



## ANNUAL REPORT 2018



*“Facilitate Growth of Industries in the Country”*

Association of Bhutanese Industries

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## CIVIL SOCIETY ORGANIZATIONS AUTHORITY

### CERTIFICATE OF REGISTRATION

This is to certify that **Association of Bhutanese Industries**, located at Phuentsholing, Post Box No. 54 is hereby registered as a **Mutual Benefit Organization** under the Civil Society Organizations Act of Bhutan, 2007 with effect from **30 March, 2011** corresponding to the **26th day of the 2nd Bhutanese month of the Iron Female Rabbit Year**

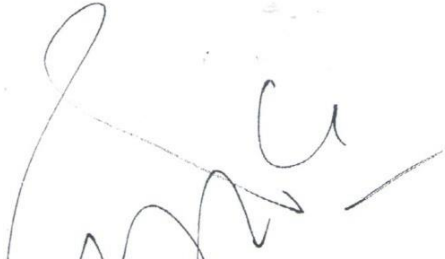
The firm is hereby allotted Registration number: **CSOA/MBO-03**

The Organization seeks to fulfill the objectives as defined in its Articles of Association and Memorandum of Association and shall operate in **the whole of Bhutan**.

The aforementioned organization is subject to the provisions of the Civil Society Organizations Act of Bhutan, 2007 and other laws in force in the country.

Seal



  
(Penden Wangchuk)  
**CHAIRPERSON**  
Civil Society Organizations Authority  
**THIMPHU ; BHUTAN**

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## MESSAGE FROM THE PRESIDENT

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I would like to thank Association of Bhutanese Industries and the member industries for appointing me as a new President and congratulate new executive members for being nominated as executive members of ABI. We have witnessed over the years the growth of the Association and the importance the Government Agencies has bestowed by way of engaging ABI as a forefront entity during public consultations. Besides the recurrent issues submitted by the member industries, ABI has strived as a common platform whereby the members could raise their concerns and issues to one single reference (Association), which would scrutinize, validate the concern/issue so raised and submit for necessary action to relevant government/private agencies as the case may be. I am pleased to inform you all that with the continued support from the executive members and dedicated staff the Association persisted and could resolve few issues while the rest are yet to be solved the following years with renewed enthusiasm. It is also a great privilege for me to present the Annual Report 2018.

In the year 2016 Association of Bhutanese Industries carried out a research study on the Tariff Revision and the study resulted in reduction of power tariff for the industries. The power tariff revision is scheduled to be revised in the month of June 2019 by Bhutan Electricity Authority. Taking into consideration the importance of power tariff for the growth of industries and making the sector much more attractive for investment the detailed research study needs to be carried out in the coming months, as such member industries are requested to support ABI with your experience and guidance.

I am also pleased to inform that the SASEC projects in Pasakha are also scheduled to be completed with sheer effort and persistence of ABI for raising the issue in all forums to expedite the project works. The ABI secretariat was also able to get Environment Clearance for five years for the non-hazardous landfill area for dumping of quartzite chips at Pasakha Industrial Estate.

Tashi Delek

A handwritten signature in blue ink, appearing to be 'Pema Tenzin', written over a light blue circular stamp.

**Pema Tenzin**  
[President]



## INTRODUCTION

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The Association of Bhutanese Industries is a membership-based organisation that has been the manufacturing industries voice in the country. The Association was formed in September 2008. The Association is registered as a Mutual Benefit Organisation (MBO) under the Civil Society Organisations Act of Bhutan 2007. It is established to address specific problems and policy related to manufacturing industry at national and International level.



## VISION

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*“Facilitate Growth of Industries in the Country”*



## MISSION

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1. Promote industries that are sustainable and are in line with the government policies and objectives.
2. Represent manufacturing industries in all forums both within and outside the country to foster growth of industries in the country.
3. Promote high standards of services, product quality, and professionalism in the industries.

