

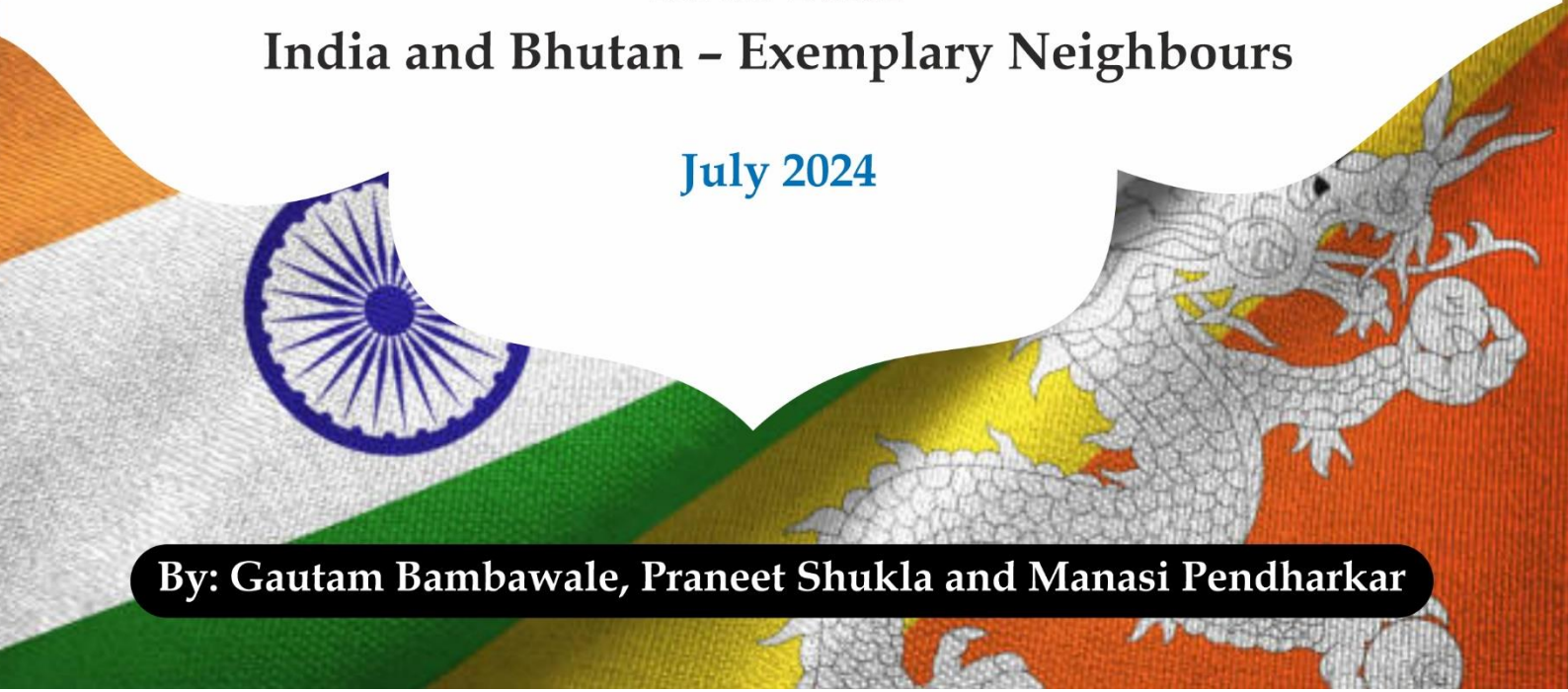


PUNE INTERNATIONAL CENTRE



Issue Brief
India and Bhutan – Exemplary Neighbours

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1. Exemplary Ties

India's current Foreign Secretary, Vikram Misri, who took charge on 15 July 2024, visited Bhutan for his first official trip abroad. While visiting India's steadfast neighbour, the Foreign Secretary's itinerary included an audience with the King of Bhutan, Jigme Khesar Namgyel Wangchuk. This highlights Bhutan's cruciality to India's strategic interests and the historical partnership that exists between the two countries. It is in this context of essential bilateral relations and its evolving dynamics that this issue brief situates itself.

