

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 €17.2 million in 2023.

Belgium accounted for a share of only 0.2%, making it the 16th largest EU exporter of goods to Bhutan. Poland took first place in EU exports of goods to Bhutan with a share of 29.4% and an amount of €5.1 million. Meanwhile, Germany and Austria took second and third place with shares of 24.9% and 16.8%, respectively.

Whereas European exports (EU-27) to Bhutan declined by 33.7% (€-8.8 million) in 2023, Belgian exports were down by an astounding 99.8% (€-11.0 million). As Belgian exports to Bhutan have fallen by a significantly larger percentage than those of the EU as a whole, our country's share of EU exports of goods to Bhutan in 2022 has dropped dramatically.

While the value of Polish exports of goods to Bhutan grew by €4.8 million (+1,600.8%) in 2023 because of increased exports of 'vaccines for human medicine against SARS-related coronaviruses', those of Germany were down by 6.3% (€-288,100). Meanwhile, Austria recorded a rise of 438.2% (€+2.4 million) in its exports of goods to Bhutan due to a higher value for 'parts of electrical apparatus for switching or protecting electrical circuits, or for making connections to or in electrical circuits' and 'machinery, plant or laboratory equipment, whether or not electrically heated, for the treatment of materials by a process involving a change of temperature such as heating, cooking, roasting, distilling, rectifying, sterilising, pasteurising, steaming, drying, evaporating, vaporising, condensing or cooling, other than machinery or plant of a kind used for domestic purposes; instantaneous or storage water heaters, non-electric'.

TABLE 1: EVOLUTION OF EXPORTS TO BHUTAN

X €1,000	2022	2023	Variation (in %)	Share (in %)
1 Poland	297.9	5,067.5	1,600.8	29.4
2 Germany	4,577.2	4,289.0	-6.3	24.9
3 Austria	539.2	2,901.8	438.2	16.8
...				
16 Belgium	11,057.7	25.9	-99.8	0.2
...				
Total EU-27	25,999.9	17,229.7	-33.7	100.0

1.2 IMPORTS

Total EU-27 imports of goods from Bhutan amounted to €20.4 million in 2023.

Belgium was the 15th largest EU importer of goods from Bhutan with a share of only 0.01%. Italy was the number one EU importer with a share of 78.6%, corresponding to an amount of nearly €16.1 million. Spain and Slovenia completed the top three of imports from Bhutan with shares of 6.5% and 3.9%, respectively.

While European imports (EU-27) from Bhutan were down by 11.5% (€-2.7 million) in 2023, Belgian imports fell by as much as 96.4% (€-63,800). Since the percentage decline in Belgian imports from Bhutan was significantly larger than that of the EU as a whole, our country's share of EU imports of goods from Bhutan fell in 2023.

While Italian imports of goods from Bhutan recorded a decline of 17.0% (€-3.3 million) in 2023 due to decreased imports of 'ferro-silicon', those of Spain grew by €753,800 (+130.8%) in value. Meanwhile, Slovenia, which didn't import any goods from Bhutan in 2022, displayed imports in the amount of €801,200 in 2023.

TABLE 2: EVOLUTION OF IMPORTS FROM BHUTAN

X €1,000	2022	2023	Variation (in %)	Share (in %)
1 Italy	19,334.5	16,050.1	-17.0	78.6
2 Spain	576.2	1,330.1	130.8	6.5
3 Slovenia	0.0	801.2	-	3.9
...				
15 Belgium	66.1	2.4	-96.4	0.0
...				
Total EU-27	23,089.3	20,423.1	-11.5	100.0

2 IMPORTANCE OF BHUTAN AND ITS NEIGHBOURING COUNTRIES FOR BELGIUM'S FOREIGN TRADE (2023)

CLIENT → BELGIAN EXPORTS

SUPPLIER → BELGIAN IMPORTS

China

10th client

€8,259.2 million

5th supplier

€30,825.8 million



Bhutan

231st client

€25,900

221st supplier

€2,400



India

19th client

€4,864.3 million

16th supplier

€6,319.6 million

3 BILATERAL TRADE RELATIONS

3.1 TRADE IN GOODS

In 2023, Bhutan ranked **231st** among Belgium's main clients, before Vatican City State, but behind Tokelau.

