

Belgium's trade relations with **BHUTAN**

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**Belgian
Foreign Trade Agency**

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1 IMPORTANCE OF BELGIUM AND THE OTHER EU COUNTRIES IN TRADE WITH BHUTAN

1.1 EXPORTS

Total exports of goods from the European Union (EU-27) to Bhutan amounted to €25.9 million in 2022.

Belgium accounted for a share of 42.7%, making it the largest EU exporter of goods to Bhutan. Meanwhile, Germany and Denmark took second and third place with shares of 17.3% and 9.6% respectively.

Whereas European exports (EU-27) to Bhutan rose by 65.7% (€+10.3 million) in 2022, Belgian exports were up by 677.9% (€+9.6 million). Since the percentage growth rate of Belgian exports to Bhutan was significantly higher than that of the EU as a

whole, our country's share in EU exports of goods to Bhutan has vastly increased in 2022.

The value of German exports of goods to Bhutan decreased by 10.8% (€-540,500) in 2022 because the subsection 'parts of airplanes or helicopters' did no longer appear among exports that year. Meanwhile, Denmark recorded a rise of 104.1% (€+1.3 million) in its exports of goods to Bhutan due to a higher value for 'toxins, cultures of micro-organisms and similar products, e.g. plasmodia (excl. yeasts and vaccines)'.

TABLE 1: EVOLUTION OF EXPORTS TO BHUTAN

X €1,000	2021	2022	Variation (in %)	Share (in %)
1 Belgium	1,421.5	11,057.7	677.9	42.7
2 Germany	5,015.8	4,475.3	-10.8	17.3
3 Denmark	1,215.4	2,481.1	104.1	9.6
...				
Total EU-27	15,639.2	25,911.5	65.7	100.0

1.2 IMPORTS

Total EU-27 imports of goods from Bhutan amounted to €22.9 million in 2022.

Belgium was the 6th largest EU importer of goods from Bhutan with a share of only 0.3%. Italy was the number one EU importer with a share of 84.3%, corresponding to an amount of a little more than €19.3 million. The Netherlands and Germany completed the top three of imports from Bhutan with shares of 10.4% and 1.8% respectively.

While European imports (EU-27) from Bhutan were up by 233.4% (€+16.1 million) in 2022, Belgian imports only grew by 38.9%

(€+18,500). Since the percentage growth rate of Belgian imports from Bhutan was significantly smaller than that of the EU as a whole, our country's share in EU imports of goods from Bhutan has decreased in 2022.

Italian and Dutch imports of goods from Bhutan recorded a rise of 271.4% (€+14.1 million) and 753.1% (€+2.1 million) respectively in 2022 due to increased imports of 'ferro-silicon'. Meanwhile, Germany recorded a decline of 58.7% (€-593,100) in its imports of goods from Bhutan due to a lower value for 'ferro-silicon'.

TABLE 2: EVOLUTION OF IMPORTS FROM BHUTAN

X €1,000	2021	2022	Variation (in %)	Share (in %)
1 Italy	5,207.1	19,340.1	271.4	84.3
2 Netherlands	280.8	2,395.3	753.1	10.4
3 Germany	1,010.6	417.5	-58.7	1.8
...				
6 Belgium	47.6	66.1	38.9	0.3
...				
Total EU-27	6,878.7	22,932.6	233.4	100.0

2 IMPORTANCE OF BHUTAN AND ITS NEIGHBOURING COUNTRIES FOR BELGIUM'S FOREIGN TRADE (2022)

CLIENT → BELGIAN EXPORTS

SUPPLIER → BELGIAN IMPORTS

China

12th client

€7,769.7 million

4th supplier

€35,349.2 million



Bhutan

167th client

€11.1 million

193rd supplier

€66,100



India

15th client

€7,010.2 million

16th supplier

€8,086.9 million

3 BILATERAL TRADE RELATIONS

3.1 TRADE IN GOODS

In 2022, Bhutan ranked **167th** among Belgium's main clients, before Curaçao, but behind Andorra.

