

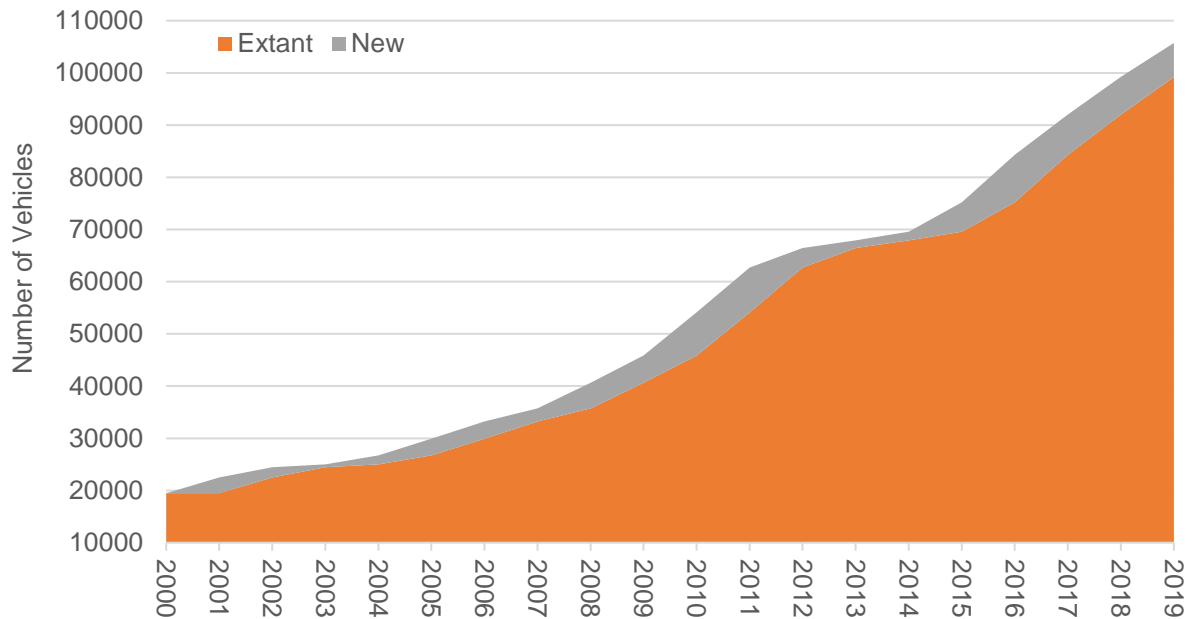
CENTER FOR
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Divesting Bhutan from Fossil Fuels in the Transport Sector

While Bhutan aspires to be a carbon neutral country into perpetuity, Bhutan's carbon emissions are on the rise. Accounting for almost 11% of the total, the transport sector is a major contributor of GHG emissions.

Over the last indiction (2005 – 2019), number of vehicles in Bhutan have quintupled.

