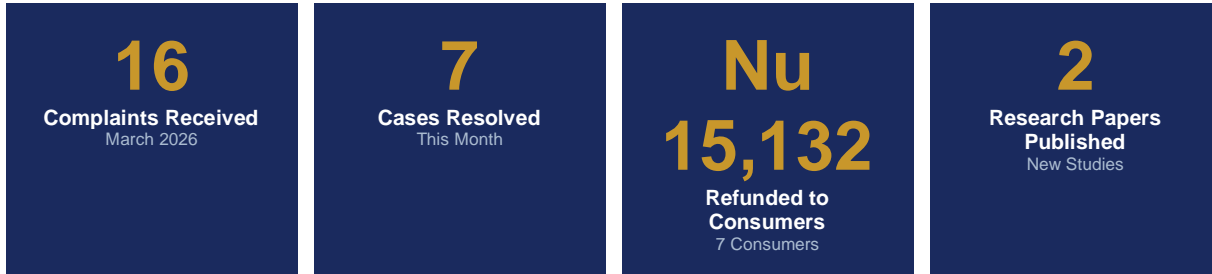


CCAA MONTHLY

The Official Bulletin of the Competition and Consumer Affairs Authority

MARCH 2026 · KINGDOM OF BHUTAN



FROM THE EDITOR

Introduction: March in Review

March 2026 was a month of measurement. Across Bhutan's marketplaces, from the fuel pumps of the eastern dzongkhags to the doma stalls of Thimphu Thromde, from the busy border lanes of Phuentsholing to the digital storefronts that are reshaping how Bhutanese consumers shop; the Competition and Consumer Affairs Authority was watching, listening, and counting.

This edition of CCAA Monthly brings together the results of that work: enforcement actions taken, refunds secured, fines imposed, and a cluster of research studies that set out to answer some of the most pressing questions in Bhutanese consumer economics right now. Why did doma prices rise after a substantial tax cut? Why have GST reductions not translated into lower prices for noodles, eggs, and chicken? What draws Phuentsholing residents across the bridge to shop in Jaigaon? And what can Bhutan learn from Australia's approach to digital consumer protection?

The answers are rarely simple, but they are in every case, grounded in evidence. That is both the Authority's mandate and its method.

CONSUMER REDRESSAL

Cases, Complaints & Compensation

March brought sixteen cases to the Authority, a mix of individual grievances and broader market concerns that, taken together, offer a revealing snapshot of the consumer landscape. Nine were general complaints reflecting systemic market issues; seven were individual cases seeking specific remedies. Seven were resolved outright; seven remain under active investigation; and two were withdrawn after the parties concerned settled their differences independently.

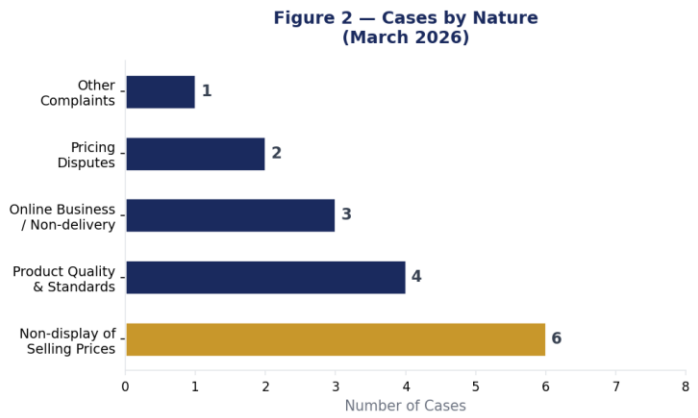
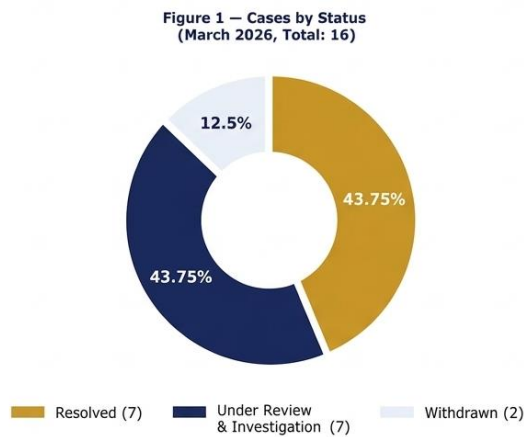


Figure 1 (left): Cases by status - 16 total in March 2026. Figure 2 (right): Complaint types - non-display of selling prices led the month.

