

Report of Market Surveillance in Sarpang Dzongkhag and Gelephu Thromde

1. Introduction

The Competition and Consumer Affairs Authority (CCAA) conducted market surveillance under Sarpang Dzongkhag and Gelephu Thromde from December 02 to 15, 2024, for the duration of 14 days. The main aim of the surveillance was to promote compliance of regulatory requirements by business entities.

2. Coverage

A total of 316 business entities were monitored, including 151 in Sarpang Dzongkhag and 195 in Gelephu Thromde, covering various sectors as illustrated in Figures 1.1 and 1.2, respectively. Across both the Dzongkhag and Thromde, the monitoring encompassed 5 Petroleum Retail Outlets (PROs), 5 cement agents and construction sites, 64 fruit and vegetable retailers, dried fish and cereal retailers, as well as 242 other businesses. These included grocery stores, hardware shops, restaurants, hotels, bakeries, garment shops, and meat shops.

Fig.1.1: Overview of Business sectors monitored in Sarpang Dzongkhag.

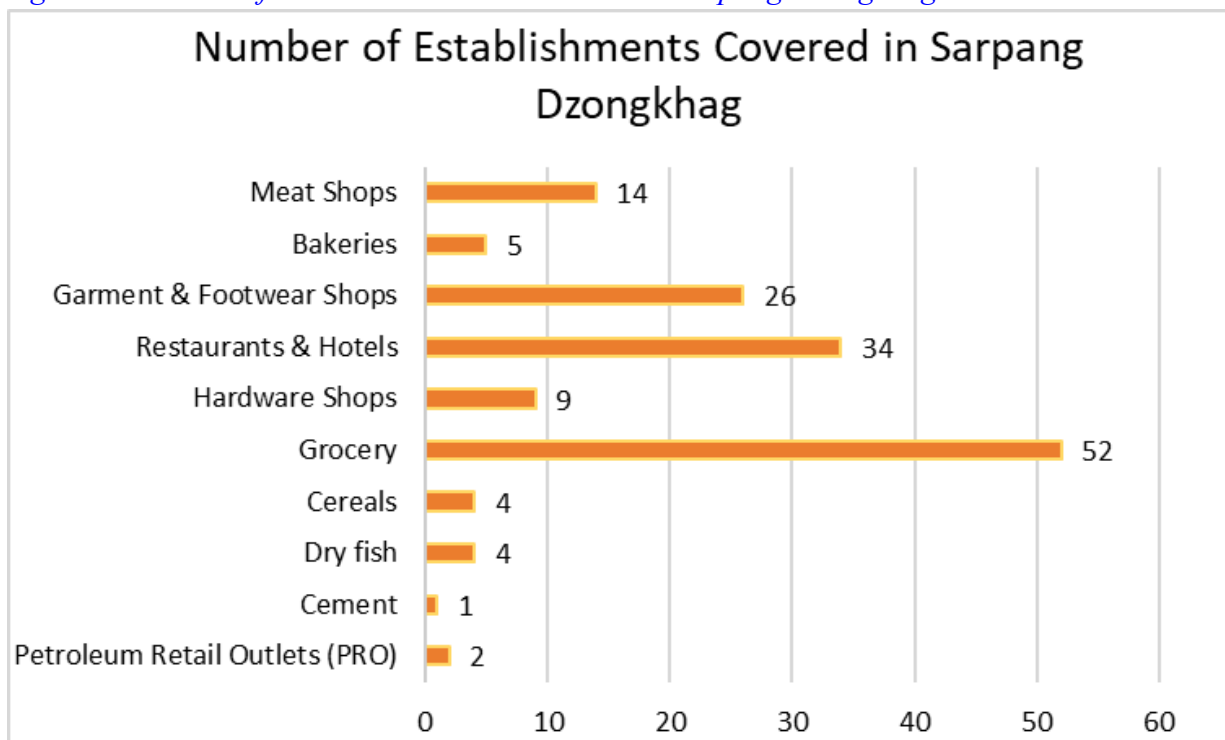
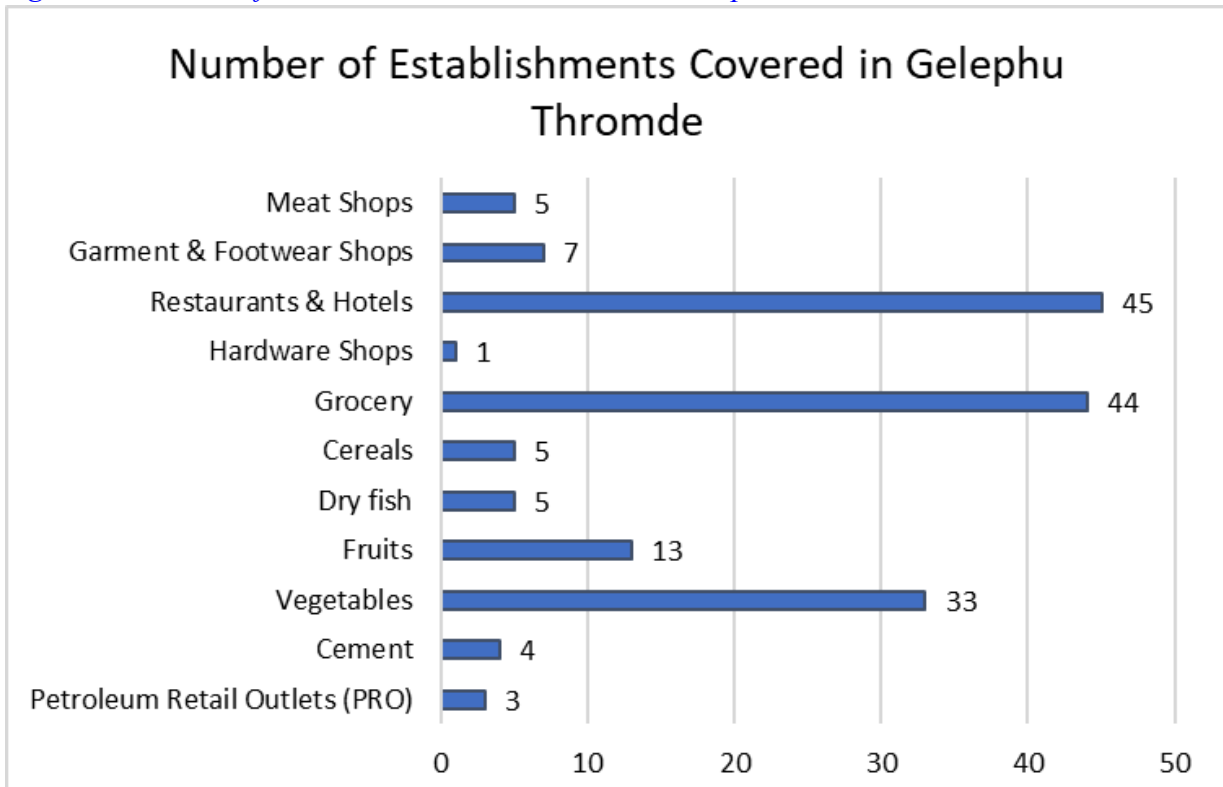


