

Market Surveillance Report for Chhukha Dzongkhag and Phuentsholing Thromde

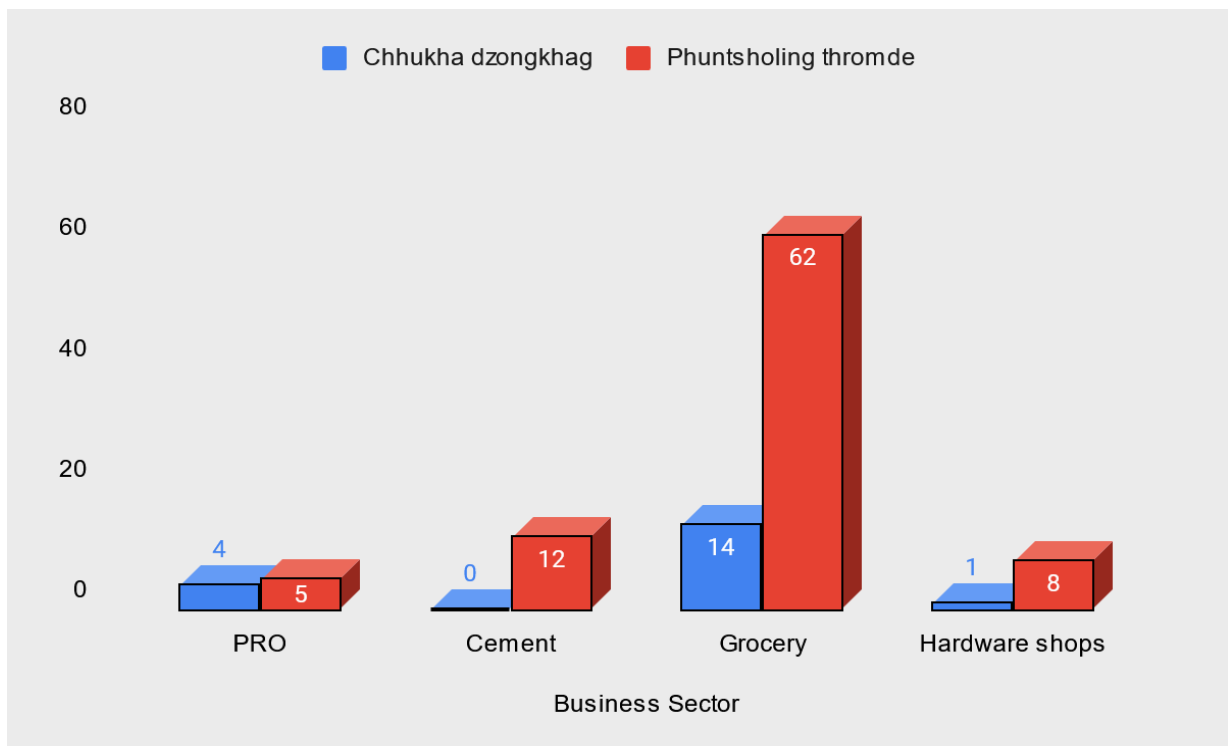
1. Introduction

The Competition and Consumer Affairs Authority (CCAA) conducted a 12-day market surveillance at Tshimasham & Gedu (Chukha Dzongkhag) and Phuentsholing Thromde from January 7 to 18, 2025. The main focus of this surveillance was to promote compliance to the regulatory standards outlined in the Consumer Protection Act (CPA) 2012 and the Consumer Protection Rules and Regulations (CPRR) 2015.

2. Coverage

A total of 106 business entities were inspected, including 19 in Tshimasham, Chukha Dzongkhag and 87 in Phuentsholing Thromde. The market surveillance covered various business sectors, as shown in Figure 1.1. Overall, the inspection included 9 Petroleum Retail Outlets (PROs), 12 cement agents, 76 grocery stores, and 9 hardware shops across both the Dzongkhag and Thromde.

Fig.1.1: Number of business entities inspected in Phuentsholing Thromde and Chukkha dzongkhag



3. Findings and Observations:

During the market surveillance, the team documented the following findings and observations across various sectors of the marketplace.