Total Belgian **exports** of goods to Bhutan amounted to nearly €11.1 million in 2022, which is €9.6 million (+677.9%) more than the previous year.

Bhutan was Belgium's **193rd** largest supplier of goods in 2022, ranking after Guinea-Bissau, but ahead of Saint Barthélemy.

Total Belgian **imports** of goods from Bhutan were up by **38.9%** (€+18,500), amounting to €66,100 in 2022.

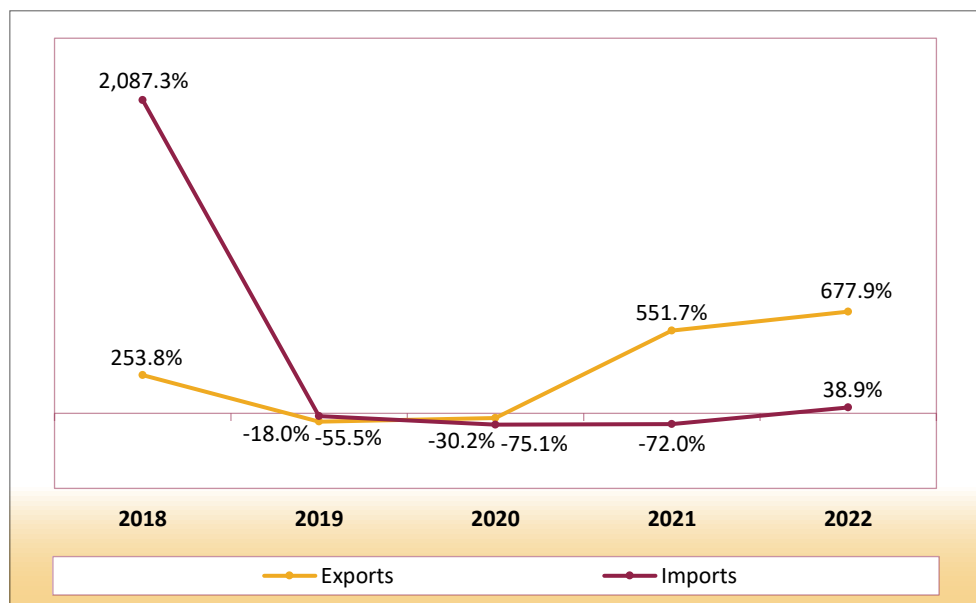
TABLE 3: EVOLUTION OF BELGIUM'S TRADE IN GOODS WITH BHUTAN

X €1,000	2018	2019	2020	2021	2022
Exports	701.7	312.5	218.1	1,421.5	11,057.7
Imports	833.3	683.2	170.4	47.6	66.1
Trade balance	-131.6	-370.7	47.8	1,373.9	10,991.5
Exports: variation in %	253.8	-55.5	-30.2	551.7	677.9
Imports: variation in %	2,087.3	-18.0	-75.1	-72.0	38.9

The deficit on Belgium's **trade balance for goods** with Bhutan, which stood at €131.600 in 2018, widened by €239,100 a year later to €370,700 as the value of exports fell more than imports. Then, in 2020, imports declined by a larger amount than exports, turning the trade deficit into a surplus of €47,800. In 2021, the trade surplus grew to nearly €1.4

million as exports increased significantly, while imports fell even further. Finally, imports recovered in 2022, but because export growth significantly outpaced import growth, Belgium's trade surplus for goods with Bhutan grew even further to nearly €11.0 million.

FIGURE 1: VARIATION OF EXPORTS AND IMPORTS (IN %)



Total Belgian **exports** of goods to Bhutan grew from €198,400 in 2017 to €701,700 (+253.8%) a year later because of a higher value for chemical products and textiles, among others. This last group of products did not appear among exports in 2019, which is why total exports declined to €312,500 (-55.5%). Subsequently, the lower value for chemical products caused total exports to fall even further to €218,100 (-30.2%) in 2020. Finally, exports of chemical products have been up during the past two years. As a result, total Belgian exports of goods to Bhutan grew to €1.4 million (+551.7%) in 2021 and nearly €11.1 million (+677.9%) in 2022.

