

Despite economic slowdown, DHI optimistic about achieving 2014 targets

Phuntsho Choden

Thimphu - At the annual press conference held at Natural Resources Development Corporation (NRDCL) on Thursday, the Druk Holding and Investments (DHI) said the company is focused to meet the targets set for 2014.

“With an improved systems in place over the past six years, I am of the view that DHI and its subsidiary companies are better focused than ever before to meet the targets set for 2014 and scale greater heights, in spite of the economic slowdown,” said Dasho Sangay Khandu, the DHI Chairperson.

As per the consolidated figures, for the FY2013, the group realized a revenue increase of 9%, from Nu. 24.72 billion in 2012 to Nu. 26.96 billion. The increase was fuelled mainly by increase in revenue from DOCs, mainly under energy and resources (12%) and communication and transport (11%) sectors, he reported.

The profits received by the company were taxed at the company level after the dividends received by DHI which means that the effective tax rate is approximately 44% for DHI Group.

The Group’s consolidated net worth grew by about 5% to Nu.75.91 billion as compared to Nu. 71.37 billion (restated) in 2012 and the total asset grew by almost 3% to Nu. 142.96 billion from Nu. 138.42 billion in 2013.

On the operational front, according to the Chairperson, DHI has enhanced the performances of its companies through introduction of performance culture and improved corporate governance since its creation.

“Last year, the company organized trainings on strategy, performance management and leadership to more than 40 board directors and senior executives of the group. Dissemination seminars on DHI and corporate governance were also conducted for parliamentarians, government officials, board directors, members of the private sector and the media fraternity,” said Dasho Sangay Khandu.

Aligned with the Royal



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Charter provisions, DHI have successfully completed the Initial Public Offering (IPO) of 49% of Dungsum Polymers Ltd. (DPL). Additionally, DHI’s stakes in STCBL and BBPL were placed on the stock market to gauge public interest but “Unfortunately, market conditions meant there was little public interest,” he added.

To stimulate and support private sector growth, the Chairperson pointed out that DHI has worked hard to build up Bhutan’s reputation in the world.

“We have worked in improving Bhutan’s ranking on World Bank’s ‘Ease of Doing Business’ report and also got Bhutan included in the ‘Global Competitiveness Report’ of the World Economic Forum (WEF). DHI also lead the organization of first Better Business Summit, successfully held in March 2014.

“The aim of the summit was to promote the policies, institutions and tools to improve prosperity and well-being of citizens through entrepreneurship and private sector growth,” he said.

The feasibility study conducted on Tsibjalumchhu Diversion Scheme using Druk Green Power Corporation (DGPC’s) own internal capacity is also scheduled to be completed by the second half

of 2014.

The scheme is projected to augment the generation of 1020 MW Tala Hydropower Plant by 93 MU, which will be available during the lean seasons.

“Speaking of Hydropower projects, I am happy to report that export tariff of Chukha

Hydroelectric Project (CHP) has been increased from INR 2.00 to INR 2.25 per unit with effect from 1st January 2013. This has increased the income of DGPC for the year by 17% to Nu. 13,051.66 million from 11,140.80 million in 2012. You may note that although domestic consumption

increased by 4% to 1,901.73 MU in 2013 from 1,828.02 MU in 2012, energy exports to India increased by 14.2% to 5,648.23 MU from 4,945.79 MU in 2012,” he said.

DGPC achieved an average power plant availability of

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UNDP BHUTAN

Request for Proposal for cleaning services to UN Office

Empowered lives.
Resilient nations.

The UNDP Country Office on behalf of UNICEF, WFP, UNFPA and FAO would like to invite proposals for providing cleaning services to the UN House, located at Peling Lam, Kawajangsa, Thimphu for a period of one year with possibilities of further extension.

The detailed Request for Proposal, Terms of Reference and other related documents are available upon request from Mr. Tshelthrim Dorji, UNDP Procurement unit or email to tshelthrim.dorji@undp.org

Interested firms/company may submit their proposal to the Operations Manager, UNDP or send by email to procurement.bt@undp.org by close of business on **15 July 2014**.