## GOVERNING BODY

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The Association stands with its General Body consisting of all the registered members who are the supreme constitutional organ of the Association. With this the Association elects nine Committee members at executive body including General Secretary for the term of three years period. The Executive Committee is headed by a President, a Vice President elected by General Body.

Secretariat is responsible for the actual implementation of plans and program of the Association. It is headed by General Secretary supported by permanent office staffs.

## EXECUTIVE COMMITTEE MEMBERS

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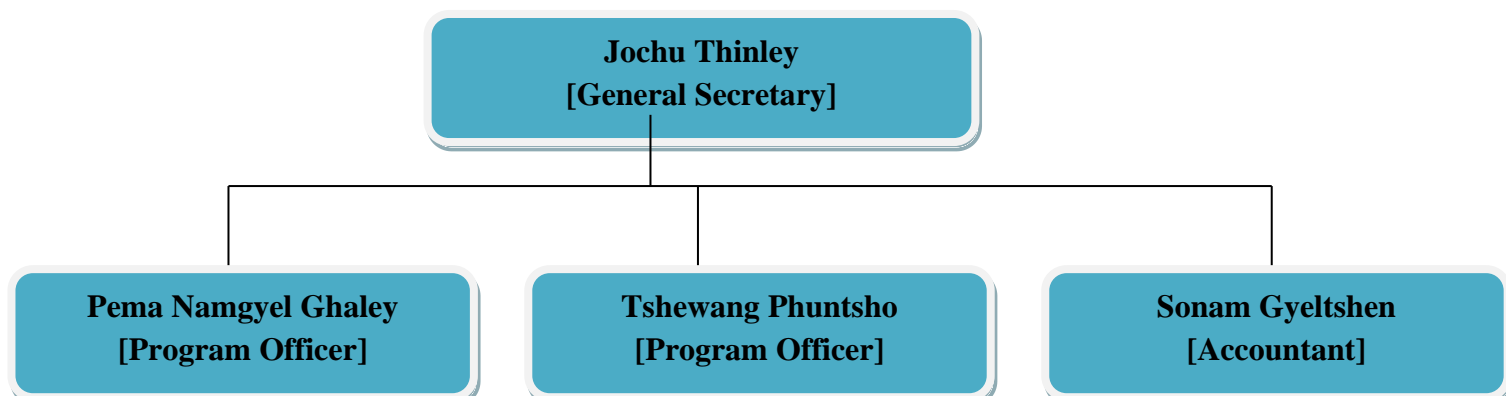
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**MEMBERSHIP COLLECTION AND OTHERS**

Contributions	Membership Contribution	Pasakha Road Maintenance	Hosting NA Members at Pasakha IE	Collection from waste disposal site, Pasakha	Research Fund Collection
<b>Total Amount</b>	<b>1,787,900.00</b>	<b>250,000.00</b>	<b>110,000.00</b>	<b>98,400.00</b>	<b>775,500.00</b>

**Total Amount of Contribution received in the year 2018: Nu. 3,021,800.00/-**

Association extended its family with the registration of Dragon Spring Water in the year 2018.

Annexure I- List of member industries

Annexure II- Membership Contribution

Annexure III- Fund collection for Pasakha Road Maintenance

Annexure IV- Hosting NA members visits at Pasakha (Lunch & Dinner)

**Human Resource**

Headed by the General Secretary the Secretariat has Program Officers and Account Officer. Initially, there was a high employee turnover but planned motivations in the form of raise in salary, incentives and capacity building has managed to retain the employees.



## **Fund mobilisation**

The member industries of the Association are categorised in to large, medium and small scale industries and the annual membership contributions for the members is Nu.100,000 (revised during 29<sup>th</sup> ECM), Nu.24,000 and Nu.8,400 respectively. The member industries also contribute additional funds for research studies and other activities carried out by the Association. In the year 2018 Association has collected Nu.1,233,900.00/- for activities apart from annual membership contribution.

