



# ACHIEVEMENT REPORT

2011 - 2018

AGENCY FOR PROMOTION OF INDIGENOUS CRAFTS



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## FOREWORD BY THE CHAIRPERSON

The Agency for Promotion of Indigenous Crafts (APIC) has been actively promoting arts and crafts of Bhutan since its establishment in 2011. The activities that the agency has carried out so far has been successful such as cluster development, marketing, product design and innovation, research and publication aimed at benefiting the artisans of Bhutan.

The agency has been creating a viable market for unique Bhutanese arts and crafts which helped in promoting socio-economic developments in the rural areas by providing a marketing platform and linkages to craft stalls in Thimphu and also through participation in national and international trade fairs. The agency has also taken initiative to catalogue numerous arts and crafts of Bhutan, which serves as a source material for enthusiasts and researchers.

While retaining the unique cultural values and indigenous characteristics in the face of rapid globalization, our products have also seen innovation and diversity to meet the growing needs of local as well as international consumers. With the increasing number of high-end tourists visiting the country, we foresee huge opportunities that our artisans could benefit from.

It is therefore, apt at this juncture that the APIC is bringing out its first publication that highlights the achievements of APIC in the promotion of our arts and crafts in the country. Arts and crafts have always been integral part of our culture and identity, which need to be further promoted to enhance its socio-economic values.

I wish the agency greater success in its endeavor in the promotion of indigenous arts and crafts in the country.

Tashi Delek



## FROM THE CEO'S DESK

The Agency for Promotion of Indigenous Crafts is pleased to bring its achievement report since its inception in 2011. This report is being published in order to report the achievements of the agency, in construction of the Royal Craft Village at Zamdo-thang in Thimphu, setup and operations of clusters and raw material banks in the country sides, generation of employments, ensuring the quality and authenticity of the craft products, marketing strategies and importantly promoting and preserving the arts and crafts of Bhutan.

Research, publication and product designs have been viewed in the agency as crucial document for promotion of craft sectors.

The enhancement of Bhutanese craft products are achieved through the set-up of clusters in the rural areas and crafts stalls in Thimphu. These clusters and craft stalls are linked to diversify Bhutanese craft products by creating a viable market linkage, which in turn acts to preserve Bhutanese unique culture and bring about equitable socio-economic development by elevating the rural income.

We wish our readers find this report informative.

Tashi Delek

## **LIST OF ABBREVIATIONS**

ABSD	– Accelerating Bhutan’s Socio-economic Development
ABTO	– Association of Bhutanese Tour Operators
ADB	– Asian Development Bank
AFD	– Administration and Finance Division
APIC	– Agency for Promotion of Indigenous Crafts
CSO	– Civil Society Organization
CCMD	– Cluster and Craft Market Development Division
DAMC	– Department of Agriculture and Marketing Cooperative
FYP	– Five Year Plan
GNHC	– Gross National Happiness Commission
GoI	– Government of India
HH	– Households
IITF	– India International Trade Fair
JATA	– Japan Association of Travel Agents
MAP	– Marketing and Promotion
MoAF	– Ministry of Agriculture and Forest
MoLHR	– Ministry of Labour and Human Resources
MoWHS	– Ministry of Work and Human Settlements
NLCS	– National Land Commission Secretariat
PIDU	– Product Innovation & Design Unit
PTA	– Project Tie Assistance
RCV	– Royal Craft Village
RGoB	– Royal Government of Bhutan
SAARC	– South Asian Association for Regional Cooperation
TCB	– Tourism Council of Bhutan
UNDP	– United Nations Development Programme

## AGENCY FOR PROMOTION OF INDIGENOUS CRAFTS

With the issuance of Executive Order (Annexure 1) to the Ministry of Economic Affairs, the Agency for Promotion of Indigenous Crafts (APIC) was established under the aegis of the Department of Cottage and Small Industry in July 2011.

The Executive Order mandates the agency to facilitate the growth of arts and crafts industry by encouraging artisans to produce innovative, well designed, skilfully made products suitable for current market demand and to build economically viable and sustainable arts and crafts enterprises. In view of this, Authentic Bhutanese Craft Market along Norzin Lam was launched on October 9, 2011 to commemorate the Royal Wedding ceremony of His Majesty the Druk Gyalpo and the Gyaltsuen.

The Executive Order guides APIC to strive towards “*a non-profit largely self-sustaining agency for execution on craft and related initiatives*”. It also directs the agency to be governed by a separate board ensuring tight performance compacts and flexibility on processes.

The Zorig Chusum or the 13 traditional arts and crafts of Bhutan draws highly skilled human resources, abundant local design and innovative talent, natural and cultural resources accompanied with appropriate technologies to be competent in the business.