Total Belgian **exports** of goods to Bhutan amounted to €25,900 in 2023, which is €11.0 million (-99.8%) less than the previous year.

Bhutan was Belgium's **221st** largest supplier of goods in 2023, ranking after Vanuatu, but ahead of Bermuda.

Total Belgian **imports** of goods from Bhutan were down by **96.4%** (€-63,700), amounting to €2,400 in 2023.

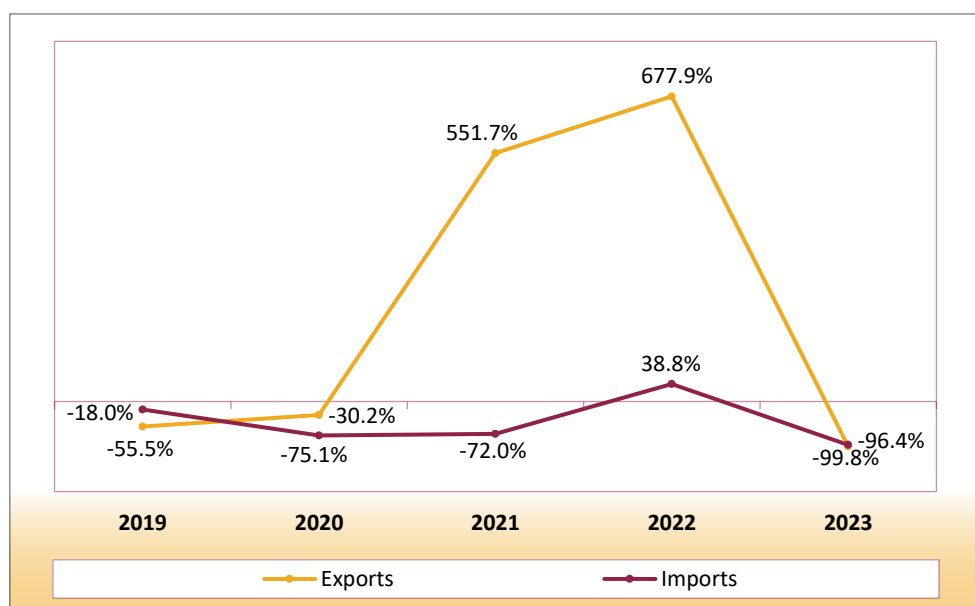
TABLE 3: EVOLUTION OF BELGIUM'S TRADE IN GOODS WITH BHUTAN

X €1,000	2019	2020	2021	2022	2023
Exports	312.5	218.1	1,421.5	11,057.7	25.9
Imports	683.2	170.4	47.6	66.1	2.4
Trade balance	-370.7	47.8	1,373.9	10,991.6	23.5
Exports: variation in %	-55.5	-30.2	551.7	677.9	-99.8
Imports: variation in %	-18.0	-75.1	-72.0	38.8	-96.4

The deficit on Belgium's **trade balance for goods** with Bhutan, which stood at €370,700 in 2019, turned into a surplus of €47,800 a year later as imports declined by a larger amount than exports. In 2021, the trade surplus grew to nearly €1.4 million as exports increased significantly, while imports fell even further. Then, imports recovered in

2022, but because export growth significantly outpaced import growth, the trade surplus grew even further to nearly €11.0 million. Finally, although both exports and imports diminished significantly in 2023, Belgium still posted a surplus of €23,500 on its trade balance for goods with Bhutan last year.

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



Total Belgian **exports** of goods to Bhutan fell from €701,700 in 2018 to €312,500 (-55.5%) a year later, due in part to the lower value for chemical products and the fact that textiles were no longer part of exports. Then, the persistently lower value for chemical products and machinery and equipment caused total exports to fall even further to €218,100 (-30.2%) in 2020. Exports of chemical products subsequently picked up in 2021 and 2022, which resulted in total exports growing to €1.4 million (+551.7%) in 2021 and nearly €11.1 million (+677.9%) in 2022. Chemical products were no longer part of exports in 2023, which largely explains why total Belgian exports of goods to Bhutan were down by 99.8% last year.