Nestled in the Himalayas, Bhutan is located between two influential nations: India and China. Over the years, Bhutan's relationship with these countries has dramatically shaped its economic and political landscape. Bhutan's partnership with India, spanning several decades, has witnessed numerous collaborations across various sectors, from trade and economic cooperation to military and socio-cultural exchanges. Meanwhile, Bhutan's relationship with China is focused mainly on resolving border disputes and other diplomatic relations.

Prime Minister Tshering Tobgay's recent state visit from March 14 to March 18, 2024, and Prime Minister Narendra Modi's reciprocal visit on March 22, 2024, underline the fact that both nations consider each other important partners in the region.

The visits yielded significant outcomes across various sectors, with PM Modi reaffirming India's commitment to supporting Bhutan in its 13th Five Year Plan, including consideration for the *Economic Stimulus Program*, focusing on fronts of infrastructure, connectivity, and agriculture, among others (Ministry of External Affairs, Government of India, 2024a). The Prime Ministers also highlighted the importance of investment linkages through the Gelephu Mindfulness City initiative, aimed at Bhutan's sustainable economic development. Additionally, hydropower cooperation remains at the heart of the bilateral economic partnership, with commitments made to expand cooperation and progress on existing projects and also broadening it to include non-hydro renewables like solar and wind, along with green initiatives such as hydrogen and e-mobility sectors (Ministry of External Affairs, Government of India, 2024a). India also signed an MoU providing concessional financing to support Bhutan's Gyalsung program for youth skilling and leadership development (Ministry of External Affairs, Government of India, 2024a). Both sides acknowledged advancements in establishing two rail links between Banarhat (West Bengal)-Samtse (Bhutan) and

Kokrajhar (Assam) - Gelephu (Bhutan), which demonstrates their commitment to enhancing connectivity (Ministry of External Affairs, Government of India, 2024a). Additionally, several MoUs were signed in energy, trade, and connectivity (Ministry of External Affairs, 2024), further solidifying the comprehensive partnership between India and Bhutan.

What surprises many observers of the India–Bhutan relationship is the steadfast commitment between the two nations to their unequal but strong ties. They epitomise India’s *Neighbourhood First* approach where New Delhi is willing and able to help a smaller country to stand on its own feet and assist in overcoming many of the problems it faces. Naturally, all this is done within India’s own capacities and capabilities. On its part, Bhutan has been clear-eyed and has not attempted to play off its two largest neighbours in the hope of gaining from both. It has always understood that any threats to its sovereignty, its way of life and its religious beliefs come not from its South but from its North. India is staunchly committed to Bhutan’s sovereignty and territorial integrity. In fact, Delhi depends on Thimphu to help safeguard its own territory, particularly the sensitive Siliguri Corridor. As we have seen, there is continuous engagement between the two governments and between the people of the two nations, which is essential to expand this clear understanding between the two. This is why we describe India-Bhutan relations as being exemplary.

This Issue Brief examines the critical aspects of the evolving partnership between India and Bhutan, especially in the context of growing Chinese influence. Indo-Sino relations have deteriorated significantly since the Galwan Clash in 2020, and the ever-increasing Chinese pressure on Bhutan to formalise diplomatic relations presents a challenge to the historically strong relationship between India and Bhutan. This brief explores these dynamics in detail, starting with an overview of Bhutan's economy, India’s economic relations with Bhutan, the growing Chinese footprint on Bhutan’s economy and an analysis of the historical partnership between India and Bhutan in hydropower and military cooperation. It will then delve into the region's geopolitics and conclude with strategic recommendations for India and Bhutan in the face of Chinese influence.

2. Snapshot of Bhutan's Economy

Bhutan's uniqueness lies in focusing more on the country's Gross National Happiness than the Gross Domestic Product. The concept introduced by King Jigme Singye Wangchuck in the late 70s continues to influence Bhutan's development policy by integrating traditional socio-economic concerns with aspects of culture, community vitality, and psychological well-being (Oxford Poverty and Human Development Initiative, n.d.). Despite being among the smallest economies in the world, Bhutan has done reasonably well on the economic front and is emerging as an important economy in South Asia. As the Committee for Development Policy (2023) reported, the 2010-2019 decade witnessed a GDP growth rate averaging over 5%, which helped reduce poverty, with people below the national poverty line dropping from 23.2% in 2007 to 8.2% in 2017. Bhutan's economy primarily relies on hydroelectric power, agriculture, forestry and tourism. The Covid-19 pandemic severely impacted the economy; it contracted to 10.2% in 2020; however, it gradually recovered to 4.4% in 2021 and 5.2% in 2022 and is projected to grow by 4.0% in 2023 and 4.4% in 2024 (Asian Development Bank, n.d.).

