

(Please check against delivery)



THE STATE OF THE TSA-WA-SUM

**TSHERING TOBGAY
PRIME MINISTER
ROYAL GOVERNMENT OF BHUTAN**

**FIRST SESSION OF THE SECOND PARLIAMENT OF BHUTAN
30 SEPTEMBER 2013
THIMPHU, BHUTAN**

**Your Majesty The King,
Speaker of the National Assembly,
Chairman of the National Council,
Leader of the Opposition,
Members of Parliament,
Fellow citizens**

I stand before Parliament to fulfil an important responsibility prescribed by the Constitution. A duty to faithfully inform the nation of the progress we have made - highlighting our accomplishments and shortcomings; identifying challenges and opportunities; and charting our priorities and objectives as we move forward.

Our nation comprises the Tsa-Wa-Sum, which encapsulates and embodies who we as a people and nation are. It constitutes the fundamentals of our identity and existence as a nation. It is, therefore, important and appropriate that I report on the state of our sacred and inviolable Tsa-Wa-Sum: our King, our country, and our people.

I do so with hope and optimism that we as a people will collectively overcome challenges, seize opportunities, and place our country on the path of greater peace, progress and prosperity, under the leadership our beloved Monarch, His Majesty Jigme Khesar Namgyel Wangchuck.

KING

In 1907, we voluntarily embraced Monarchy to lead our country. This conscious choice made by our forefathers ended years of internal strife and united the country. It laid the foundations for a strong and cohesive nation that could focus on the task of nation building.

History is replete with examples of Kings who ruined their countries – Kings who ruled only to advance their own personal interests at the cost of their peoples and nation; Kings who were ruthless and cruel and only believed in perpetuating their own power and authority.

In stark contrast, we are fortunate to have had Monarchs who always put national interest above personal interest; Monarchs who have provided outstanding leadership to shape the destiny of our country; Monarchs who worked selflessly to protect the security and sovereignty of our country; and Monarchs who worked tirelessly to improve the well being of the people, ensuring that our nation emerges stronger and more prosperous each passing year.

- Where do you have a King who risks his own life by leading his troops into battle to defend his nation?

- Where do you have a King who regularly travels the length and breadth of the country by road and on foot to reach the remotest villages to interact with the people at the grassroots level? To better understand their hopes and aspirations, as well as their challenges and difficulties.
- Where do you have a compassionate King who works tirelessly to help the poor, deprived and vulnerable by granting *kidu*? By granting land to those who are deprived of this important means of security and livelihood. By granting financial support to destitute families so that they can make ends meet. By granting annual stipends to thousands of needy children so that they can go to school. By granting scholarships so that deserving children who lack the means to pursue higher education have the opportunity to realize their full potential. By granting census *kidu*. By granting medical *kidu* to patients so that they can receive specialized medical treatment outside Bhutan.
- Where do you have a King who is always a first responder, personally overseeing relief operations and providing immediate relief and solace to victims' families, and the injured in times of disasters – natural or manmade?
- Where do you have a King who personally writes a Constitution through which he grants the people powers by sacrificing and curtailing his own?
- Where do you have a King who introduces democracy against the will of the people and then works to convince the people of the merits of democracy?
- Where do you have a King who sets time aside each day to interact personally with people from all walks of life and diverse backgrounds?
- Where do you have a King who remains actively engaged with the youth and students from all across the country to guide, motivate and encourage them to become responsible citizens and participate in nation building?

It is a matter of great pride and happiness to report that we in Bhutan have had such Kings. Kings who have and continue to work with compassion and selfless commitment to improve the well being of the people and to safeguard our national interests. Our nation has witnessed far-reaching changes and unprecedented socio-economic development and emerged as a progressive modern nation state under the enlightened leadership and farsighted vision of our Kings. We must always acknowledge the huge debt of gratitude that we owe to our beloved Kings and the sacred Institution of Monarchy.

Today, we have much to be proud of as a nation. We have much to celebrate and be grateful for as a people that continue to benefit immensely from the graciousness, magnanimity and leadership of His Majesty The King.

His Majesty The King is the symbol of unity of our country and continues to shoulder and fulfil the important responsibilities of Head of State with great commitment in accordance with our Constitution. Deeply concerned for the success of democracy, His Majesty is a source of unwavering support and encouragement for us to

strive to strengthen democratic practices and principles, ensure respect for the rule of law, and build robust institutions to institutionalize democracy.

It is, therefore, a matter of great joy and happiness for me to report that His Majesty The King and the sacred Institution of Monarchy continues to remain the bedrock of our nation's unity and strength, and the guardian of our security, sovereignty and well being.

His Majesty is the embodiment of compassion and selflessness and remains the beacon of hope and inspiration for all Bhutanese. We are most fortunate and blessed to have a truly People's King in every sense. And it is source of great pride to have such an extraordinary statesman guide and counsel us and lead our great nation. I join the people of our great nation in paying tribute to His Majesty The King and to pray for the continued well being, good health and happiness of His Majesty The King and Her Majesty The Gyaltsuen.

His Majesty The Fourth Druk Gyaplo remains a source of great inspiration for all of us. A truly extraordinary leader whose contributions to building our nation and safeguarding its security and sovereignty are unparalleled. As a nation and people, we derive great strength and confidence from His Majesty The Fourth Druk Gyaplo, and we remain ever grateful for the visionary leadership, wise counsel and guidance His Majesty provided.

I take this opportunity to humbly acknowledge the vital role and contributions of His Majesty The Fourth Druk Gyalpo in steering our nation and people towards greater peace, progress and prosperity. We pray for the continued well being, good health and happiness of His Majesty The Fourth Druk Gyalpo and Their Majesties The Queen Mothers.

His Majesty The King and His Majesty The Fourth Druk Gyalpo are role models. We need not look elsewhere. Our Kings have always led by example and are true leaders in every sense. They have bequeathed to us a strong nation through their hard work, personal sacrifices and extraordinary leadership. It is now our responsibility to do our part. We must take the nation forward. We must work hard and consciously strive to live by the high standards set by our beloved Kings.

COUNTRY

Security, Law and Order

On the 2nd of September this year, twelve brave soldiers of the Royal Bhutan Army died in a tragic accident in Haa. They lost their lives in service to our nation. Several other soldiers were injured. We mourn the loss of lives of our fallen soldiers and pray that the injured will make a full recovery.

His Majesty The King visited the scene immediately after the accident to comfort the victims and their families and to ensure that the injured received immediate medical attention. His Majesty The King also granted *kidu* to the families of the victims and a national funeral was held for all the soldiers that died in the tragic accident. We remain deeply grateful to His Majesty The King.

The brave men and women of our armed forces (*Dhakha-Sum*) continue to serve our nation with great dedication under the able leadership of our Supreme Commander-in-Chief, His Majesty The King. Indeed, the peace, security and sovereignty of our nation is in the most capable hands. And His Majesty The King continues to inspire, motivate and provide outstanding leadership to our armed forces.

Our armed forces deserve special credit for safeguarding the security of our nation. They face real dangers in the line of duty but stand ready to sacrifice their lives to protect our country. It is because of our armed forces that we are secure and can sleep soundly at night. I applaud their service to the nation.

Our law enforcement agencies are also working hard to keep our cities, towns and villages safe. They too deserve our appreciation for their service to the country. The increasing incidence of crime in our country, however, is a matter of grave concern. We need to address this head-on. I will work with our law enforcement agencies to ensure that they have adequate resources and wherewithal to keep our communities safe.