## **ACTIVITIES FOR THE YEAR 2018**

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### **Executive Committee Meeting conveyed as on:**

28<sup>th</sup> March 2018 at ABI Conference Hall

1<sup>st</sup> May 2018 at Hotel Ga Me Ga, Phuentsholing

4<sup>th</sup> September 2018 at ABI Conference Hall

15<sup>th</sup> November 2018 at ABI Conference Hall



### **Stakeholder Meeting to mitigate and address the Pasakha road condition**

ABI coordinated a meeting with stakeholders as on 06<sup>th</sup> March 2018 to address the difficulties faced by industries, employees, students and community at large plying in and out of Pasakha due to poor road condition. The Project Manager, SASEC informed the stakeholders that the construction work has started at the ground with effect from 1<sup>st</sup> January 2018. PM also informed that the construction of Bhalujhora Bridge and Gabion structures at Bawanijhora will be completed by March and May 2019 respectively. To ensure continuous inbound and outbound movement of

goods and people at P.I.E, a task force was formed to communicate and coordinate especially during monsoon.



## **Mass Cleaning Campaign**

To continue the Hon'ble Prime Minister's initiative of nationwide cleanup, ABI coordinated "Mass Cleaning Campaign" at Pasakha Industrial Estate as on 11th March (Sunday) & on 22<sup>nd</sup> September 2018.

## **Industrial visit for the CSO fraternity**



Association coordinated industrial visit for the CSO fraternity as on 1<sup>st</sup> April 2018. The CSO fraternity visited Tashi Beverage Ltd and Bhutan Brewery Pvt. Ltd.

## **Stakeholder meeting for Non-hazardous waste management at Pasakha Industrial Estate**



In order monitor and manage the waste at Pasakha I.E, Association coordinated stakeholder meeting for Non-hazardous waste management at Pasakha as on 5<sup>th</sup> April 2018. Association presented on the activities carried out i.e. construction of gate and erection of sign board to avoid illegal dumping and the compaction work carried out to reduce environmental

impacts at the disposal site. The meeting also discussed on the Environmental Clearance letter and appealed to NECS for clear cut information. Disposal of other non-hazardous waste were also discussed at lengths and ABI requested NECS to expedite all issues involved with waste management at P.I.E

### **Annual General Meeting**



ABI conveyed its 9<sup>th</sup> Annual General Meeting at Hotel Bhutan Ga Me Ga, Phuentsholing as on 1st May 2018. General Secretary presented the audited financial statement & 2017 activities during AGM.

### **Corporate Social Responsibility (CSR)**



Association donated 6 Nos of batteries for Motorola H/set GP.328 to Pasakha Police Station on 14<sup>th</sup> May 2018 in support to strengthening the security aspect in Pasakha Industrial Estate on behalf of our member industries.

Association donated 4 Nos. of Motorola Handset GP.328 with 8 Nos. of batteries in the year 2011.

## **Training on REX (Registered Exporters Systems)**



As Bhutan migrate to the IT-based REX system (Registered Exporters System) from the paper-based GSP system of certification of Rules of Origin by 1<sup>st</sup> July 2018 to avail preferential treatment given by the EU, Switzerland and Norway, the Department of Trade organized a day long training on May 31<sup>st</sup> 2018 to all exporters who export to the EU, Switzerland and Norway to register themselves on the system. The training was facilitated by Association to our member industries.

## **Site visits by Ministries and delegates**



The Minister of Home and Cultural Affairs Lyonpo Dawa Gyeltshen and the Minister of Works and Human Settlement Lyonpo Dasho Dorji Choden along with the other delegates, and member industries visited Bhalujhora Bridge site as on 15th July 2018. The site visit was followed by discussion on the ongoing issue of road blockage caused by major landslide near the Bhalujhora bridge.