Total Belgian **imports** of goods from Bhutan, which amounted to €38,100 in 2017, grew to €833,300 (+2,087.3%) a year later due to a significantly higher value for base metals. Imports of this group of products were down in 2019 and 2020, which also caused total imports to fall to €683,200 (-18.0%) and €170,400 (-75.1%) respectively during those two years. In 2021, base metals were no longer even included in imports, limiting their total value to €47,600 (-72.0%). Finally, Belgium imported chemical products from Bhutan in 2022, which is the main reason why total Belgian imports of goods from this country amounted to €66,100 (+38.9%) last year.

3.1.1 EXPORTS

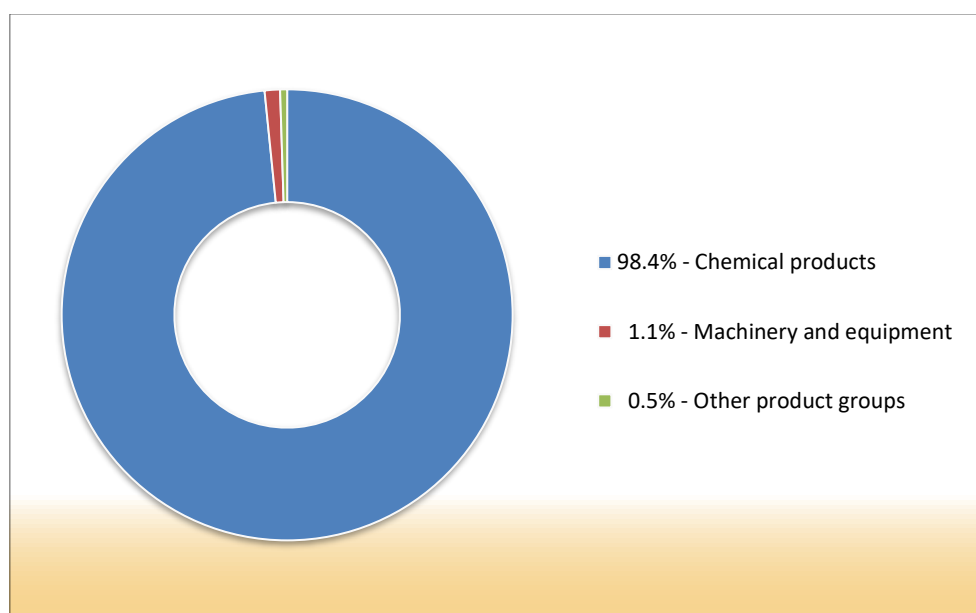
In 2022, **chemical products** dominated total Belgian **exports** of goods to Bhutan. With a value of nearly €10.9 million, this group of products accounted for a share of 98.4% of total exports. This section was mainly composed of ‘vaccines for human medicine against SARS-related coronaviruses’.

Exports of **machinery and equipment** (main subsections: ‘parts for electrical machines and apparatus’ and ‘input or output units for automatic data-processing machines and

units thereof, whether or not containing storage units in the same housing’) amounted to €123,400, corresponding to a share of 1.1% of Belgian exports of goods to Bhutan.

The remaining 0.5% of Belgian exports of goods to Bhutan was represented by **optical, precision and medical instruments**. Exports of this group of products amounted to €46,000.