3.1. Petroleum Retail Outlets (PRO):

- The density of Motor Spirit (MS) and High-Speed Diesel (HSD) at all other Petroleum Retail Outlets (PROs) was found to be within the permissible tolerance of ± 3 kg/m³. However, the density of MS at the Gedu PRO of DPCL could not be verified as the MS nozzle was non-operational due to mechanical issues at the time of inspection.
- The water content in the storage tanks at various Petroleum Retail Outlets (PROs) were recorded as follows:
 - a. 8 cm at STCBL PRO in Chamkuna, 6 cm at BOD (new) PRO in Phuentsholing town,
 - b. 6 cm at DPDPL PRO in Phuentsholing town, and 6 cm at BOD PRO in Tshimasham. These levels were observed to be nearing the maximum permissible limit of 8 cm.
 - c. The water content at BOD (old) PRO in Phuentsholing town significantly exceeded the allowable threshold.
- It was noted that all the Petroleum Retail Outlets (PROs) were using non-calibrated equipment, including hydrometers, thermometers, and measuring cylinders.
- The team noted that uncalibrated weighing machines were in use at the LPG depots in Pasakha (BOD PRO) and Phuentsholing town (DPDPL PRO). Additionally, the weighing machines at the DPCL PRO in Gedu and the BOD PRO in Tshimasham were found to be damaged, and no functional weighing balances were available at their respective LPG depots.
- The 5L Brass Can of PRO, STCBL located at Chamkuna was due for recalibration.
- All fire extinguishers at the inspected PROs were verified to be valid. However, at the STCBL PRO situated at the Chukha Damchu Bypass Trijunction, four fire extinguishers were observed to be unlabeled, lacking manufacturing and expiry dates.

- A total of 35 dispensing units (pumps) were present across the 9 Petroleum Retail Outlets (PROs), comprising 16 for Motor Spirit (MS) and 19 for High-Speed Diesel (HSD). At the PRO BOD (new), PRO DPCL, and PRO BOD (old) in Phuentsholing town, one pump at each station—equipped with 8, 4, and 1 nozzle(s), respectively—was non-operational due to mechanical issues. Likewise, at PRO DPDPL in Phuentsholing, two pumps (one for MS and one for HSD), each with one nozzle, were non-functional because the pipeline was not connected to the underground tank.
- The team examined a total of 101 nozzles across 30 operational dispensing units (pumps), including 13 for Motor Spirit (MS) and 17 for High-Speed Diesel (HSD). The following observations were recorded:
 - a. At PRO BOD in Pasakha, there are 5 dispensing units with 14 nozzles. Of these, only 6 nozzles were calibrated by the Bhutan Standards Bureau (BSB), while the remaining 8 were uncalibrated.
 - b. At PRO DPCL in Phuentsholing town, the station had 2 MPDs with 4 nozzles each, totaling 8 nozzles. Only 2 HSD nozzles were calibrated and within BSB's tolerance range. However, 1 MS nozzle and 2 HSD nozzles were uncalibrated, and 2 MS nozzles failed due to short dispensing.
 - c. At PRO STCBL in Chamkuna, Chukha Damchu Bypass Trijunction, and PRO DPDPL in Phuentsholing, with 3 dispensing units and 10 nozzles, 2 dispensing units and 8 nozzles, and 3 dispensing units and 9 nozzles respectively, all were found to be within BSB's tolerance range.
 - d. At PRO DPCL in Gedu, with 2 dispensing units and 6 nozzles, 2 HSD nozzles were uncalibrated, while 2 MS nozzles and 1 HSD nozzle were non-functional due to mechanical issues.
 - e. At PRO BOD in Tshimasham, with 2 MPDs and 2 bullet pumps totaling 10 nozzles, both MPDs were calibrated by BSB and within the tolerance range, whereas the 2 bullet pumps were not calibrated as they are reserved for emergency use.
 - f. At PRO BOD (old) in Phuentsholing town, with 6 MPDs and 24 nozzles, only 9 nozzles were calibrated and within BSB's tolerance range, 6 were uncalibrated, 7 failed due to

short/excess dispensing, and 2 were non-functional due to unconnected pipelines to underground tanks.

g. At PRO BOD (new) in Phuentsholing town, with 3 MPDs and 12 nozzles, 2 nozzles were uncalibrated, while the rest were calibrated and within BSB's tolerance range.

- All 9 PROs have displayed the retail selling price of the fuel and LPG prominently in their premises.
- All PRO has pre-printed purchase receipt/cash memo available for issuance upon customer demand.

3.2. Cement Agents:

Inspections were conducted on seven agents (Table 1) distributing Penden Cement, one agent handling Druk Cement, and two agents managing Dungsam Cement, as well as the DCCL Regional Cement Depot, to evaluate compliance with weight and measurement standards in their warehouses. The DCCL Regional Cement Depot stocked two types of cement: Ordinary Portland Cement (OPC) and Portland Pozzolana Cement (PPC).