Operations Manager a.i.

UNDP BHUTAN

Announcement

Empowered lives.
Resilient nations.

UNDP country office in Thimphu would like to announce the sale of a Toyota Landcruiser with the following details:

Vehicle registration no.	Date of Purchase	Model/ Make	Condition
3 CD 4	2004	Toyota Landcruiser (Diesel)	Good running condition

Interested bidders may send in their bids in a sealed envelope marked as “**Bid for Toyota Landcruiser**”, addressed to the Procurement unit, UNDP Bhutan, on or before **18th July 2014 (12 noon)**.

The following terms and conditions apply:

- Each bidder must deposit **Nu. 100,000 (one hundred thousand)** by bank draft in favor of UNDP Bhutan as earnest money without which the bid will be considered as invalid.
- The successful bidder will be required to make full payment in cash to UNDP Bhutan, within **7 days** of accepting the bid.
- The bidder will forfeit his/her earnest money if failing to honour his/her own bid.
- The vehicle is to be bid and sold on an ‘as is – where is’ basis.
- Sales tax/ other taxes levied by the Royal Government of Bhutan will be borne by the buyer.
- UNDP Bhutan reserves the right to reject any or all the bids without citing any reasons.
- No bids will be accepted after the closing time specified.
- Vehicle can be inspected on any working day from **8 July - 17 July 2014 (between 10AM – 12 PM noon)** at the UN house premises.
- Bid forms can be collected from the Reception desk from **8 July to 17 July 2014 between 10AM – 5PM**

Operations Manager a.i.

Learning from Bangladeshi experience

Jamtsho

Thimphu - The major challenge for the rural livelihood programs today is to build on the initial work on social and economic community development and improve agriculture, livestock and non-farm sector opportunities for the poor, small and marginal farmers and create an end to end support network for them.

It is therefore important for all the RLP stakeholders to understand value chain need to cooperate and coordinate their activities to satisfy the needs of the end consumer.

In order to find a solution to this problem, a group of Bhutanese visited Bangladesh to learn from their experience.

In Bangladesh, value chain system played an important role in transforming agricul-

tural commodities from raw material to end products demanded by the consumers.

Therefore, to understand about the various concepts used in value chain analysis specifically addressing to developing country like Bhutan, according to a findings from the study visit on Value Chain Development and Market System.

The Bhutanese team visited the Rural Livelihood Project in collaboration with HELVETAS Swiss Intercooperation, Dhaka has proposed to organise the exchange visit to Bangladesh for the service providers with particular aim to learn how smallholder farmers can participate in the value chain.

The exchange visit is to learn about the Market/Value chain approach to economic development since our project activities are imple-

mented based on the Market Chain Approach.

The experience sharing between Bangladesh and our service providers from Bhutan had focused the chain of actors being engaged from input suppliers to final buyers and the relationship/role among them.

The visit was coordinated by Mr. Arun Kumar Ganguly, Coordinator - Advocacy SDC Samriddhi Project, Helvestas HIS office. The team visited Samriddhi Project Head Office and had interaction with Mr Shamim Ahamed, Deputy Programme Director, HELVETAS Swiss Interco operation.

The team left to Dhaka, Bangladesh on 19th may 2014 and visited HELVETAS Swiss Intercooperation Programme Office, Dhaka. The team also visited the sister project

SHARIQUE - Local Govern-

ance Development Project Supported by HSI which is housed in the same building.

With Samriddhi's success story, the study visit was enriching for the team to learn more about the system of value chains in Bangladesh. Bangladesh and Bhutan collaborate & share knowledge and skills on Value chain development & Market system approach.

The experiences sharing among two countries are an essential component for Bhutan to build capacity in value chain system development. Bangladesh will support in terms of providing HRD to train service providers as recommended by the team.

The study visit report be shared and plan the next visit programs and possible intervention of value chains related programmes and activities.

More so, experiences and learning be shared and communicated with the country programmes of both countries for possible support.

