

## COMPETITION AND CONSUMER AFFAIRS AUTHORITY

*Consumer Protection and Competition Enforcement Division*

# MARKET SURVEILLANCE REPORT

**Pemagatshel and Samdrupjongkhar Dzongkhags**

*7–22 April 2026*

Prepared by:

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## 1. Background

To safeguard consumer rights and promote fair and transparent business practices, the CCAA's Consumer Protection and Consumer Education Division (CPCED) undertook a market surveillance exercise in Pemagatshel and Samdrupjongkhar Dzongkhags from 7 to 22 April 2026, in accordance with the Consumer Protection Act of Bhutan 2012 and its associated regulations.

The objective of the surveillance are as follows:

- Assess compliance with key provisions of the Consumer Protection Act of Bhutan 2012.
- Verify the accuracy and calibration status of weighing and measuring devices in commercial use.
- Evaluate adequacy of product labelling and price display practices.
- Examine receipt issuance practices and identify gaps in consumer grievance mechanisms.
- Provide actionable recommendations to strengthen consumer protection outcomes.

## 2. Scope and Methodology

The surveillance covered 292 general business establishments and 9 Fuel Retail Outlets (FROs) across major markets in both Dzongkhags. Inspections were carried out through on-site visits to individual business premises. Compliance was assessed against defined regulatory criteria using structured checklists. Physical verification of weighing and measuring instruments was conducted, and displayed price tags, product labels, and purchase receipts were examined. Random checks were performed to verify consistency between displayed prices and billed amounts.

## 3. Inspection Coverage

A total of 301 business establishments were inspected across both Dzongkhags, comprising 132 in Pemagatshel and 169 in Samdrupjongkhar (Table 1).

*Table 1: Distribution of Inspected Establishments by Business Type and Dzongkhag*

Business Type	Pemagatshel	Samdrupjongkhar	Total
Restaurants	40	62	102
Grocery / General Shops	58	65	123
Garment Shops	9	14	23
Meat Shops	2	5	7
Vegetable Vendors	2	2	4
Beauty Parlour / Salon	6	1	7
Tailoring Shops	2	3	5
Cement Agents	2	2	4
Electronics / Electrical / Hardware	5	8	13
Fuel Retail Outlets	3	6	9
Bakeries	3	1	4
<b>TOTAL</b>	<b>132</b>	<b>169</b>	<b>301</b>

## 4. Findings and Observations

### 4.1 Fuel Retail Outlets

Nine Fuel Retail Outlets were inspected across both Dzongkhags. All dispensing units presented valid calibration certificates with calibration validity extending to October 2026. No discrepancies in price display were recorded.

Two FROs were found to have dispensing units with excess fuel delivery (Table 2). In both cases, the affected nozzles were immediately removed from operation, while the remaining nozzles continued dispensing without interruption. The affected outlets were directed to arrange prompt recalibration through BSB and qualified technicians before returning the units to service.

Table 2: FRO Dispensing Units with Identified Non-Conformances

Establishment	Pump / Unit Affected	Issue and Status
DPCL Phuntshorabtenling, Samdrupjongkhar	MPD Pump — 1 nozzle (MS)	Excess fuel delivery; removed from service pending recalibration
BOD Samdrupjongkhar	HSD Pumps 2 & 4 — nozzles (HSD)	Excess fuel delivery; removed from service pending recalibration

### 4.2 Business Establishments

#### 4.2.1 Compliance Overview

Overall compliance across inspected establishments was high, demonstrating measurable improvement compared to past assessment (Table 3).

Table 3: Compliance Summary by Regulatory Indicator

Compliance Indicator	Compliance Rate (%)	Observation
Product Labelling	≥98.6%	High compliance; minimum labelling requirements met across nearly all outlets.
Issuance of Purchase Receipts	≥99.3%	Non-compliance limited to a small number of newly established shops.
Price Display	≥98.8%	Selling prices clearly displayed in almost all inspected establishments.
Weighing & Measuring Devices	100%	All devices found properly calibrated; full compliance across both Dzongkhags.
Refund / Return / Exchange Policies	~12.4% partial; ~20.2% documented (electronics)	Majority of shops lack formal written policies; electronics retailers perform comparatively better.

#### 4.2.2 Product Labelling

Product labelling compliance exceeded 98.6%, indicating that the vast majority of businesses ensured the presence of minimum required information on packaged goods. The isolated instances of non-compliance were primarily observed in newly established or very small-scale outlets.

#### 4.2.3 Purchase Receipt Issuance

More than 99.3% of businesses issued purchase receipts upon request, reflecting improved transparency in commercial transactions. Non-compliance was confined to a small number of newly established shops that had not yet instituted adequate billing practices; these were advised of the legal requirement during the inspection.

#### 4.2.4 Price Display

Almost all establishments (98.8%) clearly displayed selling prices, enhancing consumer confidence and minimising the risk of inadvertent overcharging. Random verification confirmed full consistency between displayed shelf prices and billed amounts across all inspected outlets in both Dzongkhags. No instances of discriminatory pricing or differential consumer treatment were identified.