Total Belgian **imports** of goods from Bhutan, which amounted to €833,300 in 2018, fell a year later to €683,200 (-18.0%) due to the lower value for base metals and the fact that both precious metals and stones and optical, precision and medical instruments were no longer part of imports. Imports of base metals continued to fall in 2020, also reducing total imports to €170,400 (-75.1%). In 2021, base metals were no longer even included in imports, limiting the total value to €47,600 (-72.0%). Then in 2022, Belgium imported chemical products from Bhutan, which is the main reason why total Belgian imports of goods from this country amounted to €66,100 (+38.8%) that year. However, chemical products were no longer part of imports in 2023, causing the total value of imports to decline by 96.4%.

3.1.1 EXPORTS

In 2023, **optical, precision and medical instruments** dominated total Belgian exports of goods to Bhutan. With a value of €17,655, this group of products accounted for a share of 68.3% of total exports. This section was mainly composed of ‘artificial joints’.

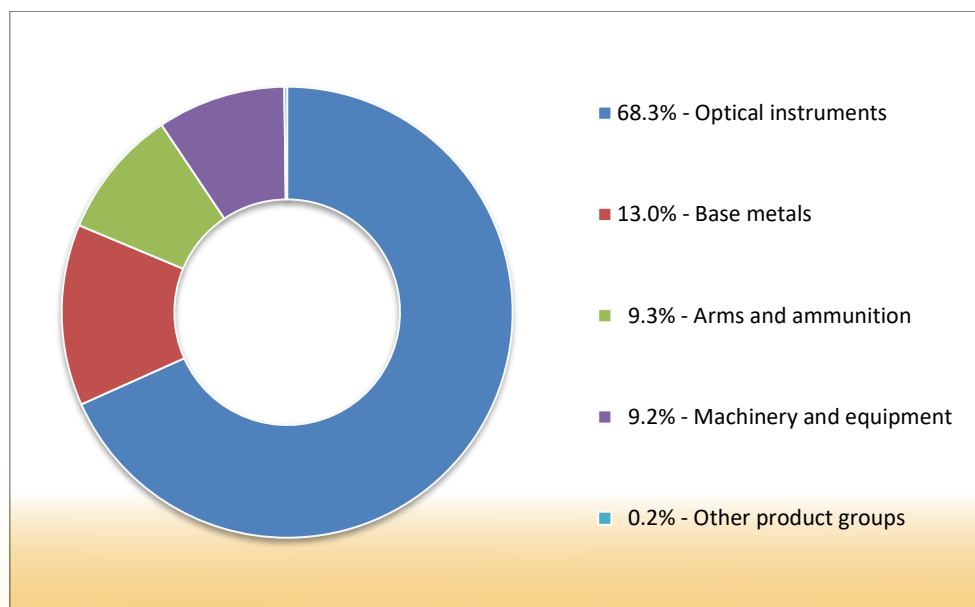
Exports of **base metals** (main subsections: ‘spoons, forks, ladles, skimmers, cake-servers, fish-knives, butter-knives, sugar tongs and similar kitchen or tableware’ and ‘table knives having fixed blades’) amounted to €3,362, corresponding to a share of 13.0% of Belgian exports of goods to Bhutan.

Arms and ammunition completed the top three of the largest sections in Belgian exports of goods to Bhutan. This group of products represented an amount of €2,417, which is equivalent to a share of 9.3%.

The only other group of products with a share of more than 1.0% was that of **machinery and equipment**. Exports of this section, which were composed exclusively of ‘static converters’, represented a share of 9.2% and an amount of €2,367.

The remaining 0.2% of Belgian exports of goods to Bhutan was represented by **textiles**. Exports of this group of products amounted to €64.

FIGURE 2: BREAKDOWN OF BELGIAN EXPORTS TO BHUTAN BY PRINCIPAL COMMODITIES (IN %) — 2023



The €11.0 million (-99.8%) decrease in total Belgian exports of goods to Bhutan resulted almost exclusively from the fact that **chemical products** were no longer part of exports in 2023. A year earlier, this section, which then consisted exclusively of ‘vaccines for human medicine against SARS-related coronaviruses’, accounted for nearly €10.9 million.

