

**Bhutan-India Joint Press Statement
on the State Visit of Prime Minister of India Shri Narendra Modi
to the Kingdom of Bhutan from 15-16 June 2014**

1. At the invitation of His Majesty Jigme Khesar Namgyel Wangchuck, the King of Bhutan, Prime Minister of the Republic of India Shri Narendra Modi paid a State Visit to Bhutan from 15-16 June 2014. The Prime Minister of India was accompanied by External Affairs Minister Smt. Sushma Swaraj, National Security Adviser Shri Ajit Doval, Foreign Secretary Smt. Sujatha Singh and other senior officials of the Government of India.
2. The visit to Bhutan by Prime Minister Shri Narendra Modi is highly significant as it is his first visit abroad after he was sworn-in as the Prime Minister of India on 26 May 2014 in New Delhi. The visit reinforces the tradition of regular high-level exchanges between the two countries and upholds and strengthens the special and unique age-old friendship between Bhutan and India.
3. His Majesty Jigme Khesar Namgyel Wangchuck, the King of Bhutan and His Majesty Jigme Singye Wangchuck, the Fourth Druk Gyalpo separately granted audiences to Prime Minister Shri Narendra Modi. Prime Minister Shri Narendra Modi held official talks with Lyonchhen Tshering Tobgay and discussed issues of mutual interests.
4. Prime Minister Shri Narendra Modi addressed the Joint Sitting of the Parliament in the Gyalyong Tshogkhag on 16 June 2014.
5. His Majesty the King hosted a lunch in honour of the Prime Minister and his delegation. Lyonchhen Tshering Tobgay also hosted a banquet in honour of the Prime Minister of India.
6. Prime Minister Shri Narendra Modi unveiled the Foundation Stone of the 600 Megawatt Kholongchu Hydropower Project which is a Joint Venture project between the Indian and Bhutanese PSUs, SJVNL and Druk Green Power Corporation. The construction of the Project which is located in Trashiyangtse in Eastern Bhutan will commence later this year.
7. Prime Minister Shri Narendra Modi inaugurated the new Supreme Court building which was constructed with assistance from the Government of India amounting to Rs./Nu. 793.545 million.
8. The main outcomes of the discussions were:

i. The two sides exchanged views and held discussions on bilateral relations and economic cooperation as well as cooperation in regional and multilateral forums. They recalled the strong historical ties of friendship and understanding that exist between the governments and peoples of the two countries. They expressed satisfaction at the excellent state of bilateral relations and reaffirmed their commitment to further strengthen the special friendship between the two countries.

ii. Lyonchhen Tshering Tobgay, on behalf of the Royal Government and people of Bhutan conveyed his appreciation to the Government and people of India for the generous development assistance since the 1st Five Year Plan in 1961. The two leaders expressed satisfaction over the all round socio-economic development achieved by Bhutan with the assistance and support of India. Lyonchhen Tshering Tobgay thanked the Government of India for the allocation of Rs./Nu. 45 billion for the 11th Five Year Plan and Rs./Nu. 5 billion for the economic stimulus plan of the Royal Government of Bhutan. Prime Minister Shri Narendra Modi reiterated the commitment of the Government of India to support Bhutan for the successful implementation of the 11th Five Year Plan of the Royal Government of Bhutan.

iii. Prime Minister Shri Narendra Modi, on behalf of the Government of India, expressed satisfaction at being a privileged partner of Bhutan in its socio-economic development, and reassured Lyonchhen Tshering Tobgay of India's continued commitment to capacity building especially in the education and IT sectors in Bhutan.

iv. The two sides acknowledged the importance of cooperation and mutual benefit arising from the hydropower sector between the two countries and expressed satisfaction on the progress being made. They reiterated their commitment to achieving the 10000 MW target.

v. The two leaders expressed satisfaction with the completion of the Supreme Court building and the imminent commencement of the construction of the Kholongchhu Hydroelectric Project. They noted the tremendous benefits the Kholongchhu Project would bring to the people of Eastern Bhutan.

vi. The two sides recalled the free trade arrangement between the two countries and the expanding bilateral trade between the two countries and its importance in further cementing the friendship between the two countries. Government of India conveyed its decision to exempt Bhutan from any ban or quantitative restrictions on exports of following items:- Milk powder, Wheat, Edible oil, Pulses and Non-basmati rice. The two sides also agreed to further promote trade and investments between the two countries.

vii. In keeping with the emphasis on capacity building and education, Prime Minister Shri Narendra Modi announced the doubling of the Nehru-Wangchuck scholarship to Rs./Nu. 20 million per year. Government of India would also provide grant assistance for the establishment of the digital section/ E-library in the National Library of Bhutan and in all 20 districts of Bhutan.

viii. The two sides expressed satisfaction with the cooperation between the two countries related to their mutual security. They agreed to continue with their close coordination and cooperation with each other on issues relating to their national interests, and not allow each other's territory to be used for interests inimical to the other.

ix. The visit of Prime Minister Shri Narendra Modi to Bhutan further strengthened the close bonds of friendship and cooperation between the two countries.

16 June 2014
Thimphu