Table 1: Average Weights of Samples and no of cement bags showing minus error greater than 2% of the specific net quantity at Cement Agent Warehouse, Chukha

Cement Manufacturer Name	Name of business entity	Total Lot (Bags)	Sample Size (bags)	Average weight (kg)	Minus Error greater than 2% (No.of Cement Bags)	Remarks
Dungsam Cement Corporation Limited	DCCL Regional depot (PPC)	4400	200	49.79	27	Not within acceptable tolerance level
	DCCL Regional depot (OPC)	2640	125	49.61	12	Not within acceptable tolerance level
	Sonam Zangpo Cement Agent (OPC)	2200	125	49.86	2	Not within acceptable tolerance level
	JD Cement Agent (OPC)	140	20	50.03	0	Meeting standards
Druk Cement	Norbu Cement Agent	1500	125	50.71	0	Meeting standards

Penden Cement Authority Limited	Lilly Cement Agent	130	20	50.36	0	Meeting standards
	Sonam Zangpo Cement Agent	261	32	49.98	0	Not within acceptable tolerance level
	JD Cement Agent	400	50	50.24	1	Meeting standards
	Layo Cement Agent	150	20	49.96	0	Not within acceptable tolerance level
	Jungshep Cement Agent	400	50	50.16	0	Meeting standards
	Pema Cement Agent	1877	125	50.29	2	Meeting standards
	TT Cement Agent	800	80	49.84	3	Not within acceptable tolerance level

- a. DCCL Regional Depot (OPC): Out of 2,640 bags, 125 samples were checked, with an average weight of 49.61 kg. Twelve bags had errors exceeding 2%, falling outside the acceptable tolerance range.
- b. M/s Sonam Zangpo Cement Agent (OPC): For a total lot of 2,200 bags, 125 samples were tested, resulting in an average weight of 49.86 kg. Two bags had a minus error exceeding 2%, making the results unacceptable.
- c. M/s JD Cement Agent (OPC): From 140 bags, 20 samples were tested, averaging 50.03 kg. All bags met the acceptable standards, with no errors exceeding the permissible limit.
- d. M/s Norbu Cement Agent (Druk Cement): A total of 1,500 bags were tested, with 125 samples averaging 50.71 kg. The results met the required standards, with no errors.
- e. M/s Lilly Cement Agent (Penden Cement): Out of 130 bags, 20 samples were tested, averaging 50.36 kg. All results were within acceptable standards.
- f. M/s Sonam Zangpo Cement Agent (Penden Cement): From 261 bags, 32 samples were tested, with an average weight of 49.98 kg. While no bags exceeded the minus error limit, the weights were not within acceptable standards.

- g. M/s JD Cement Agent (Penden Cement): A total of 400 bags were tested, with 50 samples averaging 50.24 kg. One bag had an error exceeding 2%, but the results still met the standards.
- h. M/s Layo Cement Agent (Penden Cement): Out of 150 bags, 20 samples were tested, averaging 49.96 kg. The weights were not within the acceptable tolerance level.
- i. M/s Jungshep Cement Agent: From 400 bags, 50 samples were tested, with an average weight of 50.16 kg. All results were within acceptable standards.
- j. M/s Pema Cement Agent (Penden Cement): A total of 1,877 bags were tested, with 125 samples averaging 50.29 kg. Two bags had errors exceeding 2%, but the results met acceptable standards.
- k. M/s TT Cement Agent (Penden Cement): Out of 800 bags, 80 samples were tested, with an average weight of 49.84 kg. Three bags exceeded the minus error limit, making the results unacceptable.

3.3. Hardware Shops:

A total of nine hardware shops, comprising eight in Phuentsholing Thromde and one in Gedu, were inspected with a specific focus on the thickness of plywood (Table 2). Among these, only four hardware shops were found to be dealing in the sale of plywood.

Table 2: Hardware shops dealing with the Ply wood

Name of business entity	Brand name	Name of the products	Total Stock	Price range	Declared thickness in mm	No. of Samples	No of sample meeting tolerance range	No. of samples does not meeting tolerance range
Tshering Yangdon Tshongkhang	Tulsi	Plywood	200	600	6	10	0	10
	Strong	Shuttering Plywood	30	1500	12	9	5	4
Bhutan Hardware Agency	Assam Tiger	Plywood	10	800	8	5	2	3
	Assam Tiger	Plywood	50	600	6	10	2	8
	Strong	Shuttering Plywood	25	1450	12	10	5	5
	Bhutan Ply	Partition Plywood	8	1800	18	8	2	6
Perfect Builders Private Limited	Unique	Plywood	410	1130-1245	12	10	6	4
	Tulsi	Plywood	166	1100-1210	10	10	5	5