Recently our people have been alarmed by the spate of kidnappings in Sarpang Dgongkhag. We are taking comprehensive measures to prevent such crimes by miscreants in the border areas. We have already held several discussions with law enforcement agencies from across the border, and together we will prevent their recurrence.

Our armed forces are serving the country well. But we cannot be complacent. For a small country with a small population, we can never take the security of our nation for granted. We all have an equal responsibility to safeguard the security and sovereignty of our country.

In addition to securing our borders and protecting our nation, the armed forces including the *DeSuungs* continue to play a vital role in search and rescue and relief operations in times of disasters. They help communities, families and victims rebuild their lives. They complement the efforts of the civilian authorities who are very often overwhelmed at the time of disasters. I acknowledge the support and contributions of

our armed forces and *DeSuungs* to our nation when faced with difficult and challenging times.

Foreign Relations

Bhutan is recognized as a responsible member of the international community. Our credentials as a sovereign independent nation are well established. We engage with many countries and international organizations in the region and beyond on a diverse range of issues of national, regional and global concern.

But we cannot take our sovereignty for granted. In this regard, our foreign policy and the conduct of our foreign relations is critical.

Our foreign policy has been deftly crafted over decades by our successive Monarchs. Our Kings set the course of Bhutan's foreign policy to safeguard our sovereignty and territorial integrity, and to promote socio-economic development. It forms an extension of our national interests, while reflecting the geo-political realities of the region. Indeed, the foreign policy of our visionary Monarchs has served our country exceedingly well. And this government remains firmly committed to continuing the wise policy of our beloved Kings.

Today, His Majesty The King remains actively engaged in promoting goodwill and friendly relations with all countries. Among others, His Majesty's visits abroad have not only enhanced Bhutan's profile and stature, but generated considerable goodwill and further strengthened our relations with many countries. At the same time, His Majesty also receives numerous dignitaries in Thimphu. These have contributed immensely towards enhancing our relations with many countries. For this, we remain profoundly grateful to His Majesty The King.

My first visit abroad after assuming office was to India on the invitation of His Excellency Dr. Manmohan Singh, Prime Minister of India, from 30 August to 4 September 2013.

I am pleased to report that my visit to India was fruitful. It reaffirmed the close ties of friendship, goodwill and cooperation between India and Bhutan based on mutual trust, respect, and understanding. I returned to Bhutan convinced that our relations with India are truly unshakable.

During my visit, the Government of India committed to support our 11th Five Year Plan to the tune of 45 billion rupees. They also committed an additional 5 billion rupees for our economic stimulus plan. This is a reflection of our enduring ties of friendship and cooperation. On behalf of the people and government of Bhutan, I would like to place on record our deep appreciation and gratitude to the people and Government of India.

We will continue to work towards further strengthening and deepening our close relations with the government and people of India.

The demarcation of our northern border with China is making progress. Within the first month of the government's tenure, we hosted the 21st Round of Boundary Talks in

Thimphu from 21-23 August 2013. The Chinese delegation was led by H.E. Mr. Liu Zhenmin, Vice Foreign Minister, and the talks were held in a friendly and cordial atmosphere. We reviewed all aspects of the boundary and reaffirmed our commitment to reach an early settlement.

As agreed during the recent boundary talks, a Joint Technical Field Survey of the Bayul Pasamlung area was undertaken from 6-9 September 2013. The report of the Survey will be submitted to the two governments by the Expert Group.

The demarcation of our northern boundary is important and we will continue to remain engaged with the Government of the People's Republic of China to demarcate our northern boundary.

A number of other high-level bilateral visits have taken place in the recent past and these visits have served to further strengthen our relations with many countries.

Meaningful engagement in multilateral diplomacy remains an integral part of our foreign policy. Bhutan is a member of many multilateral organizations of which the United Nations is the most important. As a responsible member of the international community, it is in our interest to work with the international community to address many issues and challenges that are on the global agenda.

The Foreign Minister currently is in New York as our leader of the delegation to the 68th Regular Session of the UN General Assembly. The 68th Session is significant in that it will serve as a prelude to the start of intergovernmental negotiations to frame the post 2015 development agenda.

We will host the 12th Round Table Meeting (RTM) in Thimphu later this year in collaboration with UNDP. The RTM is an important forum for policy dialogue and aid coordination between the Royal Government and our development partners. It will provide an opportunity to sensitize our development partners on our 11th Five Year Plan, as well as to understand their perspectives on development cooperation and to engage them on our journey towards attaining self-reliance. We look forward to a very fruitful and productive Round Table Meeting with our development partners this December.

With regard to the people in the camps in Nepal, I am pleased to report that the third country resettlement program is progressing smoothly. As of 26 August 2013, a total of 82,179 people from the camps have been resettled in the Core Group of countries, the highest being in the United States, with over 69,219 people. We remain extremely grateful to the Core Group of countries led by the US for supporting this initiative.

Civil Servants

In our march towards progress, the civil service is the nation's backbone. I am proud to state that we have the brightest and most qualified civil servants in Bhutan.

It is important to ensure that our civil servants are efficient, motivated and committed to serve the Tsa-Wa-Sum. It is equally important to ensure that their contributions and service to the nation are recognized and rewarded.

The government will commission a comprehensive review of the civil service in the coming year. And I will ask the civil servants themselves to undertake this review – to identify shortcomings and challenges, and come up with a practical roadmap to improve our civil service and make it more effective and efficient.

A genuine concern of civil servants is that their salaries and allowances are inadequate. Fuelled by inflation and spiralling rents, the cost of living has continued to rise. To address this matter, we will form the Pay Commission within the next month to examine the salaries and allowances of civil servants, local government functionaries and other public officials.

While the government will look to the needs of the civil servants, they should never lose sight of the fact that – like parliamentarians – it is the people and nation they work for. They must serve the people well, and promote the interests of the Tsa-Wa-Sum.

Democracy

In 2008, we successfully held our first parliamentary elections and we adopted and promulgated the Constitution of the Kingdom of Bhutan. It was a historic occasion that heralded the beginning of a new era in the history of Bhutan.

Our First Parliament has served the country well. The National Council, National Assembly, and within the National Assembly, the ruling and opposition parties, have shouldered their responsibilities successfully. We must use the experience acquired over the last five years to further strengthen and institutionalize democracy.

I commend the first democratically elected Prime Minister and his Ministers for serving the Tsa-Wa-Sum. I also commend all Members of the National Assembly and National Council of the First Parliament for their substantial contributions as lawmakers.

His Majesty The King continues to nurture and support the democratic process in Bhutan with great personal interest and enthusiasm. This is why our people continue to participate in the democratic process and in electing their representatives. This is why the second parliamentary elections held this year was a success.

Today, we have five registered political parties as opposed to two parties in 2008. I thank the Druk Nyamrup Tshogpa, Druk Chirwang Tshogpa, Bhutan Kuen-Nyam Party, Druk Phuensum Tshogpa, and the People's Democratic Party for participating in our democratic process. I also thank the people of Bhutan for discharging their important responsibility of exercising their franchise. Many voters from our cities and towns had to travel long distances to their villages to cast their votes. And many people from the villages took part in the electoral process notwithstanding the busy farming season and inclement weather.

Today, we have constituted the second Parliament. I congratulate Tshogpon Jigme Zangpo, Speaker of the National Assembly, Thrizin Sonam Kinga, Chairman of the National Council, Dr. Pema Gyamtsho, Leader of the Opposition, elected members of both houses, and the five eminent members of the National Council.