FIGURE 2: BREAKDOWN OF BELGIAN EXPORTS TO BHUTAN BY PRINCIPAL COMMODITIES (IN %) — 2022

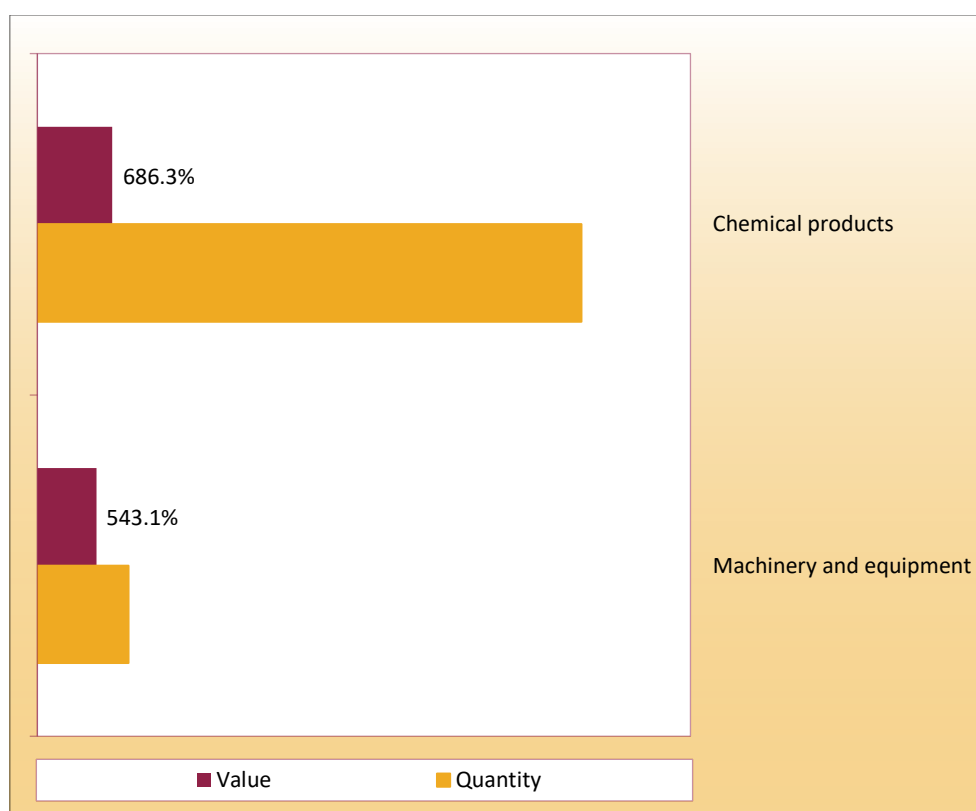


The €9.6 million (+677.9%) increase in total Belgian exports of goods to Bhutan resulted primarily from the 686.3% rise in **chemical products**. The value of this group of products went up by nearly €9.5 million, due mainly to higher exports of ‘vaccines for human medicine against SARS-related coronaviruses’.

Machinery and equipment was the only other group of products with a share of more than 1.0% in exports to Bhutan. The increase of

€104,200 (+543.1%) experienced by this product group is due to the fact that the subsections ‘parts for electrical machines and apparatus’ and ‘input or output units for automatic data-processing machines and units thereof, whether or not containing storage units in the same housing’, which accounted for the majority of machinery and equipment in 2022, did not appear in exports a year earlier.