The APIC is thus, entrusted with the responsibility of developing the Zorig Chusum into socially vibrant and economically sustainable in the livelihood of Bhutanese people.



## VISION



**A leading agency of sustainable indigenous arts and crafts with quality products for employments and the national identity.**



## MISSION

 **APIC promotes equitable growth of Bhutanese handicrafts through the enhancement of skills and business - knowledge of arts and crafts communities with emphasis on product development, innovation and marketing.** 

## GOVERNANCE

### **a. Board of Directors**

Agency for Promotion of Indigenous Crafts is governed by the board of directors to ensure and directs the agency in achieving its goals of bringing together the government/public and private into a unified national forum to drive the growth and development of the arts and crafts sector. The board comprises of representative of the government and private sector. The Board convenes on biannually basis and extraordinary meetings are called on as and when need, depending on the urgency of the agenda.

The Board of Directors are appointed by the Royal Government of Bhutan upon the recommendations by the parent ministry.

### **b. Management of Agency for Promotion of Indigenous Crafts**

The management of APIC is directed by the Chief Executive Officer with a total of five division under its umbrella. The divisions of the agency consist of Cluster and Craft Market Development Division (CCMDD), Product Innovation & Design Unit (PIDU), Marketing and Promotion (MAP), Administration and Finance Division (AFD) and Communications and IT. These divisions are tasked to work together in developing the Bhutanese arts and crafts to improve the socio-economic wellbeing of the artisans.

#### **i. Cluster and Craft Market Development Division**

Cluster and Craft Market Development Division focuses on building and maintaining clusters, craft market and outlets in the areas with maximum potential for generation of income to the artisans at tourist sites. CCMDD has developed craft clusters for integrated and organized manufacturing of craft items in the rural areas. The management also supply and initiates raw material replenishment and bulk purchasing for the raw material banks. For the development and capacity building of artisans, trainings on entrepreneurial and business skills is also being organized.

#### **ii. Product Innovation and Design Unit**

Product Innovation & Design Unit is a division of innovation and research. Under its management, the divisions have researched and published numerous publications on Bhutanese arts and crafts. The division also works towards enhancing product range through research and hiring expertise with the aim to provide tech-



nology and skills on packaging, information tags and other ideas for enhanced shopping experience.

### **iii. Marketing and Promotion Division**

Marketing and Promotion Division develops promotional material to communicate the richness and history of Bhutanese handicrafts and disburse through selected channels. Promotional material such as brochures, fliers, folders, poster have been produced. Advertisement are broadcast through newspaper, magazines, books, televisions and radios.

The division also carries out networking and participation in fairs and exhibitions at the national and international levels since, it is important for producers to interact and engage with prospective buyers and market their products.

### **iv. Administration and Finance Division, Communications and IT**

Administration and Finance Division manage the day to day activities of the agency from financial matter to the procurement and human resources. Communications and IT strives for delivering the agency's message to the audience through designing of proper medium and kits.

Annexure 2 : Management of APIC

## ACHIEVEMENTS OF THE AGENCY FOR PROMOTION OF INDIGENOUS CRAFTS

### a. Royal Craft Village

To showcase the rich Bhutanese traditional architecture and culture, while greeting the visitors to the capital, the construction of Royal Craft Village at Zamdothang was commanded by His Majesty on August 20, 2014 at Hotel Taj. Subsequently, the whole area of the Changzamdothang which was used as truck parking has been graciously allocated to the APIC (Agency for Promotion of Indigenous Crafts) for the construction of the craft village.

The Royal Craft Village is being proposed to construct in three clusters with traditional buildings of two storied with modern facilities, which will replicate the traditional Bhutanese village settlement. The component of the craft village includes construction of Kaka Mani at the entrance, one traditional office block, one lhakhang, 20 traditional houses that would accommodate around 108 stalls for handicraft outlets along with demonstration units where artisans can showcase their skills, and other amenities like recreation, appropriate sports activities and other public facilities.



*The conceptual plan of the Royal Craft Village.*

The proposed conceptual plan of the Royal Craft Village (RCV) was presented by chief urban planner from MoWHS along with senior officials from MoWHS, NLCS, GNHC, TCB and APIC to His Majesty on April 13, 2015 and was approved with minor changes. Two models of architectural drawings of the buildings were submitted to the Office of

Gyalpoi Zimpon for accord of approval on building modality, where one model consists of 3-4 storied rammed earth traditional buildings, designed by the architects of MoWHS and other consist of two-storied traditional rammed earth buildings. The site engineer of APIC has also designed a total of four different traditional building models and one lhakhang in addition to the designs from MoWHS. The building architectural designs are yet to be approved from the GOKHA.



