Market Surveillance Report

Paro Dzongkhag | 22–29 August 2025

**1. Background**

As part of its mandate to safeguard consumer interests, the Competition and Consumer Affairs Authority (CCAA) routinely conducts market surveillance and inspection of business establishments across the country. These inspections serve as a proactive mechanism to monitor compliance with the Consumer Protection Act, 2012 and its subsidiary regulations.

The inspections primarily assess compliance with four minimum statutory requirements:

* Display of prices;
* Product labeling;
* Use of calibrated weighing and measuring devices; and
* Issuance of purchase receipts.

In addition, inspections verify product expiry dates, packaging integrity, and, where relevant, quality and safety standards to detect any possible adulteration or unethical trade practices. Such surveillance plays a critical role in fostering consumer trust, ensuring fair market practices, and preventing consumer harm.

Between 22 and 29 August 2025, the Authority undertook a comprehensive inspection of major marketplaces in Paro Dzongkhag.

**2. Coverage**

A total of 126 business establishments were inspected across Paro Throm, Lamgong, Drugyel, Shaba, Bondey, Wanakha, and Dawakha. The coverage by type of business is presented in Table 1.

Table 1: Businesses Inspected in Paro Dzongkhag

|  |  |
| --- | --- |
| Business type | Number of firms |
| Grocery | 73 |
| Restaurants | 31 |
| Meat Shops | 10 |
| Beauty Salons | 2 |
| Bakeries | 2 |
| Tailoring Shops | 2 |
| Cement Agents | 2 |
| FRO/LPG Outlets | 4 |
| Total | 126 |

**3. Key Findings and Observations**

3.1 Fuel Retail Outlets (FROs)

* All four FROs inspected were in compliance with **minimum safety standards**. Fuel dispensing pumps and standard 5L calibration cans were verified as valid and accurate.
* However, a total of **17 nozzles were found defunct** across three outlets (see Table 2). While service continuity was maintained through functional nozzles, the presence of faulty equipment presents a risk of service disruption if not promptly addressed.
* The **density of Motor Spirit (MS) and High-Speed Diesel (HSD)** was found to be within the acceptable tolerance range (±3 kg/m³).
* LPG cylinder sales were observed to be in full compliance with prescribed safety and operational standards.

**Table 2: Defunct Fuel Nozzles in Paro Dzongkhag**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| # | Company/Outlet | Pump No. | Defunct MS Nozzles | Defunct HSD Nozzles | Reasons Identified |
| 1 | DPD Ltd | Pump 1,4 | 1 | 4 | Fuel leakage; wiring issues |
| 2 | BOD | Pump 1–4 | 6 | 5 | Missing pipe connections, nozzle leakage, STP motor malfunction |
| 3 | Thuenchuphokha Outlet | Pump 1 | 1 | 0 | Meter malfunction |

3.2 General Businesses

* **Cash memos**: 73% of businesses maintained and issued receipts upon consumer request. The remaining firms without receipts were primarily recently established or had undergone ownership changes.
* **Price display**: 79% displayed prices prominently. Non-compliance was mainly attributed to stock replenishment or transition in management.
* **Weighing machines**: 79% of businesses were equipped with calibrated weighing machines. However, most were **due for recalibration by 29 August 2025**, requiring immediate follow-up.
* **Product labeling**: Two firms were found selling products without proper labeling, in violation of the Consumer Protection Rules and Regulations (CPRR) 2015.

**4. Recommendations and Actions Taken**

4.1 Immediate Actions

* **Fuel Retail Outlets**: Managers were instructed to repair or replace all defective nozzles within **two weeks of inspection** to ensure uninterrupted consumer service.
* **Weighing Machines**: Businesses were advised to recalibrate their machines by 29 August 2025. A compliance list has been forwarded to the Bhutan Standards Bureau (BSB) for necessary action.
* **Product Labeling Violations**: Two firms were penalized under the CPRR 2015 for failure to comply with labeling requirements.

4.2 Broader Recommendations

* **Awareness Programs**: Regular awareness sessions should be conducted for new businesses and those undergoing ownership transitions to ensure early compliance with statutory requirements.
* **Digital Receipts and Billing**: Encourage gradual adoption of digital billing and receipts to improve transparency and record-keeping.
* **Periodic Equipment Maintenance**: Fuel Retail Outlets should institute preventive maintenance schedules for pumps and nozzles to minimize service disruption and consumer inconvenience.
* **Strengthening Labeling Compliance**: Continuous monitoring and targeted awareness on product labeling should be undertaken, particularly for small and new retailers.
* **Capacity Building**: Traders should continue to be educated on consumer rights, fair business practices and penalties for non-compliance to enhance voluntary adherence.

**5. Conclusion**

The inspection in Paro Dzongkhag revealed that the **majority of businesses are largely compliant** with consumer protection laws and standards. Most instances of non-compliance were minor, transitional, or due to equipment-related issues and were addressed through advisories and corrective directives.

The inspection not only ensured immediate corrective actions but also provided an opportunity for dialogue with businesses on best practices in consumer protection. Continued surveillance, coupled with awareness and capacity-building programs, will be key in strengthening a fair, safe, and consumer-friendly marketplaces.

**Submitted by:**

1. *Yeshi Dema, Trade Inspector (Team Leader)*
2. *Pema, Trade Inspector*