

# MARKET SURVEILLANCE REPORT

## Paro Dzongkhag

22–27 May 2026 | Competition and Consumer Affairs Authority (CCAA)

### Executive Summary

The Competition and Consumer Affairs Authority (CCAA) conducted its second market surveillance exercise in Paro Dzongkhag from 22 to 27 May 2026. A total of 66 business establishments across four sectors—handicraft shops, hardware shops, vegetable and cereal vendors, and garment shops—were inspected against four primary compliance criteria: issuance of purchase receipts, display of selling prices, product labelling, and use of calibrated weighing and measuring devices.

The surveillance found overall compliance rates of 85% for purchase receipt issuance and 61% for price display. Weighing device compliance was strong among hardware shops (100%) and adequate among vegetable vendors (76%). The principal areas of concern were partial or inconsistent price display in handicraft shops, price discrimination between local customers and tourists, low display rates for refund and return policies (9.8%), and persistent gaps in product labelling for small-scale locally made goods.

### Key Compliance Metrics

Total establishments inspected	<b>66</b>
Purchase receipt issuance	<b>85%</b>
Price display compliance	<b>61%</b>
Weighing device compliance – hardware shops	<b>100%</b>
Weighing device compliance – vegetable vendors	<b>76%</b>
Display of refund/return/exchange policies	<b>9.8%</b>
Handicraft shops with complaint mechanism display	<b>100%</b>

### 1. Background

To safeguard consumer rights and promote fair and transparent business practices, the CCAA conducted its second market surveillance exercise in Paro Dzongkhag from 22 to 27 May 2026. Inspections covered three primary sectors: handicraft shops, hardware shops, and vegetable and cereal markets. The surveillance assessed compliance against the following requirements:

- Issuance of purchase receipts as proof of transactions.
- Display of selling prices to prevent overcharging.
- Adequate product labelling.
- Use of calibrated weighing and measuring devices to ensure fairness and accuracy in trade.

## 2. Coverage

A total of 66 business establishments were inspected during the surveillance period, spanning handicraft shops, hardware shops, fruit and vegetable vendors, cereal vendors, and garment shops. The distribution of inspected establishments is presented in Table 1 below.

*Table 1: Distribution of Inspected Establishments – Paro Dzongkhag*

Sector	No. of Establishments	Share (%)
Fruits, Vegetable and Cereal Vendors	41	62.1%
Handicraft Shops	16	24.2%
Hardware Shops	5	7.6%
Garment Shops	4	6.1%
<b>Total</b>	<b>66</b>	<b>100%</b>

## 3. Findings

### 3.1 Product Labelling

Compliance with product labelling requirements was partial across the inspected sectors. A number of handicraft items displayed basic product information, including price and product name; however, certain locally made products lacked comprehensive labelling, largely owing to small-scale production and limited awareness of applicable requirements. Product labelling was not applicable to fruit, vegetable, and cereal vendors, as the majority of products at these outlets are sold in loose, unpackaged form.

### 3.2 Issuance of Purchase Receipts

Overall, 85% of the businesses inspected issued purchase receipts upon request, demonstrating satisfactory compliance with transaction transparency requirements. Notably, 62.5% of handicraft shops issued money receipts to tourists, principally to facilitate goods declaration at the airport and authentication by cultural authorities.

However, a number of newly established vendor stalls were found to issue receipts inconsistently. Almost all fruit, vegetable, and cereal vendor stalls provided contact phone numbers on their cash memos; in practice, however, customers rarely retain these documents after transactions.

### 3.3 Price Display

Sixty-one percent (61%) of inspected establishments clearly displayed selling prices, contributing to improved consumer confidence and a reduced risk of overcharging. Random verification of bills against shelf price tags confirmed that billed prices matched displayed prices in hardware shops and vegetable markets.

Price display compliance was less consistent in the handicraft sector, where only partial display practices were observed. Furthermore, price discrimination between local customers and tourists was recorded in several handicraft shops, with prices offered to tourists approximately 10–30% higher than those offered to local customers. This differential was attributed in part to guide commissions, which are estimated to account for approximately 10–20% of the product price. Handicraft shops operated by sales representatives

demonstrated better price transparency, with all products properly labelled and price tags visible to customers.