Fig.1.2: Overview of Business sectors monitored in Gelephu Thromde



3. Findings and Observations

3.1 Petroleum Retail Outlets (PRO)

- The density of both Motor Spirit (MS) and High-Speed Diesel (HSD) across all other PROs was within the acceptable range of ± 3 kg/m³. However, the MS density of PRO, Druk Petroleum Corporation Limited (DPCL) at Gelephu Thromde could not be checked as the fuel was out of stock during the time of inspection.
- The water content in the storage tanks of all PROs was found to be within the acceptable limit of below 8 cm, except for one storage tank at the PRO in Gelephu Thromde managed by BOD which recorded a water content of 24 cm, significantly exceeding the permissible limit.
- Measuring devices such as hydrometers, thermometers and cylinders in all other PROs does not have valid calibrations.
- The weighing devices at LPG outlets at Gelephu, namely operated by the Bhutan Oil Distributor (BOD) is due for recalibration, the device was found damaged at the DPCL outlets, and there was no weighing device installed at the DPDPL outlets. Weighing devices are mandatory at all the PROs across the country for consumers to verify the weight of filled Liquefied Petroleum Gas (LPG) cylinders.

- The 5L brass Can for PRO, DPCL and DPDPL at Gelephu Thromde and PRO STCBL located at Kholatar were due for recalibration.
- Only two fire extinguishers were found at DPDPL PRO at Gelephu Thromde which is due to expire on 13/12/2024.
- There are a total of 21 pumps at the 5 PROs, consisting of 10 for Motor Spirit (MS) and 11 for High-Speed Diesel (HSD). At the PRO, BOD, in Gelephu Thromde, one pump with one nozzle is non-functional due to an underground pipeline leakage. At the DPCL PRO in Gelephu town, three pumps with six nozzles are under installation. Additionally, two pumps with five nozzles are defunct due to technical issues at DPDPL PRO.
- Out of the 31 nozzles across the 14 functional dispensing units (pumps), 5 dispensing units (nozzles) at the PRO managed by BOD in Gelephu Thromde and 2 dispensing units (2 nozzles) at the PRO managed by DPDPL in Gelephu Thromde were not calibrated.
- Similarly, both dispensing units for Motor Spirit (MS) and High-Speed Diesel (HSD) at the PRO managed by BOD in Sarpang town and HSD at the PRO managed by DPCL in Gelephu Thromde were found to be below the Bhutan Standards Bureau (BSB) standards. However, the remaining dispensing units were fully functional and within the permissible range of $\pm 0.5\%$ (± 25 ml), as per BSB standards.
- The PRO managed by STCBL had a High-Speed Diesel (HSD) mobile browser; however, its calibration failed to meet the Bhutan Standards Bureau (BSB) standards.
- All 5 PROs have displayed the retail selling price of the fuels and LPG prominently in their premises.
- All PRO has pre-printed purchase receipt/cash memo available for issuance upon customer demand.

