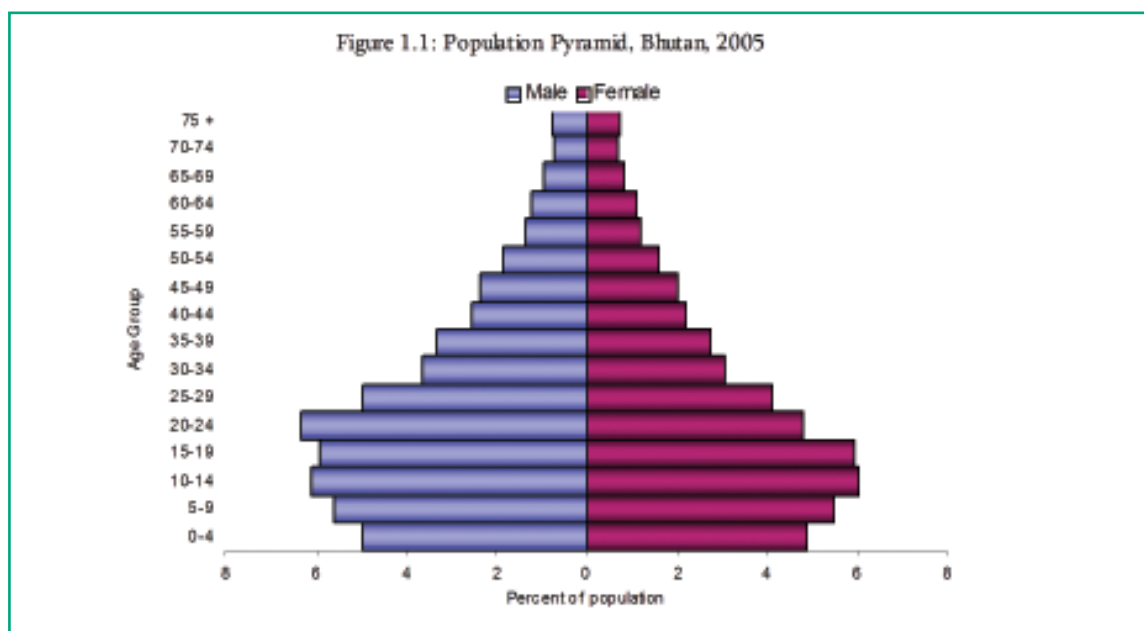


CHAPTER 1 POPULATION

Population presents statistics on the basic attributes of population such as the size and the growth of population, its geographical distribution, its structure by sex and age etc. The principle source of data on population is the population and housing census, which is basically conducted on a five or ten yearly basis. The Population and Housing Census in Bhutan was first conducted in May 2005. The census provides a full count of the population according to a range of characteristics such as demography, health, education and other social aspects. It is useful not only because they provide a range of current population data but are also used as a benchmark for making population estimates in non-census years and for population projections. Population censuses were undertaken in Bhutan in 1969 and 1980. The population figures for those early years were large because of the large influx of migrants from neighboring countries, particularly labor migrants at the instance of construction coinciding with the large-scale development work on infrastructure expansion. With the development emphasis changing to human resource development the large migrants moved out and in 1996 the total population was found to be around 600,000. The Census conducted in 2005 was based on the international standards and had been enumerated as the de facto population.



The second major element of population statistics relates to the demographic characteristics of the population. The most common source of information on demography is the vital registration system (which usually covers the registration of births and deaths and sometimes marriages and divorces). In Bhutan, the vital registration system does not currently provide the full coverage of births and deaths and it has been necessary to undertake special sample surveys, (the first one in 1984, and second one in 1994 and 2000) to obtain important demographic information. The statistics presented in this chapter are purely of the Population and Housing Census of Bhutan 2005. The actual population

enumerated as of 30th and 31st May 2005 is 634,982 persons out of which 333,595 persons are male and 301,387 are females. The urban population consists of 196,111 persons while 438,871 are in the rural areas. Based on the population projection derived from PHCB 2005, the population for 2007 was calculated at 658, 888.

The interpretations of Demographic indicators are as follows:

Crude birth rate: Number of live births in a year per thousand populations.

General fertility rate: Number of live births in a year per thousand women in the childbearing age (15 to 49).

Total fertility rate: Average number of children born by women during their reproductive span of life.

Gross reproductive rate: Measures the extent to which a cohort of newly born girls will replace their mothers under pre-determined schedules of fertility and mortality.

Crude death rate: Number of deaths in a year per thousand populations.

Infant mortality rate: Number of deaths during first year of life per thousand live births.

Maternal mortality ratio: The annual number of deaths of women from pregnancy-related causes per thousand live births.

Rate of natural increase: the difference between the crude birth rate and the crude death rate.

Dependency ratio: Measures the number of dependents as a percentage of population aged 15 to 64. Child dependency refers to children aged 0 to 14 years, while old age dependency refers to persons aged 65 and over.

Index of aging: It is the number of person's aged 65 and over as a percentage of the number of persons aged 0 to 14.

CHAPTER 2 HEALTH

Since the time when the health care facilities in Bhutan were first established in 1962, there has been continuous efforts in improving the modern medical facilities. The Ministry of Health has now a wide spread network of health facilities, covering around 90% of the total population. Institutional health facilities were earlier concentrated in the urban centres, but today the emphasis has shifted to the rural areas where the majority of the population live.

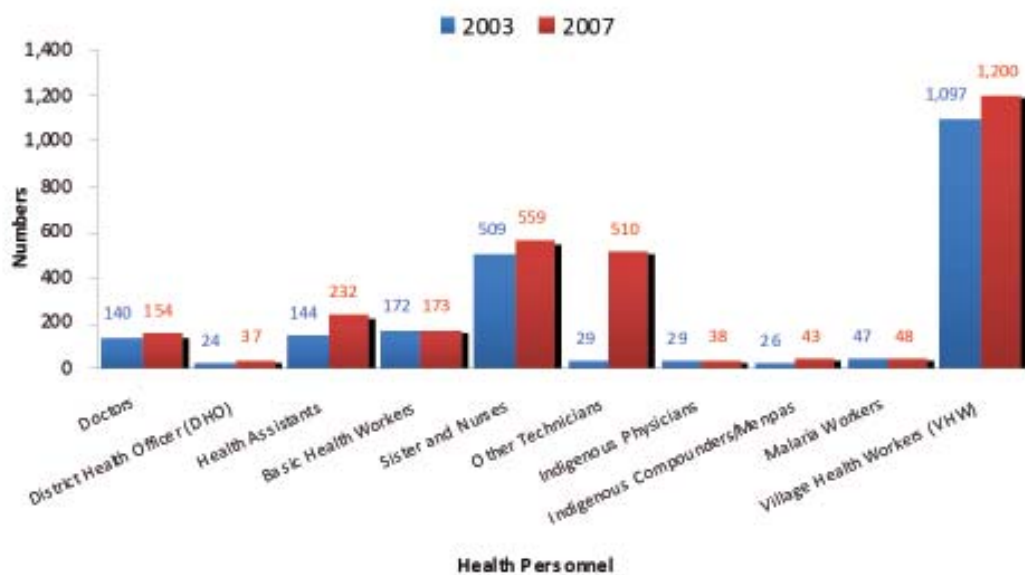
Health Care is delivered in a totally integrated system through an organized structure placed at the National, Regional and Dzongkhag hospitals serving as Referral Centers followed by the Basic Health Units (BHUs) at the Community Level. BHUs serve remote areas staffed by well-trained paramedical personnel who are equipped to treat minor ailments and advice on preventive measures to avoid the spread of communicable diseases. Extended Health Centers, Out Reach Clinics (ORCs) and Mobile Health Units support these BHUs.

