# Background

* Diplomatic relations established in 1968
* 1949: Treaty of Friendship and Cooperation
	+ Basic framework of the India-Bhutan bilateral relations

Positives

* Bilateral relations characterized by close trust and understanding and extensive cooperation in the field of economic development, particularly in the mutually beneficial sector of hydroelectric power

Recent happenings

* Treaty of friendship was updated and signed during the visit of King Jigme Namgyel Wangchuk in 2007
	+ The updated treaty lays the foundation for the future development of relationship in 21st century
	+ Provides, among other things, for perpetual peace and friendship, free trade and commerce, and equal justice to each other’s citizens
* Some agreements were signed in 2009 during the King’s visit
	+ MoUs for preparation/updation of detailed project reports
	+ For Development of ICT in Bhutan
	+ Establishment of the Bhutan institute of Medical Sciences
	+ Prevention of Illicit Trafficking in Narcotic Drugs
	+ Air Services Agreement
	+ For harmonisation of Seed Quality Testing and Standards for SAARC countries
	+ Agreement for Search and Rescue Operation Services
	+ Technical Assistance to the National Environment Commission of RGoB
	+ For consultancy services for the prep of the National Transmission Grid Master Plan 7of Bhutan

Economic and Development cooperation

* India is the largest trade and development partner of Bhutan
* India has been extending financial assistance to Bhutan’s FYPs (first plan in 1961)
* Some major projects carried out with Indian assistance
	+ 1020 MW Tala HEP
	+ 336 MW Chukha HEP
	+ 60 MW Kurichhu HEP
	+ Penden Cement Plant
	+ Paro Airport
	+ Bhutan Broadcasting Station
	+ Major Highways
	+ Electricity Transmission and Distribution System
	+ Indo-Bhutan Microwave Link
	+ Exploration of Mineral Resources
	+ Survey and Mapping
* GoI also provides support to Bhutan to develop various ‘mega projects’
	+ Tala HEP
* India to purchase at least 10000 MW of power from Bhutan by 2020
* Ongoing Hydroelectric power projects
	+ Amochhu Reservoir HEP
	+ Kuri Gongri HEP
	+ Chamkharchhu HEP
	+ Kholongchhu HEP
	+ Punatsangchhu –II
	+ Mangdechhu HEP
* GoI has also committed to establish a 1 million tonne cement project, Dungsum Cement Plant at Nganglam
* First ever rail link between India Bhutan announced by PM MMS
	+ Connectign Hashimara to Phuentsholing
	+ Golden Jubilee Rail Line

<see rest in MEA PDF>