

Market Surveillance in Haa Dzongkhag

An assessment of business compliance with the Consumer Protection Act of Bhutan 2012 across 83 establishments in Haa Dzongkhag — revealing progress, persistent gaps, and a roadmap for regulatory improvement.

Surveillance Team Members

Tshering Dema — Assistant Trade Officer, CPCED, CCAA

Yeshi Dema — Trade Inspector, CPCED, CCAA

Deki Choden — Trade Inspector, CPCED, CCAA

Inspection Period: 9–16 May 2026 | Haa Dzongkhag, Kingdom of Bhutan

1. BACKGROUND & MANDATE

The Competition and Consumer Affairs Authority (CCAA) is the principal regulatory body charged with ensuring fair trade practices and protecting consumer welfare across the Kingdom. Under the mandate of the Consumer Protection Act of Bhutan, 2012, the Authority periodically deploys field inspection teams to assess the degree to which businesses comply with a set of foundational consumer-protection requirements.

From 9 to 16 May 2026, a dedicated surveillance team from the Consumer Protection and Competition Enforcement Division (CPCED) conducted a systematic inspection exercise in Haa Dzongkhag. The exercise was designed to evaluate real-world compliance across four core regulatory dimensions:

- Issuance of purchase receipts as verifiable proof of commercial transactions;
- Clear display of selling prices to deter overcharging and promote price transparency;
- Adequate product labelling to ensure consumers receive accurate product information; and
- Use of correctly calibrated weighing and measuring devices to guarantee fairness in quantity-based trade.

2. SURVEY COVERAGE & METHODOLOGY

The inspection covered a total of 83 business establishments spanning a broad cross-section of the local commercial ecosystem. Teams physically visited each establishment, conducted visual compliance assessments, interviewed proprietors, and — where applicable — performed calibration tests on weighing instruments and fuel-dispensing equipment.

The surveyed establishments encompassed restaurants, grocery and general shops, garment shops, hardware outlets, beauty salons, bakeries, vegetable vendors, meat shops, cement agents, and one Fuel Retail Outlet (FRO). The geographic scope included establishments in harder-to-reach areas such as Sambaykha, to obtain a representative picture of compliance across the entire Dzongkhag.

Table 1. Distribution of Establishments Inspected in Haa Dzongkhag

#	Business Type	Establishments Inspected
1	Restaurants	26
2	Grocery / General Shops	43
3	Garment Shops	5
4	Meat Shops	1
5	Vegetable Vendors	1
6	Beauty Parlours / Salons	2
7	Hardware Shops	3
8	Bakeries	1
9	Fuel Retail Outlets	1
	Total	83

3. FINDINGS & OBSERVATIONS

The inspection yielded a rich dataset spanning compliance performance, infrastructure status, and consumer-facing practices. The findings are presented below by thematic area, reflecting both the strengths and the persistent challenges observed across the Dzongkhag.

3.1 Fuel Retail Outlet

Broadly compliant, with a single technical deficiency. The Fuel Retail Outlet (FRO) inspected during the exercise demonstrated an overall satisfactory level of regulatory compliance. The dispensing pump had been duly verified by the Bhutan Standards Bureau (BSB), with a calibration validity window running from December 2025 through September 2026 — well within the permissible range at the time of inspection.

During the calibration test, however, one fuel dispensing nozzle was found to exceed the permissible error threshold. No discrepancies were detected in the pump's price-display mechanism. The outlet manager was formally advised to undertake immediate repair and recalibration of the deficient nozzle and to report the outcome to the CCAA upon completion.

3.2 Product Labelling

75 per cent compliance — a majority in good standing. Product labelling compliance was recorded at 75%, indicating that three in four businesses ensured that packaged goods contained the minimum information mandated under applicable regulations. This encompasses product name, country of origin, net weight or volume, manufacturer's details, and expiry or best-before dates. While this represents a positive baseline, the 25% non-compliance rate signals a continued need for targeted awareness campaigns, particularly among newer proprietors unfamiliar with labelling standards.

3.3 Issuance of Purchase Receipts

70.7 per cent — steady progress, but gaps remain. Just over seven in ten establishments issued purchase receipts upon customer request. This reflects incremental improvement in transactional transparency compared with earlier surveillance cycles. Notwithstanding, a notable cluster of non-compliant businesses was associated with recent changes in ownership: new proprietors who had not yet fully acquainted themselves with their statutory obligations under the Consumer Protection Act.

3.4 Price Display

73.2 per cent transparency rate — billed prices confirmed to match displayed prices. Almost three-quarters of inspected establishments displayed their selling prices clearly, either through shelf tags, price boards, or itemised menus. The surveillance team conducted random cross-verification of bills against displayed prices and found no discrepancies, confirming that price display, where present, accurately reflected actual charges. This is a significant positive finding from a consumer-rights perspective, as it indicates an absence of deliberate overcharging in the local market.

3.5 Weighing & Measuring Devices

“A 100 per cent calibration compliance rate for weighing and measuring devices stands as the single most unambiguous success of the Haa surveillance exercise.”

Every weighing device inspected across all applicable establishments was found to be properly calibrated and within permissible error limits. This is a critical compliance dimension, as inaccurate scales directly affect the quantity — and thus the monetary value — of goods received by consumers. The result suggests that prior awareness and enforcement activities in this domain have been effective.

3.6 Cement Agents

Three cement agencies are currently operational in Haa Dzongkhag: Phurba Tshering Cement Agent, Khandu Bidha Cement Agent, and Jigme T Cement Agent. Both Phurba Tshering and Khandu Bidha deal exclusively with Penden Cement and were inspected without incident. Jigme T Cement Agent, which handles Dungsam Cement, was found closed at the time of inspection.

