

PRESS RELEASE

The First Economic Census of Bhutan (ECoB) report launch

The First Economic Census of Bhutan (ECoB) was conducted from December 2018 to February 2019 with the technical and financial support of the World Bank. The census enumerated a total of 13,997 establishments. While the census collected basic information for all establishments in existence during the period of census enumeration, a more comprehensive amount of data was collected for establishments that were operation in 2017. The census reference date was December 31, 2017.

The main objective of the census was to assess the characteristics of the Bhutanese economy and its performance. The census had the following specific objectives:

- Identify the population of economic units;
- Collect data on the various sectors of the economy;
- Establish benchmark information and indicators for levels of economic growth;
- Update and improve statistical business register information; and
- Develop sampling framework for future economic surveys.

An economic census is a statistical survey conducted on the full set of economic units belonging to a given population or universe. It is the complete enumeration of establishments at a point in time with respect to well-defined characteristics. An establishment is defined as an enterprise, or part of an enterprise in a single location, that undertakes a single productive activity or in which the principal productivity accounts for most of the value added. An establishment may hold one or multiple licences. Therefore, it may not be directly comparable with the number of licences issued by the Department of Trade, Ministry of Economic Affairs. Further, ECoB 2018-19 enumerated those establishments that were in operation during the census reference period.

With the above definition of establishment, the ECoB 2018-19 covered the following establishments operating within the territory of Bhutan:

- State-owned enterprises;
- Single proprietorships;
- Partnerships;
- Private limited companies;
- Public limited companies;
- Foreign direct investment (FDI) companies;
- Non-governmental organizations (NGOs);
- Regular vendors operating in a permanent shed;
- Functional cooperatives/farmers' group; and
- Project authorities.

The ECoB 2018-19 did not cover:

- Household-based businesses such as operation of taxis or trucks and handicraft activities;
- Household-based subsistence growing of crops and rearing of livestock;
- Religious institutions such as *Dratshangs*, *shedras*, and *Gomdeys*;
- General government offices; and
- Defense services.

While data have been collected for the functional farmers' groups and cooperatives with proper address, the coverage has not been sufficiently complete, as most of the groups did not have a proper office, and by and large operated from individual homes. Similarly, despite repeated efforts to locate offices of the NGOs, the number of NGOs covered was only about 50 percent.

Key Findings

1. **Geographic distribution:** Almost 60 percent of establishments are concentrated in 6 out of 20 *dzongkhags*, with almost Thimphu *dzongkhag* accounting for 25 percent of the total. Almost two-thirds (about 64 percent) of the establishments are located in urban areas, and Thimphu *thromde* alone represents 22 percent of the total.
2. **Legal status and economic organization:** In terms of the legal status and economic organizations of the establishments, the distributions show very large concentrations in single proprietorship and partnership establishments. They account for more than 9 out of 10 (92 percent), and only 2 percent of the establishments are part of an enterprise with establishments in more than one location.
3. **Legal status and duration of establishment:** Private limited companies, public limited companies and state-owned companies have been in operation significantly longer (on an average between 13 and 16 years) than establishments with other legal status. The large number of establishments that are single proprietorships or partnerships were on average operating for 6.4 years, and half of these establishments operated less than 4 years.
4. **Gender and ownership of establishment:** A majority (56 percent) of the single proprietorship establishments are owned by women. On an average, these female owners are 39.4 years old, whereas their male peers have an average age of 45.3 years. Some 55 percent of owners of single proprietorship and partnership establishments attained primary education or less.
5. **Establishments with FDI:** With 31 establishments, FDI companies form a very small proportion (0.2 percent) of the total number of establishments in Bhutan. The foreign investments originate from 17 different countries, among which India is the most represented with investments in 10 FDI companies.
6. **Economic sector distributions:** The establishments in Bhutan are strongly concentrated in very few economic sectors. Almost two-thirds (63 percent) are operating in the trade sector, mostly as retail trade establishments. Around one-fifth (21 percent) are working in the sector of accommodation and food services, mostly as food and beverage service providers. Trade establishments form the majority in all *dzongkhags*, ranging between 54-78 percent of all the establishments.
7. **Employment by economic sector:** While single proprietorship and partnership establishments represent more than 90 percent of all establishments, they provide employment to only 49 percent of the total workers. On the other hand, private limited companies, state-owned enterprises, and project authorities represent a very small proportion of all establishments, but these provide employment to 39 percent of all workers. Although, wholesale and retail trade accounts for 63 percent of the total establishments, it employs only 24 percent of workers.
8. **Gender and employment:** Overall, females account for 36 percent of the total workers. They are more represented in single proprietorship and partnership establishment with 47 percent and especially in permanent shed vendors with 82 percent, whereas they are under represented among private and public limited companies (21 percent and 28 percent, respectively) and especially in project authorities.
9. **Status in employment:** 53 percent of the workers consist of regularly paid employees, followed by 18 percent own-account workers and 13 percent contract employees. The majority of regularly paid and contract employees are men (respectively, 66 percent and 89 percent), whereas among own-account workers and unpaid family workers, women make up more than half (respectively, 61 percent and 58 percent).
10. **Working hours by employment:** Most regularly paid, casual-paid, and contract employees work between 40 to 50 hours a week, whereas the majority of own-account workers and unpaid family workers work more than 70 hours a week.

11. **Wages and salary:** The median monthly remuneration of male workers is BTN 9,700 as against BTN 8,000 for female workers.
12. **Business obstacles:** The most common obstacles for more than 35 percent of establishments are difficulties with access to finance, rent payment, competition from the informal sector, and electricity supply. The first three of these are not only the most frequently experienced but are also the problems that are considered the most severe. For the primary sector establishments (mostly in rural areas), the combined ranking for prevalence and severity finds transport and water supply among the three most important obstacles next to access to finance. For the secondary sector, access to raw materials, the level of education (skills) of employees, and tax rates were prominent obstacles. For tertiary sector, the obstacles are electricity supply, competition from the informal sector, and paying rent.

*The **Economic Census of Bhutan (ECoB 2018-19) Report** can be downloaded from www.nsb.gov.bt.*

**(National Statistics Bureau)
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