## Awareness program on Postal Ballot facility



In an effort to keep uninterrupted operation of plants & offices of Industries and to exercise franchise during National Assembly election 2018, an awareness program on Postal Ballot facility and its registration processes related was conducted for member Industries of ABI under Chukha Dzongkhag by Dzongkhag Election Officer.

The Program was initiated & coordinated by Association for member industries at ABI conference hall, Phuentsholing on 08th August 2018.

## Extra Ordinary General Meeting



The ABI has successfully elected its Executive Committee members as on August 18<sup>th</sup> 2018 during the Extraordinary General Meeting. Association would like to welcome our newly elected member and at the same time thank the outgoing EC members for unprecedented guidance and support.

### **Awareness program on load forecasting to HV industries**



The officials from BPSO, DCSD, TD & BEA visited the Pasakha IE from 24.08.2018 till 28.08.2018 and conducted awareness meeting on the load forecasting by HV Industries. The officials also informed the industries about the net import that occurred in the month of February and March 2018 and its implications as per the DETP 2016. The visit and meeting was facilitated by ABI.

### **Educational tour by Sarpang Students**



The students and staff of Sarpang Central School visited Pasakha Industrial Estate facilitated by ABI (Tashi Metals Pvt Ltd, Lhaki Steels & Rolling Pvt Ltd, Quality Gases Pvt Ltd and Tashi Beverage Ltd). The objective of their visits was to shape the perspective of students about the industries in the country and highlight career opportunities in the manufacturing sector.

## **Adulteration of consignment en-route to Kolkata**

The Ferro industries faced rampant adulteration of High Value Third Country export/consignment en route to Kolkata Port in the month of September and October 2018.

Association submitted the issue to Consul General, Kolkata, Director, DoT MOEA and Bhutan Chamber of Commerce & Industry to intervene and lobby with the relevant Indian counterparts to resolve the issue at the earliest as it may lead to serious implication on export of goods from Bhutan. Association emphasised the loss is not only in monetary terms but also in terms of credibility of the Bhutanese suppliers.

On 25<sup>th</sup> October 2018, Association coordinated a stakeholder meeting with the Trade Consul Kolkata and our member industries to discuss the way forward.

## **Confers of Tashi Khadar**



The executive committee members of ABI led by the President paid a courtesy call and offered Tashi Khadar to hon'ble Prime Minister and other cabinet ministers as on 22<sup>nd</sup> November 2018.

