

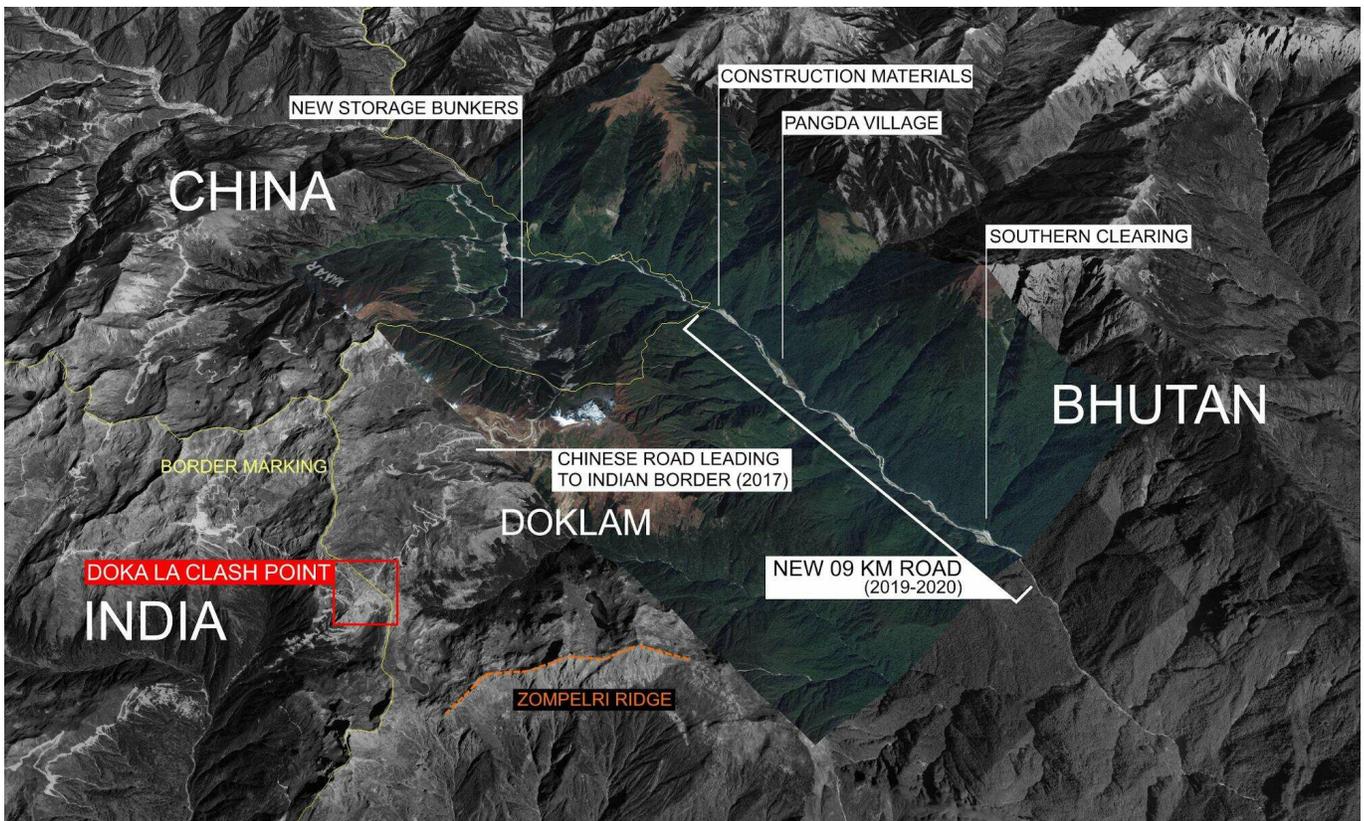
New Chinese Village in Bhutan

 drishtias.com/printpdf/new-chinese-village-in-bhutan

Why in News

Recently, Chinese media has claimed that a **new border village** built by **China** near **Bhutan** was on Chinese territory.

However, the released images of the village show its **location on territory disputed by the two countries.**



Key Points

- The village of **Pangda** has been **newly built** and authorities in **Yadong county** (an administrative region) of **Southwest China's Tibet Autonomous Region** have confirmed that 27 households with 124 people voluntarily **moved from Shangdui village to Pangda village** in September 2020.
- It is for the **first time since 2017** that a Chinese **residential area has been noticed near the Doklam region**, which is **strategically important for India**.
Pangda is east of the **India-Bhutan-China trijunction on the Doklam plateau**, which was the site of a **72-day stand-off in 2017** triggered by China's road-building up to where it sees its border.
- **Bhutan's Stand:** It **has officially denied the presence** of any Chinese village in its territory.
- **India's Stand:** India sees it as an **attempt by China to unilaterally push the trijunction further**.
 - China in the past too, has tried to reinforce its territorial claims in disputed areas with the neighbouring countries by building civilian settlements.
 - For example, on **disputed South China Sea islands** and **Bhutan's Trashigang district**.
- **China's Stand:** According to China's maps, the village is within China's territory. It also blames India for the **unsettled China-Bhutan border** and **stalled negotiations** by creating the illusion that China is encroaching on Bhutanese territory.

Indo-Bhutan Relationship



- **Indo-Bhutan Treaty of Peace and Friendship, 1949:**
 - The treaty provides for, among other things, **perpetual peace and friendship, free trade and commerce and equal justice** to each other's citizens.
 - In **2007**, the treaty was **re-negotiated**, and provisions were **included to encourage Bhutan's sovereignty**, abolishing the need to take India's guidance on foreign policy.
- **Multilateral Partnership:**

Both of them share multilateral forums such as **South Asian Association for Regional Cooperation (SAARC)**, **Bangladesh, Bhutan, India, and Nepal Initiative (BBIN)**, **Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC)**, etc.
- **Hydropower Cooperation:**

Agreement on Cooperation in Hydropower 2006: Under a protocol to this agreement, India has agreed to **assist Bhutan in the development of a minimum of 10,000 MW of hydropower** and **import of surplus** electricity from the same by 2020.
- **Trade:**
 - The trade between the two countries is governed by the **India Bhutan Trade and Transit Agreement 1972** which was last **renewed in November 2016**.
 - The agreement establishes a **free-trade regime** between the two countries and also provides for **duty-free transit of Bhutanese exports to third countries**.
- **Economic Assistance:**
 - India is Bhutan's leading development partner. Since the launch of the **First Five Year Plan (FYP) of Bhutan in 1961**, India has been **extending financial support** to Bhutan's FYPs.
 - India has allotted **Rs. 4500 crore to Bhutan's 12th FYP (2018-23)**.
- **Educational and Cultural Cooperation:**

A large number of college-going Bhutanese students are studying in India. The Government of India provides a number of **scholarships to Bhutanese students**.
- **Environment:**

In **June 2020**, the Union Cabinet approved the signing of a **Memorandum of Understanding (MoU) with Bhutan** for cooperation in the field of **environment protection and management of natural resources**.
- **Support during Pandemic:**
 - India has maintained close coordination with Bhutan and has included it in plans for containment of the **Covid-19 pandemic**.
 - It launched the **second phase of the RuPay card in Bhutan** to increase the **domain of digital transactions** in Bhutan.

Bhutan is the second country to accept the RuPay card **after Singapore**.

Source: TH