

Market Surveillance Report - Dagana and Tsirang Dzongkhags (April 6 to April 19, 2024)

A. Background

Market surveillance is the inspection for rectification and prevention of unethical and illegal business practices. Market surveillance helps to ensure ethical business practices as per extant laws thereby protecting consumers. Without market surveillance, businesses could take undue advantage of consumers and over other competing businesses, thereby affecting the business environment.

Surveillance is an important task of the Competition & Consumer Affairs (CCAA). Over a duration of 14 days, commencing on April 6, 2024, a total 261 business establishments in the main towns of Tsirang and Dagana Dzongkhags were inspected (Fig. I & II). Support of the field officials of Bhutan Food & Drug Authority (BFDA) was sought when establishments selling food products were inspected. The primary focus during inspection is to check compliance of firms to critical requirements stipulated in the Consumer Protection Act, 2012, and the Consumer Protection Rules and Regulations, 2015.

Fig. I: Types and numbers of businesses Dagana Dzongkhag (Lhamoizingkha, Dagapela town, Daga Throm, Drujaygang and Sunkosh)

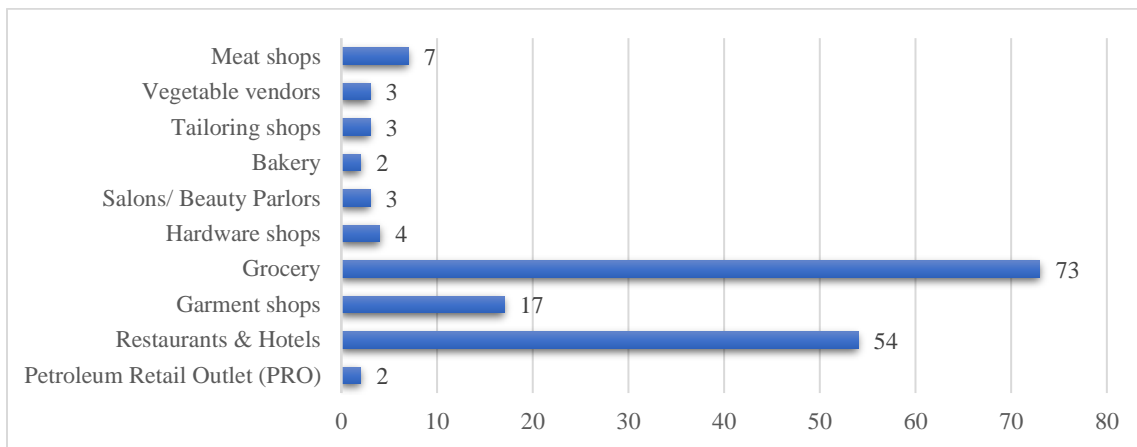
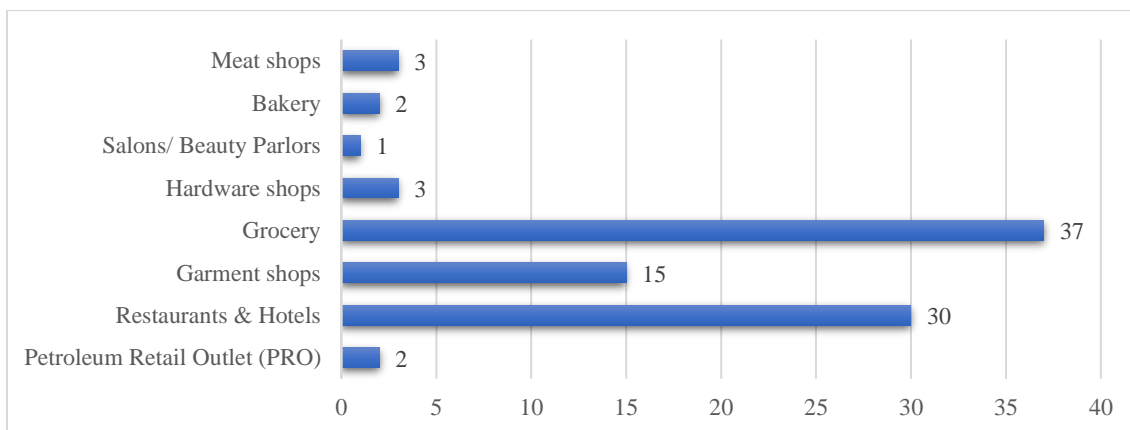


Fig. II: Types and numbers of businesses Tsirang Dzongkhag (Damphu Town, Dekling, Darjay and Mendrelgang)



B. Findings and Observations

The four minimum market regulatory requirements are:

- All businesses must issue cash memo or purchase receipt for all purchase over Nu. 100;
- All weighing devices must be calibrated;
- All businesses must display clear and unambiguous selling prices of their goods and services; and
- All goods must contain proper labeling (such as net weight or volume, date of manufacture and expiry date, product description etc.,)

The rate of compliance varies between types of businesses and locations.