#### 4.2.5 Weighing and Measuring Devices

All weighing and measuring devices inspected were found to be properly calibrated, representing full compliance with calibration requirements across both Dzongkhags.

An exception was noted with respect to cement bag weight accuracy. In Pemagatshel, Son Rin Cement Agent and Dungsam Cement Corporation Ltd. Failed to meet the required weight standards. In Samdrupjongkhar, Sangay Cement Agent and Godhen Samphel Norbu Cement were assessed and found operational, while one cement agent was unavailable for inspection at the time of the visit.

#### 4.2.6 Meat Shops — Hygiene and Storage Facilities

All seven meat shops across both Dzongkhags had functional refrigeration and freezing facilities capable of maintaining temperatures required for safe meat storage. Basic hygiene infrastructure—including clean working surfaces and adequate ventilation—was present in all inspected outlets. No food safety concerns were identified.

#### 4.2.7 Consumer Grievance Mechanisms

None of the inspected establishments had formal consumer grievance or complaint redressal mechanisms in place, such as a displayed complaints register, a dedicated email address, or a documented escalation procedure. While many shopkeepers indicated that consumers could reach them via phone numbers listed on cash memos and signboards, such informal arrangements do not constitute adequate grievance redressal systems as contemplated by the CPA, 2012.

Shopkeepers in both Dzongkhags cited the prevalence of regular, known customers as justification for the absence of formal mechanisms. Electronics shops represented a partial exception, as they maintained records relating to after-sales service, warranties, and guarantees.

#### 4.2.8 Refund, Return and Exchange Policies

A significant structural gap was identified with respect to formal refund, return, and exchange policies (Table 4).

*Table 4: Refund, Return, and Exchange Policy Status Across Inspected Establishments*

Policy Status	Proportion of Shops	Remarks
No documented policy	87.6%	Policy absent; returns and exchanges handled on an ad hoc basis
Partial policy (verbal at point of sale)	~12.4%	Returns and exchanges accepted in some cases; not formally documented
Clear documented policy	~20.2%	Predominantly electronics retailers; policies communicated to consumers

The absence of formal policies, combined with limited consumer awareness of their rights and the social dynamics prevalent in small, close-knit communities, creates conditions in which consumers may be reluctant to seek redress even when legally entitled to do so.

## 5. Corrective Actions Taken

On-site corrective instructions were issued during the inspection wherever non-conformances were identified. The following specific actions were directed:

- DPCL Phuntshorabtenling (Samdrupjongkhar) and BOD Samdrupjongkhar were directed to carry out immediate repairs to their non-functional MPD and HSD dispensing units, respectively, and to coordinate with the Bhutan Standards Bureau (BSB) and qualified technicians for prompt recalibration prior to returning the units to service.
- Newly established shops found not issuing purchase receipts were advised of the legal obligation to provide receipts for all commercial transactions.
- Son Rin Cement Agent and Dungsam Cement Corporation Ltd. in Pemagatshel were directed to take immediate corrective action to ensure that cement bag weights conform to declared and legally required standards.

## 6. Conclusions and Recommendations

The market surveillance exercise demonstrates a generally high level of compliance with the Consumer Protection Act of Bhutan 2012 across business establishments in Pemagatshel and Samdrupjongkhar Dzongkhags. Compliance rates for product labelling, receipt issuance, price display, and calibration of weighing and measuring devices all exceeded 98%, reflecting the positive cumulative impact of regular inspections, targeted advocacy, and sustained inter-agency collaboration.

Notwithstanding these achievements, the surveillance identified persistent gaps in consumer grievance mechanisms and refund, return, and exchange policies that require targeted intervention. Isolated non-conformances in cement weight accuracy and FRO dispensing units also require follow-up to ensure timely resolution. The following recommendations are made:

- **Increase frequency of joint inspections with ROICE** to maintain consistent regulatory oversight and foster a culture of proactive compliance among businesses in both Dzongkhags.
- **Strengthen consumer rights awareness programmes** with particular emphasis on small and rural businesses, covering product labelling standards, price display obligations, and consumers' rights to refunds, returns, and exchanges.
- **Promote wider adoption of electronic billing systems** to improve record-keeping, transparency, and accountability in commercial transactions, and to facilitate post-purchase consumer dispute resolution.
- **Require businesses to establish formal consumer grievance mechanisms**, including displayed contact information, complaint registers, and documented escalation procedures, in accordance with the Consumer Protection Act of Bhutan 2012.
- **Conduct targeted follow-up inspections** at Son Rin Cement Agent and Dungsam Cement Corporation Ltd. (Pemagatshel) to verify corrective action on cement weight accuracy, and at DPCL Phuntshorabtenling and BOD Samdrupjongkhar to confirm successful recalibration of the affected dispensing units.

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