However, the unemployment rate has increased, and youth unemployment remains a concern for the economy. Over the years, as per National Statistics Bureau of Bhutan Reports of 2019, 2020, 2021 and 2022, the unemployment rates have shown an upward trend except in 2019. Unemployment stood at 2.7% and youth unemployment at 11.9%. 2020 saw increases, with unemployment hitting 5% and youth unemployment at 22.6%. In 2021, the overall rate was 4.8%, with youth unemployment at 20.9%, and in 2022, unemployment rose to 5.9%, with youth unemployment reaching 28.6%.

Additionally, challenges persist, such as the fiscal deficit increasing from 1.8% of GDP in 2020 to 6.7% in 2023 (Asian Development Bank, n.d.). The current account balance deteriorated from -13.0% of GDP in 2020 to -25.2% in 2023 (Asian Development Bank, n.d.). Foreign exchange reserves fell from \$766.6 million at the end of 2022 to \$533.3 million by November 2023 (Asian Development Bank, n.d.). Inflation moderated to 4.2% in 2023 but remains higher than the pre-Covid-19 average of 3.6% (Asian Development Bank, n.d.).

3. India-Bhutan Economic Partnership

As Bhutan has charted its economic progress over the years, its partnership with India has remained pivotal. This section explores the partnership between the two nations in the areas of Development Assistance, Trade, Investment, and Hydropower Cooperation.

Development Assistance:

India's development assistance dates back to the 1960s when Bhutan's Five-Year Plans were initiated. The details of the assistance provided by India for the Five-Year Plans are provided below

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Year	Total Allocations	India's Contribution	% of India's Contribution
1961 – 66 [1st Plan]	10.72	10.72	100%
1966 – 71 [2nd Plan]	20.22	20.22	100%
1971 – 76 [3rd Plan]	47.52	42.66	90%
1976 – 81 [4th Plan]	110.62	85.30	77%
1981 – 87 [5th Plan]	444.05	134.00	30.2%
1987 – 92 [6th Plan]	950.00	400.00	42.1%
1992 – 97 [7th Plan]	2350.00	750.00	31.9%
1997 – 2002 [8th Plan]	4000.00	1050.00	26%
2002–2008 [9th Plan]	8900.00	2610.14	29.33%
2008–2013 [10th Plan]	14900.00	3400.00*	23%
2013–2018 [11th Plan]	21300.00	4500.00	21%

Source: Indian Embassy, Thimphu, Bhutan

Amount in Rs. Crores

*Excludes India's assistance towards mega projects

As per the Embassy of India, Thimphu (2024), for Bhutan's 12th Five-Year Plan, India committed INR 5000 crore, focusing on crucial areas such as agriculture, irrigation, ICT, healthcare, industry, energy, and transportation. India has also implemented 82 Project Tied Assistance Projects and 524 High Impact Community Development Projects, spanning infrastructure development, digital connectivity, healthcare, education, and urban development (Embassy of India, Thimphu, 2024). Additionally, India allocated INR 400 crore for the Transitional Trade Support Facility and provides direct budgetary support to the Bhutanese government through a *Program Grant Component* (Embassy of India, Thimphu, 2024).

Trade:

India has been Bhutan's biggest trade partner. The 1949 Treaty between the Government of India and the Royal Government of Bhutan set the foundation of free trade between the two nations. The agreement formalised in 1972 was updated five times in 1983, 1990, 1995, 2006 and 2016. The 2016 Agreement on Trade, Commerce, and Transit between the Royal Government of Bhutan and the Government of India will remain in effect until 2026, allowing Bhutan a duty-free transit of goods to and from third countries (Royal Bhutanese Embassy).

According to the Ministry of External Affairs, Government of India (2024), since 2014, India's merchandise trade with Bhutan has nearly tripled, soaring from USD 484 million in 2014-15 to USD 1606 million in 2022-23. It represents about 73% of Bhutan's total trade, with the balance skewed in favour of India (Ministry of External Affairs, Government of India, 2024). India's primary exports to Bhutan include petroleum products, passenger cars, rice, wood charcoal, cell phones, coke and semi-coke, soya bean oil, excavators, electric generators and motors, turbine parts, and transport vehicles, while its imports from Bhutan consist of electricity, ferro-silicon, ferro-silico-manganese, semi-finished iron or non-alloy steel products, and boulders, among others (Ministry of External Affairs, Government of India, 2024).

