

MARKET SURVEILLANCE REPORT

Mongar and Lhuntse Dzongkhags

30 January – 13 February 2026

1. Executive Overview

A joint market surveillance exercise was conducted across Mongar and Lhuntse Dzongkhags from 30 January to 13 February 2026, in collaboration with the Regional Office of Industry, Commerce and Employment (ROICE), Mongar. Over 14 days, a team of inspectors assessed the compliance of 259 business establishments — comprising Fuel Retail Outlets (FROs), general retailers, and service providers — with applicable consumer protection laws and fair trade practices.

Overall, the findings indicate a high level of compliance in the areas of price display, product labelling, receipt issuance, and calibration of measuring devices. Notable gaps persist, however, in the formal documentation of after-sales policies and the establishment of accessible complaint-handling mechanisms. The table below summarises key compliance outcomes.

Compliance Area	Compliance Level	Key Finding
Price Display	96.8%	Strong transparency across most establishments
Product Labelling	High	Mandatory information generally present
Calibration of Measuring Devices	High	Valid BSB certificates confirmed
Fuel Retail Outlet Compliance	Full	All FROs displaying prices; calibration valid to Sept 2026
Refund / Return Policy Display	21.8% only	78.2% of shops lacked written after-sales policies
Complaint-Handling Mechanisms	1%	99% displayed no formal complaint information

2. Objectives

The surveillance exercise was carried out to:

- ensure business establishments comply with applicable regulatory requirements;
- promote transparency and fairness in commercial transactions;
- safeguard consumer rights across both dzongkhags; and
- prevent unfair, deceptive, or misleading trade practices.

3. Methodology

The surveillance employed a field-based, systematic approach to evaluate compliance with consumer protection regulations. The following inspection activities were conducted.

3.1 Price Display and Billing Verification

Price tags, shelf labels, and notice boards were examined to confirm that selling prices were clearly indicated and visible to consumers. Billing systems — both manual receipts and electronic billing machines — were reviewed to verify that prices charged at the point of sale corresponded with those displayed.

3.2 Product Labelling Inspection

Packaged goods were inspected to verify the presence of mandatory labelling information, including the product name, manufacturer details, expiry date, and batch number, ensuring consumers had access to accurate and complete product information.

3.3 Weighing and Measuring Device Inspection

Weighing scales and measuring instruments were checked for valid calibration stamps and certification by the Bhutan Standards Bureau (BSB), confirming accuracy and protecting consumers against short-measurement.

3.4 Fuel Dispensing Unit Review

Fuel pumps and dispensing machines at all Fuel Retail Outlets were examined for proper functioning, intact sealing, and valid calibration certificates. BSB verification records were reviewed to confirm compliance with technical standards and accuracy in fuel delivery.

3.5 Random Bill and Receipt Verification

Transaction receipts were randomly cross-checked against displayed prices and purchased items to detect overcharging or unauthorised fees and to verify the overall accuracy of billing practices.

3.6 Stakeholder Engagement

Informal interviews were conducted with business owners, frontline staff, and consumers to assess awareness of consumer rights, complaint procedures, refund policies, and regulatory obligations. This provided practical context to the quantitative inspection findings.

4. Key Findings

4.1 Price Transparency and Billing Accuracy

Price display compliance stood at 96.8%, reflecting strong adherence across most establishments. The majority of businesses clearly indicated prices on shelves, counters or notice boards, enabling consumers to make informed purchasing decisions. The limited cases of non-compliance were concentrated among newly established businesses and entities undergoing closure or ownership transfer.

Random verification of purchase receipts confirmed that billed amounts generally corresponded with displayed prices, with no instances of overcharging or discriminatory pricing observed. Consumers were charged uniformly, demonstrating compliance with non-discriminatory trade practices.

All Fuel Retail Outlets prominently displayed current fuel prices, either on external boards or directly on Multi-Product Dispensing (MPD) machines. Calibration certificates for fuel dispensing units were valid until September 2026 and had been issued by the BSB following annual verification. During inspection, non-functional MPD pumps at DPCL in Autsho, Lhuntse and BOC in Sumpa, Lhuntse were identified and directed to undergo immediate repair and re-calibration.