FIGURE 3: VARIATION OF EXPORTS TO BHUTAN BY PRINCIPAL COMMODITIES (IN VALUE AND QUANTITY) — 2022/2021



3.1.2 IMPORTS

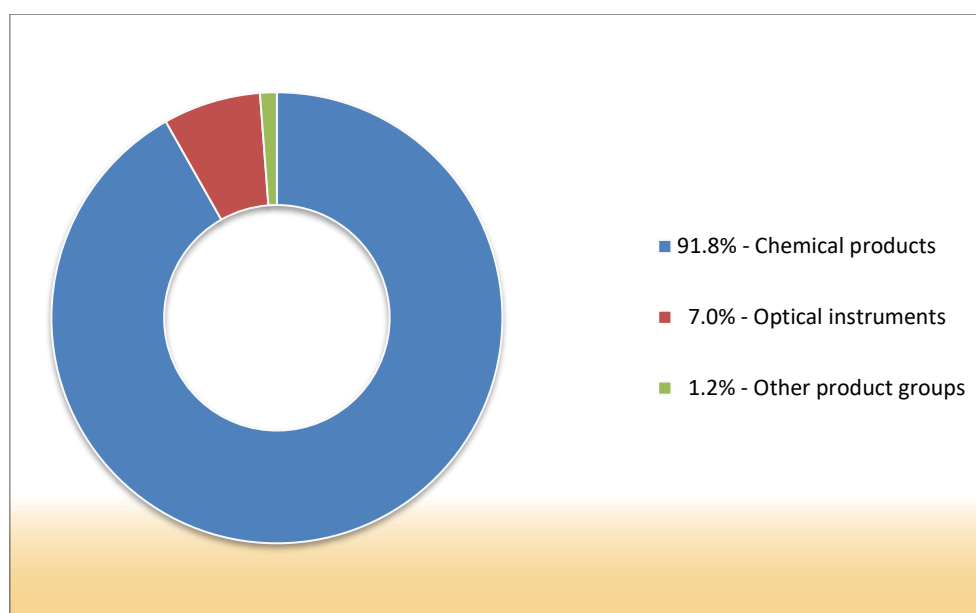
Chemical products comprised the largest section of Belgian imports of goods from Bhutan in 2022. This section, composed primarily of ‘essential oils other than those of citrus fruit’, accounted for a value of €60,700, corresponding to a share of 91.8%.

Imports of **optical, precision and medical instruments** (main subsections: ‘lasers, other

than laser diodes’ and ‘telescopic sights for fitting to arms; periscopes’) amounted to €4,600, equivalent to a share of 7.0%.

The other 1.2% of Belgian imports of goods from Bhutan was composed of **textiles** (0.5% or €343), **stone, plaster, cement,...** (0.5% or €323), **base metals** (0.1% or €57) and **plastics** (0.1% or €48).

FIGURE 4: BREAKDOWN OF BELGIAN IMPORTS FROM BHUTAN BY PRINCIPAL COMMODITIES (IN %) — 2022

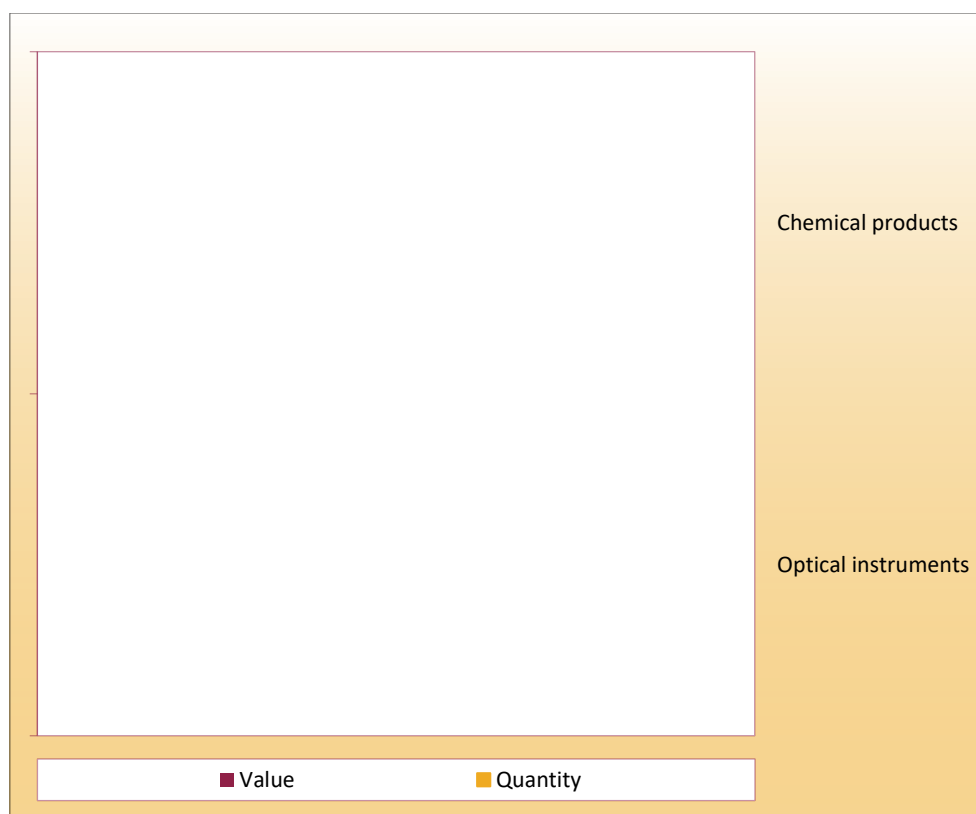


Chemical products and **optical, precision and medical instruments** were the only two sections with a share of more than 1.0% in Belgian imports of goods from Bhutan in 2022. These two product groups, which represented an amount of €60,700 and