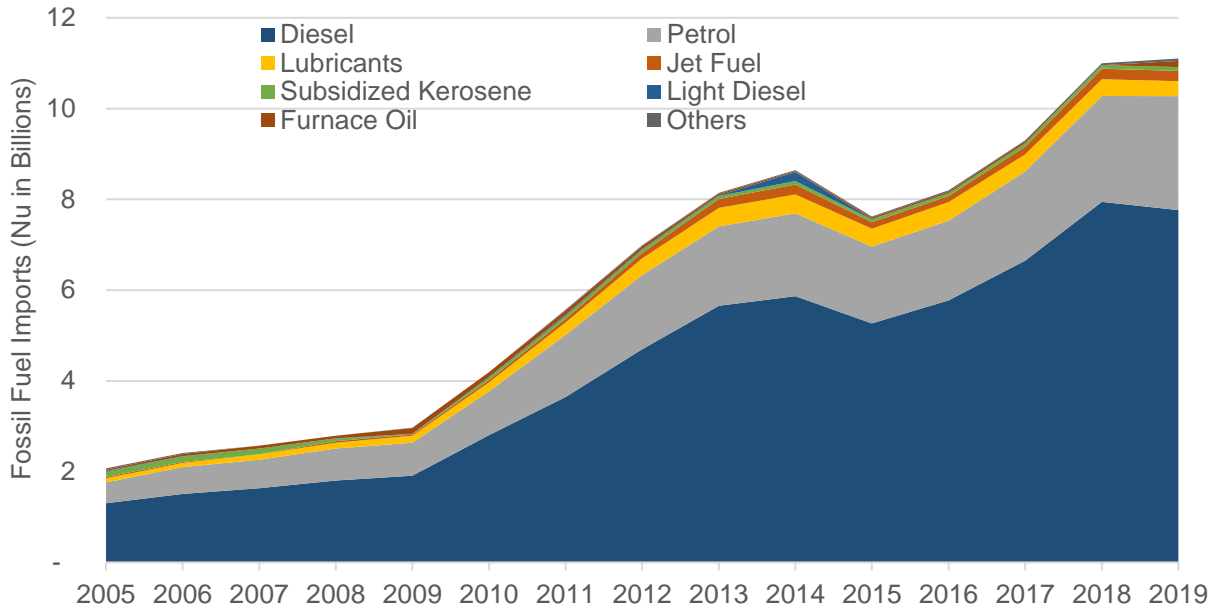


In addition to increasing GHG emissions, the growth in vehicle numbers and related surge in fossil fuel use significantly compromise Bhutan's energy security.

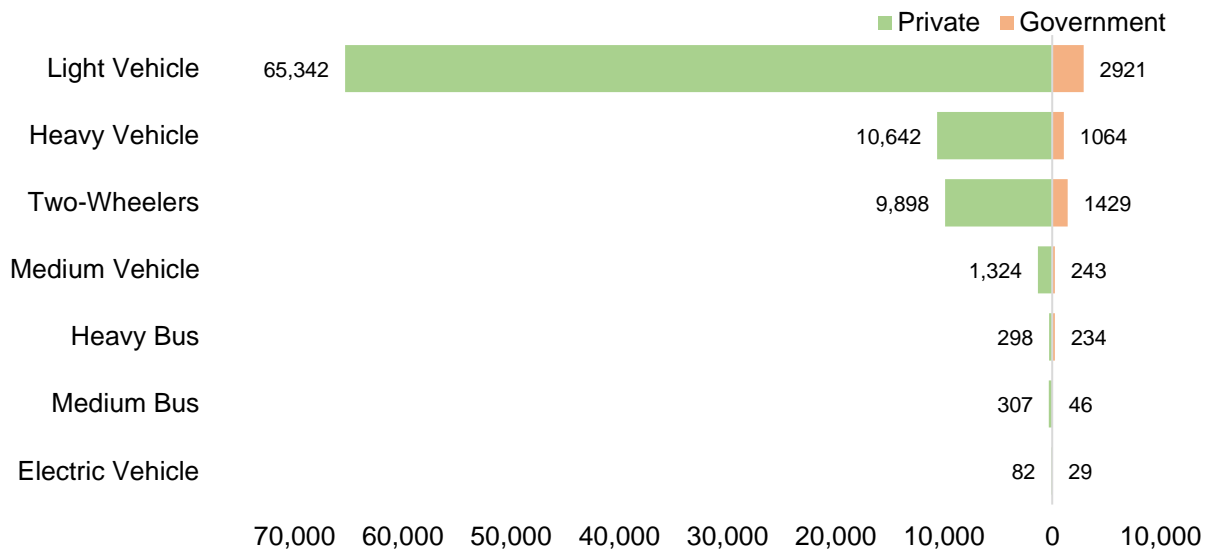
Fossil fuel consumption, both diesel and petrol have sextupled¹ from 2005 to 2019, and Bhutan spent an average of USD 70.34 million annually on fossil fuel imports, cumulatively totaling over USD 985 million.

¹ Compiled from Bhutan Trade Statistics (www.mof.gov.bt)

Fossil fuel imports in 2019 totaled USD 171 million, far exceeding income from electricity export to India² in 2018, which stood at USD 137 million³.



To offset this unfavourable dependence on fossil fuels, there have been efforts to promote the use of electric vehicles in Bhutan. However, as of 2019, at only 0.01% of the total, number of electric cars remain inconsequential.



² Annual Report 2018 of the DGPC (<https://www.drukgreen.bt/publication/>)

³ Exchange rate calculated at Nu 72 for 1 USD

There are current policies and incentives to promote the use of electric vehicles. However cost and convenience remains significant barriers for adoption.

Bhutan's 12th FYP⁴ mentions development of a Master Plan for Low Emissions Transport system and infrastructure support for public transport systems (Nu 96 million). An additional Nu 69 million have been indicatively allocated for installation of electric charging systems, and a further amount of Nu 167 million have been budgeted for policy support, awareness, capacity building and investment in low emission transport systems.

With Bhutan currently seeking to develop a 21st Century Economic Roadmap and concurrently aspiring to a low-carbon economy, focusing on the potential of electric cars, and exploring opportunities to leapfrog into hydrogen fuels will be timely and judicious.

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⁴ www.gnhc.gov.bt