There are also numbers of special health programs in Bhutan administered by the Ministry of Health. These cover Child Health and Immunization Program, Reproductive Health Program, Acute Respiratory Infection (ARI) Program, National Control of Diarrhoeal Disease Program (NCDDP), National STD/AIDS Control Program, Rural Water Supply & Sanitation Program (RWSS), Village Health Workers Program (VHW), National Leprosy Program, National Malaria Control Program (NMCP) and Mental Health Program.

As of 2007, there were 29 hospitals, 178 BHUs and over 519 ORCs spread over 205 Gewogs providing primary health care services. Besides the allopathic system, there exists a well established network of Indigenous Medical Facilities under the Institute of Traditional Medical Services that has basically three functions; medical services for out patients; collection and manufacturing of indigenous medicines; and research and training of the Physicians (Drungtso) and Compounders (Menpas).

The main indicators of the health status of the population are morbidity and mortality. Morbidity refers to the type of illness people suffer from, while mortality relates to death rates and causes of death. The Department of Public Health has been conducting the National Health Surveys every five years, which is the source for mortality statistics. Over all level of mortality have been estimated from the Demographic Sample Surveys, but causes of death data have not yet become available. Efforts are under way to improve the vital registration system. Morbidity data are obtained from the patients' records in hospitals and BHUs whose data are presented in the annual publication "Annual Health Bulletin", published by Ministry of Health. The available morbidity statistics are based on patients treated by hospitals, BHUs and ORCs.

Figure 2.1: Health Personnel by Category, Bhutan, 2003 & 2007



CHAPTER 3 EDUCATION

The introduction of comprehensive education system in Bhutan came along with the economic development initiated in 1961. Prior to that time there were virtually no modern education facilities in Bhutan. However, the monastic form of education existed and continued to exist even today. Now there is an extensive network of Schools and other educational institutions spread throughout the country.

The present formal educational refers to the hierarchically structured and chronologically graded learning's, which requires certification for the learner to progress through the grades to go to higher levels. The formal education consists of one year pre-primary (PP), six years primary, two years Lower Secondary School (LSS), two years Middle Secondary School (MSS), two years Higher Secondary School (HSS) and three years of tertiary (or college) education.

Entry into the formal education system starts at the age of six when the children are admitted into pre-primary classes. The medium of instruction in the schools is both Dzongkha-'the national language' and English. School curricula also include training in traditional arts, crafts, and agriculture. Besides the modern education system, there is large number of traditional institutions offering education to children in monasteries, Drupdas and Shedras, for which the Ministry of Education does not maintain any data.

Non-Formal Education (NFE), which is meant for those individuals who are unable to avail the facilities of the formal education, was first established formally in 1992. Basic literacy skills, reading, writing and numeric skills are likewise strengthened through this system. The Ministry of Education maintains an extensive range of statistics on students, schools and teaching personnel.

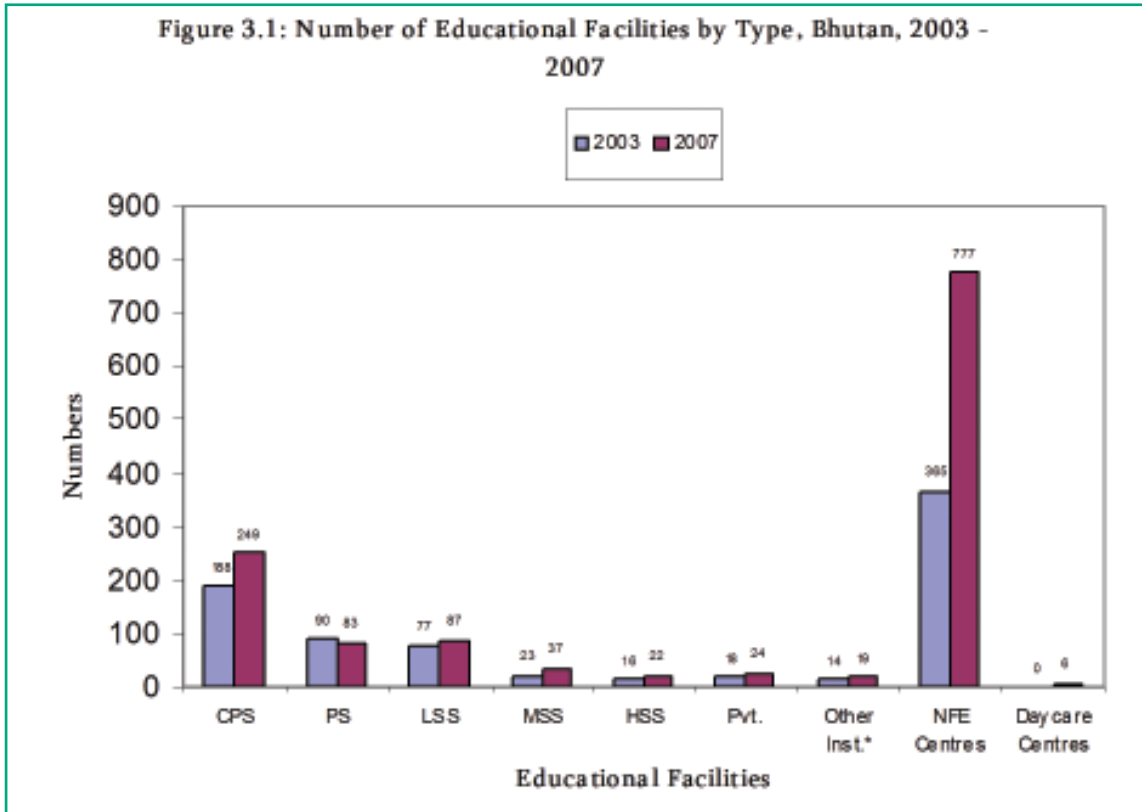
The summaries of the data are presented through this chapter. For the academic session 2007, there were 171,842 students enrolled in 521 schools/institutes and 777 NFE centers. Of 521 schools and institutes, 30 are privately run while the government runs the rest.