3.7 Meat Shop

The single meat shop inspected was found to maintain functional refrigeration and freezing facilities capable of sustaining safe food storage temperatures. Basic hygiene infrastructure — including clean working surfaces, operational refrigeration units, and adequate ventilation — was observed to be in order. No violations warranting formal enforcement action were identified.

3.8 Consumer Complaint Mechanisms

98.7 per cent of shops lacked visible complaint information. The most striking compliance deficit identified in the survey concerns the display of consumer complaint mechanisms. Approximately 98.7% of establishments did not display information relating to online complaint portals or institutional email addresses through which consumers could lodge grievances. While contact telephone numbers were commonly found on cash memos and shop signboards, the absence of formal complaint channel information represents a gap in consumer redress infrastructure.

3.9 Refund, Return & Exchange Policies

Around 90.2% of establishments did not display any formal refund, return, or exchange policies. Approximately 9.8% — primarily garment shops, meat shops, bakeries, and select grocery retailers — partially accommodated returns and exchanges. In virtually all cases, such policies were communicated verbally to customers at the point of sale rather than posted in a visible, accessible format. This practice limits consumer awareness of their rights and may create disputes in post-transaction scenarios.

3.10 Consumer Treatment & Pricing Fairness

No instances of discriminatory consumer treatment were identified during the inspection period. Prices charged to consumers were consistently aligned with displayed prices during random verifications, indicating that the local market is free from systematic pricing fraud. This positive outcome underscores the integrity of the Haa business community even as formal compliance in other areas requires improvement.

3.11 Contextual Factors Affecting Compliance

Several contextual factors contributed to observed compliance gaps and must be considered when interpreting the results:

- Temporary closure of certain establishments during the inspection window limited the comprehensiveness of the survey;
- Recent ownership transfers in some shops meant that new proprietors had not yet established compliant operational practices; and
- Newly established businesses demonstrated limited awareness of their regulatory obligations.

4. COMPLIANCE SUMMARY

The following table consolidates the key compliance indicators recorded during the surveillance exercise, providing a comparative overview for regulatory and policy reference.

Table 2. Compliance Scorecard — Haa Dzongkhag, May 2026

Compliance Indicator	Compliance Rate	Key Observation
Product Labelling	75.0 %	Most packaged goods meet minimum labelling requirements
Purchase Receipt Issuance	70.7 %	Gradual improvement; gaps in newly transferred businesses
Price Display	73.2 %	Billed prices confirmed to match displayed prices
Weighing Device Calibration	100 %	All inspected devices correctly calibrated
Consumer Complaint Display	1.3 %	Phone numbers common; online mechanisms largely absent
Refund / Return Policy Display	9.8 %	Policies mainly communicated verbally at point of sale

5. REGULATORY ACTIONS TAKEN

In response to the findings, the inspection team undertook the following immediate corrective actions:

Guidance to new and transitioning businesses. Establishments that were newly established or had recently changed ownership were provided with direct on-site guidance covering basic compliance requirements and consumer protection obligations. This proactive advisory approach is intended to support voluntary compliance before formal enforcement action becomes necessary.

Fuel nozzle deficiency notice. The fuel dispensing nozzle that failed the calibration test was formally flagged, and the Fuel Retail Outlet manager was instructed to carry out immediate repair and recalibration. The manager was further required to report the recalibration status to the CCAA office upon completion, ensuring accountability and follow-through.

6. CONCLUSIONS & RECOMMENDATIONS

The Market Surveillance Exercise in Haa Dzongkhag presents a nuanced compliance picture. On one hand, the exercise affirms meaningful progress in several regulatory domains: all weighing and measuring devices were found to be correctly calibrated; the Fuel Retail Outlet was substantively compliant; prices charged consistently matched displayed prices; and no discriminatory consumer

treatment was detected. These are genuine achievements in a remote and operationally challenging market environment.

On the other hand, some gaps persist. Fewer than three-quarters of businesses displayed selling prices or issued purchase receipts consistently. Only one in four establishments met full product labelling requirements. The near-total absence of visible consumer complaint information — 98.7% non-compliance — indicates the need to focus in this area in the future. Similarly, the overwhelming majority of shops lacked any displayed refund or exchange policy, leaving consumers dependent on informal verbal assurances.

The following recommendations are advanced to the relevant regulatory and enforcement stakeholders:

1. Conduct targeted awareness workshops for newly established and recently transferred businesses, with a focus on receipt issuance, labelling requirements, and mandatory policy displays.
2. Develop simple, multilingual compliance guides tailored to the business types prevalent in Haa Dzongkhag and distribute them during the next inspection cycle.
3. Explore the feasibility of mandatory in-shop display of CCAA complaint hotlines and QR codes linking to the online complaint portal.
4. Increase inspection frequency in remote areas such as Sambaykha to ensure equitable regulatory coverage across the Dzongkhag.
5. Consider formalising a follow-up compliance visit six months after initial inspection to track improvement trajectories.

Continued surveillance, combined with education-first outreach, remains the most effective pathway to elevating consumer protection standards in Haa Dzongkhag and, by extension, across Bhutan's more remote administrative regions.

ABOUT THE AUTHORS

Tshering Dema is an Assistant Trade Officer at the Consumer Protection and Competition Enforcement Division (CPCED) of the Competition and Consumer Affairs Authority (CCAA), Thimphu, Bhutan.

Yeshi Dema and **Deki Choden** are Trade Inspectors at CPCED, CCAA, with field expertise in consumer protection compliance, market surveillance, and regulatory enforcement.