Goods into North East India and Bhutan, and significant trade into Nepal and Bangladesh passes through the narrow Siliguri Corridor in northern West Bengal (Economic Times, 2021). Furthermore, approximately 94% of Bhutan's trade occurs via land routes, with ten designated Land Customs

Stations (LCS) along the India-Bhutan border to facilitate trade between the two nations that travel to these stations via the narrow land corridor. LCS Jaigaon-Phuentsholing, located in the Alipurduar district of West Bengal alone, handles nearly 70% of Bhutan's overall trade volume (Embassy of India, Thimphu n.d.-b). The Jaigaon Port is also crucial to facilitating Bhutan's trade with third countries (Land Ports Authority of India, n.d.). Regarding logistics and connectivity, the presence of multiple highways and railway lines makes the Siliguri Corridor a vital transport route (Economic Times, 2021).

The following data was obtained from the Bhutan Trade Statistics, which mentions the trade balance with India from 2014 to 2023.

Balance of Trade with India										
A. Trade including electricity										
Trade	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Export	31801	31,801	32,052	31,618	32,170	39,810	43,513	50,844	49,173	44,588
Import	47848	53,741	55285	53,973	60,107	56,659	51,379	71,236	85,093	87,016
Balance	-16047	-21,940	-23,333	-22,355	-27,937	-16,849	-7,866	-20,392	-35,920	-42,428
B. Trade excluding electricity										
Trade	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Export	21,168	19,677	19,020	19,635	21,592	23,573	15,990	26,409	26,698	27,913
Import	47,529	53,491	55,112	53,898	59,812	56,453	51,198	71,236	85,093	85,138
Balance	-26,361	-33,814	-36,092	-34,263	-38,220	-32,880	-35,208	-44,827	-58,395	-57,224

Value in Millions Nu.

Source: Bhutan Trade Statistics, 2018 and 2023, Ministry of Finance, Royal Government of Bhutan

As can be inferred from the above data, Bhutan has consistently reported trade deficits with India, which have been continuously rising since 2014. As previously highlighted, trade has increased and is skewed in favour of India.

India continues to remain Bhutan's largest import and export partner. However, over the years, China-Bhutan Trade relations have considerably increased. As per (the Ministry of Finance, Royal Government of Bhutan, 2018), China ranked 3rd among Bhutan's import partners in imports and 25th in export ranking. In comparison, according to the Ministry of Finance, Royal Government of Bhutan (2023), China was now the second-largest import partner and fifth-largest export partner. Even though India was still the leader in both exports and imports, China's exponential trade advancement could be a matter of concern due to fluctuating geopolitical dynamics in the region.

Investment:

In addition to trade partnerships, India is also a significant contributor to foreign direct investment in Bhutan. According to the Ministry of Industry, Commerce and Employment, Royal Government of Bhutan's FDI annual reports, India's share of investment has steadily increased over the years: 45% in 2019, 47% in 2020, 50% in 2021, 51% in 2022, and 57% in 2023.

Hydropower Cooperation:

India's support for Bhutan's development extends substantially through the hydropower projects that provide clean electricity to India and boost Bhutan's export revenue. The cooperation commenced in 1961 with the signing of the Jaldhaka agreement, leading to the establishment of the Jaldhaka hydropower project on the Indian side of the Indo-Bhutan border in West Bengal. 1987 was a pivotal moment in strengthening ties, with the commissioning of the 336 MW Chukha Hydropower Project (CHP), fully funded by the Government of India (Royal Bhutanese Embassy in New Delhi, n.d.). The success of the CHP paved the way for other significant collaborations between India and Bhutan, such as the 1020 MW Tala Hydroelectric Project in western Bhutan commissioned in 2007 (Royal Bhutanese Embassy in New Delhi, n.d.). The partnership evolved with the 2006 Agreement on Cooperation in Hydropower and its 2009 Protocol, aiming to scale Bhutan's power generation capacity from 5000 MW to 10000 MW by 2020. In April 2014, the 'Inter-Governmental Agreement concerning the Development of Joint Venture Hydropower Projects' was signed, which paved the way for new projects (Ministry of External Affairs, Government of India). The agreement also paved the way for 4 HEPs – 600 MW Kholongchu, 180 MW Bunakha, 570 MW Wangchu and 770 MW Chamkarchu, totalling 2120 MW to be executed under the Joint Venture Model between Public Sector Undertakings of both the countries (Ministry of External Affairs, Government of India, n.d.-c). The Concession Agreement for the 600 MW Kholongchu Hydroelectric Project was signed in 2020, and completion is anticipated in the latter half of 2025 (Ministry of External Affairs, Government of India, 2020).