## ANNEXURE

### Annexure I: List of member industries

Sl.No	Name of Industry	Plant Location	Scale
1	Bhutan Ferro Alloys Ltd	Pasakha	Large
2	Bhutan Carbide & Chemicals Ltd	Pasakha	Large
3	Bhutan Concast Pvt.. Ltd	Pasakha	Large
4	Ugen Ferro Alloys Pvt.. Ltd	Pasakha	Large
5	Druk Ferro Alloys Ltd	Pasakha	Large
6	Druk Wang Alloys Ltd	Pasakha	Large
7	Pelden Enterprise Ltd	Pasakha	Large
8	Saint Gobain Ceramic Materials Pvt. Ltd	Pasakha	Large
9	Tashi Metals Pvt. Ltd	Pasakha	Large
10	Tashi Beverages Ltd	Pasakha	Large
11	Bhutan Brewery Pvt. Ltd	Pasakha	Large
12	Zimdra Food Pvt. Ltd	Pasakha	Large
13	Lhaki Steels & Rolling Pvt. Ltd	Pasakha	Large
14	Lhaki Cement	Gomtu	Large
15	Penden Cement Authority Ltd	Gomtu	Large
16	S.D. Eastern Bhutan Coal Co. Ltd	S/Jongkhar	Large
17	S.D. Eastern Bhutan Ferro Silicon Pvt. Co. Ltd	S/Jongkhar	Large
18	Druk Satair Corporation Ltd	S/Jongkhar	Large
19	RSA Pvt. Ltd	Pasakha	Large
20	Bhutan Rolling Mills Pvt. Ltd	Pasakha	Large
21	Kingyal Coke & Chemicals Pvt. Ltd	Pasakha	Large
22	Bhutan Polymers Company Ltd	Gomtu	Medium
23	Quality Gases Pvt. Ltd	Pasakha	Medium
24	Kimpex Pvt. Ltd	Pasakha	Medium
25	Bhutan Metals Pvt. Ltd	Pasakha	Medium
26	Bhutan Wood Panel Industry	Phuentsholing	Medium
27	Bhutan Polythene Company Ltd	Phuentsholing	Medium
28	Bhutan Milk & Agro Pvt. Ltd	Phuentsholing	Medium
29	Yarab Pvt. Ltd	Phuentsholing	Medium
30	Bhutan Battery Pvt. Ltd	Ramitey	Medium
31	Bhutan Fruit Products Pvt. Ltd	Samtse	Medium
32	Yangzom Cement Industry	Samtse	Medium
33	Drangchu Beverages Pvt. Ltd	Phuentsholing	Medium
34	Yangtsho Export & Minerals	Pasakha	Medium
35	Aha Oxy Gases Pvt. Ltd	Pasakha	Medium
36	Bhutan Steel Industries Ltd	Pasakha	Medium
37	Bhutan Bitumen Industries Pvt. Ltd	Pasakha	Medium
38	Karma Feeds	Pasakha	Medium
39	Tashi Carpet Factory	Phuentsholing	small/micro
40	Kenpa Pvt. Ltd	Pasakha	small/micro
41	Tashi Bakery	Phuentsholing	small/micro



42	Bhutan Aromatic & Phytochemicals	Phuentsholing	small/micro
43	Rabten Wire Industry	Pasakha	small/micro
44	Bhutan Packaging Industry	Phuentsholing	small/micro
45	Druk Mosaic Tiles	Ramitey	small/micro
46	Chundu Dolomite Powdering Plant	Phuentsholing	small/micro
47	AB industries	Samtse	small/micro
48	Druk Plaster & Chemical Ltd	S/Jongkhar	small/micro
49	Barma Chemicals Industry	S/Jongkhar	small/micro
50	Tashi Rosin & Turpentine Industry	S/Jongkhar	small/micro
51	Yarab Pvt. Ltd (Export)	Phuentsholing	small/micro
52	Bhutan GRC	Thimphu	small/micro
53	Dragon Spring Water	Phuentsholing	small/micro
<b>Total</b>			<b>53 Members</b>

### Annexure II: Membership Contribution

Sl.No	Name of Company	Location	Scale	Amount (Nu.)
2	Druk Satair Corporation Ltd	S/jongkhar	Large	84,000.00
4	Druk Wang Alloys Ltd	P/ling	Large	84,000.00
5	Pelden Enterprise Ltd	P/ling	Large	84,000.00
8	Zimdra Food Pvt. Ltd	P/ling	Large	84,000.00
9	Bhutan Brewery Pvt. Ltd	P/ling	Large	84,000.00
10	Lhaki Cement	Samtse	Large	84,000.00
11	Bhutan Carbide & Chemicals Ltd	P/ling	Large	84,000.00
12	Lhaki Steels & Rolling Pvt. Ltd	P/ling	Large	84,000.00
14	RSA Pvt. Ltd	P/ling	Large	84,000.00
16	Bhutan Ferro Alloys Ltd	P/ling	Large	84,000.00
19	Druk Ferro Alloys Ltd	P/ling	Large	84,000.00
20	Ugen Ferro Alloys Pvt. Ltd	P/ling	Large	84,000.00
27	Penden Cement Authority Ltd	Samtse	Large	84,000.00
29	Bhutan Concast Pvt. Ltd	P/ling	Large	84,000.00
33	Tashi Metals Pvt. Ltd	P/ling	Large	84,000.00
34	Saint Gobain Ceramic Materials Bhutan Pvt. Ltd	P/ling	Large	84,000.00
37	Tashi Beverages Ltd	P/ling	Large	84,000.00
1	Aha Oxy Gases Pvt. Ltd	P/ling	Medium	24,000.00
7	Bhutan Milk & Agro Pvt. Ltd	P/ling	Medium	24,000.00
15	Bhutan Polythene Company Ltd	P/ling	Medium	24,000.00
17	Bhutan Packaging Industry	P/ling	Medium	12,500.00
22	Bhutan Fruit Product Pvt. Ltd	Samtse	Medium	24,000.00
23	Bhutan Metals Pvt. Ltd	P/ling	Medium	24,000.00
26	Quality Gases Pvt. Ltd	P/ling	Medium	24,000.00
28	Bhutan Polymers Company Ltd	Gomtu	Medium	24,000.00
32	KK Steel Pvt. Ltd	P/ling	Medium	24,000.00
38	Yarab Pvt. Ltd	P/ling	Medium	24,000.00
41	Jigme Mining Corporation Ltd	Pugli	Medium	24,000.00