On behalf of the People's Democratic Party, I thank people of Bhutan for giving us the opportunity to serve the Tsa-Wa-Sum. My Party and I humbly accept the mandate given to us by the people of Bhutan. But let me emphasize that we take this as a solemn responsibility – a responsibility to serve the people of Bhutan, a responsibility to put the Tsa-Wa-Sum and our national interests above party politics and vested interests. I assure you that our government and I will spare no effort in realizing the noble vision of His Majesty The King and in fulfilling the hopes and aspirations of the people.

The first Interim Government headed by Chief Advisor Sonam Tobgye and Advisors deserve our appreciation for shouldering the reins of government after the dissolution of the first parliament.

The Judiciary, Anti-Corruption Commission, Election Commission of Bhutan, Royal Civil Service Commission, the Royal Audit Authority, Media and CSOs are doing their part to strengthen democracy and promote rule of law. I look forward to working with them to make our democracy vibrant and successful.

We must support the work being done by the Anti Corruption Commission to reduce corruption and strive to build a corruption free society. And, we must support the Royal Audit Authority and the Election Commission to enable them to discharge their important functions.

The Judiciary is an indispensable pillar of our democracy - to dispense justice in a free, fair and impartial manner, to uphold rule of law and to interpret the Constitution. We thank the Judiciary for their contributions to our people and democracy.

We must be always be faithful to the Constitution and make sure that people enjoy their rights and understand their responsibilities. In this context, I am pleased to state that the Right to Information (RTI) bill is being considered by the National Assembly. This is an important bill to promote transparency and accountability, and to empower the people by giving them access to information. I remain hopeful that the bill will be passed during the next session of parliament.

Our local governments are an integral part of our democratic setup. The 205 Gewog Tshogdes, the 20 Dzongkhag Tshogdes, and 4 Thromdes are working well but a lot remains to be done. Our Constitution provides for more power to be devolved to local governments including Thromdes. In this budget, our government has already increased funds available to them, including Nu. 2 million per Gewog that the people and local governments can use as they see fit. We will, however, set guidelines to ensure that the funds are used honestly and effectively.

The Constitution requires that each Dzongkhag has a Thromde governed by a Thromde Tshogde that is headed by an elected Thrompon. So far, we have 4 Thromdes

in Thimphu, Phuentsholing, Gelephu and Samdrup Jongkhar. We are working towards establishing Thromdes in all 20 Dzongkhags. And to facilitate this, we will revise the Local Government Act in the coming year. Unless we have a Thrompon with adequate power, our Thromdes will not be able to grow and thrive.

We must have *Wangtse Chhirpel* for our people to secure liberty, equality and prosperity. We must have the courage to devolve power and authority to our local governments. We must engender confidence in our local government by providing the necessary support from the centre. We must build capacity to ensure that our local governments utilize their enhanced powers responsibly, efficiently and effectively.

At the same time, our local government functionaries must also be well compensated. And in this regard, the Pay Commission that we set up will review their salaries and allowances and come up with recommendations.

Our local governments must be given the opportunity and the means to determine their own future and make their own choices. Our people at the grassroots must be given the opportunity to realize their hopes and aspirations based on their needs and priorities. I look forward to the support and cooperation of all Members of Parliament in making this a reality in the not too distant future.

If we are to become a vibrant democracy that is robust and strong, we cannot be complacent. We need to work in earnest with greater resolve and impetus to strengthen the foundations of our nascent democracy. We must ensure good governance, build upon our past achievements and live up to the expectations of our Kings. We must consciously nurture and promote the values and principles of democracy by strengthening institutions and oversight mechanisms that underpin a democratic polity. We must always respect the supremacy of the Constitution and ensure that rule of law prevails at all times. Most importantly, we must regard this as a solemn responsibility and not as a gift from the Golden Throne.

Our government will work in earnest to deepen democracy and democratic principles and practices. This however cannot be accomplished by government alone. We must all work together in a spirit of trust, partnership, cooperation and shared responsibility.

Media

The role of the media in a democracy cannot be overemphasized. The media has a critical role to play in the development of a democratic culture. A free, independent and vibrant media is essential to inform the public, to highlight important issues and challenges that we as a nation face, and to play the role of a watchdog.

The situation of the media in Bhutan is not very encouraging. Besides Kuensel, most of our private newspapers are struggling. Sadly, the situation was better in 2008 than it is now in 2013. There is an urgent imperative to see how we can improve the current state of our print media. Our government has no intention of interfering or

influencing the media. But we need to do something as their health is critical for a well functioning democracy.

The state of television is no better. While BBS is doing well, we are yet to have our first private TV station. In this regard, we intend to finalize required regulations and permit the establishment of private TV stations soon.

Radio remains an important means of informing the public particularly for people who live in the villages and in remote areas with no access to TV or other media. And we will continue to support this important medium of information.

The use of social media in Bhutan is growing steadily especially among the youth. Social media is an effective means to communicate, to keep abreast of developments, to reach out and engage with the public, and to get feedback on issues of importance. Our government intends to use social media to interact with the people, and in the coming year we will develop ways to widen such interaction.

ECONOMY

The vulnerability of our economy became painfully evident over the last two years.

For the first time in our history our Ngultrum was not accepted in shops across the border. Later, when it was, it had effectively been devalued to the Rupee. The Royal Monetary Authority had to borrow rupees at commercial rates to pay for imports. Car, alcohol and furniture imports were banned, and house construction loans stopped. Rupee and other foreign exchange available to Bhutanese were drastically curtailed.

The last year also saw banks turn down loan applicants across the country, denying opportunity to Bhutanese wanting to start new businesses or expand existing ones. Credit, the lifeblood of business and enterprise, was cut off. Provisional estimates from the National Statistical Bureau have our 2012 GDP growth rate at 4.62%, about half the rate of previous years.

Thankfully, we have for now been handed a respite owing largely to the generosity of our friend India. The financial assistance they have committed to releasing, including funding our economic stimulus plan to the tune of Nu. 5 billion, will help ease liquidity in the market and breath life into our economy.

But, we are not out of the woods. No economy in this world is free of challenges, but the economic shocks of last year are not the kind to be brushed off as events a modern economy experiences from time to time. Rather, they tell us that something is wrong with our economy, and we must make course corrections.

Our national debt at Nu. 96 billion has spiraled. And, in the last two years USD 400 million of our foreign exchange reserve has been sold to repay short term rupee debt. While hydro-project loans which comprise 80% of our national debt is considered safe,

the huge cost escalation and delays due to unstable geological conditions at Punatshangchu-I tell us that these projects are not without substantial risk.

We import far more than we export. Our trade balance in 2012 burgeoned to a negative Nu. 29 billion – tracking high credit growth, the main cause of the rupee crisis.

Young Bhutanese are finding it increasingly difficult to find jobs. Our national unemployment rate at 2.1% (or 6,904 persons in 2012) – considered low by international standards – masks the disproportionate number of unemployed youth, quality of employment, and chronic underemployment prevalent in rural areas. Some even question the accuracy of the data. During my “Meet the People”, about 90% of those I met are unemployed youth seeking jobs.

In such an economic situation, can we just sit back and tell ourselves that everything will be alright once our hydro projects under construction begin to earn revenues in four years. Can we afford to take such risk? Or do we decide to err on the side of caution, and take the required corrective measures of fiscal prudence, strengthening and diversifying our economy, boosting exports and increasing FDI.