As per the Ministry of External Affairs, Government of India (2024), the 720 MW Mangdechhu Project was commissioned in August 2019 and was handed over to Bhutan in December 2022.

Also, the 1200 MW Punatsangchhu-I HEP and the 1020 MW Punatsangchhu-II HEP under the Intergovernmental Mode are in the stages of implementation, and the Punatsangchhu-II HEP is expected to be commissioned later this year.

Hydropower cooperation is vital for both India and Bhutan: India benefits from clean energy at competitive rates, while Bhutan's economy relies on this sector, with India providing a stable market for its surplus power (Haran, 2022). Hydropower drives Bhutan's socio-economic growth, constituting a significant portion of its revenue (Economic Times, 2024).

4. India-Bhutan Security Partnership

In addition to robust economic ties, Bhutan and India have always shared a strong and long-standing partnership in the security domain. Since 1949, Bhutan has received weapons, logistics, and training support from the Indian Military and continues to benefit from the Indian government's Bhutan-leaning foreign policy (Kumar, 2007).

Owing to the sensitive nature of the Bhutan–China and India security triangle, India needed to solidify strategic partnerships with Bhutan to protect its borders in the North East. Since establishing diplomatic ties, Bhutan has had a pro-India stance due to India's economic, strategic and political support (Debnath, 2016). Bhutan has resisted diplomatic offers from the Chinese (Gambhir, 2021). The 1962 Sino-Indian Conflict forced India to change its approach in dealing with the border issue after its defeat against China, emphasising shifting towards strengthening the defence capabilities of the Bhutanese Army and enhancing military cooperation. (Rizal, 2004)

The Indian Government sanctioned the presence of an Indian Military Training Team (IMTRAT) led by a Major General to provide logistics and training support to the Royal Bhutan Army and the Royal Bodyguard of Bhutan (Atray, 2018). The IMTRAT Headquarters has also maintained a hospital in Thimphu, called the Friendship Hospital, which has proven invaluable in supporting the medical needs of Bhutanese nationals in the region (Atray, 2018). The Indian Military has also taken up the responsibility of training Bhutanese Officers at the National Defence Academy (NDA) in Pune and at the Indian Military Academy (IMA) in Dehradun (Choden, 2004), enabling a deeply enriched and deep camaraderie among troops of the two nations.

Over the years, the Indian Border Roads Organisation embarked on Project DANTAK, during which significant contributions were made to developing road infrastructure in Bhutan's mountainous terrain and connecting previously isolated remote districts (Singh, 2017). Furthermore, India has constructed many hydropower projects, schools, hospitals, a few airports, and other civil infrastructure (Singh, 2017). This infrastructure construction has strengthened Indo-Bhutan relations as it enables better connectivity and efficient passage of supplies around Bhutan, apart from being strategically vital for India, allowing for quick movement of troops and logistics if required. India and Bhutan also share good military cooperation and have exhibited that in the past through coordinated efforts between both nations to curtail illegal cross-border activities of insurgent groups. In 2003, the Bhutan Government initiated military action against militant groups which had been taking refuge in the dense forests of South East Bhutan since the early 1990s (Banerjee & Laishram, 2008). These groups operating in the North East Indian states were detrimental to India's national security and Indo-Bhutan relations since Bhutan could not be seen as a sanctuary for terrorists (Banerjee & Laishram, 2008). The concerns raised by the Indian Government were assessed by Bhutan, with the then Monarch Jigme Singye initially in favour of resolution through dialogue and submitting that any Indian Military intervention would be perceived as an act of aggression (Banerjee & Laishram, 2008). With multiple rounds of discussions with the groups since 1998 yielding no merit, the Bhutan Government finally approved military action on 14 July 2003 (Banerjee & Laishram, 2008). Operation All Clear was launched on 15 December 2003, in which the Royal Bhutan Army attacked camps of the United Liberation Front of Assam (ULFA), National Democratic Front of Bodos (NDFB) and the Kamtapur Liberation Organization (KLO) militant outfits and inflicted heavy casualties, forcing many fighters to surrender (Banerjee & Laishram, 2008). These events highlight the strong ties between India and Bhutan and the capacity for further strategic development between the two nations.

