

Market Surveillance Report for Dagana, Tsirang, Zhemgang, Trongsa and Bumthang Dzongkhags

by

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1. Introduction

The Competition and Consumer Affairs Authority (CCAA) conducted a month of market surveillance at Dagana, Tsirang, Zhemgang, Trongsa and Bumthang Dzongkhags from March 18 to April 17, 2025. The main focus of this surveillance was to check compliance to the regulatory standards outlined in the Consumer Protection Act (CPA), 2012 and the Consumer Protection Rules and Regulations (CPRR), 2015.

A total of 814 business firms including as Petroleum Retail Outlets (PROs), LPG Agent/Home Delivery Agents, Cement Agents & Construction Sites, Grocery Stores, Hardware Shops, Hotel/Restaurants, Meat Shops, Bakeries, Beauty Parlour/Salon, Tailoring shops, Electronic Sales and Services, Vegetables and fruits retailers, Dry fish and Cereals retailers were covered across the five Dzongkhags (Table I).

Table I: Number of business entities covered in Dagana, Tsirang, Zhemgang, Trongsa and Bumthang Dzongkhags

#	Business Type	No of business entity					
		Dagana	Tsirang	Zhemgan	Trongsa	Bumthan	Total
1	Petroleum retail Outlet (PRO)	3	2	3	2	2	12
2	Cement Agent and Construction sites	4	1	0	0	0	5
3	Vegetables	0	16	0	17	4	37
4	Fruits installs	0	4	0	8	0	12
5	Dry Fish Retailers	2	0	2	2	2	8
6	Cereal (Rice/Kharang/ Kapchi)	10	30	14	16	11	81
7	Grocery Shop	60	55	47	43	71	276
8	Hardware Shop	8	4	4	3	5	24
9	Restaurant & Hotel	45	29	52	44	61	231
10	Garment & Footwear	18	22	9	6	14	69
11	Bakery	0	0	3	2	0	5
12	Meat Shop	0	0	3	3	4	10
13	Power tiller/mini tiller dealers	0	0	0	0	0	0
14	Automobile Workshop and Spare part retailer	0	1	0	1	0	2
15	Tailoring	2	4	2	2	3	13
16	Handicraft	0	0	0	0	1	1
17	Beauty parlour/Salon	3	2	2	4	4	15

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18	LPG Retail Outlets/ Home Delivery Agents	0	0	1	1	0	2
19	Electronic Sales and service	0	4	1	2	4	11
		155	174	143	156	186	814

2. Findings & Observations

During the market surveillance, the team observed the following across various sectors in the marketplaces.

a. Petroleum Retail Outlets (PRO)

A total of 12 PROs, operated by Bhutan Oil Distributor (BOD), State Trading Corporation of Bhutan Limited (STCBL), Druk Petroleum Corporation Limited (DPCL), Damchen Petroleum Distributors Private Limited (DPDPL) at various locations in the five Dzongkhags were covered.

The following were the major observations:

- The density of Motor Spirit (MS) and High-Speed Diesel (HSD) at all PROs were found to be within the acceptable range of $\pm 3 \text{ kg/m}^3$.
- Except at Zhemgang Town BOD, the water content in the storage tanks at all other PROs were all within the acceptable tolerance level (8cm).
- The status of weighing devices at the 12 PROs were as follows (Table II).

Table II: Number of PROs that did keep a weighing device or were using non-calibrated ones

#	Description	Number of PROs
1	No weighing device	1
2	Use of non-calibrated weighing device	2
3	Weighing device due for calibration	1

- The Consumer Safety board at three PRO sites were faded and illegible.
- One of the PROs did not have a 5L brass can at the time of inspection.
- At one PRO the hydrometer for measuring density was non-functional during inspection. Another PRO did not have a functional measuring cylinder.
- The status of the fire extinguishers at the 12 sites were as follows (Table III).

Table III: Number of PROs that had valid or expired fire extinguishers

#	Status of fire extinguishers	Number of PROs
1	Adequate number and valid (date not expired)	10
2.	All extinguishers date expired	1
3	Mix of valid and unlabeled (date of expiry) together	1

- At one of the PRO during the time of inspection, it was found that filled LPG cylinders were stacked to more than 2 cylinders high vertically; which contravenes the Standard Operating Procedure (SOP) for Handling and Storage of LPG at LPG Retail Outlet, 2024.