In 2007 His Majesty the King declared to the graduates of Sherubtse “If we love our country, if we are proud of our achievements, if we cherish everything that is special and unique to our country, when we ask ourselves – How do we pass this on to our children? ... What do we have to do to preserve everything that is special about our country, yet at the same time take our country to new heights? In this globalised and modern world there can be only one answer – a strong and dynamic economy.”

Wise words which if heeded could have saved us from our recent economic troubles. The task of creating a strong and dynamic economy is not easy, but we assure you that we shall not be faulted for lack of effort.

On an urgent basis the government will implement the economic stimulus plan, injecting funds into financial institutions to ease liquidity and make loans available for productive sectors.

For too long we have been paying lip service to the rhetoric of our private sector being an engine of growth. Within the year, our government will formulate a Private Sector Development Plan (PSDP) in consultation with all stakeholders. We will make sure that the plan is fully implemented, unlike well-meaning plans in the past that have failed to deliver.

The Bhutan Chamber of Commerce and Industry (BCCI) and its member associations have a vital role to play in developing our private sector and our economy. They will be invited to jointly lead the process of formulating and implementing the PSDP.

Druk Holding and Investments (DHI) has as one of its mandates – “to lead and stimulate private sector development”. And it has the vision to turn Bhutan into a globally competitive economy. These objectives mirror ours. We will also invite DHI and

its Companies – with their wide experience and reach – to partner with us to achieve our common goals.

A central focus of our PSDP will be to support micro and small enterprises not just in the capital, or the dzongkhag capitals, but in every gewog in the country. One person shall be appointed to spearhead this initiative, coordinating with all relevant arms of the government. Small businesses in rural areas will be provided with concessional loans and tax waivers. A program of “One Gewog – One Product” will be implemented. And Dzongdas and district administration will be asked to be fully involved and accountable for the economic transformation of their villages, gewogs and Dzongkhags.

The PSDP will also identify and target end-to-end intervention including investment in five sectors that have the potential to boost export earnings and help reduce our overdependence on a few sectors.

The PSDP will ensure that government economic policy is transparent, consistent and predictable enabling business to make investment decisions that are not subject to risks associated with ad hoc changes in regulations and policy. And, all government policies will be reviewed to ensure that they are consistent with the PSDP.

Business leaders in India accorded me a warm welcome and a patient hearing on why they should invest in Bhutan during my recent visit to India. We believe that it is possible to attract investment from India and other countries, if we create the right conditions for them.

Towards this end, our government will give priority to attracting foreign investment to Bhutan, through further engagement with foreign businesses, streamlining policy and regulations, and effectively implementing projects such as the establishment of industrial estates, special economic zones, and dry ports in the country.

Naturally, the type of FDI we pursue will help create jobs, earn revenue that will help alleviate our rupee shortage, and create a domestic manufacturing base, without harming domestic industry or our natural environment.

Attracting FDI is no simple task. It takes hard work to earn the trust and confidence of foreign investors, but we are up to the task. In this effort, we will engage our embassies and honorary consuls to attract investment to Bhutan, just as we will ask them to promote tourism and exports, and explore possibilities for our youth to work abroad.

Our nation is making huge investments in hydro-power projects. We need a coordinated approach to make the most of these investments. Many jobs can be created, regional economic centers can emerge reducing the rush of people to places like Thimphu and Phuentsholing, and commercial agriculture can be developed in the periphery of those regional centers. But achieving these goals will require us to take a strategic approach in concert with stakeholders including local government, DHI and

DGPC. It will even require changes within our educational system to prepare our youth for jobs that are being created in our economy.

We need to build our own homes. Our forefathers built glorious dzongs and monasteries, and Bhutanese living in our villages continue to build beautiful traditional houses. But in urban areas, all our houses are built almost entirely by well-paid foreign workers. How can we talk about national self-reliance if we cannot lift a finger to build our own homes? How can we talk about unemployment when we have over 70,000 expatriate workers in Bhutan? If Indians, Japanese and Danes can build their own homes, why can't we?

At a time when we are seriously concerned about unemployment and shortage of Rupees, it is high time we did something serious about it. Our government will institute a "Build our own Homes" program that will enable and incentivize use of trained Bhutanese masons, carpenters, plumbers, painters, electricians and welders in house construction. Construction equipment will be introduced to make construction less arduous and menial. The idea is not to replace all foreign workers. We can't. The idea is to create jobs and alternative livelihoods for Bhutanese, and to reduce the outflow of rupees. The idea is to take part in nation building ... literally

We also need to grow our own food. Our ancestors were self-sufficient. We will aim to be self-reliant in food production. We already export many cash crops to India, Bangladesh and others. And the Rupee shortage has encouraged the expansion of vegetable farming to supply the needs of our cities and hydro-project sites. But we need to do more. Building on what has worked in the past, exploring new opportunities, and working side-by-side with our farmers, we will work harder to make Bhutan self-reliant in food.

And Bhutanese need to save money, for savings provide the capital for investment. Nations that prosper have citizens that save. It is well known that high-growth economies of East Asia have the highest saving rates in the world. On its part, the government will initiate savings schemes to encourage our people to save. We will also explore ways in which our people can invest in the commercially viable projects planned by the government.

We must *roll up our sleeves* to build a strong and dynamic economy. But Government cannot do it alone. Every single Bhutanese must do his or her part.

Coming back to His Majesty's words at Sherubtse in 2007, "we have everything it takes to build a strong economy and safeguard everything that we cherish, but on one condition, that we start today with big ambition and we *work hard*. I believe that the time has come for us to stand on our own feet to compete as equals with other nations and to succeed through our own hard work and sweat, on our own terms and merit. If we rise to the challenge, change our mindset, our way of working, and think big and hard, then we have greater opportunities than ever before. So let me ask you something. Shall we sit and dream or shall we work hard and reap the benefits."

Energy

Twenty-five years ago, His Majesty the Fourth Druk Gyalpo, and His Excellency R. Venkatakaraman, the then President of India, inaugurated the Chhukha Hydropower Plant. Today the hydro-power sector – initiated with foresight by His Majesty the Fourth Druk Gyalpo – is the main source revenue for our country.

Hydropower provides 17.5% of the domestic revenue and comprises 13.92% of GDP, and we have four projects under construction – Punatsangchhu-I and II, Mangdechhu, and Dagachhu.

It is worth noting that all our hydropower plants are maintained and operated by fellow Bhutanese. We are also making rapid progress in our capabilities to investigate, design and engineer, construct, and contract management of hydropower projects. An all Bhutanese team has been managing the construction of the 126 MW Dagachhu Project, due for commissioning in 2014. Our young engineers, increasing numbers of whom are woman, are spearheading the investigation and studies of several projects throughout the country. Before not too long, Bhutan will have a full range of “water to wire” capability in hydropower project development—not only to meet our own needs but also offer these competencies to the rest of the world!

While reflecting on our achievements, it is also important to look at the challenges we face. We are alarmed by the huge cost escalation of ongoing hydro-projects and are seriously concerned about the problem at the Punatsangchhu I Dam site. We are studying these issues carefully so that mistakes are not repeated.

Climate change and degradation of catchment areas threaten the sustainability of hydropower energy. Shortage of skilled and experienced manpower and lack of financial resources are other challenges we must address.