5. Geopolitical Dynamics

The India-Bhutan Treaty of 1949 established the framework for peaceful and cooperative relations between the two nations (Ministry of External Affairs, Government of India, 1949). Key provisions included maintaining perpetual peace and non-interference in each other's internal affairs, with Bhutan agreeing to be guided by India in its external relations. The treaty also promoted free trade and commerce, ensured the extradition of criminals, and guaranteed India's protection of Bhutan's sovereignty. In 2007, the treaty was updated to reflect Bhutan's increased autonomy in its external relations (Ministry of External Affairs, Government of India, 2007). The revised treaty maintained the commitment to perpetual peace and friendship, emphasised cooperation on national security and mutual interests, and promoted economic and trade cooperation. It allowed Bhutan to import arms from India, ensured equal justice for citizens of both countries residing in each other's territory, and upheld existing extradition agreements. Additionally, it encouraged cultural exchanges in education, health, sports, and technology and provided bilateral negotiations to resolve disputes, thereby strengthening the historically close and trusting relationship between India and Bhutan. The frequency of the recent state visits by Prime Ministers Modi and Tobgay underscores the significance of the relationship between Bhutan and India, reflecting their mutual interest in deepening ties amid China's expanding influence. This relationship between Bhutan and China is complex due to persistent boundary disputes, the absence of formal diplomatic relations, and Bhutan's strategic alignment with India. These factors have intensified discussions surrounding Bhutan-China relations, especially in light of Indian insistence on Bhutan to safeguard its interests.

It was only in 1984 that Bhutan and China began a bilateral dialogue to resolve the long-standing border issue between the two countries (Bisht, 2010). After a seven-year hiatus, Bhutan and China resumed their 25th boundary talks on October 23-24, 2023 (Ministry of Foreign Affairs, Royal Government of Bhutan, 2023). They acknowledged the progress made since the 24th round held in 2016 and praised the Expert Group's contributions (Ministry of Foreign Affairs, Royal Government of Bhutan, 2023). A Cooperation Agreement detailing the Joint Technical Team's role in boundary delimitation and demarcation was signed. Both sides committed to advancing the implementation of the Three-Step Roadmap (Ministry of Foreign Affairs, Royal Government of Bhutan, 2023). A few contested areas within Bhutan see intrusions by the Chinese Military, namely, Doklam, Jakarlung, and Pasamlung (Chatham House, 2022).

The issue is further complicated by the absence of a Land Border Agreement between Bhutan and China, with the latter claiming multiple regions (Chatham House, 2022) in Bhutan as its own. China has recently staked claims on the Sakteng region in Eastern Bhutan. In an attempt to legitimise its claims, China has begun constructing villages in these contested regions and often uses Tibetan herders to intimidate Bhutanese villagers and shepherds (Bisht, 2010). China has attempted to justify claiming these areas as part of its territory since ancient times. Out of these, the location of the Doklam Plateau is critical to India as it is just north of the Siliguri Corridor or the Chicken's Neck (France 24, 2024). This land lies between Nepal and Bangladesh and is exceptionally narrow, connecting the North Eastern States of India with the rest of the country. This vulnerability was the reason behind the 72-day standoff between the militaries of India and China in the Doklam region of Bhutan at the India-Bhutan-China Border. It is inferred that the PLA's alleged infiltration was an attempt to alter the status quo by constructing a road in the area (Menon, 2017).

6. Doklam Standoff

In 2017, Bhutan alleged that China had attempted to alter the status quo along the Trijunction when the People's Liberation Army (PLA) was found constructing a motorable road toward the Bhutan army camp at Zompelri. Previously, the region's Chinese infrastructure only consisted of rudimentary dirt track roads. Bhutan cited the agreements of 1988 and 1998 and reiterated their commitment to maintaining peace in border areas until boundary disputes were resolved (Ministry of Foreign Affairs, Royal Government of Bhutan, 2017). China insisted that the construction of the road in Doklam was an act of sovereignty on its territory as "Doklam has been a part of China since ancient times" and "is an indisputable fact supported by historical and jurisprudential evidence, and the ground situation" (Joshi, 2023). Despite Bhutan's condemnation, China proceeded with its construction activities near the India-Bhutan-China trijunction in Doklam, sparking tensions between the countries (Joshi, 2023). This escalation culminated in a seventy-three-day military standoff between the PLA and the Indian Army. It ended in August 2017 after both sides agreed to disengage (Carnegie Endowment for International Peace, 2024).