€4,600 respectively in 2022, did not appear in imports a year earlier.

In 2021, **vegetable products** accounted for an amount of €45,800. A year later, they were no longer imported by Belgium from Bhutan.

FIGURE 5: VARIATION OF IMPORTS FROM BHUTAN BY PRINCIPAL COMMODITIES (IN VALUE AND QUANTITY) — 2022/2021



3.2 TRADE IN SERVICES

The value of Belgian exports of services to Bhutan was up by **54.6%** (€+112,000) in 2022, increasing to **€317,000**. This made Bhutan Belgium's **214th** largest client after Mayotte but ahead of Sao Tomé en Príncipe.

Belgian imports of services from Bhutan accounted for a value of **€529,000** in 2022, corresponding to a **41.8%** (€+156,000) increase compared to the year before. Bhutan was Belgium's **200th** largest supplier in 2022, ranking before Anguilla, but after Guinea-Bissau.

TABLE 4: EVOLUTION OF BELGIUM'S TRADE IN SERVICES WITH BHUTAN

X €1,000	2020	2021	2022
Exports	183	205	317
Imports	139	373	529
Trade balance	44	-168	-212
Exports: variation in %	2.8	12.0	54.6
Imports: variation in %	-56.7	168.3	41.8

Belgium's **trade balance for services** was negative in both 2021 and 2022, with imports of services from Bhutan outperforming exports to that country during each of those two years.

imports increasing significantly more than that of exports. Both imports and exports continued to rise in 2022, but since imports grew by a larger amount, the trade deficit increased to €212,000.

The surplus in Belgium's services trade balance with Bhutan, which amounted to €44,000 in 2020, turned into a deficit of €168,000 a year later due to the value of

The trade balance for services stood in contrast to that for goods in both 2021 and 2022, since the latter was in favour of our country during each of those two years.

3.2.1 EXPORTS

In 2022, **communication services** were the largest category in terms of total Belgian **exports** of services to Bhutan with a share of 69.1% and a value of €219,000. **Travel services** took 2nd place with 21.8%, while **other business services** settled in third place with a share of 6.0%. This last section includes, among other things, ‘merchandising’, ‘operational leasing services’, ‘legal services’, ‘accounting, auditing, bookkeeping and tax consultancy services’, ‘advertising, market research and public opinion polling’ and ‘waste treatment and depollution’.

The higher value for **communication services** and **travel services** was the main reason why total Belgian exports of services to Bhutan

were up by 54.6% in 2022. Exports of the former section increased by 42.2% (€+65,000), while the value of the latter group of services amounted to €69,000 in 2022 after not being part of imports the year before.

Personal, cultural and recreational services was the last remaining group of services from the top five for which exports grew. The value for this section displayed a €2,000 (+100.0%) increase.

The positive evolution of the preceding services groups was more significant than the drop in exports of **other business services** (-29.6% or €-8,000).

TABLE 5: BELGIAN EXPORTS TO BHUTAN BY PRINCIPAL SERVICES

X €1,000	2021	2022	2022/2021 Var. in %	2022 Share in %
Communication services	154	219	42.2	69.1
Travel services	0	69	-	21.8
Other business services	27	19	-29.6	6.0
Financial services	22	6	-72.7	1.9
Personal, cultural and recreational services	2	4	100.0	1.3
Other services	0	0	-	0.0
Total	205	317	54.6	100.0

3.2.2 IMPORTS

Government goods and services dominated total Belgian imports of services from Bhutan in 2022. Their value amounted to €252,000, corresponding to a share of 47.6%.