In 2007, there were 249 Community Primary Schools (CPS) catering to small and far-flung remote areas. CPS is the basic level for the primary school system, which caters to the specific community, a village or a cluster of defined villages.

Number of NFE centers expanded from 6 in 1992 with 300 learners to 777 centers with 14,694 learners in 2007. The NFE centers provide only basic literacy courses of reading and writing.

The size of enrolment till Higher Secondary Schools was highest in Thimphu Dzongkhag with 23,991 students followed by Chukha with 15,398 & Trashigang with 12,493, and least was Gasa with 524.

Many schools provide boarding facilities for students living in areas far from the school. Children from communities who do not have their own schools enroll in the more distant school either as day scholar or as boarders. This is made possible largely through the provision of meals through the World Food Programme (WFP).



CHAPTER 4 LABOUR AND EMPLOYMENT

The economy of Bhutan is characterized by the predominance of people engaged in self-employment, particularly those working on their own land. There is also a good deal of small cottage industry often undertaken in the home. The number of persons working for wages is relatively small.

Statistics on human resources are designed to measure the involvement of people in economic activities. Economic activities refer to the production of economic goods and services and include people who are self-employed (e.g. farmers operating their own land) as well as persons who work for wages (i.e. employees). Broadly, statistics for human resources should cover topics such as size and characteristics of the labor force, employment, wage rate and conditions of work.

The National Statistics Bureau conducted two consecutive Labor Force Surveys in 1998 and 2000. The Department of Employment and Labour (DEL) under Ministry of Labour and Human Resources (MoLHR) conducted the Labor Force Survey from 2001 onwards, since its creation in 2000. Labour statistics presented in this chapter are from sample surveys like Bhutan Living Standard Survey (BLSS) 2007.

Although share of primary sector in GDP is gradually decreasing, agriculture is still the predominant sector providing employment to around 66.6% of the labour force. The private sector is emerging as the important sector generating employment opportunities for the rapidly increasing labour market.

The employed persons comprise of all those who had worked at least for one hour during the last seven days prior to interview. Out of the total extrapolated population of 630,000, 285,000 were found employed and 10,600 were found to be unemployed. While the unemployment rate at the national level is found to be 3.7% as per the BLSS 2007.



CHAPTER 5

LAND USE AND AGRICULTURE

The Ministry of Agriculture, over the past four decades, was concerned about “how to grow” by establishing various agriculture infrastructures to produce and distribute the inputs. Currently the Ministry of Agriculture established 4 main Renewable Natural Resources (RNR) research centers.

The Ministry of Agriculture with the accumulated experiences having accomplished one five year plan to the other, maintains the three basic objectives that are to i) conserve the environment, ii) enhance the rural income and iii) attain self reliance in cereals and essential oil crops. In 2006, Agriculture contributed 21.4% to the total economy i.e. as measured by the Gross Domestic Product. It was also the single largest sector that provides livelihood to 66.6% of the population as per Bhutan Living Standard Survey (BLSS) 2007.

Agricultural practices have changed tremendously over the years. Until a decade ago, agriculture was practiced on a subsistence basis. Whatever was produced on the farm was consumed having little or no marketable surplus. The farm production is supplemented by keeping different kinds of domestic animals such as cattle for draught and milking purpose, chicken for eggs and pigs for meat etc. At higher altitudes, herds of yaks and sheep are also kept for draught, milking and wool.

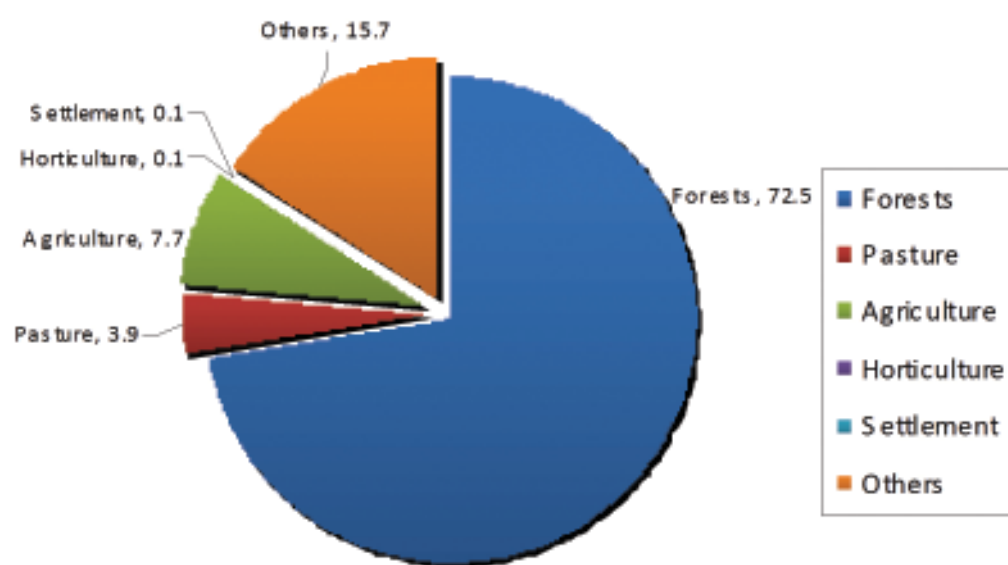
Owing to the improved communication facilities in the country, there is an increasing tendency to go for cash crops like apples in the temperate north; oranges, areca nut and cardamom in the subtropical south. Other cash crops that are exported include ginger, chilies and vegetables.

Strategies to increase livestock and cereal production include the propagation and practice of double cropping of the paddy production and distribution of high yield varieties. In the livestock sector the artificial insemination covers not only for the Jersey breeds that are high yielding but also for the production of Jatsa and Jatsam that are local high yielding varieties. As a result, increasing number of farms is mechanized with sizable investment on the machinery and other inputs that are subsidized by the government.

The issue is not only to formulate well-balanced agricultural policies and the response shown by the farmers to the designed policies but also to monitor the progress. To do this, a good statistical database, giving the trends or time series is necessary.

Back in 1988/89, the National Agronomic Survey was carried out in collaboration with the then Department of Agriculture. Though the Ministry of Agriculture conducts nation wide sample surveys the major source of data available till date is from the National Agricultural Census that was conducted in 2000.

