

Market Surveillance Report for Pemagatshel and Samdrup Jongkhar Dzongkhags

by

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1. Background

The CCAA conducted inspection of major markets in Pemagatshel and Samdrupjongkhar Dzongkhags over a 15-day period, commencing on May 2, 2025. The primary objectives of the inspection were to check and ensure businesses comply with the market regulatory requirements outlined in the Consumer Protection Act (CPA), 2012 and the Consumer Protection Rules and Regulations (CPRR), 2015.

The minimum market requirements are as follows:

- All weighing and measuring devices used by businesses are accurate and have valid calibration status;
- All products for sale are adequately labelled. Likewise accurate and unambiguous information is provided about services that are provided by the business;
- All businesses provide money receipts or cash memo to all customers upon demand;
- Prices of all goods and services are prominently, clearly and unambiguously displayed.

In addition, checks are also performed to ensure petroleum products are unadulterated and safety protocols are followed by the Petroleum Retail Outlets (PRO) and LPG agents.

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2. Market Coverage

The market surveillance covered 287 business entities at various locations in the two dzongkhags.

Table 1: Number of business entities covered in Pemagatshel and Samdrup Jongkhar Dzongkhags

Business Type	Number of business entity	
	Pemagatshel (Nanglam, Tshenkari & Denchi)	Samdrup Jongkhar (Samdrup Jongkhar throm and Phuntshothang)
Petroleum Retail Outlet (PRO)	3	5
Hotels & Restaurant	53	44
Garment	4	12
Grocery/Liquor shop	60	54
Hardware	2	3
Tailoring	5	3
Meat Shop	3	4
Bakery	3	0
Beauty Parlor/Salon	2	2
Vegetables Vendors	9	16
Total	144	143

3. Findings and Observations

3.1 General Compliance

- 92.5% of all the business establishments have pre-printed cash memos, bill books, or purchase receipts that are provided upon consumer's demand.
- 94% of all the business entities had adequate labels on their products.
- 92.3% of all business establishments, including Petroleum Retail Outlets (PROs), had proper price information displayed on the product itself or on price boards.

3.2 Accuracy of retail product weights

A total of 24 business entities were inspected to check the accuracy of weights for repackaged goods sold in their shops. Altogether, 322 samples of locally repackaged items (rice, sugar, other cereals, fruits and vegetables and lentils) were weighed to check actual weights against their claimed weight.

- 4.53% of the businesses were using weighing balances that had not been calibrated by the BSB.

3.3 Petroleum Retail Outlets (PROs)

A total of 8 PROs operated by the Bhutan Oil Distributor (BOD), Damchen Petroleum Distributor Private Limited (DPDPL), Druk Petroleum Corporation Limited (DPCL) and State Trading Corporation of Bhutan Limited (STCBL) at various locations of Pema Gatsel and Samdrup Jongkhar Dzongkhags were covered. Together, they operated a total of 19 pumps and 52 nozzles, comprising 29 for High-Speed Diesel and 23 for Motor Spirit/Petrol.

Though, all were functional with valid calibration certificates, there were some exceptions:

1. The HSD (P1-A1) nozzle had not been calibrated by the BSB because it was not working during their visit. It was later repaired by a technical team from India. When the inspection team tested it with a 5-litre brass can, they found that the fuel dispensed exceeded the permissible limit by 0.01 ml.
2. The HSD (P2-A1) nozzle was completely nonfunctional and couldn't pump the fuel.
3. The HSD A2 and MS A2 nozzles remained unused because their installation was incomplete and was due for calibration.
4. The nozzles for MS A2 and HSD N1 and N2 had not been calibrated, as they were exclusively used for loading purposes (for transferring fuel into tankers or other storage containers but not for retail dispensing to customers).
5. The HSD (T2-N7) nozzle had been nonfunctional for the past six years due to the absence of a pipeline connection.
6. The MS (P2-A1) nozzle was also defunct due to the absence of a pipeline connection.
7. The density of Motor Spirit (MS) and High-Speed Diesel (HSD) in all PROs are within the acceptable tolerance range of $\pm 3 \text{ kg/m}^3$.
8. In all the PROs, the water content in the storage tanks was below the maximum acceptable limit (8cm).
9. Out of 52 nozzles: 3 were defunct, 3 were used for loading, 3 uncalibrated, and the rest met the $\pm 0.5\%$ permissible limit.
10. All PRO premises had fire extinguishers, all of which were within their validity period.

11. The brass measuring cans were all calibrated; however, hydrometers at DPDPL (Nganglam) and BOC (Phuntshothang) needed calibration.
12. Calibrated weighing balances for LPG cylinders were installed at every PRO.
13. The weights of filled LPG cylinders across all PROs complied with acceptable standards.

4. Action Taken and Recommendations

- PROs with uncalibrated hydrometers were instructed to calibrate them immediately.
- BOC Nanglam was directed to calibrate the HSD A1 nozzle and inform the CCAA.
- DPDPL (Nganglam) was told to calibrate HSD A2 and MS A2 nozzles and inform the CCAA.
- Businesses with non-compliant weighing machines were instructed to cease their use until they are recalibrated by the BSB.
- All the business establishments were advocated & educated on the requirements as per the Consumer Protection Act, 2012 and Consumer Protection Rules & Regulations, 2015.
- Businesses were instructed to check and rectify the weights and measures of the goods before sale to ensure fairness and compliance.

5. Conclusion

Market surveillance in Pemagatshel and Samdrup Jongkhar Dzongkhags reveals a generally high level of regulatory compliance among local businesses. Most businesses provided receipts, displayed price tags, and used calibrated weighing balances, reflecting strong awareness of fair trade practices. However, a few areas for improvement were identified, particularly concerning the issues like uncalibrated weighing balances by business entities and uncalibrated fuel nozzles and hydrometers by the PROs. The actions taken, along with the ongoing advocacy provided to business owners, will help enhance the compliance culture within the region, ensuring that consumer rights are upheld and businesses maintain their commitment to regulatory standards.

Annexure 1: Images of market inspection carried out in Pemagatshel and Samdrup Jongkhar dzongkhags.