*Formation cutting for the construction of Royal Craft Village and realignment of the expressway*

In order to access maximum land use for the project, the realignment of express way was commanded by His Majesty and the construction is being taken by the Thimphu Thromde in coordination with the Department of Roads (MoWHS). The construction of the express way is set to be completed by the end of November 2018. The main construction of Royal Craft Village will commence after the completion of the realignment of expressway. The total budget of Ngultrum 180 million was granted by GoI under PTA project.



*Realigned expressway at Zamdothang*



## **b. Craft Market**

To commemorate the Royal Wedding of His Majesty the King, Jigmen Khesar Namgyal Wangchuck and Her Majesty the Queen, Jetsun Pema Wangchuck, the Agency for Promotion of Indigenous Crafts established the Authentic Bhutanese Craft Market along Norzin Lam on October 9, 2011. The craft market line has total of 82 stalls which deals in the sale of traditional arts and craft products. This market serves as a platform to showcase arts and crafts of Bhutan by establishing linkages between rural artisans and art dealers in the capital, in order to bring equitable socio-economic development to the rural artisans.



*Craft Market along Norzin Lam, Thimphu*

### **c. Clusters and Raw Material Banks**

The Bhutanese people have been practicing and producing arts and craft products individually through traditional apprenticeship learning that lacks partnership amongst the fellow artisans. This limits the transfer of knowledge and techniques, and also potential for increasing production and profitability. Viewing the potential, APIC has carried out detailed feasibility study for a pilot cluster in Bjoka under Zhemgang in the year 2011 and established Bjoka Cane and Bamboo Cluster. After the positive compliments received from the locals, the agency has established numerous clusters in the country. Artisans from few villages with same production of arts and crafts products are formed into groups and is headed by a chairperson elected from amongst them, who will act as a link between the cluster and to the APIC head-office. The agency has currently established and operates about 23 clusters.

#### **i. Clusters**

##### **1. Bjoka Cane and Bamboo Cluster**



Established in 2011 as a pilot project, Bjoka Cane and Bamboo Cluster is located in Bjoka, lower Zhemgang. The cluster was established with the total investment of Nu. 1,607,600/- (Ngultrum one million six hundred seven thousand and six hundred) on cost sharing basis RGoB Nu. 1,207,600/- (one million seven thousand six hundred) for construction of

production hub and UNDP Bhutan Nu. 4,00,000/- for procurement of tools and equipment. The production hub was launched in January 31, 2013.

The cluster benefiting about 128 households specializes in cane and bamboo weaving, producing bangchung, zem, lakchung, baikur, thrungchu, tsezep, dung shub, drillbu shub, boelo (hat), soray (quiver), basket, pen stand, key chain, incense case, carpets, traditional kitchen wares.

## 2. Chorten Cora Wood Turning and Lacquering Cluster

Located in northeast of Bhutan, Trashiyangtse is well known for the production of Bhutanese traditional wooden bowls “*dapa*”. To bring the people together for collective production, the agency has carried out feasibility in March 2013 and presented the report to the local governance of Trashiyangtse along with the artisans of Yangtse and Bumdeling gewogs. With the fund of Nu. 2.00 million for the construction of production hub



and procurement of tools and equipment from the Government of India and Nu. 0.5 million for construction of production hub from Department of Agriculture and Marketing Cooperative (DAMC) of MoAF, the cluster was established in March 15, 2015.

The cluster benefits about 25 households producing *dapa* (bowl), container, *thokey*, wine goblets, cup, incense case, pen stand, plate, *sherkem phechoe*, *konchog phechoe* using Bau, Zapche, soft wood, natural lacquer and Japanese lacquer.

## 3. Shingkar Lauri Stone Curving Cluster

The art of carving stone has been identified in Baytseling, Lauri Geog under Samdrup-jongkhar who produces stone crafts mainly statues in two and three-dimensional forms. With the abundance of raw materials, the artisans have been receiving orders from as far as neighboring state of Tawang, Arunachal Pradesh.

The cluster benefiting about 15 households started in July 2015 and commissioned to cluster in June 2016 with financial support from Government of India amounting to Nu. 6,89,420.82 (Six hundred eighty-nine thousand four hundred twenty and chetrum eighty-two) for the construction of production hub and show room attached. Additional fund of Nu. 47,500 for the purchase of tools and equipment was granted by UNDP Bhutan.

#### **4. Lauri Zangru Tshogpa**

Lauri Zangru Tshogpa was formally formed in Lauri gewog under Jomotshangkha Dungkhag on December 9, 2015 with the total beneficiaries of 53 members. Of total, 99% of women were trained in natural dyeing. The artisans were provided with occupational and health safety tools.

#### **5. Zangru Tshogpa (Lemi Nettle Cluster)**

The people of Lemi village under Khaling gewog in Trashigang have been practicing the weaving of nettle fiber, however, due to declining of the practice, people shifted their skills to subsistence farming. With the view of reviving the culture of weaving nettle fiber, feasibility study was carried out and found good response to form a group to enhance the nettle products.