Figure 5.1: Land Use by Type, Bhutan, 1995

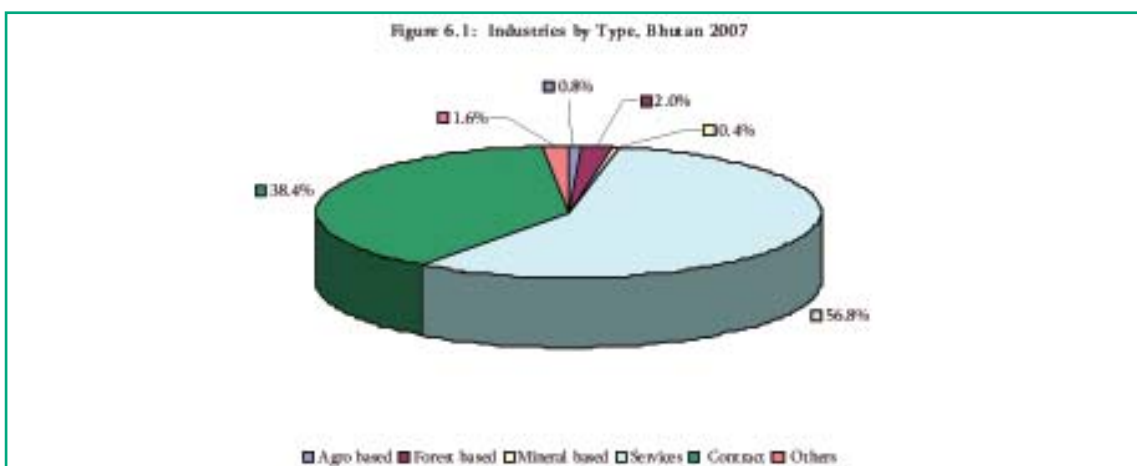


CHAPTER 6 INDUSTRIES

The subject 'Industries' covers the whole range of industrial activities carried out by businesses in all fields including mining, manufacturing, wholesale and retail trade, and other service industries. In Bhutan, the industrial sector has until recently played a relatively small role in the economy of the kingdom.

The mining industry in Bhutan is as yet relatively undeveloped. The kingdom has significant deposits of a number of mineral resources, including limestone, coal, graphite, gypsum, slate and dolomite. Most mining activities are limited to relatively small operations, mainly involved in the mining of dolomite, gypsum, limestone, slate, coal, marbles, quartzite and talc.

The manufacturing industry is dominated by a small number of major operators such as the Penden Cement Authority Ltd., the Bhutan Board Products Ltd., Bhutan Carbide and Chemicals Ltd., the Bhutan Ferro Alloys Ltd.; and Bhutan Agro Industries Ltd. Besides these, there are a number of other small manufacturing plants concentrated in the food processing activities. Cottage industry also plays a prominent role with its good timber resources and favorable agricultural conditions. There is lot of scope for expansion of the manufacturing sector particularly in these areas.



As the industrial sector grows in Bhutan, statistics on industry will become increasingly important. The Department of Trade keeps a record of all industrial licenses and activities. Besides, Censuses of Manufacturing Industries conducted in 1998 and 2001 have been the source of important information on Industries. For example, information on the number of industries in operation, types of industries, and employment in industries etc. presented in this chapter is the results from those Censuses.

According to the information collected, the number of industrial license holders increased from 1133 in 2006 to 1254 in 2007, with more than 90% of the establishments operated by the private sectors. Most of the existing industrial establishments are either small scale or cottage industries.

CHAPTER 7 TRANSPORT AND COMMUNICATIONS

About two and half decades back, Bhutan had fragmented transport and communications network. An efficient road system for a landlocked country assumes paramount importance as it plays a crucial role in supporting all development activities and in stimulating domestic and international trade. The first appearance of motor vehicle was in 1962 and surface transport continues to be the main means of transport. The Bhutan Government Transport Service (BGTs) originally entrusted with goods transportation was restructured to concentrate on passenger transport. The gradual privatization of the passenger transport services began in 1985 on pilot basis and was achieved fully by October 1991 with 21 operators managing a fleet of more than 100 buses on 73 routes. As of December 2007, there were 35,703 registered vehicles in Bhutan.

The Government, in order to promote and develop the surface transport, with emphasis on safety, formulated the Roads Safety and Transport Act, which became operational since October 1997. In the last 25 years, tremendous achievements were made in establishing 4,946.70 kilometers of motorable roads and several motorable bridges. In the difficult areas where the construction of motorable road has not yet begun, suspension bridges provide the vital transport links. Today the Department of Roads is responsible for the design and planning of roads and in setting standards for quality.

Druk Air, the national airline commenced providing services since February 1983 and was commercialized in 1985. Bhutan established its international air links first with Kolkata, India and today it flies to over ten destinations in the region. The Division of Civil Aviation was established in January 1986 to provide infrastructure and air traffic services and to regulate the airline industry. The Civil Aviation Act was enacted in 1990 and the Division of Civil Aviation became the member of ICAO (International Civil Aviation Organization). The Paro International Airport inaugurated on 10th April 1999 has taken the air transport sectors further ahead in providing reliable, safe and comfortable travel services.

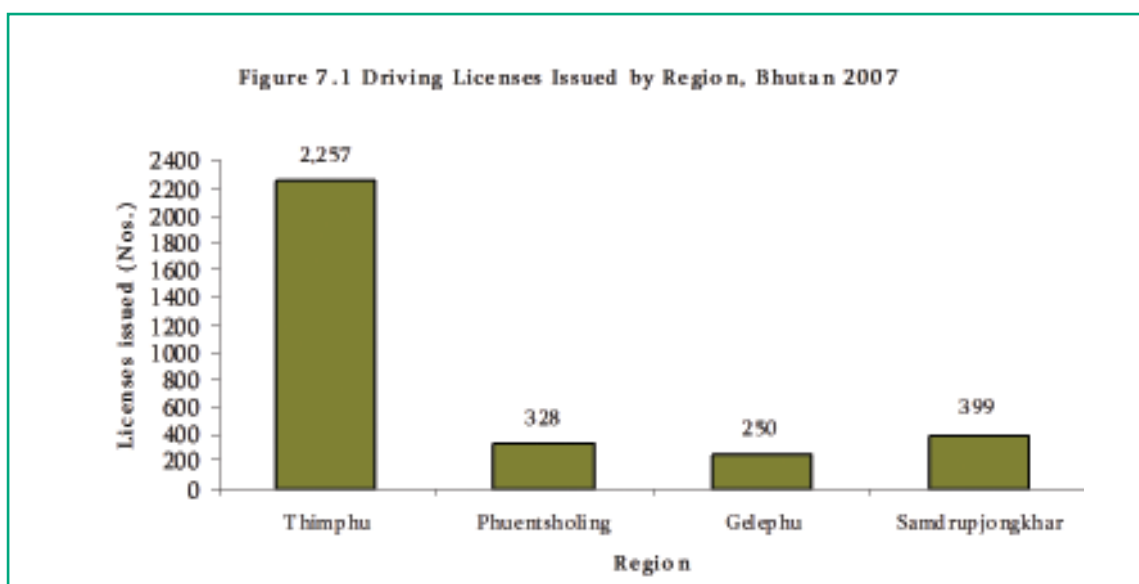
Since the establishment of first telephone network in 1963 the ICT sector has come a long way. Telecommunication network has changed from physical wire network to a national digital network today. Telecommunication has been accorded high priority in Bhutan's development plans. Bhutan's first satellite international link was established in 1990 with the installation of the Earth satellite station and an international gateway switch in Thimphu. In September 1993 the telecommunication link between Thimphu and Tsirang was established and in March 1999 all the 20 district headquarters had access to telecommunication services.