The most common complaint of the month: businesses failing to display selling prices – a basic consumer right, and a persistent blind spot.

Beyond fresh cases, March also brought closure to a cluster of complaints filed in previous months. Seven consumers who had ordered goods from an online business and received nothing, were collectively refunded Nu 15,132. A separate enforcement action resulted in a Nu 30,000 fine imposed under the Consumer Protection Act 2012. The message, at least to this month's offenders, was clear: the Authority is watching and consequences follow.

ENFORCEMENT AT A GLANCE — MARCH 2026
 Nu 15,132 refunded to 7 consumers defrauded by an online retailer.
 Nu 30,000 penalty imposed on a business entity for violating the Consumer Protection Act 2012.
 7 cases remain under active investigation and review.

FAIR TRADE SURVEILLANCE
Fuel Prices Under the Microscope

Fuel prices are among the most politically sensitive numbers in any economy. When they change, everyone notices and not everyone trusts that the pumps reflect what the government has announced. In March, following a recent fuel price revision by the Department of Trade, the CCAA conducted an unannounced check of 73 Fuel Retail Outlets (FROs) across the country.

The exercise covered outlets operated by four major distributors: Bhutan Oil Corporation Limited (BOC/BOD), Druk Petroleum Corporation Limited (DPCL), Druk Petroleum Distribution Limited (DPDL), and State Trading Corporation of Bhutan Limited (STCBL). Verification drew on telephone follow-ups, social media reports, and photographic evidence of price display boards from 30 of the 73 outlets surveyed.

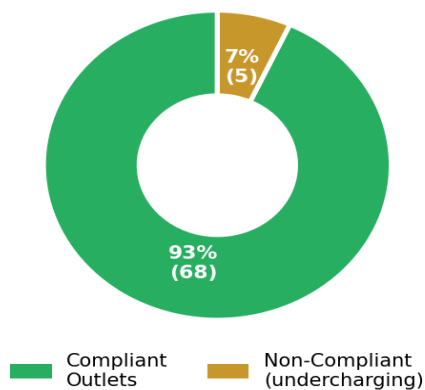


Figure 3 — Fuel outlet compliance: 68 of 73 outlets charged official rates. The five non-compliant outlets undercharged by Nu 0.35–0.48 per litre.

The findings were largely reassuring. Sixty-eight of the seventy-three outlets were charging diesel and petrol in full accordance with official government rates. The five exceptions were not overcharging — they were, in fact, charging slightly less than the fixed rate for high-speed diesel (HSD), with deviations of between Nu 0.35 and Nu 0.48 per litre.

While undercharging may appear a trivial infraction, price uniformity in regulated fuel markets exists for good reason: it prevents market distortions and ensures a level playing field for all retailers. The Authority will continue its periodic surveillance to maintain compliance.

RESEARCH & PUBLICATIONS

Five Studies, One Mandate

March was an unusually productive month for CCAA research. Five separate studies were either completed, submitted, or in active data collection; each addressing a distinct question of consumer welfare, and each contributing to the evidence base that good policy requires.

I. The Doma Paradox: When a Tax Cut Makes Prices Rise

On paper, it was a straightforward calculation. From January 1, 2026, betel nuts (doma) moved from a 30% Bhutan Sales Tax to a flat 5% GST, slicing the tax burden by twenty-five percentage points. Consumers, it was widely assumed, would feel the difference at the market stall. They did not.

Instead, prices rose across every tier of the supply chain, and across every variety of the product. In response to public alarm over apparent price gouging, the CCAA launched a study surveying eleven wholesalers and seventeen retailers in Thimphu Thromde, comparing prices in December 2025 against March 2026.