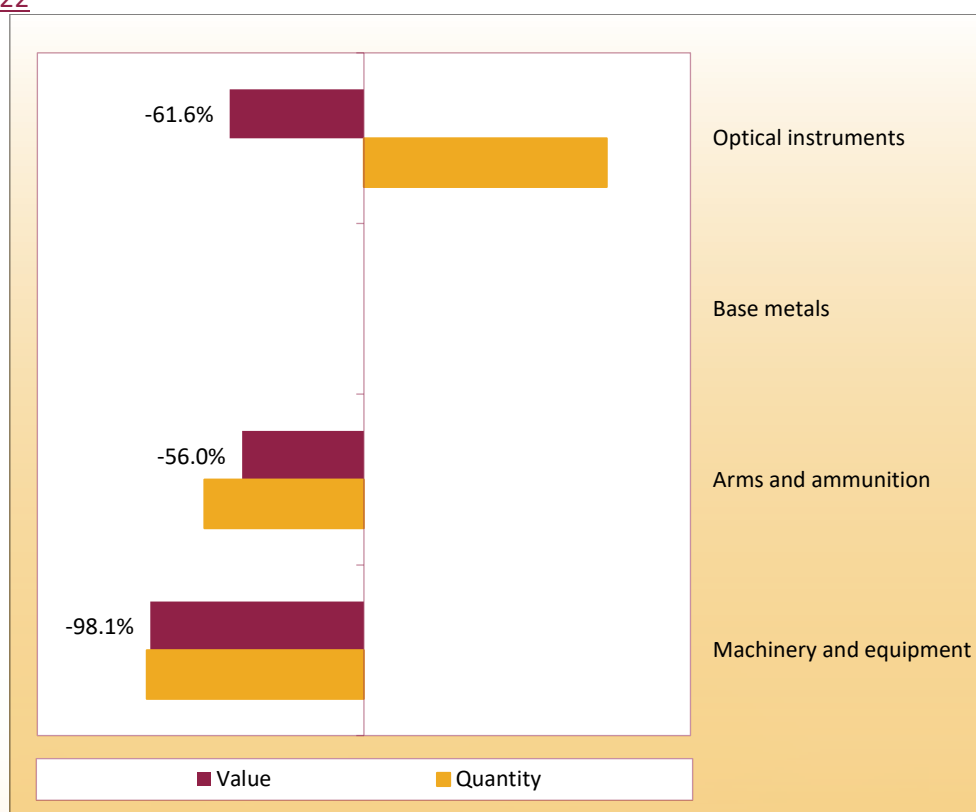
Optical, precision and medical instruments, which was the largest group of products in exports to Bhutan in 2023, saw their value decrease by 61.6% (€-28,300) due to lower exports of the sub-section ‘parts and accessories of apparatus based on the use of X-rays or of alpha, beta, gamma or other ionising radiation, whether or not for medical, surgical, dental or veterinary uses, including radiography or radiotherapy apparatus, X-ray tubes and other X-ray generators, high tension

generators, control panels and desks, screens, examination or treatment tables, chairs and the like’. The fact that the exported quantity moved in the opposite direction from the value can be attributed to the sub-section ‘artificial joints’.

Base metals, which were good for €3,362 in exports to Bhutan in 2023, were not exported by Belgium to this country a year earlier.

Arms and ammunition (-56.0% or €-3,100) and **machinery and equipment** (-98.1% or €-121,000) were the two other sections with a share of more than 1.0% of exports to Bhutan whose value declined. The fall of this last group of products can be attributed in part to the ‘input or output units, whether or not containing storage units in the same housing’ subsection.