Following the formulation and implementation of Bhutan Postal Act of 1996, Division of Post was incorporated under the Companies Act of Bhutan. In 1993, Bhutan Post introduced International Express Mail Service and after a year Domestic Express Services and Fax Mail Services were introduced. Fax Money Order Service started in 1996 followed

by Post Overnight Courier and Bhutan Post Express Passengers Services in 1997. Within a short period, Bhutan Post increased the types of services from 4 to 13. There are now 127 postal infrastructures, where on an average one Post Office caters to around 5,188 Bhutanese People.

The recently completed national telecommunication network opened the path to global information network. On 2nd June 1999, the country established the first television network and also started the Internet Services. Since then, the information and communication technology such as Internet provides access to global information and plays an important role in the every day affairs.

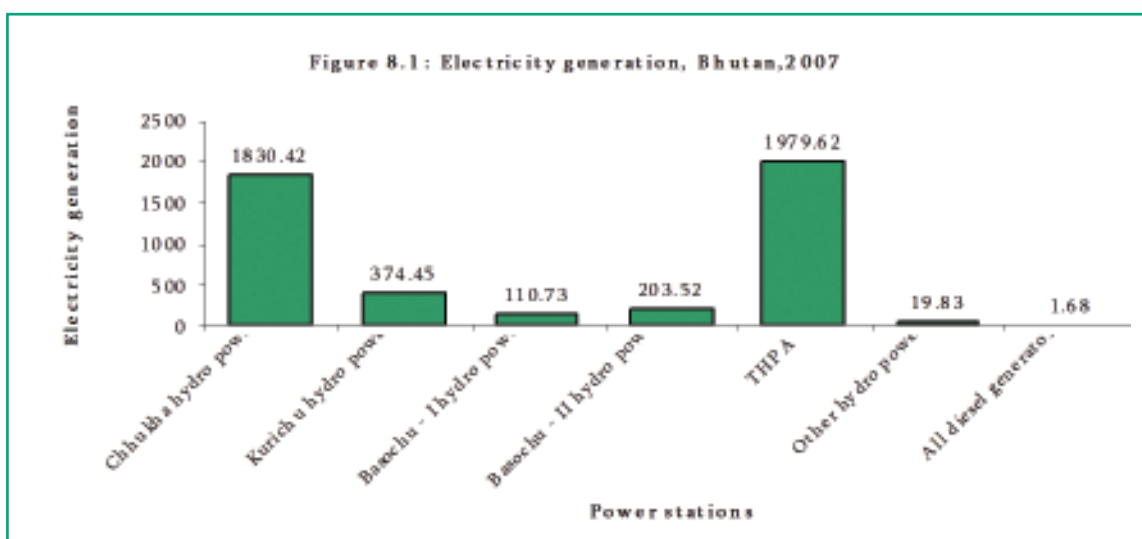
Yet another breakthrough was the launch of cellular mobile (B Mobile) services in the Kingdom, coinciding with the His Majesty's Birthday, 11 November 2003. The Bhutan Telecom Corporation Ltd. has now connected all twenty Dzongkhags by the cellular services. As of December 2007, there were 30,279 telephone sets in use and 148,179 B-Mobile subscribers.



CHAPTER 8 ENERGY

The major source of energy in Bhutan has traditionally been firewood, and still represents the major source of energy consumption. Electricity generation, though still relatively small in comparison with the rest of the world is growing in importance. Up until recently, electricity generation was based on small diesel generating and micro hydro stations, providing limited supply of electricity, which was supplemented by imports from India. With the commissioning of the first two units of Chhukha Hydro Projects in 1986, and the other two units in 1998 Bhutan substantially increased its electricity generation and became a significant exporter of electricity to India.

The Chhukha Hydro power with the installed capacity of 336 MW, the Kurichu Hydro power with 60 MW and Basachu Hydro Power with 24 MW generated 1830.42 MU, 374.5 MU and 314.3 MU respectively in 2007. With the commissioning of mega “Tala Hydro Power Project” with the installed capacity of 1020 MW, there is a substantial increase in the energy generation of the country. During the year 2006/07 it has generated 1979.2 Million Unit of electricity. In 2007, the total electricity generation was 6422.6 Million Unit (MU). Domestic consumption of electricity has been marginal but should increase with the ongoing emphasis on Rural Electrification Programs. Other forms of energy such as the solar, wind and biomass energy are being explored. Number of villages electrified increased from 1318 in 2005/06 to 1761 villages in 2006/07. This trend is a positive indication of the prospective reduction of dependence on fuel wood as a source of energy, in the near future.