Our hydro-power cooperation with the Government of India is an excellent model of mutually beneficial partnership. In 2008, our two countries entered into an agreement to harness 10,000 MW of power by 2020. I am happy to report that progress towards this goal has resumed, following my recent visit to India. Next year we will begin work on four more projects including the Kholongchhu project that will contribute to the economic development of eastern Bhutan.

While hydropower constitutes our biggest export, we must be concerned that the revenue we earn from exporting electricity is being largely offset by the amount we spend on importing other fuels such as diesel, petrol and LPG. We need to explore other sources of renewable energy and appropriate energy efficient technologies to enhance our nation’s energy security and to reduce import of fossil fuels. Among others, we will make serious attempts to introduce and promote electric vehicles, and phase out the use of incandescent bulbs in the country.

We are blessed with bountiful sun, especially in winter. Instead of just relying on hydropower, we will aggressively explore alternate forms of energy including solar,

wind, and bio-fuels. We will provide the necessary incentives and create the right conditions to jumpstart a renewable energy industry.

Tourism

In terms of revenue generation, foreign exchange earnings, and job creation, tourism is one of the most important sectors of our economy. It touches the lives and supports livelihood of a large number of people. It creates a multiplier effect, generating business and employment opportunities in many areas: hotels, restaurants, arts and crafts stores, car rental services, traditional musicians and dancers, traditional textile weavers, horse contractors, and farmers.

Our traditional way of life and culture, religion and pristine environment are the main tourist attractions. The preservation of which is attributed to our beloved and far-sighted Kings. Our “High Value, Low Impact” policy, has evolved into a widely admired, responsible tourism policy.

Tourism is the world’s largest industry and many countries in different parts of the world have transformed their economies through careful management and development of tourism. I see a huge potential for growth in our tourism sector; and I also see some serious challenges in terms of our road conditions, garbage management, seasonality, and regional imbalance. That is why, the government will conduct a comprehensive study of the tourism sector to address its challenges and unleash its full potential.

Moving forward, we will continue with our “High Value, Low Impact” policy. Given its tremendous potential for our economic development, job creation, and earning foreign exchange, tourism will be a top priority for our government.

Roads

Roads and bridges form a vital artery along which people and goods flow across the country. They facilitate all-round economic development including poverty reduction, and improve quality of social services such as healthcare and education.

With about 9,500 km of roads in the country today, the length of roads in the country has doubled in the last 5 years. But most of the recently constructed roads are unpaved gewog feeder roads and farm roads that are already in varying states of disrepair. Unless something is done about it, the vast amounts spent will have gone to waste.

The vast network of road constructed in the past and new construction in the coming years also raise the issue of sustainability – maintaining the roads and making them all-weather is going to be expensive. Apart from being an eyesore, the scarring of our mountainsides due to road construction is also harming our natural environment.

The government will prioritize:

- Complete construction of our national highway network including the southern East-West highway and various North-South highways
- Upgrade existing sections of our national highway network such as the northern East-West highway to improve safety and reduce travel times.
- Repair existing farm roads
- Blacktop Gewog roads
- Construct or upgrade roads to hydro-project sites
- Use environment friendly technology in road construction to minimize impact

ICT

I am pleased to report that barring 10 remote villages, the entire country is connected to our mobile telephone network. Mobile phone coverage is today considered an essential service for improving the quality of life of people. I would like to acknowledge everyone who contributed to this success story, not least our two mobile operators Bhutan Telecom and Tashi Cell.

Our government intends to similarly close the digital divide so that the entire country is linked to a national intranet and all Bhutanese have access to both local content and the world-wide-web. Much of the work towards fulfilling this goal has been completed with the National Broadband Network – a fiber-optic network – having being laid to 174 gewogs and counting; over 130 community centers connected to the internet; and ICT training imparted to thousands of Bhutanese, primarily teachers and students.

But simply providing internet connectivity and access is not enough. Content that is useful, educational and localized is required. Together they form a powerful tool that can help government deliver quality services to the people in a convenient and affordable manner. Here again, ground has been covered with many G2C services available online with others to follow. But we must do more. Our government will work towards expediting complete roll-out, and addressing the complaint of static, outdated or even offline websites of certain government agencies to effectively take services to citizens and businesses in all corners of Bhutan.

We intend to fully leverage the potential of our investments in ICT infrastructure and capacity building, a young populace that is quick to adopt new technologies, and the many Bhutanese who have diplomas and degrees in computer science and engineering. We will use ICT to interact with people, present Bhutan to the world, promote e-business, create jobs, and improve healthcare and education.

Imagine a community school in a remote village attending a math lesson broadcast online from school in Thimphu; a student at Geddu Business College listening to a lecture delivered by an eminent professor in a top management college in India; or a villager in a remote BHU, consulting with a specialist in JDNRL Hospital in Thimphu.

We will work to turn these dreams into reality. We will address the challenges posed by high cost of internet bandwidth, lack of IT technical service and support outside of our cities, and lack of computers in our schools. They will come at a small price compared to the advantages they offer. Among other measures, we will look at how to make internet freely available in government schools, and free WiFi ubiquitous in Thimphu.

Religion

We are the last surviving bastion of Vajrayana Buddhism and I am pleased to state that Buddhism is flourishing in our country under the patronage of His Holiness The Je Khenpo Trulku Jigme Chhoeda. Throughout the country, our Dratshangs and Rabdays and are doing well. Similarly, Choedays and private temples under the patronage and support of Trulkus, Rinpoches and Lams are also doing well and contributing to the preservation and promotion of the Dharma.

The regular prayers by the Zhung Dratshang led by His Holiness The Je Khenpo as well as by our Choedays and other religious leaders have kept us secure and peaceful. I would like to express my heartfelt appreciation and gratitude to His Holiness The Je Khenpo, the Dratshang, Rabdays, Choedays and other religious leaders for their continued contribution to the spiritual well being of our nation.

Our rich spiritual and religious heritage is intact and vibrant. And we must ensure that this important heritage that constitutes an integral aspect of our identity and way of life is preserved.

It is our collective responsibility to pass on this heritage to our children. We need to ensure that our youth understand and imbibe our spiritual heritage, and teach them the universal values of tolerance, non-violence and compassion. Towards this end, the government will work with the Dratshang and Choedays to support and promote our rich spiritual and religious heritage.

Every year, a large number of children from humble backgrounds, including the poorest of the poor, join the monk body. They are given an opportunity to receive and education and enjoy a better and more secure life. We must acknowledge the support provided by the monk body to our poor and destitute children. At the same time, the government will engage with the monk body to explore ways and means of providing more support to the monastic schools.

Culture

Culture is the essence of our identity. As the world's only surviving Mahayana Buddhist nation, our culture is unique and special. Its heritage includes not only symbols in the form of our architecture like our traditional houses, bridges, ancient temples, Dzongs, Mani Dungkors, and Chortens, but also our values, way of life, and social organization.

Our arts, ceremonies, music, and festivals are not remnants of a bygone age; they continue to have significance in our everyday life. They help us understand what makes us who we are. They bring us happiness. They bring us understanding and insight. And they strengthen the character of our nation.

In the age of a global village, we face rising pressure in preserving our culture. The situation is getting more challenging in urban areas like Thimphu. Within just a few decades, the city has grown rapidly and its architectural landscape has undergone drastic changes – magnificent agricultural fields upon which stood beautiful traditional houses have all but disappeared. In their place, we now have clusters of concrete buildings of all sizes, colors, and shapes.