The cluster will scale up the artisan's skills, interest and capacity for nettle fabric production, while reviving the nettle production and impart the knowledge of natural dyeing. The cluster was formed comprising of 15 members.

#### **6. Drubkhang BarGoenpa Nettle cluster, Lumang Gewog**

Viewing the nettle production as important for the source of livelihood to the people of Lumang Gewog, who had left the skill of nettle production due to materials not being taken care by the community. The Agency for Promotion of Indigenous Crafts intervened to form a group consisting of thirteen members to revive the craft.

#### **7. Thongsa Cotton Weaving Cluster**

Thongsa, approximately located about 23 kilometers away from Pemagatshel Dzongkhag, the village consisting of 52 households are primarily dependent on farming and weaving. In Thongsa, cotton is grown abundantly which is used for the production of cotton fabric and partly met their requirements since many years.

In March 2016, officials from the agency held a meeting with the cotton growing households to discuss the possibility of setting up of cotton weaving cluster. Thongsa Cotton Weaving Cluster is the only cotton producing/cultivating and weaving cluster in eastern Bhutan. Although the cotton weaving process is very lengthy and laborious one, cotton

plantation has lot of advantages for the artisans. The wild animals do not destroy the cotton plants and cotton crops do not require intensive care.

The artisans grow, harvest, dye and weave clothes. Till October 2017, the cluster has been using manual tools for ginning, carding, spinning, and dyeing, which is laborious and time consuming. For ease of production, the agency explored and supported the cluster with one carding machine, three ginning machines, one hank to cone making machinery customized for local use in August 2017. These machinery have immensely benefited the weavers for processing the cotton yarns. The cotton gho and kira from Thongsa pick up good feedback in the market.

### **8. Indigenous Statue Craft House – Ramtoktok/ Rama Thimphu**

The Indigenous Statue Craft House located about 12 kilometers away from Thimphu is registered with Department of Trade and is the second private unit in the field of statue production in the country consisting of 10 artisans working in the unit.

The agency supported with the amount of Nu. 700,000 for the construction of common facility center, which houses a show room, office, room for the care taker, sand casting room, gas welding, grinding and engraving room.



## List of Clusters under APIC

Craft Line	Sl. No	Name of Cluster	Location		Number of HH/ members
			Gewog	Dzongkhag	
Textile Weaving Cluster	1	DorjiBi Weaving Cluster	Choekhor	Bumthang	10 HH
	2	Gonpa Kabab Weaving Cluster	Khoma	Lhuentse	25 HH
	3	Radhi Weaving Cluster	Radhi	T/gang	52 HH
	4	Yurung Weaving Cluster	Yurung	P/gatshel	26 HH
	5	Jamkhar Weaving Cluster	Jamkhar	T/yangtse	33 HH
	6	Toedtsho Weaving Cluster	Toedtsho	T/yangtse	100 HH
	7	Wooling Weaving Cluster	Orong	S/jongkhar	34 HH
	8	Changjiji Weaving Cluster	South - Thimthrom	Thimphu	23 members
Cane and Bamboo Cluster	9	Bjoka Cane and Bamboo Cluster	Bjokha	Zhemgang	128 HH
	10	Philooma Cane and Bamboo Cluster	Orong	S/jongkhar	150 HH
Metal Cluster	11	Tsebar Metal Cluster	Khar	P/gatshel	81 HH
	12	Kabisa Metal Cluster	Kawang	Thimphu	20 HH
Nettle Weaving Cluster	13	Lauri Zangru (nettle) Tshogpa	Lauri	S/Jongkhar	53 HH
	14	Zanthig – Tshothang Nettle Weaving Cluster	Lauri	S/Jongkhar	70 HHs
	15	Drubkhang BarGonpa Nettle Weaving Cluster	Lumang	T/gang	13 HH
	16	Lemi Nettle Weaving Cluster	Khaling	T/gang	15 HHs
Wood Works Cluster	17	Kangpara Wood Works Cluster	Kangpara	T/gang	14 HH
	18	Changzamtok Wood Works Cluster	South - Thimthrom	Thimphu	10 members

Wood Turning and Lacquering Cluster	19	Chorten Kora Wood Turning and Lacquering Cluster	Yangtse	T/yangtse	25 HH
Cotton Weaving Cluster	20	Thongsa Cotton Weaving Cluster	Chongsh-ing	P/gatshel	52 HH
Painting and Patra Cluster	21	Painting and Patra Cluster	North - Thimthrom	Thimphu	
Natural Dye Cluster	22	Druk Tshonying (Natural Dye Cluster)	North - Thimthrom	Thimphu	11 members
Stone Curving Cluster	23	Betseling Stone Curving Cluster	Lauri	S/Jongkhar	15 HHs

## ii. Raw Material Bank

With the establishment of clusters, the production of handicrafts products have increased, however, the supply of raw materials has been challenging to the artisans due to heavy head-load cost and lack of fund to purchase in bulk. For that a pilot raw material bank was established which supplies and replenish raw material in Tsebar in December 2012. Viewing the success of the pilot raw material bank, the agency has established additional eight raw material banks spread across the country.