In Dhaka, the team debriefed the Bhutanese Ambassador to Bangladesh. The team shared the purpose of the study visit and Samriddhi project's success story in the value chain development and market system. The Ambassador was impressed by the visit particularly to address the future Bangladesh-Bhutanese Trading partnership and Market system.

She was very supportive of our idea and also wanted her to visit the Head Office in Dhaka to discuss the matter at the bilateral level so that two countries could benefit and gradually build technical support in terms of sharing experiences for a win-win situation.

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98.96% against an industry average of 93.24%. "It formed a subsidiary profit center for independent management of transport/heavy equipment in order to bring about optimization in the use of resources and result in efficiency gains," he said.

It also obtained a consultancy license from the Construction Development Board to provide services within and outside Bhutan. Additionally, it continues to be involved in the implementation of the government's vision to achieve 10,000 MW power genera-

tions by 2020.

BPC added 14,802 customers during the year taking the total number of customers to 146,497. Its sale of electricity increased to 1,841.46 million units from 1,769.59 million units in 2012.

The Chairperson said, "It wheeled about 5,600 million units of electricity to India from 5,273.10 million units in 2012, an increase of about 5%. At the same time, it maintained a global transmission loss at 1.11% as compared to 1.18% in 2012 and domestic transmission and distribution loss

at 4.30% as against 4.32% in 2012."

In additional, 6,226 households were connected with electricity as a part of the Rural Electrification (RE) project and 830 additional households with RE Fill-in project.

While, Drukair operated a total flights of 3,822 from 3,555 in 2012 with an increase of 8%. A total of 276 domestic flights were operated carrying 490 passengers.

"Despite the increase in the number of scheduled flights by about 22% and the entrance of a new competitor,

Drukair has been able to achieve an average load factor of 69.6% against an industry average of 70%. It achieved an average overall airline on-time performance of 99%," he said.

NRDCL set up a pilot sand dredging unit in Wangduephodrang for extraction of river sand to increase the sand supply, especially in the Western region during monsoon. Bank of Bhutan (BOB) deposit base increased by 7.79% from 2012 and their loans and advances also increased by 2.62% from 2012 despite economic slum-

ped.

The ATM network coverage increased to 62 machines from 42 2012, with at least one ATM in every Dzongkhag. They also Collaborated with BPCL, BTL, NPPF, DCL and Thimphu Thromde and launched a utility bill payment system using BOBNET banking.

Bhutan Telecom extended mobile services to eight remote locations under different Dzongkhags and 3G services to 11 new locations, taking the service availability to 14 Dzongkhags.

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BKP recommends government to constitute 3rd pay commission

expenditure rise," he added. The President asserted that the Prime Minister's announcement to donate a sum of 50,000 at the State of the Nation report is undignified and inappropriate.

"The donation of Nu 50,000 to charity is difficult to view with any credibility keeping in view the executive order that emendated from

the Prime Minister's office and close door session of the cabinet before the last parliamentary session. The Prime Minister must realize that many more people are charitable but does not use the State of Nation address to make such announcements. The august house deserves bigger respect and dignity," the president said.

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More chances for change

son undergoing treatment, or when the use by such a person was facilitated.

Recently, Prime Minister Tshering Tobgay said some key concerns confronting this group include youth unemployment, substance abuse, depression and rising number of suicide cases, said PM Tshering Tobgay while presenting the report in the parliament last week.

"We have a youth population that is well educated,

trained and motivated to work. They have the great potential of serving the Tsa-Wa-Sum and helping the nation become self reliant."

Substance abuse and alcohol use are also issues of concern among the youth population, which the government is addressing with utmost seriousness by looking both at prevention and response to this social problem.

In the last six months over 600 people have been arres-

ted for drug related offences. The disturbing fact is that most of those arrested are below 25 years of age including minors.

This is a serious social concern that requires the government, society and parents to work together. The government will continue to raise drug-free awareness and provide access to counseling, rehabilitation and substance abuse treatment.