- Weights of filled LPG cylinders at all PROs and Home Delivery Agent/ LPG Agent were found to be within acceptable limits.
- Of a total of 70 nozzles across 31 dispensing units (pumps) - including 34 for MS and 36 for HSD – examined, the following were observed:
- The DPCL outlet in Lhamoizhingka had 2 dispensing units with 8 nozzles; of these, 7 nozzles had valid calibrations, while the last one was defunct arising from technical problems.
- The STCBL depots in Bumthang, Damphu and Daga Throm had 2 MPDs with 6 nozzles each, all of which had valid calibrations and dispensed fuel accurately.
- The BOD in Dagapela had 3 bullet pumps consisting of a nozzle each; of which one for HSD did not meet the tolerance level prescribed by Bhutan Standards Bureau (BSB).
- The DPCL depot in Damphu had 2 MPDs with 2 nozzles each; of which only 2 nozzles (one for MS and one for HSD) were calibrated.
- The DPDPL outlet in Panbang had 2 MPDs consisting of 2 nozzles each, of which one MPD with 2 nozzles was defunct due to the technical issues. From the working dispensing pump, both MS and HSD nozzles failed the technical standard related to dispensing volume.
- The BOD depot in Zhemgang Dzongkhag had 2 bullet pumps with one nozzle each, both of which were technically accurate.
- The DPCL outlet in Tingtibi had 3 dispensing pumps installed. However, one MPD consisting of 4 nozzles and one bullet pump consisting of one nozzle were found non-functional because of technical issues. From the remaining MPD, only one nozzle (B2) was calibrated. The other nozzles on the same MPD had various issues - one had pipe leakage, the second was not calibrated and the third did not dispense fuel correctly.
- The Dangdung DPCL outlet had two MPDs and a bullet pump, comprising a total of 10 nozzles. However, one MPD and the bullet pump were found to be non-functional due to technical issues. From the operational pump, one nozzle for HSD failed to dispense the correct volume.
- The BOD depot in Chamkhar had 2 MPDs with 2 nozzles each, and 2 Midco Pumps with a nozzle each. The 2 MPDs were not yet functional as the installation process was still underway. However both the Midco pumps (one for MS and one for HSD) had valid calibration dispensed fuel correctly.
- The BOD outlet located at Trongsa Town had 2 MPDs with 2 nozzles each and 2 Bullet pumps. However, both nozzles on the MPDs were not calibrated while both Midco bullet pumps had been calibrated and dispensed fuel correctly.
- All PROs have displayed the retail selling price of the fuel and LPG prominently in their premises and had pre-printed purchase receipt/ cash memo available for issuance to customers.

b. Cement Agents

- Two cement agents in Dagana Dzongkhag were inspected. The agent dealing in Dungsam Cement was found to be in compliance with the standards - meeting the weight tolerance levels prescribed by the BSB. However, the agent dealing with Penden Cement failed to meet the required weight tolerance limits (Table IV)

Table IV: Average weights of samples and no of cement bags showing minus error greater than 2% of the specific net quantity at Cement Agent Warehouse, Dagana

Name of agent	Brand	Total Lot (Bags)	Sample Size (bags)	Average weight (kg)	Minus Error greater than 2% (No. of Cement Bags)	Remarks
Zimrong Drakpa Wangdi Cement Agent (PPC), Dagapela	Dungsam Cement Corporation Limited	200	32	50.00	1	Within standards
Gurung Cement Agent, Dagapela	Penden Cement Authority Limited	200	32	49.27	12	Not within acceptable tolerance level

- Inspections were also carried out at two construction sites in Dagana and one site in Tsirang Dzongkhag. Among the three sites inspected (Table V), cement lot at one site failed to meet the required standard. This lot of cement had been supplied by the M/s TT Cement Agent.

Table V: Average weights of samples and no of cement bags showing minus error greater than 2% of the specific net quantity at construction sites at Dagana and Tsirang dzongkhags

Construction Sites	Total Lot (Bags)	Sample Size (bags)	Average weight (kg)	Minus Error greater than 2% (No. of bags)	Price (Nu)	Supplier	Remarks
Sahadev Darjee Construction Site, Dagapela (PCAL)	200	32	49.24	6	350	TT Cement Agent	Not within acceptable tolerance level
Tul Bahadur Bal Construction Site, Dagapela (PCAL)	100	20	50.49	0	490	Gurung Cement Agent	Meeting standards
Namgay Wangmo Construction Site, Tsirang (Lhaki Cement)	100	20	50.14	0	375	Lhaki Depot, Gomtu	Meeting standards