FIGURE 3: VARIATION OF EXPORTS TO BHUTAN BY PRINCIPAL COMMODITIES (IN VALUE AND QUANTITY) — 2023/2022



3.1.2 IMPORTS

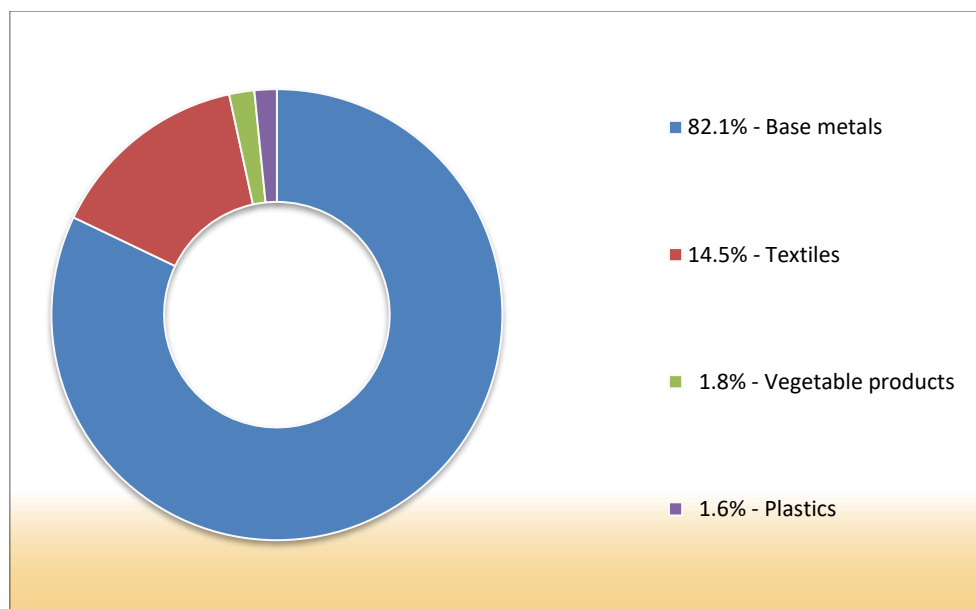
Base metals were the largest section of Belgian imports of goods from Bhutan in 2023. This group of products, composed of ‘bells, gongs and the like, non-electric, of base metal; statuettes and other ornaments, of base metal; photograph, picture or similar frames, of base metal; mirrors of base metal’, accounted for a value of €1,937, which corresponded to a share of 82.1%.

Imports of **textiles** (‘men’s or boys’ shirts’ and ‘jackets and blazers’) amounted to €343, which was equivalent to a share of 14.5%.

Vegetable products completed the top three of the largest sections in Belgian imports of goods from Bhutan. This group of products, which was composed of ‘maté’, represented an amount of €42 and a share of 1.8%.

In 2023, the only other group of products in imports from Bhutan was that of **plastics**. Imports of this section represented a share of 1.6% and an amount of €37.

FIGURE 4: BREAKDOWN OF BELGIAN IMPORTS FROM BHUTAN BY PRINCIPAL COMMODITIES (IN %) — 2023



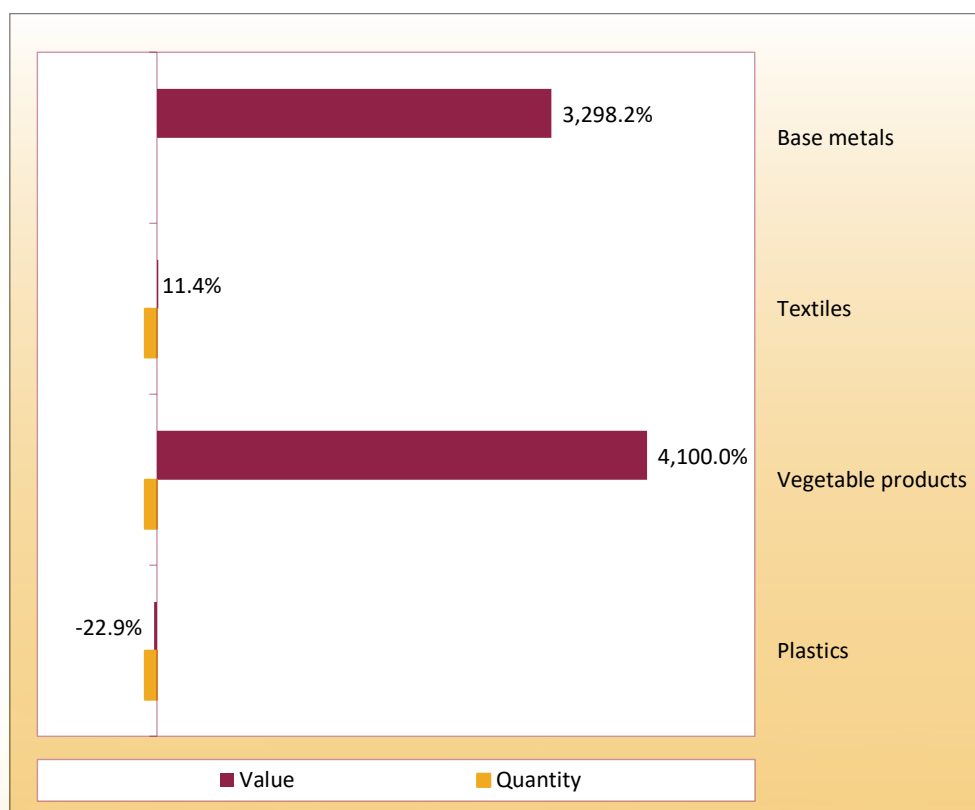
The €63,800 (-96.4%) decrease in total Belgian imports of goods from Bhutan resulted primarily from the fact that **chemical products** were no longer part of imports in 2023. A year earlier, this section, which then was composed exclusively of 'essential oils (terpeneless or not), including concretes and absolutes; resinoids; extracted oleoresins; concentrates of essential oils in fats, in fixed oils, in waxes or the like, obtained by enfleurage or maceration; terpenic by-products of the deterpenation of essential oils; aqueous distillates and aqueous solutions of essential oils', represented an amount of €60,727.