Furthermore, India's response was to mobilise troops to stop such Chinese ingressions and to reinforce existing positions. In the background, constant diplomatic dialogue between Beijing and New Delhi was being held to de-escalate the situation. However, the posturing by Foreign Ministry Spokespersons and State Media from both countries made it seem otherwise (Griffith Asia Institute, 2017).

What is important to remember is that through this 72-day standoff, Bhutan was steadfastly with India and made as few comments as possible so as not to stir the pot too much. Thimphu left the argumentation to Beijing and New Delhi. Whatever the behind-the-screen discussions between India and Bhutan, it must be admitted and admired that India had the support of its exemplary neighbour.

7. Takeaways for India

The fact remains that Bhutan's eventuality of establishing diplomatic relations with China would have significant implications for India and Bhutan. India is seeing China as overly provocative and inclined towards maintaining the legitimacy of its claims in the region.

India was among the first few countries to recognise the PRC (The Print, 2023). It shared cordial relations until the unprovoked escalation in the War of 1962 when the Chinese invaded India in the Ladakh and Arunachal Pradesh regions (Lidarev, 2012). The conflict resulted in an overwhelming Chinese victory, and India lost the Aksai Chin, which remains contested today (India Today, 2023). The clashes in Galwan and the Doklam standoff are recent examples of rising tensions in the region (Ethirajan & Pandey, 2020). At one point, China strongly advocated the Five Finger Policy as part of its foreign outlook (Gupta, 2021). Its five fingers were Ladakh, Nepal, Sikkim, Bhutan and Arunachal Pradesh, with Tibet as the palm (Gupta, 2021). As part of this expansionist policy, these territories were claimed to be rightfully part of the People's Republic of China (Gupta, 2021). Though the idea remains dormant, China has attempted to justify its claims by publishing maps over certain disputed areas in Arunachal Pradesh and Bhutan and issuing protests to visits by Indian officials to these contested areas, deeming them provocative and detrimental to Chinese interests and regional peace (The Wire, 2023); Reuters, 2024). Beijing has also continuously increased its claims of Bhutanese territory, which without doubt has been noted in Thimphu and must terrify them.

It implies that China cannot be seen as a reliable partner, and it would be in Bhutan's best interest to refrain from establishing diplomatic relations with China.

The Chicken's Neck, or the Siliguri Corridor, remains the most vital aspect in the whole canvas of India-China-Bhutan Relations. Furthermore, Siliguri remains vulnerable to attack aircraft, long-range artillery, rockets and missile attacks positioned by the PLA at bases near the trijunction. In the event of a concerted effort by the Chinese in the form of a lightning-fast attack and if Siliguri were to fall, North East India would be cut off from the mainland. All essential supplies Bhutan depends on pass through the Siliguri Corridor and are then imported through land ports along the Indo-Bhutan border. The Land Port Jaigaon in the Alipurduar district of North East West Bengal carries vital significance as it is responsible for over 70% of all trade into Bhutan (Embassy of India, Thimphu n.d.-b). This thus necessitates pragmatism by the Bhutanese in their diplomatic approach with the Chinese.

Furthermore, Chinese ingressions and clashes with Indian troops, along with the construction of logistic and combat infrastructure in the Arunachal Pradesh region, point to a Chinese approach to prepare for the possibility of conflict (Pandit, 2024).

The inescapable conclusion is that it is well within Bhutan's and India's long-term interest to preserve their exemplary ties of good neighbourliness and to do what it takes to work with the other side, comprehend them thoroughly and to help each other overcome their problems and challenges. This appears to be the best-case scenario for both and it is inevitable that they continue on the present path and retain their strong, indivisible partnership. While China is indeed a factor in such ties, both New Delhi and Thimphu must not give it primary significance in their own relations. They need to stay together and work together irrespective of any provocations. This bodes well for the relationship. It is a path we must continue to tread.

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