

12 November, 2009

Cabinet Press Release following the 56th Session of the Lhengye Zhungtshog held on 10th November, 2009

1. Approval of the Economic Development Policy of the Kingdom of Bhutan 2009.

The Cabinet, after deliberating at length, approved the Draft Economic Policy of the Kingdom of Bhutan 2009 which was presented by the Ministry of Economic Affairs to the 56th Session of the Lhengye Zhungtshog.

The Ministry of Economic Affairs had consulted with all relevant stakeholders, including the private sector, to have their concerns incorporated. Further, as empowered by the 43rd Session of the Lhengye Zhungtshog, the GNH Commission had earlier reviewed the draft document and recommended for its submission to the Lhengye Zhungtshog for approval.

2. Double taxation Avoidance Agreement with India

The Ministry of Finance presented the Draft Double Taxation Avoidance Agreement (DTAA) to be signed with the Government of India. The Cabinet directed the Ministry of Finance to carry out further study and come up with more substantive proposal. In view of the excellent relationship that exists between Bhutan and India, the Cabinet felt that the agreement was important to promote bilateral trade and commerce.

The first round of negotiation for entering into a DTAA agreement with Government of India was held in Delhi on 3rd to 7th August, 2009 and the second round of negotiation is expected to be held in early 2010.

3. Establishment of Civil Society Organization (CSO) Secretariat.

As submitted by the Ministry of Home and Cultural Affairs, the Cabinet approved a secretariat for Civil Society Organization of Bhutan comprising of two civil servants. The secretariat will monitor the activities of the civil society organizations in Bhutan including their registration and finance.

4. Reinstatement of additional one day holiday during Paro Tsechu.

As submitted by the Ministry of Home and Cultural Affairs, the Cabinet approved additional one day holiday during Paro Tsechu. As of now, only a three day break was permitted for the civil servants, schools and institutions of the Dzongkhag during the Tsechu. The additional one day holiday was considered

in view of the popularity of Paro Tsechu which draws a large number of tourists who are keen to see people besides the sacred dances. It was also to ensure that tourists did not outnumber local attendees during the Tsechu.