c. F&V, Cereal and Dried fish Retailers

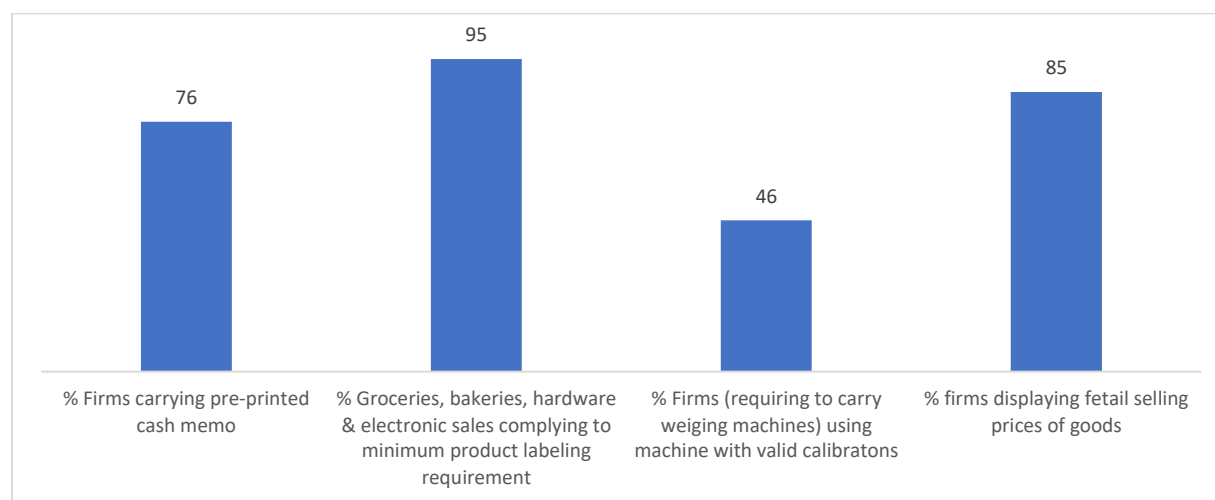
- To check whether the declared weights of retail packs are accurate, a total of 138 retailers across five Dzongkhags were covered. From a total of 2,227 packaged checked, weights of 6% of the samples were found to be below the declared weight, all of which were packaged cereals.
- From the 138 retailers, only 110 retailers had a proper weighing machine in their outlet; of which 55 had valid calibrations while the other 55 were using machines that had never been calibrated or their calibration validity had expired.

d. Other Businesses

In addition, another 659 business firms – such as grocery stores, hardware shops, restaurants and hotels, bakeries, meat shops, tailoring units, beauty parlours and salons, electronics sales and service

outlets, handicraft stores, automobile workshops, LPG retail outlets/agents, garment shops, and footwear retailers – were inspected in all the Dzongkhags. Compliance to product labeling, retail price display and issuance of cash memo was high while only around 46 % of businesses carry valid calibrated weighing devices (Fig. I).

Figure I: Percent of businesses complying to market standards



One of the grocers in Zhemgang town was found stocking expired products on the shelf.

3. During and post-inspection actions

Based on the findings and observations outlined above, the following actions were taken, or will be taken

- The team made the management immediately drain out the water inside the HSD storage at the BOD depot at Zhemgang.
- The DPDPL management at Panbang was directed to procure a weighing machine within two weeks from the date of inspection. Similarly, the three outlets which did not maintain a calibrated weighing machine were directed to take actions within 14 days.
- Depots that carried faded or illegible Consumer Safety boards within their premise were asked to repaint or replace the board within one week from the date of inspection.
- PROs that did not have or carried dysfunctional tools and equipment required to test quality and volume of fuel such as brass cans, thermometer and measuring cylinders were directed to procure them immediately.
- Official memos were issued to all PROs that carried faulty pumps and nozzles to cease fuel dispensation from faulty ones and undertake immediate rectification and calibration by the BSB, before they can be used. They were warned that failure to comply may result in invocation of relevant penalties under CPA, 2012 and CPRR, 2015.
- The PRO that carried expired fire extinguishers were directed to replace them with new ones within 14 days.

- The CCAA is recommended to notify the cement agent failing to meet prescribed tolerance thresholds, requiring a written explanation for the underweight cement discrepancies and find and recommend corrective measures for compliance.
- The CCAA shall notify PCAL about cement agents/ dealers non-complaint to the prescribed rates for necessary action.
- The CCAA shall issue a letter (penalty and compensation to the affected consumer for having supplied underweight cement) to M/s TT Cement Agent.
- The Team ensured all underweight packaged food 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
- The CCAA shall continue to 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.
- The list of businesses using expired or non-calibrated weighing devices has been communicated to the BSB on April 04, 2025, for their action. This immediate action was seen as critical since 100% of the weighing devices inspected in Dagana, Tsirang, and Zhemgang Dzongkhags were found to be either expired or uncalibrated.
- All hardware shops dealing in the sale of plywood were thoroughly briefed on the Public Notification on Plywood (MoICE/CCAA/CPCED-02/2023-24/1086, dated 16/02/2024). As per the notification, they were directed to procure a Vernier caliper and subsequently have it calibrated by the BSB.
- The expired product was handed over to Bhutan Food & Drug Authority (BFDA), Zhemgang for immediate action.

4. Conclusion

Market surveillance is essential for consumer protection. It not only ensures that businesses comply with the standards that are prescribed by the government – sometimes immediately on the spot - in order to protect consumers, but it also allows dissemination of information to businesses. The results – such as compliance to different parameters, locations, businesses types - enables the CCAA to prioritize activities for the future which is key considering the limited financial resources.