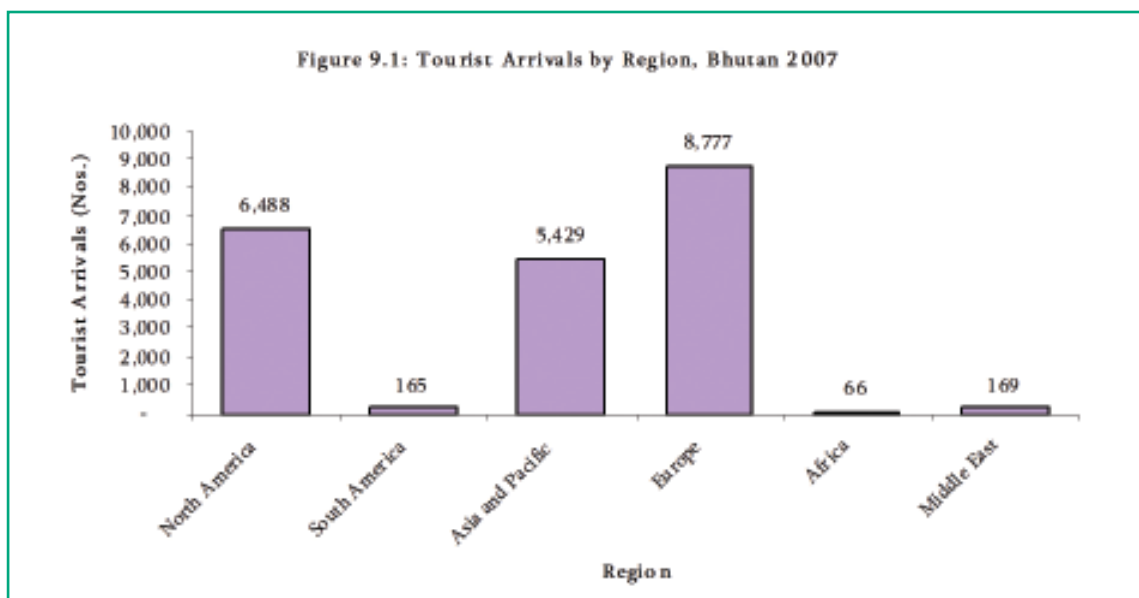


CHAPTER 9 TOURISM

The tourism industry in Bhutan began in 1974. It was introduced mainly to generate foreign exchange revenue and publicize the country's unique culture and tradition. The government agency, erstwhile Bhutan Tourism Corporation, controlled tourism until its privatization in 1991. The potential as far as foreign exchange earnings are concerned is very high. The revenue generation from the tourism sector has increased from over US\$ 2 million in the late 1980's to over US\$ 29 million in 2007.

The main statistics of interest in the field of tourism relate to the characteristics of visitors, details of existing tourist facilities, interest centers, visitor arrivals, where they come from, when they come and the purpose of their visit. Earning of foreign exchange from the overseas visitors is another important aspect.

There has been a steady rise of tourist arrivals in the country during the 1990s through 2000, while in 2002 there was a comparative decrease in tourist arrivals owing to the terrorism and outbreak of SARS. In 2007, there were 21094 tourists arrivals compared to 17,342 in 2006. The large number of tourist come from the Europe, United States of America, Asia and Pacific and African regions. Bhutan has always been aware of the negative impacts that an unrestricted voluminous flow of tourists can have on its pristine environment and unique culture. The government, therefore, adopted a policy of "high value-low volume" tourism to control the quality and quantity of tourists entering the country.



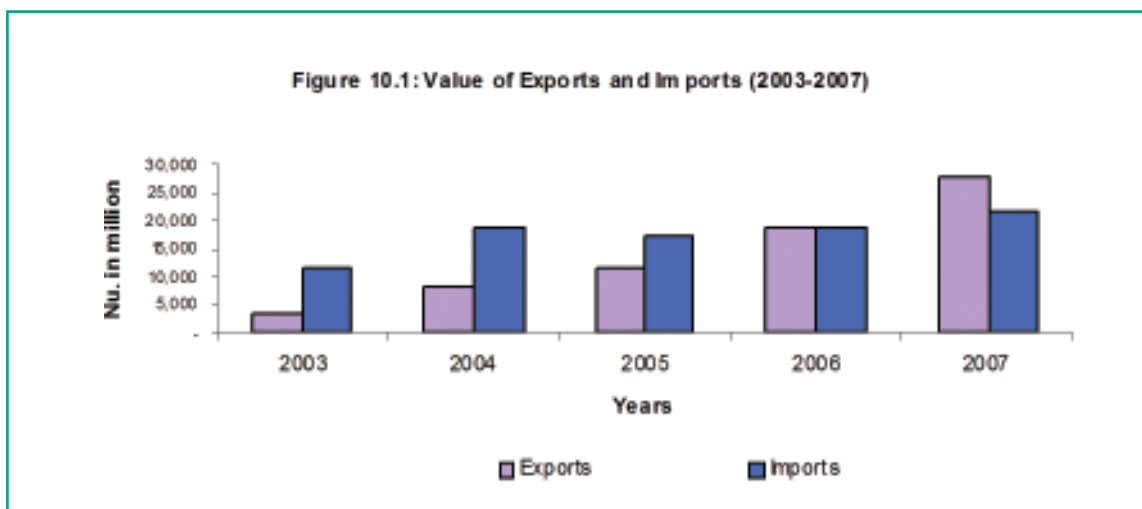
CHAPTER 10

FOREIGN TRADE AND BALANCE OF PAYMENT

Bhutan's economy is closely linked with India, though efforts towards diversification of products and markets are actively pursued. While economy links with other countries are limited, significant amount of aid have been received in recent years and this has enabled substantial increases in imports from third countries. Exports to third countries continue to be very low against higher imports, so reliance has to be placed on inflows of aid for the financing of imports.

Balance of Payments statistics are designed to show the difference between the total payments made to foreign countries and the total receipts from foreign countries. Payments and receipts include imports and exports of merchandise; services and transfers (such as freight and insurance charges); expenditure by travelers; and capital movements (such as loans and investments). The trade balance measures the balance between imports and exports. Including services and transfers to provide a measure of the current account balance obtain a more comprehensive picture of the balance of payments situations.

The balance of payments statements also show how any negative current account balance is financed. In the case of Bhutan this is achieved through foreign aid. Any surplus of foreign aid over and above current account deficits means an increase in the foreign currency reserves of the country. Balance of payments statistics in Bhutan are compiled by the Royal Monetary Authority based on information from its own accounts and those of the Banks, together with information on imports and exports.