3.2 Fruits & Vegetables and Dried Fish

A total of 46 Fruits & Vegetables (F&V) retailers, 9 dried fish retailers, and 9 cereals retailers were inspected to check the weight accuracy of packaged items. The inspection covered vegetables and fruits such as beans, mushrooms, carrots, garlic, peas, bitter melon, dry chilies, oranges, apples, avocados and cucumbers. Similarly, the weights of packed cereals, including local red rice, local white rice, puffed rice (*Zaw*), and *Kharang* (maize), were also checked.

Out of the 46 Fruits & Vegetables (F&V) retailers, 425 samples were inspected, and its weights were accurate. Among the 9 dried fish retailers, 120 samples were checked, from which 10 were found to be underweight. Similarly, from the 9 cereals retailers, 167 samples were inspected, of which 5 were found to be underweight.

Among the 64 Fruits & Vegetables (F&V) retailers, dried fish and cereals retailers inspected, 72% were found to be using weighing machines calibrated by BSB.

3.3. Cement

Lhaki Cement Agents, Dungsam Cement Agent and Regional Cement Depot of PCAL were inspected to check the weight of cement bags in their respective warehouses. The cement samples from two batches, available at PCAL Regional Cement Depot were inspected. Of these, all the agents met the prescribed tolerance levels of BSB (Ref. Table I)

Table I: Average Weights of Samples at Cement Agent Warehouse, Sarpang

#	Name of business entity	Total Lot(Bags)	Sample Size (bags)	Average weight (kg)	Remarks
1	Karma Cement Agent (Dungsum Cement)	255	32	50.28	Meeting standards
2	Karma Cement Agent (Lhaki Cement)	520	80	50.16	Meeting standards
3	PCAL Regional Cement Depot	2007	125	50.3	Meeting standards
		1320	125	50.11	

Further, weights of cement bags were verified at the construction site and it was found to within tolerance level (Ref: Table II)

Table II: Average Weights of Samples at Construction Site, Sarpang

#	Construction site	Total Lot (bags)	Sample Size (bags)	Average weight (kg)	Supplier	Remarks
1	Bal Bdr Monger, Chokorling	100	20	50.2	M/s TeeTee Cement Agent, Damphu	Penden Cement

3.4 Others

A total of 242 business entities comprising grocery stores, hardware shops, restaurants and hotels, bakeries, garment shops, and meat shops were monitored to check the compliance to requirements viz. issuance of receipts, product levelings, Use of Standard weights & measure and Display of Price as prescribed under Consumer Protection Rules & Regulation, 2015.

- Out of 242 businesses inspected, 72% (175 business entities) were found having pre-printed cash memos/purchase receipts that are provided upon consumer's demand.

- From 242 business entities, 71 percent of firms have displayed the selling price of the goods and /or service provided.
- Out of 101 business firms inspected (96 grocery stores and 5 bakeries), 3% did not meet the minimum labeling requirements
- A total of 87 weighing balances in 84 firms (which includes grocery shops, meat shops, hardware stores and 2 garments shops (using devices to weigh yarns) were monitored. From the total of 87 balances, 38 balances were found uncalibrated/ due for expiration during inspection period.
- Acting on reports received by the CCAA regarding Samyang products being imported with altered labels to extend their expiration dates, an inspection was carried out across 77 shops. Tampered expiry dates on Samyang sauces were discovered in only one shop.

4. Action taken and further recommendations

- Directed the PRO (BOD) at Gelephu town to drain the water from the storage tank immediately.
- All PROs that did not have valid calibrated measuring devices (hydrometers, thermometers, and measuring cylinders) were directed to have them calibrated immediately.
- Directed PRO (managed by BOD, DPCL, and DPDPL) in Gelephu town to keep a valid weighing balance to weigh LPG within 14 days from the date of inspection.
- The 5L brass Can for PRO (DPCL and DPDPL) at Gelephu town and PRO (STCBL) located at Kholatar were directed to get them calibrated from BSB within 14 days from the date of inspection
- PRO (DPDPL) in Gelephu town was instructed to replace fire extinguishers in 14 days.
- Directed all PROs to stop dispensing fuel from the uncalibrated dispensing unit (Nozzles) until calibrated by the Bhutan Standards Bureau (BSB).
- Directed to PRO managed by BOD at Sarpang town and PRO managed by DPCL at Gelephu Thromde to immediately stop dispensing fuel from failed dispensing pumps.
- The CCAA shall advocate consumers to verify the weights of locally produced and pre-packaged edible products to ensure fairness and accuracy.
- All expired calibration weighing machines and uncalibrated weighing machines were directed to be calibrated within 2 weeks at the Bhutan Standards Bureau (BSB) office in Thimphu.
- Expired samyang noodles and relabeled expiry dates of samyang sauce were seized and handed over to BFDA, Gelephu and accordingly, a fine of Nu. 1080/-for expired samyang and Nu. 1000/- for samyang sauce were imposed.

Images of inspection



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