3	Druk Plaster & Chemicals Ltd	P/ling	Small	8,400.00
6	Karma Feeds	P/ling	Small	8,400.00
13	Chundu Enterprises	P/ling	Small	8,400.00
18	Bhutan Wood Panel Industry	P/ling	Small	5,000.00
21	Kenpa Pvt. Ltd	P/ling	Small	8,400.00
24	Tashi Carpet Factory	P/ling	Small	5,000.00
25	Tashi Rosin & Turpentine Industry	S/jongkhar	Small	5,000.00
30	Bhutan Battery Pvt. Ltd	P/ling	Small	8,400.00
31	Bhutan Bitumen Industries Pvt. Ltd	P/ling	Small	8,400.00
35	Dragon Spring Water	P/ling	Small	8,400.00
36	Bhutan GRC	T/phu	Small	8,400.00
39	Yarab Pvt. Ltd	P/ling	Small	8,400.00
40	Rabten Wire Industry	P/ling	Small	8,400.00
42	Barma Chemicals Industry	S/jongkhar	Small	8,400.00
			<b>Total</b>	<b>1,787,900.00</b>

### Annexure III- Fund collection for Pasakha Road Maintenance

SI/No	Company Name	Scale	Amount Received
1	Bhutan Ferro Alloys Ltd	Large	75,000.00
2	Bhutan Carbide & Chemical Ltd	Large	75,000.00
5	Druk Ferro Alloys Ltd	Large	10,000.00
10	Tashi Metals Pvt. Ltd	Large	75,000.00
11	Tashi Beverages Ltd	Large	15,000.00
		<b>Total</b>	<b>250,000.00</b>

### Annexure IV- Hosting NA members visits at Pasakha

Srl. No.	Name of Industry	Plant Location	Scale	Amt. Received (Nu.)
1	Bhutan Ferro Alloy Ltd.	Pasakha	Large	10,000.00
2	Bhutan Carbide & Chemicals Ltd	Pasakha	Large	10,000.00
3	Ugen Ferro Alloys Pvt.. Ltd.	Pasakha	Large	10,000.00
4	Druk Ferro Alloys Ltd.	Pasakha	Large	10,000.00
5	Druk Wang Alloys Ltd.	Pasakha	Large	10,000.00
6	Saint Gobain Ceramic Materials Pvt. Ltd.	Pasakha	Large	10,000.00
7	Tashi Metals Pvt. Ltd	Pasakha	Large	10,000.00
8	Tashi Beverages Ltd.	Pasakha	Large	10,000.00
9	Lhaki Steels & Rolling Pvt.. Ltd.	Pasakha	Large	10,000.00
10	RSA Pvt.. Ltd.	Pasakha	Large	10,000.00
11	Zimdra Food Pvt. Ltd	Pekarshing	large	10,000.00
			<b>Total</b>	<b>11,000.00</b>