### 3.4 Weighing and Measuring Devices

Among the businesses inspected, 76% of vegetable vendors and 100% of hardware shops were found to be using properly calibrated weighing machines. Establishments with non-compliant devices were issued official directives requiring calibration within a specified period.

### 3.5 Consumer Complaint Mechanisms

All handicraft shops (100%) displayed consumer complaint mechanism information through business cards and contact details, enabling customers to communicate concerns via email or telephone. Fruit, vegetable, and cereal vendor stalls similarly provided contact phone numbers on cash memos, although customers generally do not retain these documents.

### 3.6 Refund, Return, and Exchange Policies

The display of refund, return, and exchange policies was the area of lowest compliance: 90.2% of inspected establishments did not visibly display such policies, leaving only 9.8% in compliance. In most cases, relevant policies were communicated verbally to customers at the point of purchase.

In practice, many handicraft shops accepted product exchanges, while refund and return requests were considered on a case-by-case basis under genuine circumstances. Some hardware shops partially accepted returns, exchanges, and refunds. During the inspection, several hardware shop owners raised concerns about continuing refund practices owing to complications arising from the Goods and Services Tax (GST) framework.

### 3.7 Consumer Treatment and Fair Pricing

No significant issues of discriminatory consumer treatment were observed in hardware shops or vegetable markets, and prices charged were generally consistent with those displayed. In the handicraft sector, however, varying prices were applied to local customers and tourists, indicating inconsistent pricing practices that may undermine consumer confidence.

## 4. Compliance Summary

*Table 2: Compliance Rates by Indicator*

Compliance Indicator	Compliance Rate	Scope
Issuance of purchase receipts	85%	All sectors
Price display	61%	All sectors
Calibrated weighing devices – vegetable vendors	76%	Vegetable vendors
Calibrated weighing devices – hardware shops	100%	Hardware shops
Receipt issuance by handicraft shops to tourists	62.5%	Handicraft shops
Display of refund/return/exchange policies	9.8%	All sectors
Consumer complaint mechanism display	100%	Handicraft shops

## 5. Actions Taken

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The following corrective and advisory actions were taken during the surveillance period:

- Newly established vegetable vendors and recently transferred establishments were briefed on basic compliance requirements and consumer protection obligations.
- Handicraft shops were sensitised on the importance of transparent pricing, proper product labelling, and the consistent issuance of purchase receipts.
- Handicraft shop operators were advised to improve price transparency and to apply fair and consistent pricing practices for all consumer groups.
- Official directives were issued to establishments found using uncalibrated weighing and measuring devices, requiring prompt rectification.

## 6. Recommendations

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Based on the findings of this surveillance, the following recommendations are put forward:

- Strengthen and expand awareness programmes targeting newly established businesses and handicraft shop operators, with particular focus on labelling requirements and pricing transparency.
- Improve compliance in product labelling and the consistent issuance of purchase receipts, especially among smaller and newly registered vendors.
- Promote the visible display of refund, return, and exchange policies in all business establishments.
- Conduct regular and targeted monitoring of handicraft shops to identify and discourage discriminatory pricing practices against tourists and other consumer groups.
- Engage with relevant authorities and industry bodies to address the GST-related concerns raised by hardware shops in relation to refund practices.

Sustained surveillance and targeted awareness programmes remain essential to improving overall compliance levels and strengthening consumer protection practices across Paro Dzongkhag.

## 7. Conclusion

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The surveillance exercise in Paro Dzongkhag identified several areas of positive compliance, including strong accuracy in weighing and measuring practices, fair and transparent pricing in hardware and vegetable markets, and satisfactory overall rates of purchase receipt issuance. These findings indicate that awareness of basic consumer protection requirements is increasingly embedded in day-to-day business operations across these sectors.

Nevertheless, compliance gaps persist, particularly in the areas of product labelling, consistent receipt issuance by newly established vendors, the display of refund and return policies, and pricing transparency in handicraft shops. The issue of differential pricing for tourists warrants continued attention and monitoring.

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