The **base metals** section, which was the largest group of products in Belgian imports of goods from Bhutan in 2023, saw its value increase from €57 to €1,937 due to imports of 'bells, gongs and the like, non-electric, of base metal; statuettes and other ornaments, of base metal; photograph, picture or similar frames, of base metal; mirrors of base metal'.

Textiles (+11.4% or €+35) and **vegetable products** (+4,100.0% or €+41) were the two other sections with a share of more than 1.0% in imports from Bhutan whose value was up. The increase in imports of this last group of products can be attributed to the 'maté' subsection.

Imports of **plastics** were down by 22.9% (€-11) in 2023 as a result of a lower value for 'polyurethanes'.

FIGURE 5: VARIATION OF IMPORTS FROM BHUTAN BY PRINCIPAL COMMODITIES (IN VALUE AND QUANTITY) — 2023/2022



3.2 TRADE IN SERVICES

The value of Belgian exports of services to Bhutan was down by **5.7%** (€-18,000) in 2023, decreasing to **€299,000**. This made Bhutan Belgium's **215th** largest client, behind Belize, but ahead of Tonga.

Belgian imports of services from Bhutan accounted for a value of nearly **€6.2 million** in 2023, up from only €529,000 the previous year. Bhutan was Belgium's **135th** largest supplier in 2023, ranking ahead of Jamaica, but behind Burkina Faso.

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

X €1,000	2019	2020	2021	2022	2023
Exports	178	183	205	317	299
Imports	321	139	373	529	6,175
Trade balance	-143	44	-168	-212	-5,876
Exports: variation in %	22.8	2.8	12.0	54.6	-5.7
Imports: variation in %	96.9	-56.7	168.3	41.8	1,067.3

Belgium's **trade balance for services** was negative for four of the five years from 2019 to 2023, with a low point in 2023 when there was a trade deficit of roughly €5.9 million.

The deficit in Belgium's services trade balance with Bhutan, which was €143,000 in 2019, turned into a surplus of €44,000 a year later as imports more than halved, while exports continued to grow slightly. Imports recovered in 2021 and as they grew more than exports, the trade surplus changed

again to a deficit of €168,000. Both imports and exports continued to rise in 2022, but because imports grew by a larger amount, the trade deficit widened to €212,000. Then in 2023, there was a slight drop in exports, while imports soared. As a result, Belgium's trade deficit in services with Bhutan jumped to nearly €5.9 million last year.

The trade balance for services contrasted with that for goods in 2023, as the latter was positive for our country last year.

3.2.1 EXPORTS

In 2023, **communication services** was the largest category in terms of total Belgian exports of services to Bhutan with a share of 68.2% and a value of €204,000. **Travel services** took 2nd place with 20.4%, while **other business services** settled in third place with a share of 6.7%. 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 lower value for **communication services** and **travel services** was the main reason why total Belgian exports of services to Bhutan were down by 5.7% in 2023. Exports of the former section decreased by 6.4% (€-14,000),

while the value of the latter group of services fell by 11.6%, from €69,000 in 2022 to €61,000 last year.