Our Dzongs and ancient temples have sacred *Naangtens* blessed by great Lams and Rinpoches. They were handed down to us by our parents and grandparents. It is now our responsibility to care for them and hand them down to the next generation. We have lost sacred Dzongs and monuments like Wangdi Dzong and Taktsang monastery to tragic fire accidents in the past. We simply cannot allow it to happen again. The government has completed the groundwork to rebuild Wangdi Dzong. Under His Majesty's leadership and guidance, we will rebuild the Dzong to its past glory.

It is important for us to learn from the past and ensure that such tragedies do not recur. A comprehensive fire risk assessment is being conducted after which we will install appropriate safeguards in all our Dzongs.

We must all bear full responsibility in preserving our timeless values and culture.

Environment

We live in one of the most beautiful places on earth. For centuries, we have treasured the natural environment and have looked upon it as the source of life for all sentient beings. This traditional reverence for nature has delivered Bhutan into the 21st century with a pristine environment. We are endowed with an extremely rich and diverse flora and fauna.

Our Constitution requires at least 60% of the nation's land mass to be maintained under forest cover for all time. Currently, about 70% of the country's total land area is under forest cover, and over 50% percent of the country is protected in the form of national parks and wildlife sanctuaries – one of the highest percentages of protected area in the world. We also have abundant water resources and one of the most beautiful river systems in the world.

Climate change threatens not only our fragile mountain ecosystem, but also poses a serious challenge to sustainable development and the livelihoods of our people. According to scientific studies, our glaciers are retreating at an alarming pace threatening valleys with floods and our hydro-projects that depend on glacier fed rivers.

Our beautiful mountainsides are being destroyed by mining activities and road construction. We cannot allow such activities to be pursued indiscriminately. Mining

companies will have to work with us to repair the damage, and environmentally friendly technology will be used to construct roads. And, the government will ensure that all provisions of our environmental and mining regulations are fully enforced.

Waste management is another serious challenge. Over the years, waste generation has grown rapidly. Apart from polluting our land and rivers, it is eroding the image of the nation and can undermine our tourism potential. The government will devise a comprehensive strategy and action plan to manage all forms of waste, and to keep our cities and communities clean. We will also explore opportunities for public-private partnership and engage with entrepreneurs like Greener Way to play a bigger role in waste management.

The government's efforts to protect our environment will not be enough. I call on all my fellow citizens to do your part and respect and preserve our precious environment as our forefathers did.

Disasters

Bhutan remains prone to many natural disasters that cause loss of lives and extensive damage and destruction of property and infrastructure. Over the last few years, Bhutan has been a victim of many disasters. And the threat of Glacial Lake Outburst Floods (GLOFs), landslides, earthquakes, floods, droughts, fires and windstorms are real and must be taken seriously.

Extreme and unpredictable weather patterns attributed to climate change are also a matter of serious concern. To prepare for such disasters, the Disaster Management Bill 2011 was passed by the Parliament in 2013, a new Department of Disaster Management was created in 2008.

However, we need to do more to reduce the risks of disasters and build greater resilience among our communities and people. We must enhance preparedness, mitigate risks, increase awareness and enhance the capacity of our response mechanisms to deal with disasters. We must set up reliable early warning systems for floods and ensure they work. Located in a highly seismically active zone, we must also ensure that our buildings codes are properly implemented. That our schools, hospitals and homes safer so that the risks to our children, elderly and the sick are minimized in the event of an earthquake.

Gross National Happiness (GNH)

GNH is a precious gift from our Fourth Druk Gyalpo to Bhutanese and to humanity. It is an idea deeply rooted in Buddhist wisdom and born of our Fourth Druk Gyalpo's selfless compassion and love for his people. It is an idea that has caught the imagination of the world and has made each and every Bhutanese proud. Perhaps, through this enlightened idea, we have quietly managed to show to the world that development

need not be a zero-sum game – that socio-economic progress and conservation of environment, promoting our values, culture and spirituality, can all go hand-in-hand.

Some are concerned that I do not believe in GNH. Today, I ask them to put their fears to rest. I am not only a firm believer of GNH, but a practitioner.

For me, as succinctly stated by His Majesty the King, “GNH is development with values.” For me, it is the job of Bhutanese scholars to research and lead discussions on GNH both within the country and abroad. For me, the government’s job is to implement policies and programs that enhance GNH within our own country. And that is what this government will do.

PEOPLE

Wangtse Chhirpel

Democracy is about empowering people. It is about people being able to make choices to shape their future based on their needs, circumstances and priorities. It is about enabling them to participate meaningfully in the process of nation building.

Wangtse Chhirpel is fundamental for a vibrant democracy. Through the devolution of power and authority to our local governments, our people will be socially, economically and politically empowered.

Under the leadership of our beloved Kings (*Yab Sey Nge*), Wangtse Chhirpel has been a constant process that was pursued with great impetus. It facilitated greater participation by the people in the decision making process. It brought about unprecedented socio-economic development. And it culminated with the establishment of democracy. We believe that further empowerment of the people remains the best means to fulfil the hopes and aspirations of our people.

Agriculture

Farming remains our most important sector. The majority of our population depend on agriculture, livestock and forestry for their livelihoods.

But while GDP has been averaging 8% growth in the recent years, agricultural growth has stagnated at 1.5% a year. When so many of our people rely on agriculture, and at a time of rising unemployment and rupee shortage, slow growth in this sector is a cause for serious concern.

The government will bolster existing programs to help our farmers such as making available high-yielding seeds, fertilizer, mechanization, and irrigation channels. We will repair farm roads, and we will make determined efforts to mitigate wildlife crop destruction including through schemes for crop insurance. We will introduce innovative financing mechanisms, incentives and subsidies, promote agro-based businesses, and establish effective marketing and distribution networks. And, we will take a pro-active approach in facilitating farmers' cooperatives, community forestry, and such other programs.

While these will help, addressing perhaps the most serious challenge facing agriculture – lack of farm labour due to rural-urban migration, will require a broader long-term strategy and concerted effort. Our rural areas are becoming empty of able-bodied young men and women who are heading for our cities. Farming is not an attractive choice for our educated youth. It involves menial and hard labour; farming in remote areas is subsistence in nature and is not financially rewarding; and life in rural areas lack urban comforts and amenities.

We must find a solution. As part of our strategy and a step in the right direction, we will plan and promote regional hubs or economic growth centres, and target interventions to increase food production in their periphery. These hubs will bring markets closer to farmers, and will also offer a semblance of urban life close by. Farmers living in the periphery can increase their income through brisk sales of farm produce – we see it happening in the areas surrounding the Punatshangchu hydro-projects.

On your part, farmers must work hard to take advantage of opportunities that become available. Together, we have an opportunity to transform our agriculture and farming sector and make a positive difference in the lives of many people. This will help us alleviate other major concerns facing the nation including poverty, unemployment and outflow of rupees. It will help us come closer to achieving our national goal of self-reliance.

On a positive note, I am pleased to report that there is a small but emerging trend of educated Bhutanese including youth who are developing an interest in farming. The government will pro-actively support and facilitate this trend.

Poverty

Too many of our people continue to live in poverty. We must work harder to put an end to this scourge. We have a moral obligation to ensure that no Bhutanese lives in hunger and destitution.

With poverty being primarily a rural phenomenon, agricultural development and enhancing non-farm rural incomes will be emphasised to totally eradicate poverty.

For a small nation like ours, we do not need to work with faceless numbers. We will ask the local governments to identify families living in poverty everywhere. If political candidates can knock on every single door to seek votes, why can't we do the same to for a greater cause. Working together with His Majesty's Welfare Office, CSOs, local governments and concerned individuals, we will reach out to the poorest of the poor and do whatever we can to bring them out of poverty.