4.2 After-Sales Policies

The display of written refund, return, and exchange policies remains the most significant area requiring improvement. Only 21.8% of establishments had any form of after-sales policy in place, and of those, merely 4% — predominantly electronics and electrical retailers — maintained formal written documentation. The remaining 20.1% accepted returns or exchanges only under limited and unstated conditions, such as for defective items or within a short timeframe.

The prevailing practice was for shopkeepers to communicate return conditions verbally at the point of purchase. While this allows some flexibility, it increases the risk of miscommunication and inconsistent application, and provides no verifiable record for either party. Consumer awareness of after-sales rights was found to be generally low, which likely contributes to under-reporting of grievances and reduced uptake of available remedies.

4.3 Complaint-Handling Mechanisms

Formal complaint mechanisms were largely absent. Ninety-nine percent (99%) of businesses displayed no information about online complaint platforms, official contact details, or written grievance procedures. Only a small number of hardware and electronics shops had such information on display.

Most establishments relied on informal channels — telephone calls, face-to-face discussions and personal contacts — to resolve consumer complaints. While this approach can facilitate quick resolution in close-knit communities where business-consumer relationships are personal and longstanding, it lacks documentation, accountability and the procedural consistency required by regulatory standards. Electronics and electrical shops were a notable exception, maintaining basic records of warranties, repairs, and after-sales service transactions.

5. Analytical Assessment

The findings reflect steady improvement in overall compliance when compared with previous surveillance exercises, attributable to regular monitoring, targeted awareness programmes, and sustained regulatory

engagement. Compliance in price display, product labelling, and calibration of measuring devices is indicative of effective enforcement and growing regulatory awareness among business operators.

Nonetheless, several structural weaknesses persist. The absence of written after-sales and complaint-handling policies in the majority of establishments suggests that many small and informal retailers have not yet integrated formal consumer protection practices into their business operations. This is compounded by low consumer awareness of statutory rights, which reduces the likelihood of grievances being raised through appropriate channels.

Reliance on community-based, informal dispute resolution — though culturally embedded — may inadvertently discourage transparent and standardised redress. While such mechanisms promote social harmony, they do not meet the accountability and documentation standards required under consumer protection regulations. Small-scale and newly established businesses remain particularly vulnerable to non-compliance due to limited regulatory knowledge and capacity.

6. Recommendations

Based on the findings of this surveillance exercise, the following measures are recommended to strengthen consumer protection and market governance across both dzongkhags:

- **Encourage Display of After-Sales Policies:** Businesses should be advised and supported to post clear, written policies on refunds, returns, and exchanges at points of sale. Standard templates may be provided to ease adoption by small retailers.
- **Complaint Mechanism Awareness:** ROICE and CCAA should conduct targeted outreach to promote the display of complaint information, including official contact details and digital grievance platforms, in all commercial establishments.
- **Consumer Rights Education:** Awareness campaigns should be continued to inform consumers of their rights related to refunds, replacements, warranties, and formal complaint channels, reducing dependence on informal dispute resolution.
- **Adoption of Electronic Billing and Record-Keeping:** Businesses should be encouraged to transition to electronic billing systems, which improve transparency, reduce billing errors, support dispute resolution, and facilitate regulatory audits.
- **Targeted Capacity Building for Small Retailers:** Training and compliance support should be prioritised for small-scale and newly established businesses, which demonstrate the highest rates of non-compliance.
- **Re-inspection of Non-Compliant FROs:** The non-functional fuel dispensing units identified at DPCL Autsho and BOC Sumpa should be subject to follow-up inspection to confirm timely repair and re-calibration.

7. Conclusion

The joint market surveillance conducted across Mongar and Lhuntse Dzongkhags demonstrates a generally satisfactory level of compliance with consumer protection regulations, with particular strength in price transparency, product labelling, and calibration standards. The results reflect the positive impact of sustained regulatory engagement and co-operative inspection between ROICE and CCAA.

Concerted effort is nonetheless required to formalise after-sales practices and complaint-handling mechanisms, which remain the most significant areas of weakness. Addressing these gaps through regulatory guidance, capacity building, and consumer awareness initiatives will be essential to advancing fair trade practices and ensuring that consumer rights are effectively protected across both dzongkhags.

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