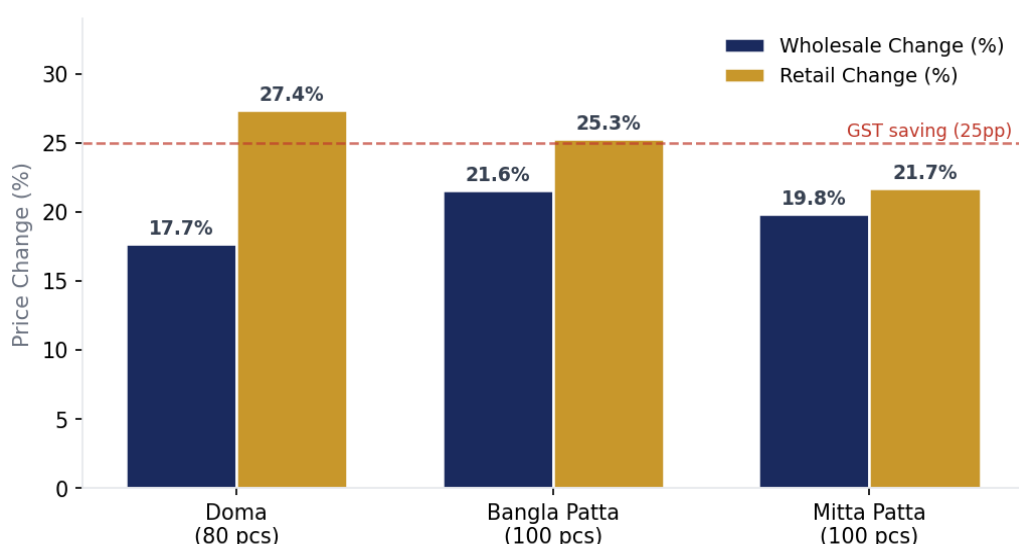


Figure 4 — Doma price changes at wholesale and retail level (Dec 2025 – Mar 2026). The dashed red line marks the 25-percentage-point GST saving that should have been passed on to consumers.

The findings paint a consistent picture: wholesale prices rose between 17.67% and 21.55%; retail prices climbed still further, between 21.68% and 27.35% - fully erasing the intended GST benefit, and then some.

Item	Wholesale Change (%)
Doma (80 pcs)	+17.67%
Bangla Patta (100 pcs)	+21.55%
Mitta Patta (100 pcs)	+19.83%

Doma Type	Retail Change (%)
Doma (with Bangla Patta)	+27.35%
Doma (with Mitta Patta)	+25.29%
Cherry Doma	+21.68%

The culprit is not the Bhutanese trader but the Indian market: import duties, supply disease, and exporter pricing that absorbed the GST saving before it ever crossed the border.

The explanation, the study concludes, lies not in Bhutanese markets but in Indian ones. Four forces converged simultaneously: 100% import duties on doma, hikes in India's Minimum Import Prices, ongoing Yellow Leaf Disease constraints on supply, and pre-emptive price adjustments by Indian exporters. The GST reduction was simply overwhelmed before the product even reached Bhutanese wholesalers.

POLICY RECOMMENDATIONS — DOMA PRICE STUDY

Department of Trade: Establish real-time import price monitoring for doma and related commodities.

Department of Revenue & Customs: Issue clear GST pass-through guidance to importers and retailers.

Ministry of Industry, Commerce & Employment: Explore supply diversification to reduce dependence on single-source imports.

CCAA: Continue periodic market surveys and strengthen public awareness on price expectations.

II. Counterfeit, Inferior, Substandard: Naming the Problem

On March 20, the CCAA published a research study titled "Substandard, Inferior and Counterfeit Products in Bhutan: A Consumer Protection Perspective" - the first systematic attempt to map the scale and character of this problem in the domestic market.

The study identifies a familiar constellation of causes: affordability constraints that push buyers toward cheaper alternatives, limited consumer awareness, information asymmetry between sellers and buyers, profit-motivated misconduct, and Bhutan's structural dependence on imports. These products circulate across formal retail, informal trade, and temporary markets: a distribution pattern that makes comprehensive monitoring genuinely difficult.

The distinction between substandard and counterfeit matters. Substandard goods fail to meet established quality benchmarks; counterfeit goods go further, deliberately imitating legitimate brands to deceive. Both undermine market integrity, but in different ways and with different legal implications. Bhutan has the regulatory architecture in place: the Bhutan Standards Act, the Consumer Protection Act, intellectual property laws: but enforcement remains largely reactive, triggered by complaints rather than proactive inspection.

The CCAA's response is a risk-based approach: prioritise intervention where health risks, safety hazards, or clear deceptive intent exist, while permitting informed choice for non-hazardous, lower-cost alternatives.

III. Why Phuentsholing Shoppers Cross the Bridge

At the direction of the Hon'ble Prime Minister, the CCAA undertook a study of retail pricing and consumer behaviour across the Phuentsholing–Jaigaon border; one of the most commercially active boundaries in the country and a longstanding subject of curiosity for policymakers.

Data collection ran from March 16 to 20, 2026, covering consumer surveys, focus group discussions with business operators, and market price collection for 91 pre-selected goods across both towns. The study addresses four questions: how much do prices actually differ? What share of Phuentsholing residents shop in Jaigaon, and how often? What drives that preference? And what prevents Phuentsholing businesses from competing?