### 1. Tsebar Raw Material Bank



With the aim of supplying raw material at their doorstep to the people of Tsebar of Khar gewog under Pemagatshel who have been practicing the art of treko or production of Dung, Jaling and Kangdung. The agency established a raw material bank benefiting about more than 80 households in December 26, 2012.

The set up was done with the total budget of Nu. 24,04,498.50/- (Ngultrum two million four hundred and four thousand four hundred ninety-eight and chetrum fifty) funded by UNDP Bhutan, ADB Bhutan and RGoB.



The raw material bank supplies copper sheet, copper wire, brass sheet, brass wire, German silver sheet and wire, metal wire, nitric acid, sulphuric acid, tigtsa, tsala karmo and brass brush.

## 2. Radhi Yarn Bank

Radhi has been popular in the production of Buray (raw silk) for the last decades which serves as a core business for people of Radhi for about 300 households. The Agency for Promotion of Indigenous Crafts established yarn raw material bank at Radhi in Trashigang in November 22, 2014. This was aimed to reduce the travel time for the procurement of raw material and focus on production of Buray textiles.



A sum of Nu. 5,46,642.10 (Ngultrum five hundred forty-six thousand six hundred forty-two and chetrum ten) was invested for the procurement of textile material under the direct fund from UNDP Bhutan.

The raw material bank supplies pure silk, raw silk, terry cotton, Khaling kip, kge kip and wool to the weavers of the community.

## 3. Goenpa Kabab Yarn Bank





Weaving of Seshu kira have been a source of income for the people of Goenpa Kabab of Khoma gewog, Lhuntse Dzongkhag. The Seshu kira from Khoma costing from Nu. 20,000 to Nu. 200,000 has been appealing both at domestic and international market. For the benefits of about 25 household, the agency established a yarn bank in Goenpa Kabab in December of 2014. UNDP Bhutan supported a total amount of Nu. 7,52,447.10/- (Ngultrum seven hundred fifty-two thousand four hundred forty-seven and chetrum ten). The yarn bank supplies pure silk, terry cotton, jachen, Khaling kip, se ki and ngeki (metallic yarn) at reasonable prices.

#### **4. Yurung Yarn Bank**



Weaves of Buray and Shechu textile has been coming from Yurung which has been supplied across the country, engaging about 100 households in its production. In view of interest from the weavers, the agency has established a yarn bank benefiting weavers from Yurung and Khangma geowg. The supply of pure silk, raw silk, terry cotton, jachen, Khaling kip, nge kip, nge ki, se ki and wool has been possible with the financial support from UNDP Bhutan amounting to Nu. 9,61,647.30/- (Ngultrum nine hundred sixty-one thousand six hundred forty-seven and chetrum Thirty). The yarn bank was established in November 20, 2014.

#### **5. Dorji Bi Yarn Bank**

Dorji Bi village of Choekhor gewog under Jakar Dzongkhag has been producing Yathra for decades consisting about 25 households. The feasibility study for the set up of yarn bank was carried out by the agency in 2014 and found potential to set up yarn bank to upscale the production of Yathra in Bumthang.

Subsequently, in consultation with weavers, local government and other stakeholders,

the agency established a yarn bank in August 1, 2014 with financial support from UNDP Bhutan amounting to Nu. 4,89,770.54 (Ngultrum four hundred eighty-nine thousand seven hundred seventy and chetrum fifty-four)

## **6. Jamkhar Yarn Bank**

Weaving Buray gho and kira has been a source of income for the weaver of Jamkhar under Trashiyangtse consisting about 80 households. As per the finding from the feasibility study carried in 2014, yarn bank in Jamkhar was established in June 2, 2015 in consultation with the weavers, local government and stakeholders. The fi-



ancial support was granted by UNDP Bhutan, amounting to Nu.4,72,768.80 (Ngultrum four hundred seventy-two thousand seven hundred sixty-eight and chetrum eighty). The yarn bank supplies pure silk, terry cotton, jachen, Khaling kip, se ki and ngeki.

## **7. Toedtsho Yarn Bank**

In line with the feasibility study carried out, a potential for the set up of yarn bank at Toedtsho gewog under Trashiyangtse was identified. Due to limited varieties of yarns in the area, interests for the setup of yarn bank have been expressed from the weavers. The yarn bank benefiting about 100 households was established in June 6, 2015 with financial support from UNDP Bhutan amounting to Nu. 2,52,388.00/- (Ngultrum two hundred fifty-two thousand three hundred eighty-eight). The yarn bank supplies terry cotton, tukli, raw silk, ngekip and pure silk.