Rural-Urban Migration

A chronic problem facing our country is rural-urban migration. Many of our farmlands remain fallow in our rural areas due to lack of labour.

The population of our cities are growing at a rate of 7.3% compared to the overall growth rate of 1.3%. At the current rate, over 70% of the country's entire population will live in urban areas within a decade or so. It reflects one of the highest urbanization rates in the world.

The impact of rural-urban migration is most severely felt in Thimphu as its population continues to grow at around 12.5% per annum. Every year, thousands of youth come to Thimphu in search of jobs and economic opportunities.

We will create opportunities in agriculture and other cottage industries in rural areas, and seriously pursue the development of regional economic centres to slow the rate of rural-urban migration.

Housing and Human Settlements

Rapid urbanization is putting a strain on urban centres and their periphery.

Cities such as Thimphu and Phuentsholing face a severe housing shortage, particularly for the low income group, resulting in spiralling rents. Many Bhutanese in Phuentsholing live across the border in Jaigoan, while low income earners in Thimphu pay up to 50-60 percent of their salary on house rent.

The National Housing Development Corporation (NHDC) which has the mandate to provide safe and affordable housing for all has made little impact on the housing shortage faced by the low income group in Thimphu, Phuentsholing and Samdrup Jongkhar.

Efforts to expand services in urban areas have not been able to keep up with rapid population growth resulting in water shortages, lack of sanitation and waste disposal facilities. And unplanned development taking place outside urban centres will hamper future municipal expansion and provision of service facilities.

Making sure that all Bhutanese have access to safe and affordable housing, including homeownership, is in our view essential for enhancing the happiness of our people. Our settlements throughout the country also need to be properly planned and provided with essential services. These are important goals that we will strive for.

We have already begun discussion on the Tenancy Act in parliament with the view to control spiralling rents. And we will plan and support the creating of regional hubs, particularly considering the locations of future hydro-projects, in order to create new growth centres and promote balanced regional development.

The 11th Plan envisages construction of 800 low-income rental units and about 100 units for ownership by low-income civil servants. While a step in the right direction, it will certainly not be enough. The government will explore schemes to promote development of low-income housing by the private sector, and low-cost housing materials and technologies to lower the high cost of construction.

Education

Every Bhutanese child deserves the best possible education. It is the most valuable investment any country can make to secure its long-term future. To stand on our own feet and compete in a rapidly changing and inter-connected world, we need highly educated people. Education is also the key to securing a more equal, fair, and just society.

For about 210,000 students, we have 2011 schools, institutions and centers across the country. There is approximately one educational institution for every 104 students and about one teacher for every 20 students. So we are doing well in terms of access to education. But, unfortunately, the quality remains a serious concern as reflected in the Royal Education Council's 2009 research findings on "Quality of School Education."

Improving the quality of education is about producing great engineers, doctors, researchers, scientists, teachers, and innovators. It is also about expanding opportunity for all our people in a world where an education is the key to success. Our school curriculum must focus on the core areas of language, mathematics and science. Over the years, teaching Dzongkha in schools has improved, yet many students find it difficult and uncomfortable to communicate in our own national language. And while English is the medium of instruction in our schools, some of our university graduates find it difficult to compose a simple letter in English. As such, we risk becoming a people that can neither communicate properly in Dzongkha nor in English.

We want our children to grow into mentally and physically healthy and productive adults to pursue their dreams and to serve our Tsa-Wa-Sum. We will commission a study to find out if our students are getting enough food and nutrition, and how they are being fed.

Our teachers are the most important factor determining the success of a child's education. As a nation, we must work hard in recruiting, developing, supporting, retaining, and rewarding outstanding teachers. Our goal must be to have a great teacher in every classroom and a great principal in every school. We need to place a lot more trust in our teachers. We need to empower them to do their job and to fulfill their passion. So this year, we will identify ten schools that will be given autonomy.

We have about 10,200 teachers, lecturers, instructors and trainers in the country. In rural areas, we come across teachers who are so de-motivated that they even resort to drinking alcohol—destroying their own lives and our children's future. We need to be a lot smarter in taking care of them. We will provide rural posting allowances to our teachers and address their other needs. For most educated Bhutanese, teaching is the last career option. We, the government and people, must work together to make teaching an attractive career option. We can do it, we must do it. Otherwise, we will never be able to bring about a meaningful reform in our education system.

The success we seek is not going to be attained by government and schools alone. It also depends on the dedication and hard work of students and their parents. We all know the difference parents can make in the life of a child. Parents are their first teachers, first mentors and first role models. We must take responsibility of our children's future and teach them important values.

Our private schools and colleges play an important role in filling the gap and providing education to students who do not qualify for admission in government educational institutions. Parents of many such students take loans from financial

institutions, mortgaging their land and ancestral properties. Student loans at a low interest rate, in the name of the student, will be made available.

Some private schools and colleges have expressed concerns about the government's lack of support for their growth and innovation. We will sit with you and iron out all the issues and will give the necessary flexibility to provide the best possible education to our children. However, you will have to maintain a reasonable fee structure. You must remember that parents are paying fees from their hard earned income.

Thus far, we have no international schools in the country. This could be a good investment opportunity for our private sector, and a must for the nation if we want to improve standards. We will do what it takes to facilitate the establishment of international schools in Bhutan.

Health:

Bhutanese today live longer and healthier lives. The mortality rates of our most vulnerable – infants, young children, and mothers giving birth – continue to decline.

The continued success of our immunization programme, and achievements in reducing tuberculosis and malaria cases have been remarkable.

Health coverage is estimated at 90 percent.

Patients requiring specialized care continue to be referred to hospitals abroad at high cost –as kidu from the Throne.

We are on track to achieve health related MDGs.

The healthcare system in Bhutan comprised of health facilities including the indigenous hospital, doctors, nurses and technicians, and the various health programs in our country have contributed greatly in improving the wellbeing of our people. Our healthcare providers deserve our gratitude.

There remain, however, many challenges that must be addressed:

- Shortage of doctors, nurses, medical supplies and equipment
- The rising cost of our healthcare system due to a growing population and the increase in diseases such as diabetes, hypertension and cancer, threaten the financial sustainability of our healthcare system.
- The growing number of HIV/AIDS cases at 321.
- The rise in substance-abuse patients requiring sustained psychomedical treatment
- Foreign currency outflow due to Bhutanese travelling abroad for routine medical services that could easily be performed in-country – also a reflection of their dissatisfaction with the quality of service offered by our hospitals.

Our government will make it a priority to:

- achieve universal health coverage
- Improve the quality of health services by improving the working conditions of our healthcare providers, providing adequate medical supplies and infrastructure.
- Create awareness on non-communicable diseases and programmes to promote healthy lifestyles.
- Grant autonomy to JDNRL Hospital in Thimphu in line with our policy of Wangtse Chhirpel.
- Make healthcare financially sustainable including allowing private hospitals.

Introducing private hospitals in the country does in no way diminish our unequivocal commitment and constitutional duty to provide free and quality healthcare to all Bhutanese.

Women

Our women contribute tremendously to our nation as farmers, teachers, healthcare workers, entrepreneurs, civil servants and office workers. They, however, continue to remain underrepresented in all political, economic, and social spheres.