Fig III: % business providing pre-printed cash memo / purchase receipts

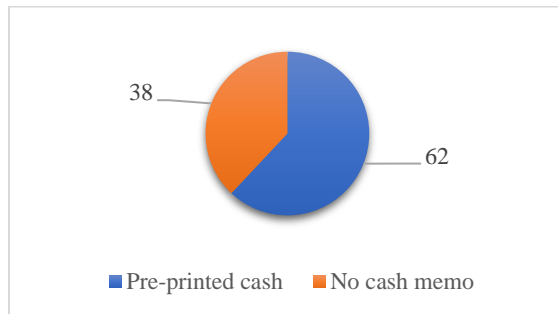


Fig iv: % business displaying selling prices of goods and service

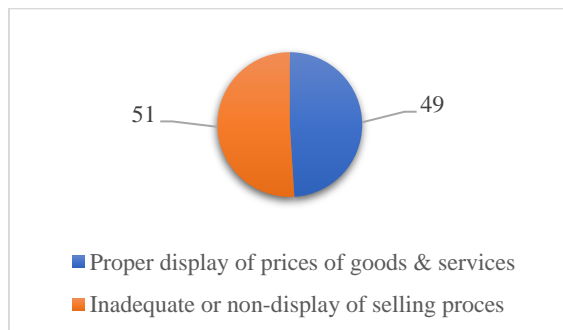
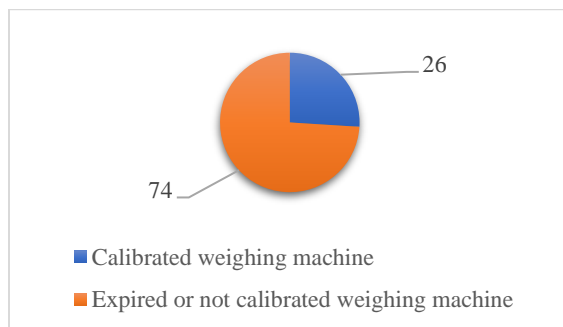


Fig. v: % weighing balance that are calibrated



- Of the 108 groceries and bakeries, 8% do not meet the minimum labeling requirements. The problem of inadequate labeling is prevalent with locally made and re-packed products.

- 12 grocers in Dagana and 1 grocer in Tsirang had expired stocks, including biscuits, processed cheese and juice.
- The density of Motor Spirit (MS) and High-Speed Diesel (HSD) at all 4 PROs were within permissible range ($\pm 3 \text{ kg/m}^3$). Likewise, water content in the storage tanks were all within maximum acceptable limits (8 cm) at all PROs.
- The volume of fuel dispensed at all Petroleum Retail Outlets (PRO) were within permissible range of 0.5% ($\pm 0.5\% = 25 \text{ ml}$). The measuring jars at PRO (DPCL), Tsirang were however due for calibration.
- Fire extinguishers installed at the PRO (STCBL) does not have expiry dates reflected on the cylinders.
- All the PROs have calibrated weighing machines in place which are required for consumers to verify the LPG cylinders.
- LPG stores/ outlets found still operated from the PRO premises and are not from a separate location.

C. Actions taken / Action to be Taken

- The complete list of all business entities that required weights, measures, calibration, and recalibration was dispatched to Bhutan Standards Bureau for support to calibrate.
- Shops in Dagana and Tsirang Dzongkhags stocking expired were fined a total of Nu. 4,673/- and Nu.405/- respectively. In addition, expired products were seized by BFDA.
- The PRO (DPCL) at Tsirang was directed to maintain a valid calibrated 5L brass can in the outlet.
- Directed all the PROs to rectify minor violations to be in full compliance with the Standard Operating Procedure on Safe Handling and Storage of LPG, 2024.
- The Department of Trade (DOT) needs to be informed about the LPG outlets being operated from PRO premises in Tsirang and Dagana and the need to separate them as per the SOP on Safe Handling and Storage of LPG, 2024.

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