

Thailand and Bhutan sign free trade deal to boost exports



Thailand and Bhutan have signed a Free Trade Agreement (FTA), marking Thailand's 17th such agreement. The FTA, witnessed by Prime Ministers Paetongtarn Shinawatra of Thailand and Dasho Tshering Tobgay of Bhutan, aims to expand Thai export markets in South Asia. Commerce Minister Pichai Nariphaphan announced the deal, noting its completion within nine months. Bhutan becomes the third South Asian nation to establish an FTA with Thailand, following India and Sri Lanka.

The agreement focuses on liberalising trade in goods. Bhutan will eliminate tariffs on nearly all Thai products, benefiting sectors like automotive, agriculture, and electronics. In return, Thailand will remove tariffs on 94% of Bhutanese goods, including potatoes and fruit juices.

The FTA aims to increase bilateral trade to \$120 million. In 2024, trade between Thailand and Bhutan was approximately \$12.7 million, with Thailand exporting \$12.6 million and importing \$95,000. The Ministry of Commerce will hold public consultations before parliamentary approval. Implementation is targeted for January 1st, 2026.

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