

## RS. 4,500-CR. ASSISTANCE FOR BHUTAN

Relevant for: International Relations | Topic: India - Bhutan

Neighbourly ties: Bhutan Prime Minister Lotay Tshering welcomed by Narendra Modi in Delhi on Friday. R.V. Moorthy

India will support Bhutan's development needs by providing Rs. 4,500 crore, Prime Minister Narendra Modi announced on Friday, while visiting Prime Minister of the Himalayan country Lotay Tshering indicated his government's commitment to maintain warm ties with India.

"I have assured the Prime Minister that India will continue to be a reliable friend and a partner of Bhutan's developmental needs. India will provide Rs. 4,500 crore for Bhutan's 12th five-year plan. This contribution will be processed according to Bhutan's preferences and necessities," announced Prime Minister Modi after holding official-level talks with the Bhutanese leader and senior officials.

Bhutan remains one of the key recipients of development assistance from India. According to the Ministry of External Affairs, India provided Rs. 4,500 crore for the 11th five year plan that lasted between 2013 and 2018. *The Hindu* reported on Friday that India is committed to supporting Bhutan's next five-year plan to begin shortly. Mr. Modi said that to share the benefit of the South Asian Satellite, the Indian Space Research Organisation (ISRO) is moving ahead with plans to set up a ground station in Bhutan that will help in telemedicine, disaster relief and climate trends.

He welcomed the democratic process in Thimphu that led to the election of the new Prime Minister, Dr. Tshering who assumed office on November 7. He expressed confidence that the Mangdechhu hydro power project would be completed soon.

### Hydel power

He thanked his Indian counterpart for reaching out to him soon after the election victory and sought continued support in generation of hydro power. Dr. Tshering reiterated that hydroelectricity is the main source of revenue for his country and negotiations to fix the tariff rates on major projects continue. The statement is significant as it comes against the backdrop of reports of differences in the tariffs preferred by Delhi and Thimphu for the 720-MW Mangdechhu project, being set up with Indian collaboration.

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