## **8. Kabesa Raw Material Bank**

Artisans of Kabesa, Thimphu were mostly craftsmen working on the art of Troe Zo (gold and silver smithy). The artisans travel to Phuntsholing to procure raw materials due to high cost in Thimphu town. In view of that, raw material bank was established in August 2014 benefitting about 30 households. UNDP Bhutan funded the setup of the raw material bank of Nu. 700,000/- (Ngultrum seven hundred thousand).



## **9. Thimphu Raw Materials Bank**

With series of consultation with the artisans and training institutes in February 2014, raw material for thangka painting, embroidery and traditional boot making was made available from Thimphu raw material bank established in August 2014 with financial support from Government of India amounting to Nu. 7,45,378.50/- (ngultrum seven hundred forty-five thousand three hundred seventy-eight and chetrum fifty).

However, due to changes in artisans perceptions, except gold and silver, other materials could not be supplied well.

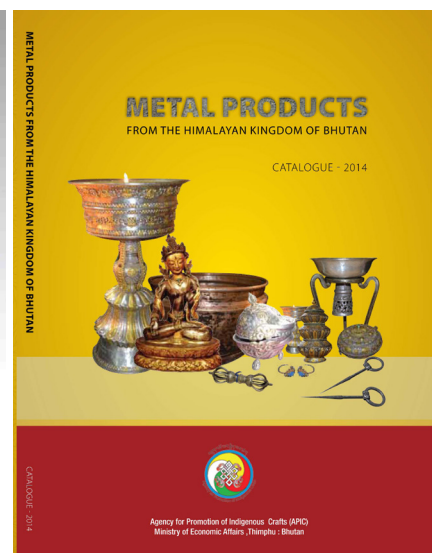
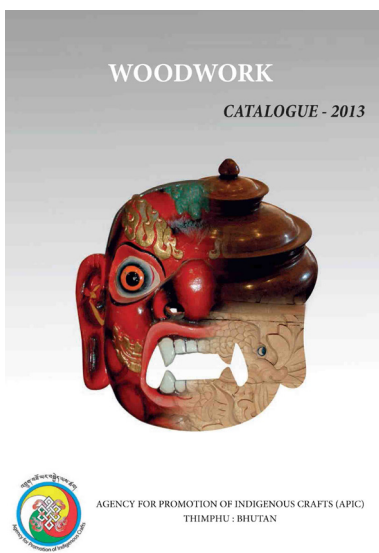
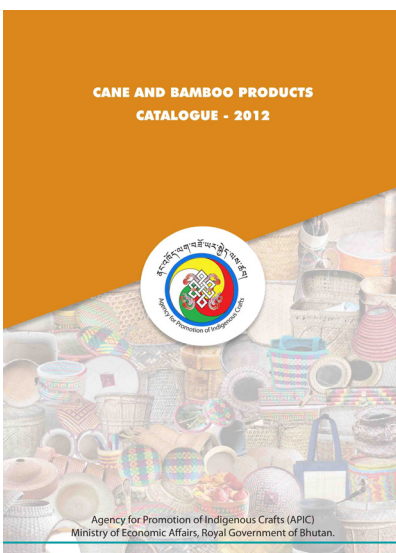