CHAPTER 11 MONEY, BANKING AND FINANCE

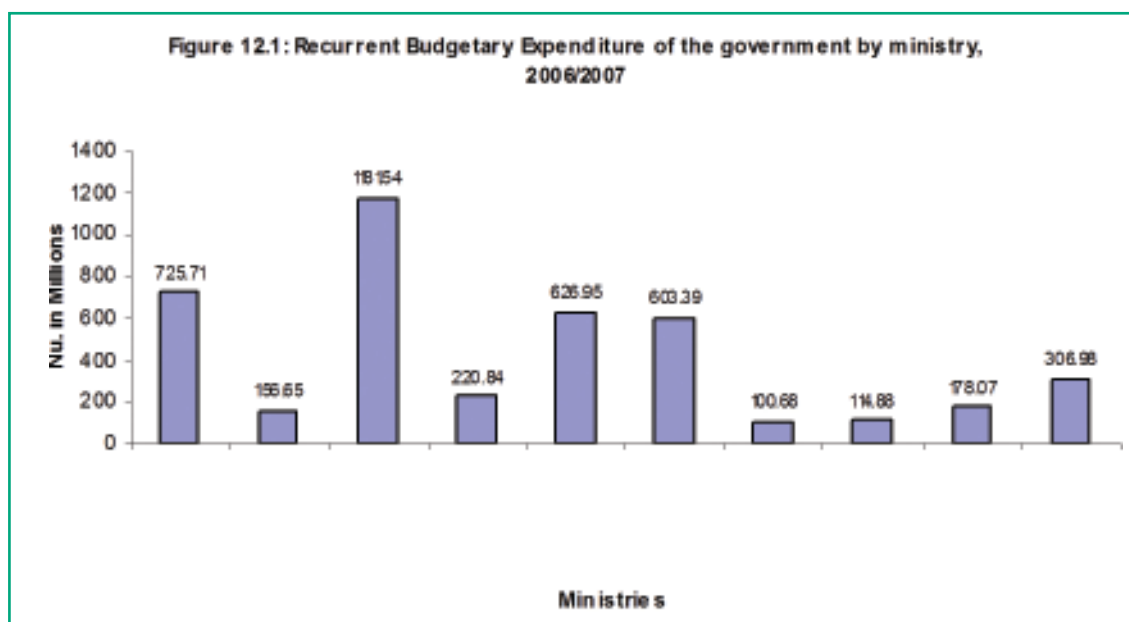
Until recent times most economic transactions in Bhutan were carried out on the basis of barter arrangements. The widespread use of money commenced during the 1960s with the expansion of trade with India and the inflow of development assistance. The Indian Rupee was used till 1974 when the Royal Government issued its first currency notes the Ngultrum. Since then, the monetary section has grown rapidly resulting in the dramatic economic development and improvement in transport and communication, planned urbanization in spite of the fact that barter economy still remains in some part of the country. The monetary sector in Bhutan comprises the Royal Monetary Authority (Bhutan's Central Bank); the Bank of Bhutan and the Bhutan National Bank. The non-bank financial institutions are the Royal Insurance Corporation of Bhutan and the Bhutan Development Finance Corporation, which was established during 1988 to provide long-term loans for development purposes.

The Royal Monetary Authority has developed a comprehensive statistical system for the money, banking and finance sector. Important economic indicators are available in the regular quarterly bulletins "Selected Economic Indicators". The main element of the system is the monetary survey, which is a consolidation of the accounts of the Royal Monetary Authority and other Banks and Financial Institutions showing the financial relationship between these institutions and other sectors of the economy. Items covered include foreign assets and domestic credit, together with information on the money supply. In addition, financial statements are also available for the two non-bank financial institution.

CHAPTER 12 PUBLIC FINANCE

The system of modern public finance in Bhutan is of very recent origin. Traditionally taxes were being collected in kind; the levy on agricultural produce being on an average one fourth of the production of each farming family and labour contribution amounting to about two months labour for every adult. By 1960, as the government began to grow, institutionalization of public finance became a necessity. In 1963, the position of a Finance Secretary was created in the Royal Secretariat and in 1968 the Ministry of Finance; one of the first few Ministries was formed. In 1970, the system of payment of taxes in kind was largely dispensed with so as to be taken up by the system of cash taxes based on the type of land holding.

The Ministry of Finance presented the first budget on modern lines in 1971. It was called the Civil Budget as it covered the needs of the Ministry of Finance, Home affairs and Foreign Affairs. The requirements of development oriented Ministries like Communication and Tourism, Trade and Industry, Forest and Development were provided under a separate development budget administered first by the Development Secretariat and then by its successor, the Planning Commission. With the commencement of the Fifth Five Year Plan the classification of the government budget into Civil and Development was replaced by the concept of Maintenance and Development Expenditures. Maintenance or Current Expenditures reflected mostly the current or consumption expenditures of the government while development expenditures were identified largely with the expenditures of the government on fixed capital formation.



CHAPTER 13

PLAN OUTLAYS

Development planning in Bhutan can be tracked back to the year 1961 when the first Five Year Plan (1961/62 to 1965/66) was drawn up. Initially, self-contained development secretariat was established to implement the plan. At the time of preparation of the third plan in 1971, the Planning Commission (now, the Department of Planning) was established headed by the His Majesty the King. In the absence of basic economic information and skilled manpower, the formulation of the third plan, like earlier ones was relatively simple. Major developments in regard to the consolidation of the planning process took place in the fourth plan period, when the Dzongkhags were involved in the development process.

Until 1981 to 1982 the responsibility for making plan allocations, rising internal resources, and negotiations, foreign assistance etc. lay with the Planning Commission. In 1981 to 1982, a large part of the financial responsibilities of the Commission was transferred to the responsibilities for formulation of development plans and allocations of investments resources.

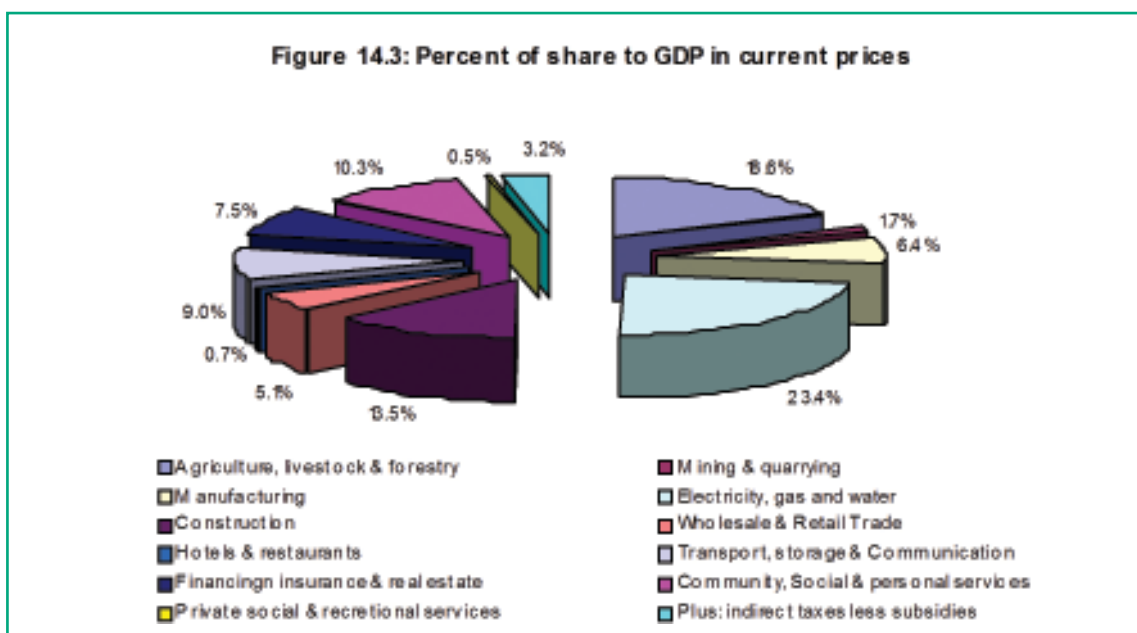
A substantial infrastructure for development of the economy had been built up in the first four plans so that by the end of the fourth plan, the planning process had gained a good deal of comprehensiveness and sophistication. These two factors enabled the economy to develop the capacity of absorbing much higher volumes of investment resources for development in the later five-year plans.