Communication services and **travel services** rounded off the top three with shares of 34.0% and 15.9% respectively.

The value of **communication services** was up by €138,000 (+328.6%) in 2022 and amounted to €180,000.

Travel services and **construction services**, which were not included in imports in 2021, represented an amount of €84,000 and €5,000 respectively a year later.

The rise in imports of the preceding services groups was more significant than the negative evolution of **government goods and services** (-21.0% or €-67,000), **other business services** (-30.0% or €-3,000) and the **other services** (-50.0% or €-1,000). As such, total Belgian imports of services from Bhutan were up by 41.8% in 2022.

TABLE 6: BELGIAN IMPORTS FROM BHUTAN BY PRINCIPAL SERVICES

X €1,000	2021	2022	2022/2021 Var. in %	2022 Share in %
Government goods and services	319	252	-21.0	47.6
Communication services	42	180	328.6	34.0
Travel services	0	84	-	15.9
Other business services	10	7	-30.0	1.3
Construction services	0	5	-	0.9
Other services	2	1	-50.0	0.2
Total	373	529	41.8	100.0

4 ECONOMIC INDICATORS FOR BHUTAN

Economic structure (estimates)	
GDP (2022)	\$2.7 billion
GDP growth rate (2022)	4.0%
Inflation rate (2022)	7.7%
Exports of goods (2020 - FOB)	\$183.0 million
Imports of goods (2020 - FOB)	\$829.0 million
Trade balance (2021)	\$-646.0 million
Population (2022)	782,455
Unemployment rate (2022)	5.9%
Main clients (2020): in million \$	
India	173.0
Italy	4.9
Turkey	0.9
Singapore	0.6
Main suppliers (2020): in million \$	
India	623.0
France	78.8
Thailand	51.6
China	13.4
Main exports (2020): in million \$	
Ferroalloys	104.0
Semi-finished iron	24.4
Cement	13.0
Main imports (2020): in million \$	
Refined petroleum	81.3
Planes, helicopters and/or spacecraft	77.6
Wood, charcoal	28.0

Sources: Organisation of Economic Complexity (OEC) + Lloyds Bank Trade

5 INDEX OF THE UNIT PRICE FOR IMPORTS AND EXPORTS

The table below gives an overview of the development of the index of the unit price for imports and exports for Belgium (with the world).

This index facilitates an analysis of the general development of the price of goods. This makes it possible to consider the global development of Belgian imports and exports in perspective by determining the part that is

caused by price developments (and hence which part is caused by a change in quantity).

The table has to be interpreted as follows:

If a given product had an export value of €100 in the year 2015, then this product had an average value of €114.4 in 2021. The same principle applies to imports. If a particular product had an import value of €100 in 2015, the same product then had an import value of €115.1 in 2021.

TABLE 7: INDEX OF THE UNIT VALUE OF TOTAL BELGIAN EXPORTS AND IMPORTS (2015=100)

	Export	Import
2010	93.6	93.6
2011	100.0	101.3
2012	102.5	104.3
2013	101.6	103.2
2014	100.6	101.7
2015	100.0	100.0
2016	97.4	95.8
2017	102.0	101.9
2018	105.1	106.5
2019	105.8	106.4
2020	104.2	103.3
2021	114.4	115.1

6 SOURCES

WORLD BANK — WWW.WORLDBANK.ORG

NATIONAL BANK OF BELGIUM — WWW.BNB.BE

CREDENDO GROUP — WWW.CREDENDOGROUP.COM

CIA WORLD FACTBOOK — WWW.CIA.GOV

DIRECTORATE-GENERAL COMMERCE, EUROPEAN COMMISSION — [HTTP://EC.EUROPA.EU/TRADE](http://EC.EUROPA.EU/TRADE)

EUROSTAT, EUROPEAN COMMISSION — [HTTP://EC.EUROPA.EU/EUROSTAT](http://EC.EUROPA.EU/EUROSTAT)

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