## d. Research and Publication

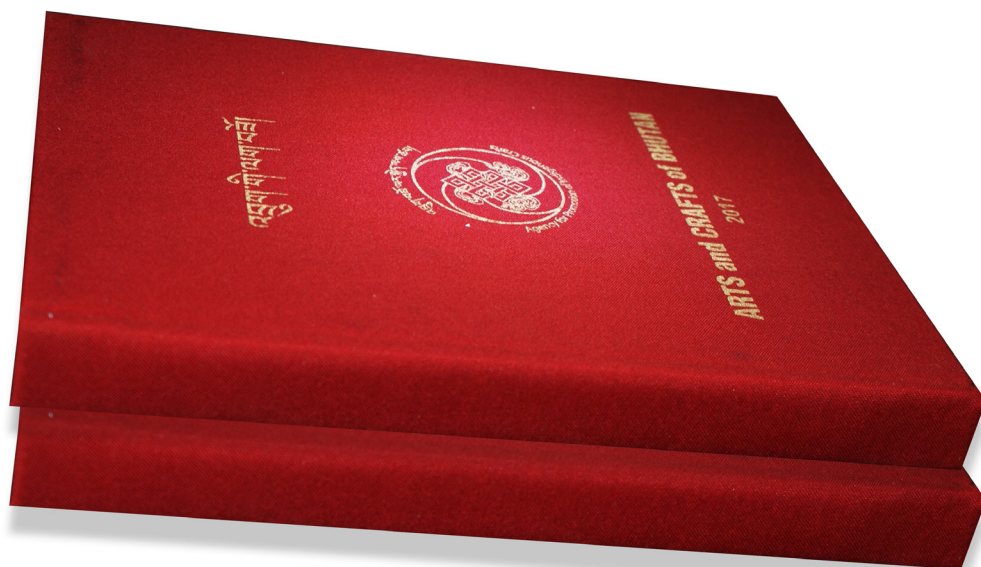
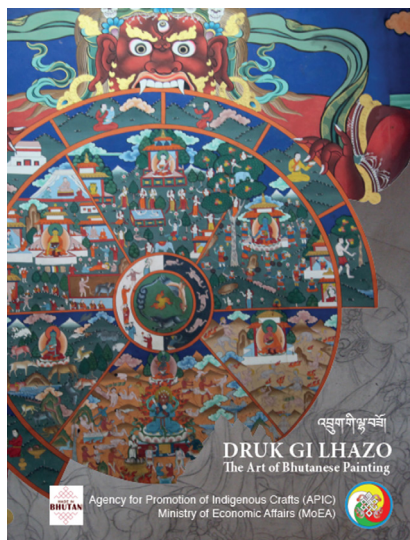
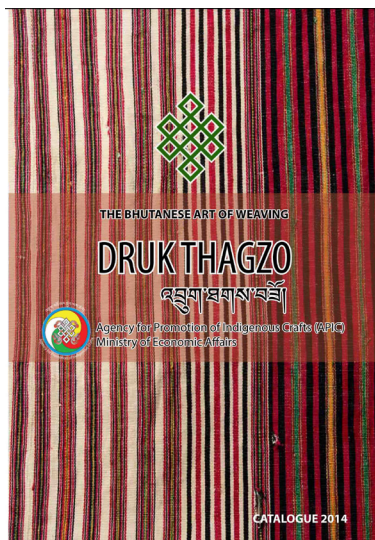
Zorig Chusum or the thirteen traditional arts and crafts stands as a cultural identity of Bhutan. The art skills have been passed down from generation to generation and the documentation of these arts are very few or nonexistence. With the onset of modernization, product diversification has turned out to be a must to survive in the global market. This poses threat to authenticity of traditional Bhutanese arts and crafts. In order to keep the Bhutanese arts and crafts for posterity, documentation has been viewed in the agency as the key factor and subsequently research and publications of product catalogues was carried over the years.

These catalogues incorporate the products related information which includes the designs of the products, their utility, the historical background and its origin. This inventory records the indigenous knowledge of the artisans from across the country and will help in preserving the rich cultural heritage, but will also serve as a basis for promotion and diversifications of craft products and design responding to contemporary needs of the products.

- These includes:
- (1) Cane and Bamboo Products -2012,
  - (2) Woodworks (Carving and Turning) - 2013
  - (3) Metal Products (Gold, Silver and Black Smith) - 2014
  - (4) Druk Thagzo (Bhutanese Art of Weaving) - 2014
  - (5) Druk Gi Lhazo (The Art of Bhutanese Painting) - 2016 and
  - (6) Arts and Crafts of Bhutan - 2017







*Catalogues compiled since 2012*

## e. Marketing and Promotion

In regard to promoting the arts and crafts of Bhutan, marketing is viewed as a key factor. APIC over the years has produced marketing materials in wide range to communicate the richness and history of Bhutanese crafts and disburse through selected channels.

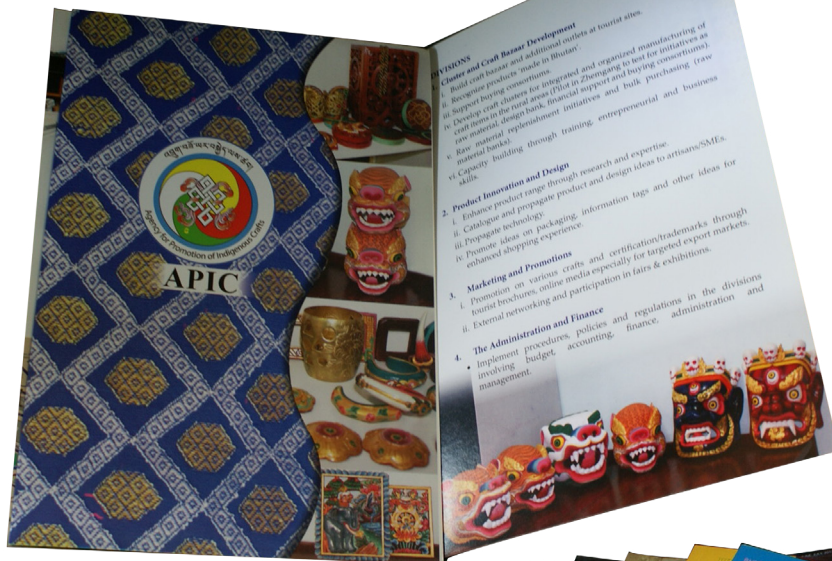
The print media has been particularly successful in promoting the arts and crafts products. The message is being communicated to the audiences through the publication of APIC info kit, Deysho hand bags, office notebooks, mouse pads, banners, posters, calendars, brochures, directory of the Authentic Bhutanese Craft Market, information boards and sign boards.

