# 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>