

Market Surveillance Report - Paro Dzongkhag

A. Introduction

From September 1, 2024 till September 8, 2024, the CCAA) conducted surveillance of different types of businesses in Paro Dzongkhag to check their compliance to relevant laws related to consumer protection. A total of 57 business firms were checked (Tab. 1).

Tab. 1: Details of business monitored

Type of business	Number of firms covered
Green grocers	27
Cement agents	13
Dried Fish Retailers	10
Fresh Fruit Retailer	4
Petroleum Retail Outlet	3

B. Findings and Observations

(i) *Petroleum Retail Outlet (PRO).*

There are three PROs in Paro belonging to Bhutan Oil Distributor (BOD), Damchen Petroleum Distributor Private Limited (DPDPL) and Druk Petroleum Corporation Limited (DPCL). The findings are as follows:

- The density of Motor Spirit (MS) and High-speed Diesel (HSD) in all PROs were well within the tolerance limits ($\pm 3 \text{ kg/m}^3$).
- Water content in the storage tanks was found to be below the maximum acceptable limit of 8cms in all outlets.
- From a total of 10 pumps (5 for MS, 5 for HSD) in three outlets; 2 pumps consisting of 8 nozzles were out of service for technical reasons.
- Of the 16 nozzles (from the 8 functional pumps), 10 nozzles were defunct while the rest were fully functional and well within the tolerance range of 0.5% ($\pm 0.5\% = 25\text{ml}$).
- At the time of inspection, PRO (DPCL) at Shaba had no fire extinguishers in the premises since all were dispatched to Phuentsholing for refill.

(ii) *Cement Agents*

Warehouses of three agents dealing with Penden cement and two agents dealing with Lhaki cement were inspected. Of these, samples in one warehouse did not meet the prescribed tolerance levels (Table II).

Table II: Average Weights of Samples at Cement Agent Warehouse, Paro

#	Agent (Brand)	Sample Size (bags)	Av. Wt. (kg)	Remarks
1	Pel-Tsen (Penden Cement)	32	50.21	Meets standards.
2	Karma T (Penden Cement)	20	50.30	Meets standards.
3	Norphel (Penden Cement)	80	50.26	Meets standards.
4	Kinley Cement (Lhaki Cement)	20	49.96	Not within acceptable tolerance level
5	Sonam Cement (Lhaki Cement)	50	50.26	Meets standards.

All three agents supplying Penden cement were found to be selling above Nu. 466.234 per bag as prescribed by M/s Penden Cement Authority Ltd. (Table III)

Table III: Price of cement at Cement Warehouse, Paro

#	Agent (Brand)	Price per bag (Nu.)	Remarks
1	Pel-Tsen Cement (Penden Cement)	430 - 470	Above prescribed rate Nu. 466.234/bag
2	Karma T Cement (Penden Cement)	470	
3	Norphel Cement (Penden Cement)	460 - 470	
4	Kinley Cement (Lhaki Cement)	450	
5	Sonam Cement (Lhaki Cement)	440	

Furthermore, the team visited eight construction sites in Paro randomly to inspect the weight of cements supplied by other cement agents located in other towns. All were found to be within the tolerance limit (Table IV).

Table IV: Average weights of samples at Construction sites in Paro

#	Construction site	Sample Size (bags)	Av. wt. (kg)	Supplier	Remarks
1	Tshering Gyeltshen, Nemjo	32	50.43	M/s Tshering Enterprise	Meets standards (M/s. Tshering Ent. not licensed to supply cement)
2	Chencho Dorji, Bonday	20	50.56		
3	Karma Dema, Lemgong	50	50.52	M/s Pema Cement	Meets standards
4	Phub Tshering, Geptey	32	50.36		Meets standards
5	Deki Wangmo, Bonday	20	50.28		Meets standards
6	Yeshi Peldon, Geptey	20	50.23		Meets standards

7	Karma Lhaden, Bonday	50	50.37	M/s Lilly Cement	Meets standards
8	Dolay Tshering, Drukgyel	20	50.04	M/s JD Cement	Meets standards

(iii) *Green Grocery*

A total of 335 locally produced and packaged food (232 vegetable, 27 fruit and 76 dried fish) were closely inspected for violations.

From a total of 232 packaged vegetable sampled, 24% were found to be below the declared weight. Similarly, 18.5% of packaged fruit sampled were below declared weight. In dried fish, almost 16 % were below the declared weight.

The sheer diversity in the type, variety, type of packaging, net weight and quality of locally produced and packed items among vendors makes inspection challenging. Some effort of standardizing by relevant agencies would improve the efficiency of market inspection leading to greater consumer protection.

In the absence of standard package weight and measures, many products continue to be sold in traditional system tools using non-standard containers such as *dre*, *phuta*, *sang*, *bangchung*. Without any concrete research, it is not possible to know if and how consumers are affected by such practices and gradual transformation into modern weight and measure systems must be attempted.

3. Action taken and recommendations

- All PROs without proper calibrated measuring devices (Hydrometers, Thermometers and Measuring cylinders) were directed to get them calibrated immediately.
- M/s PCAL must be notified about non-compliance to the prescribed rates, for necessary action as per their terms and agreements.
- All cement agents that could not meet the tolerance level must be asked to furnish justification(s).
- ROICE, Thimphu will have to be notified about firms doing business without valid registration/ license for their action.
- The Inspection team ensured that all underweight items were rectified on-the-spot and advised them to avoid such discrepancies in the future, which otherwise shall result in penalization as per CPA, 2012.

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