The Eighth Five Year Plan (1997 to 2002) laid emphasis towards attaining the objective of economic self-reliance, higher growth and greater distributional equity, the preservation and promotion of traditional values and ideals, and promotion of privatization. The Ninth Five Year Plan began in July 2002 will pursue maximization of Gross National Happiness as Development Goal and an Objective. Recognizing the wide ranges of factors that contribute to human well-being and happiness, four major areas are being identified as the pillars of Gross National Happiness. These are economic growth and development, preservation and promotion of cultural heritage, preservation and sustainable use of the environment, and good governance.

CHAPTER 14 NATIONAL ACCOUNTS

Human activities can be classified broadly into economic activities and non-economic activities. Economic activities are those, which are devoted to making use of the scarce resources (including time and labor) in the production and distribution of economic goods i.e. goods and services (needed to satisfy human wants), which are scarce in relation to demand and are transferable. Economic goods command a price on the market for their being scarce and transferable. The end result of all the economic activities that has taken place in an economy during an accounting period is reflected in gross domestic product (GDP). GDP represents the money value of all the goods and services that have been produced within the territorial limits of the country and are available for final uses like consumption, gross capital formation and net exports.

GDP can be measured both at current and constant prices. When expressed at current prices it reflects the money value of the goods and services produced in an accounting year measured in the prices of that year. On the other hand GDP expressed at constant prices reflects the money value of such goods and services for all the years measured in one year's (base year) prices. In this case the base year prices are kept constant for evaluation purposes for all the year under review, for measuring the performance of the economy with regard to the production of the goods and services in real terms over a period, constant price estimates of GDP have to be taken into account.



CHAPTER 15 PRICES

The only price statistics currently compiled in Bhutan relate to Consumer Price Indices, often referred to as the CPI. Since 1979, the CPI had been produced by the NSB twice a year till 2003. From 3rd quarter 2003, it has been producing quarterly. In addition, a food price index for Thimphu has been produced each quarter since September 1987.

The purpose of the CPI is to provide a general indicator of the rate of price change for consumer goods and services. The CPI is important monitoring overall price development and assessing changes in the living standard of the population.

The CPI is formed by measuring the change in the cost of purchasing a basket of consumer goods and services where items in the basket are weighted according to their relative importance in the total spending of consumers. The baskets include food items (i.e. rice, other cereals, vegetables, oils and fats, and spices) together with non-food items such as clothing, fuel, furniture and other personal items. Items such as cereals are weighted more heavily than say furniture, because they represent a larger proportion of consumer expenditure. A price change in cereals will therefore have greater effect on the CPI than a price change for furniture.

Bhutan's CPI had 1979 as base year. Undoubtedly, substantial changes had taken place since then – economically, socially and technologically. A number of new products had likewise emerged. These factors contributed to the change in households' tastes and preferences thereby causing the fixed market basket of goods and services to become outmoded. To capture such changes for a more meaningful price comparison, it was necessary to re - base the CPI. This entailed the revision of or updating the base year, the weights, the fixed market basket and the sample outlets.

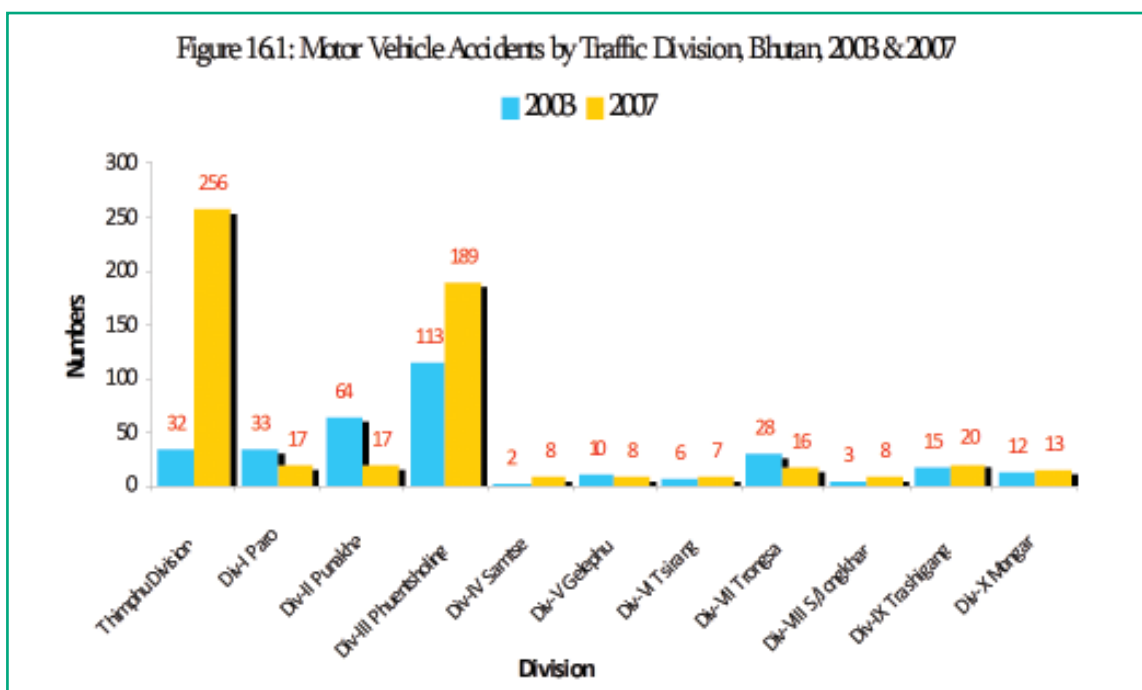
The year 2003 is chosen as the new base year since it was the year when the Bhutan Living Standard Survey was conducted. The Household Income Expenditure Survey or Living Standard Survey is the usual source of weights and the basis for drawing up the market basket.

The CPI is presented as Index Numbers, where the indices are measured in relative to the base of 3rd quarter 2003 = 100.00; price change is estimated by measuring change in the Index numbers.

CHAPTER 16 CRIMES

The data available in this sector are from the cases reported and registered by Royal Bhutan Police. The statistics presented here are those compiled by the Police Headquarters and reported to Ministry of Home and Cultural Affairs (MoHCA).

This sector presents the details of crime statistics by nature of crime categorized by the Police, namely the crime against human body, sexual offences, crime against property, motor vehicle, antiques, forest offences and fire incidents, motor vehicle accidents etc.



ORGANOGRAM OF THE ROYAL GOVERNMENT OF BHUTAN, POST CONSTITUTION ENACTMENT 2008

