript{th} session of Parliament of Bhutan and addressed a Joint Session of the National Assembly and the National Council. Parliamentary Friendship Groups have been formed in the Parliaments of both countries.

Bhutanese Speaker visited India from 9-12 July 2011 for SAARC Speaker's Conference. A MOU between the two Parliaments was signed during the visit of Bhutanese Speaker to India in November 2011. A Bhutanese Parliamentary delegation led by Chairperson of the National Council and including the Leader of Opposition of the National Assembly visited India from 5-10 August 2012. A delegation of the Bhutanese National Assembly's Poverty Reduction Committee visited Bihar and Arunachal Pradesh in Feb 2012. A delegation from Bihar State Legislature led by Speaker visited Bhutan from 21-29 June 2012. Parliament of Bhutan has also invited delegations from Indian Parliamentary Friendship Groups and Assam State Legislature to visit Bhutan. The Chairperson of the National Council of Bhutan has invited Dy. Chairperson, Rajya Sabha to visit Bhutan.
In the first foreign Parliamentary visit after the elections, a 14-member delegation of the National Council led by Chairperson HE Sonam Kinga visited India from 24 July to 1 August, 2013. The delegation met Speaker of Lok Sabha and External Affairs Minister. They also attended a 3-day seminar organized by Bureau of Parliamentary Studies and Training. The members of the delegation also included Chairperson of the Foreign Relations Committee and Economic Affairs Committee of National Council. The visit was organized on the invitation of GOI. Later, in November’13, the Chairperson of the National Council, Dr. S. Kinga visited Delhi and Kolkata to deliver lectures. The visit was co-sponsored by India-Bhutan Foundation. A 13-member National Assembly delegation from Bhutan, led by Hon’ble Speaker Jigme Zangpo visited India from 13-16 January, 2014. They also underwent training at the Bureau of Parliamentary Studies and Training.

**Conclusion**

Over the last 60 years, Indian diplomacy has enabled deep political and economic ties with Bhutan. India and Bhutan share close and friendly relations underscored by mutual trust and confidence. The year (2013-14) witnessed sustained progress in bilateral cooperation in all areas of importance hydro-power, transport, communications, infrastructure, health, education and culture, IT industry, and agriculture.

India-Bhutan relationship is perhaps the only bilateral engagement in South Asia which has stood the test of time. The relationship has helped Bhutan shape a unique development trajectory based on gross National Happiness (GNH). India and Bhutan bilateral relations are characterized by the regular high level political interactions which are instrumental in strengthening the bilateral ties.

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12 World Focus, July 2013, p. 38
INDIA-BHUTAN FRIENDSHIP TREATY

The Government of the Republic of India and the Government of the Kingdom of Bhutan:

Reaffirming their respect for each other’s independence, sovereignty and territorial integrity;

Recalling the historical relations that have existed between our two countries;

Recognizing with deep satisfaction the manner in which these relations have evolved and matured over the years into a model of good neighbourly relations;

Being fully committed to further strengthening this enduring and mutually beneficial relationship based on genuine goodwill and friendship, shared interests, and close understanding and cooperation;

Desiring to clearly reflect this exemplary relationship as it stands today;

And having decided, through mutual consent, to update the 1949 Treaty relating to the promotion of, and fostering the relations of friendship and neighbourliness between India and Bhutan;

Have agreed as follows:

Article 1

There shall be perpetual peace and friendship between India and Bhutan.
Article 2

In keeping with the abiding ties of close friendship and cooperation between Bhutan and India, the Government of the Kingdom of Bhutan and the Government of the Republic of India shall cooperate closely with each other on issues relating to their national interests. Neither Government shall allow the use of its territory for activities harmful to the national security and interest of the other.

Article 3

There shall, as heretofore, be free trade and commerce between the territories of the Government of Bhutan and the Government of India. Both the Governments shall provide full cooperation and assistance to each other in the matter of trade and commerce.

Article 4

The Government of India agrees that the Government of Bhutan shall be free to import, from or through India into Bhutan, whatever arms, ammunition, machinery, warlike material or stores as may be required or desired for the strength and welfare of Bhutan, and that this arrangement shall hold good for all time as long as the Government of India is satisfied that the intentions of the Government of Bhutan are friendly and that there is no danger to India from such importations. The Government of Bhutan agrees that there shall be no export of such arms, ammunition and materials outside Bhutan either by the Government of Bhutan or by private individuals.
Article 5

The Government of Bhutan and the Government of India agree that Bhutanese subjects residing in Indian territories shall have equal justice with Indian subjects, and that Indian subjects residing in Bhutan shall have equal justice with the subjects of the Government of Bhutan.

Article 6

The extradition of persons wanted by either state for crimes and for unlawful activities affecting their security shall be in keeping with the extradition agreements between the two countries.

Article 7

The Government of Bhutan and the Government of India agree to promote cultural exchanges and cooperation between the two countries. These shall be extended to such areas as education, health, sports, science and technology.

Article 8

The Government of Bhutan and the Government of India agree to continue to consolidate and expand their economic cooperation for mutual and long-term benefit.

Article 9

Any differences and disputes arising in the interpretation and application of this Treaty shall be settled bilaterally by negotiations in a spirit of trust and understanding in consonance with the
historically close ties of friendship and mutually beneficial cooperation that form the bedrock of Bhutan-India relations.

**Article 10**

This Treaty shall come into force upon the exchange of Instruments of Ratification by the two Governments which shall take place in Thimphu within one month of the signing of this Treaty.

The Treaty shall continue in force in perpetuity unless terminated or modified by mutual consent.

In witness whereof, the undersigned being duly authorized thereto by their respective Governments, have signed this Treaty.

Done at New Delhi on the Eighth Day of February, Two Thousand and Seven, in two originals each in Hindi, Dzongkha and English languages, each text being equally authentic. However, in case of difference, the English text shall prevail.

For the Government of
The Republic of India

For the Government of
the Kingdom of Bhutan

Pranab Mukherjee
Minister of External Affairs

H.R.H. Trongsa Penlop
Jigme Khesar Namgyel Wangchuck
The Crown Prince of Bhutan