Personal, cultural and recreational services was the other remaining group of services from the top five for which exports diminished. The value for this section displayed a €2,000 (-50.0%) drop.

The negative evolution of the preceding services groups was more significant than the rise in exports of **financial services** (+66.7%, or €+4,000) and the **other services** (€+2,000).

The value of **other business services** remained stable, as it amounted to €20,000 (+0.0%) over the past two years.

TABLE 5: BELGIAN EXPORTS TO BHUTAN BY PRINCIPAL SERVICES

X €1,000	2022	2023	2023/2022 Var. in %	2023 Share in %
Communication services	218	204	-6.4	68.2
Travel services	69	61	-11.6	20.4
Other business services	20	20	0.0	6.7
Financial services	6	10	66.7	3.3
Personal, cultural and recreational services	4	2	-50.0	0.7
Other services	0	2	-	0.7
Total	317	299	-5.7	100.0

3.2.2 IMPORTS

Travel services dominated total Belgian imports of services from Bhutan in 2023. Their value amounted to roughly €6.1 million, corresponding to a share of 98.4%.

Transportation services, which are composed of sea transport, air transport, space transport, rail transport, road transport, inland waterway transport and pipeline transport, and **communication services** completed the top three with shares of 1.0% and 0.3%, respectively.

The significantly higher value for **travel services** was the main reason why total Belgian imports of services from Bhutan were up 1,067.3% in 2023. After the travel industry went through a few difficult years due to the

COVID-19 pandemic, more Belgian tourists and business people began traveling to Bhutan again. As a result, the value of this group of services grew from only €84,000 in 2022 to almost €6.1 million last year.

The value of **transportation services** increased by €58,000 (+2,900.0%) in 2023 and amounted to €60,000.

The rise in imports of the preceding services groups was more significant than the negative evolution of **communication services** (-89.4% or €-161,000), **government goods and services** (-94.4% or €-238,000), **other business services** (-14.3%, or €-1,000) and the **other services** (-100.0% or €-4,000).

TABLE 6: BELGIAN IMPORTS FROM BHUTAN BY PRINCIPAL SERVICES

X €1,000	2022	2023	2023/2022 Var. in %	2023 Share in %
Travel services	84	6,076	7,133.3	98.4
Transportation services	2	60	2,900.0	1.0
Communication services	180	19	-89.4	0.3
Government goods and services	252	14	-94.4	0.2
Other business services	7	6	-14.3	0.1
Other services	4	0	-100.0	0.0
Total	529	6,175	1,067.3	100.0

4 ECONOMIC INDICATORS FOR BHUTAN

Economic structure (estimates)	
GDP (2023)	\$2.7 billion
GDP growth rate (2023)	5.3%
Inflation rate (2023)	5.2%
Exports of goods (2022 - FOB)	\$392.0 million
Imports of goods (2022 - FOB)	\$1,350.0 million
Trade balance (2022)	-\$958.0 million
Population (2023)	787,424
Unemployment rate (2023)	5.5%
Main clients (2022): in million \$	
India	343.0
Italy	18.5
Nepal	7.4
Colombia	7.4
Main suppliers (2022): in million \$	
India	1,010.0
China	165.0
Indonesia	67.5
Thailand	24.7
Main exports (2022): in million \$	
Ferrous alloys	251.0
Dolomite	46.6
Gypsum	15.4
Main imports (2022): in million \$	
Computers	149.0
Refined petroleum	141.0
Electrical machinery	68.0

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 €141.4 in 2022. 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 €144.7 in 2022.

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

	Export	Import
2011	99.7	101.2
2012	102.5	104.4
2013	101.6	103.3
2014	100.5	101.8
2015	100.0	100.0
2016	97.4	95.8
2017	102.4	102.0
2018	105.7	106.6
2019	106.4	106.5
2020	104.8	103.5
2021	115.6	115.4
2022	141.4	144.7

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)

WORLD TRADE ORGANIZATION — WWW.WTO.ORG

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