The government will form a committee comprised of women to study this situation and we will be guided by their recommendations. We will take concrete steps to improve women's participation in all important areas of political, economic and social sectors, and we will aggressively seek opportunities to place women in significant positions.

Our government is proud to have the first ever woman minister of Bhutan. We hope that Aum Dorji Choden will inspire women across the country to join politics, and young girls to aim for the stars.

Youth

In his enlightened wisdom, His Majesty our Fourth Druk Gyalpo stated: "The future of Bhutan lies in the hands our younger generations." We must take this seriously. We must find ways and means to make them true agents of positive change, new ideas, and fresh energy.

More than half of our population is less than 25 years old. As a father of a teenage daughter and a young son, it breaks my heart to hear about the serious problems facing some of our youth: drug addiction, gang fights, alcoholism, and teenage pregnancies. Recently, there have been a few painful cases of our young people committing suicide. At times like these, we have to ask ourselves: What can we as government, as parents, as friends, as society and concerned citizens, do to stop our children from destroying

their lives? What can we do to make them proud and productive citizens of our beloved nation? Government alone cannot solve this complex problem. We need your help to find the best ideas and creative solutions to take better care of our youth – to secure their future and that of the nation we all love.

Social pressures due to unemployment and lack of opportunity to pursue higher studies appear to be some of the causes. We will do everything possible to find productive jobs for you and to help you pursue your dreams of serving the Tsa-Wa-Sum.

As your government, our primary responsibility is to provide you with the opportunity to fulfil your hopes and aspirations. We may not be able to reach out to each and every one of you, we may not be able to find a meaningful job for you right away, but we will persevere to fulfil our responsibility to you.

The government will soon conduct a thorough study of the state of our youth and will roll out various schemes to deal with all youth issues. We will come out with policies and programs to provide employment to our youth, unemployment stipends and student loans.

But this will only work if you do your part. You will have to be willing to work hard and participate in job trainings. And, you will have to be willing to take jobs that are available.

Sports

Under the dynamic leadership of His Royal Highness Gyalsey Jigyel Ugyen Wangchuk, President of the Bhutan Olympic Committee, we have a great opportunity to promote sports in our nation. The leadership and enthusiasm His Royal Highness brings to the post is already having significant impact.

The state of our sports federations are improving, and with them the standards of sports. Funds are limited, but the federations are doing their best with the resources available to them. Our sports men and women are participating in a host of international competitions and performing well.

The government will support sports, especially for our youth. Sports generally teach good values such as teamwork, fair-play, and that hard work pays. It can keep the youth healthily engaged, as well as promote healthy lifestyles for all age-groups.

Civil Society Organizations (CSOs)

CSOs have an important role to play in our nation. They complement efforts of the government in many important areas, and fill in critical gaps where government support or intervention is either lacking or inadequate.

Under the patronage, support and guidance of Their Majesties The Queen Mothers, we have a number of CSOs such as RENEW, Tarayana Foundation, Royal Textile Academy and the Youth Development Fund. These organizations continue to do

commendable work related to poverty reduction for vulnerable individuals and communities, empowerment of women and girls, youth development and the preservation and promotion of our traditional art of weaving.

Similarly, we have several other civil society organizations addressing a range of issues. I would like to assure you that the government will continue to support the development of civil society organizations. At the same time, it is important to ensure that civil society organizations are genuine and not a front for political parties.

11th Five Year Plan

I am pleased to report that the 11th Five Year Plan has been discussed and approved by the current session of parliament.

The Eleventh Five Year Plan has been formulated with the theme of promoting “Prosperity for All” by empowering people to enjoy liberty, equality and prosperity by devolving power and authority from the centre to the people – *Wangtse Chhirpel*.

“Self Reliance and Inclusive Green Socio-Economic Development” forms the overall objective of the 11th Plan, while its priorities cover four broad areas of:

- Poverty reduction
- Economic development
- Health and Education
- Reducing Corruption

The 11th Plan expenditure outlay is planned at about Nu. 214 billion, a 40% increase from the 10th Plan. Out of the resources available to fund the Plan 70% is being met from domestic revenues, and 30% from foreign grants.

While we have been expecting aid to decline because some development partners are phasing out (in view of our improved socio-economic indicators), grants for the 11th Plan is projected to increase by 13 percent. The Government of India’s generous commitment of Nu. 45 billion for the 11th Plan is primarily responsible for this increase.

The Nu. 45 billion from the Government of India is the largest-ever grant received by the Royal Government. While it may appear to be a windfall, we must remember that we cannot expect our friends to continue providing us aid indefinitely. We must use the funds prudently so that benefit is derived from every last rupee. We must use it in a way that all Bhutanese, particularly the ones who need it most, benefit. We must use it to enable us to stand on our own two feet.

On behalf of the Royal Government of Bhutan I would like to express our gratitude to all our development partners for their continued generous support to Bhutan. In particular, we would like to express our deep gratitude to our closest friend India for their tremendous support to our Eleventh Plan.

Conclusion

When His Majesty signed the Constitution in 2008, he expressed the hope that, “through this Constitution we will, with our body, speech and mind work with complete commitment and conviction as we strengthen the sovereignty and security of Bhutan; secure the blessings of liberty; ensure justice and peace, and enhance the unity and happiness of all Bhutanese, now and always.”

Let us live up to the noble vision and expectations of His Majesty The King. Let us fulfil our responsibilities as citizens and contribute meaningfully to the process of nation building. Let us do so with complete and unequivocal *tha-damtshi* for the Tsa-Wa-Sum.

The task of nation building is not easy. There are challenges. But we must capitalize on our strengths and turn challenges into opportunities. We face difficult times. But it is in such times that the true strength and character of a people must be brought to bear. We must be bold and courageous. We must not be afraid to take initiative. We must constantly strive to give our best and do better all the time.

Above all, the people and government must join hands and hard work to build a strong, prosperous and resilient nation.

On 2nd June 1974, on the occasion on His Majesty the Fourth Druk Gyalpo's Coronation, His Majesty stated “As for you, my people, are concerned, you should not adopt the attitude that whatever is required to be done for your welfare will be done entirely by the government. On the contrary, a little effort on your part will be much more effective than a great deal of effort on the part of the government. If the government and people can join hands and work with determination, our people will achieve prosperity and our nation will become strong and stable.”

I firmly believe that with the leadership of our Monarchs, the protection of our guardian deities, the collective merit of our people, and the perseverance of our people and government, we will prevail and thrive as a nation.

For the first time in the history of our nation, we have an entirely new and young cabinet. We may be young but we are committed. And we bring with us the advantages of youth – fresh perspectives and new ideas, and energy and enthusiasm.

In order to prevent us from faltering, and to capitalize on our youth and potential, we need your support.

We need the support of the Members of Parliament in both houses, as well as that of our people – whether farmers, businessmen, civil servants, students or youth.

We need the protection of our Guardian Deities, and prayers of the Dratshang.

And above all, we need the blessings and guidance of His Majesty the King.

In closing, I humbly offer my profound gratitude to His Majesty The King for the outstanding leadership that His Majesty continues to provide to our country.

I also express my deep appreciation to His Holiness The Je Khenpo, the Zhung Dratshang and Choedays for praying for the peace and well being of our country.

I thank our armed forces (Dhakha Sum) and *desuungs*, civil service, private sector, students, youth, women and all the people of Bhutan for their contributions and service to the country.

Finally, I take this opportunity to reaffirm the unqualified commitment of this government to the Tsa-Wa-Sum.

Tashi Delek!