	Tulsi	Plywood	50	490-550	4	10	0	10
	Strong	Plywood	1309	1300-1325	12	10	4	6
	Assam Tiger	Plywood	157	725-795	8	10	0	10
	Assam Tiger	Plywood	303	530-550	6	10	0	10
	Safari	Plywood	32	1785-1965	18	10	8	2
GT Trading Private Limited	Koncreto	Shuttering Plywood	1000	1330-2400	12	10	3	7
	Titan Gold	Waterproof Plywood	200	850	6	10	0	8
	Assam Tiger	Plywood	1000	650	6	10	7	3
	Titan Gold	Waterproof Plywood	400	1050	18	10	5	5
	Assam Tiger	Plywood	150	550	4	10	5	5
TOTAL						172	59	111

- a. A total of nine hardware shops, comprising eight in Phuentsholing Thromde and one in Chukha Dzongkhag, were inspected with a specific focus on the thickness of plywood. Among these, only four hardware shops were found to be dealing in the sale of plywood.
- b. Four hardware shops dealing in plywood were inspected for thickness compliance using calibrated Vernier calipers. A total of 172 samples were verified, and it was observed that 64.53% of the samples did not meet the specified tolerance range.
- c. All the hardware shops had pre-printed cash memos/purchase receipts that are provided upon consumer's demand.
- d. Out of the nine hardware shops inspected, five were found to be using calibrated weighing machines, while two were using uncalibrated weighing machines for weighing various products, such as nails.

3.4. Grocery Shops:

A total of 76 grocery shops were inspected, including 62 from Phuentsholing Thromde and 14 from Chukha Dzongkhag.

- Out of all the shops inspected, 96% of grocery shops were equipped with pre-printed cash memos or purchase receipts.
- 47 grocery shops were equipped with weighing machines, of which 16 were calibrated by BSB, while 13 were either uncalibrated or had expired calibration.
- Random sampling was conducted in 21 grocery shops to verify the weight of repacked/prepackaged items including sugar and pulses (Dal, Chana, kidney beans). To this, a total of 528 samples were checked and inspected, out of which 82 samples were found to be underweight.
- 88% of the grocery shops have displayed the retail selling price.
- Two shops were found selling Samyang sauce with altered labels.

IV. Action taken/ recommendations:

Based on the findings and observations outlined above, the following actions were taken, and recommendations are proposed.

- a. Directed the PRO, STCBL (Chamkuna), PRO (BOD - new), Phuentsholing town, DPDPL (Phuentsholing town), PRO (BOD - Tshimasham), and PRO (BOD - old, Phuentsholing town) to promptly drain the water from the storage tank.
- b. PROs lacking properly calibrated measuring devices (including hydrometers, thermometers, and measuring cylinders) were directed to ensure immediate calibration of their equipment.
- c. Directed PRO and BOD in Pasakha, PRO and DPDPL in Phuentsholing Town, PRO and BOD in Tshimasham, and PRO and DPCL in Gedu to retain the certified/calibrated weighing balances for measuring LPG within 14 days from the date of inspection.
- d. The PRO, STCBL at Chamkuna was instructed to have the 5-liter Brass Can calibrated by BSB and to rectify the fire extinguishers within 14 days from the inspection date.

- e. All PROs were instructed to immediately cease using non-compliant or uncalibrated fuel nozzles until repairs and calibration are completed by the BSB.
- f. The CCAA to notify the cement agent failing to meet BSB's prescribed tolerance thresholds, requiring a written explanation for the underweight cement discrepancies.
- g. CCAA shall educate consumers on verifying the weight of locally produced and pre-packaged food items before making a purchase to ensure fairness and accuracy in commercial transactions.
- h. Businesses utilizing expired or non-compliant weighing devices have been advised to schedule calibration during the BSB's annual verification visits to their respective locations precisely to ensure adherence to measurement standards.
- i. Expired samyang noodles and relabeled expiry dates of samyang sauce were directed to hand over to BFDA, Phuentsholing and accordingly, inform CCAA
- j. Appropriate action against suppliers of plywood brands that fail to meet the tolerance level shall be taken in consultation with the governing board/ ministry.

Submitted by:

- (1) Yeshe Dema, Team Leader, CPCED, CCAA
- (2) Pema, CPCED, CCAA
- (3) Deki Choden , CPCED, CCAA