

Embassy of India
Thimphu

Press Release: Extension of Standby Credit Facility to Bhutan

The Union Cabinet chaired by the Prime Minister Shri Narendra Modi has approved the extension of the settlement period of the two existing Standby Credit Facilities provided by Government of India to Bhutan for Rs. 300 crores and Rs. 400 crores by 60 months with a reduced interest rate of 2.5% with effect from 01 July 2022. The two Standby Credit Facilities currently extended at an interest rate of 5% are due to expire on 30 June 2022.

India and Bhutan enjoy exemplary ties of friendship and cooperation based on trust and mutual understanding. India is Bhutan's largest trading partner. This Standby Credit Facility serves to promote bilateral trade by facilitating payments within India and meeting Indian Rupee requirements in Bhutan.

Dated: 30 June 2022