The full findings already submitted to the Ministry will be published following formal endorsement. The aim is to identify specific, actionable barriers that prevent Phuentsholing from capturing more of the household spending that currently flows south.

IV. The GST Price Pass-Through Study

A parallel line of inquiry, directed by the Hon'ble Lyonpo of the Ministry of Industry, Commerce and Employment, asks a deceptively simple question: why have retail prices of key commodities — noodles, pork and chicken, eggs, packaged foods, ot fallen, even after GST rates on many imported goods were significantly reduced?

The study builds on an earlier comparison of retail prices for 45 essential goods in December 2025 (pre-GST) and February 2026 (post-GST). It examines the structural, commercial, and logistical factors impeding effective pass-through of tax reductions to consumers. Its findings have been submitted to the Ministry.

V. Market Price Index: Q3 Data Collection Underway

The Quarter 3 Market Price Index (MPI) data collection is in progress, covering 45 commonly used brands and product types across 20 major marketplaces in Bhutan. Originally designed as a consumer information tool, the MPI has evolved into a critical evidence base for monitoring price trends and evaluating the impact of fiscal measures, the GST transition being the most immediate example. The Q3 report is expected in the first week of April 2026.

GLOBAL PERSPECTIVES

Learning Consumer Law in Bangkok

Markets are no longer confined by geography, and neither is regulation. In March, two officers from the CCAA's Consumer Protection and Competition Enforcement Division (CPCED) travelled to Bangkok for a two-day regional workshop — a signal that effective consumer protection increasingly requires looking beyond one's own borders.

The workshop, held March 11–12, was jointly organised by Thailand's Office of Consumer Protection Bureau (OCPB) and the Australian Competition and Consumer Commission (ACCC), under a Memorandum of Understanding on technical cooperation with the CCAA. Ms. Dechen Wangmo, Deputy Chief Trade Officer, and Ms. Tshering Dema, Assistant Trade Officer, represented the Authority.

The programme offered a structured introduction to Australian Consumer Law, with a strong emphasis on the digital frontier: fake reviews, misleading advertising, direct marketing, dark patterns, and the growing commercial influence of social media creators. Participants worked through practical exercises in online investigation evidence collection, web capture, and automated data scraping alongside frameworks for enforcement and compliance in digital markets.

Artificial intelligence, the workshop suggested, is not merely a subject of consumer concern — it is increasingly a tool for addressing that concern, particularly in complaint handling and scam detection.

Sessions also covered the work of Australia's National Anti-Scams Centre, drawing on shared regional experiences to sketch the contours of effective scam prevention. Additional discussions addressed consumer guarantees, the regulatory challenges of the green transition, and the irreplaceable value of inter-agency collaboration.

The CCAA returns from Bangkok with both new frameworks and a sharper sense of what lies ahead as Bhutan's consumer environment grows increasingly digital, increasingly interconnected, and increasingly complex.

LOOKING AHEAD

Conclusion: What March Tells Us

A single month's bulletin cannot capture everything, but it can reveal a pattern. And the pattern of March 2026 is this: the most consequential forces shaping Bhutanese consumer markets are increasingly structural, and increasingly cross-border.

The doma price study showed that a well-intentioned tax reform can be entirely absorbed by upstream supply dynamics before it reaches the consumer. The GST pass-through study raises the same question from a different angle: why do savings generated in policy not materialise on the shelf? The Phuentsholing–Jaigaon study will, when published, offer a granular look at the competitive forces pulling household expenditure across the border. Each study is, in its own way, an argument for better information and faster, more coordinated institutional responses.

On the enforcement side, the month offered both reassurance and a reminder. The fuel surveillance found a market that is, by and large, playing by the rules. The consumer complaints, particularly around non-display of prices suggest that some basics still need reinforcing. The refunds secured and fines imposed are modest in absolute terms, but they establish a precedent that matters.

The Bangkok workshop points to a future that is already arriving. Digital markets, AI-assisted scams, influencer-driven purchasing decisions, and dark-pattern design are not hypothetical challenges for Bhutan, they are present ones. Building the regulatory capacity to address them is not a luxury but a necessity.

What to Watch in April 2026:

- Publication of the Quarter 3 Market Price Index.
- Formal release of the Cross-Border Retail Competitiveness Study (Phuentsholing–Jaigaon), pending Ministry endorsement.
- Continued monitoring of GST price pass-through across essential commodity categories.
- Ongoing investigation and resolution of the active consumer complaint cases.