APIC advertises about its activities in Bhutan Airline's inflight magazine "Kuzuzangpola" and Royal Bhutan Airline's inflight magazine "Tashi Delek". Same efforts have been made to other magazines such as Yeewong, Udumbara, Yoyager, Bhutan places, sights, festivals & maps booklet, ABTO travel directory, ABTO Tshechu programme booklets, A Book of Lamps, City guide map and inserts in Kuensel. The agency has also advertised in the Bhutan Airline and Druk Air's travel document wallet.



The commercials of the activities of the agency has also been promoted through broadcast media. The selection of the broadcast medium has been selected with the aim to inform maximum number of mediums. TV commercials, radio jingles, mobile phone advertisements and on-line advertisements has been carried over the years. The agency's website also publishes the information for wider reach.





## f. Seal of Origin

For the promotion of Bhutanese handicrafts beyond the horizon of Bhutan's border, the handicrafts of Bhutan have to be certified with the seal of origin giving the products credibility and authenticity. In this regard, Department of Trade under Ministry of Economic Affairs has developed the seal of origin "*Made in Bhutan*" and Agency for Promotion of Indigenous Crafts has put the seal in handicraft system and used the logo in the development and promotion of the craft sector since its launch in 2012.

The seal of origin was developed in order to authenticate the products that are fully produced in Bhutan or substantially transformed products with minimum value addition in Bhutan. The seal of origin was introduced to improve market foothold and marketing capacity ultimately contribute towards building Brand Bhutan.

The products bearing the seal of origin will stand out from the foreign products. The seal of origin is open to individual craft producers, community groups, cooperatives, private businesses and agencies that produce commercial handicraft products, and are capable of maintaining adequate stock levels to fulfill sales orders. The seal of origin can be applied by Bhutanese national or registered community groups, cooperatives or a business license holder. The seal of origin provides benchmark for originality of the products and only made in Bhutan products are eligible.

The Seal of Origin has been issued to 103 handicraft business license holders and artisans.



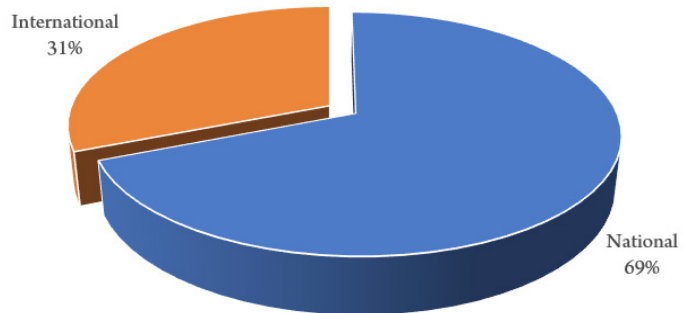
*Seal of Origin logo*

## g. Exposures in Trade Exhibitions

The APIC focuses on increasing the opportunities for artisans by creating clear and exciting marketing platforms that foster strong connections between artisans and buyers to make crafts more accessible to consumers. This provides the potential buyers the opportunity to appreciate and buy Bhutanese craft products. This means identifying high-profile events for rural artisans to showcase Bhutanese arts and craft products. Thus, showcasing at local, national and international levels have proved to be the most crucial for this sector since the producers get to interact and engage with prospective buyers and market their products directly.

Since its inception, APIC has co-sponsored about 251 artisans and craft dealers to participate in the fairs of which 173 participants are at the national and 78 of them are in international trade exhibitions.

Participants in the Trade Exhibitions



Participation in Trade Fairs by Year







*Participants in the national trade exhibitions*

The rural artisans from across the country are frequent exhibitors in the national trade exhibitions including 2nd, 3rd, 4th, 5th, 6th and 7th Bhutan International Trade Fair (Thimphu), Paro Tsechu fair, Global Entrepreneurship Week (Thimphu), Authentic Bhutanese Craft Festival (Thimphu), 4th Bhutan India Regional Trade Fair (Thimphu), 14th World Ethnobiology Congress (Bumthang), SAARC Trade Exhibition (Thimphu), Round Table Meeting (Thimphu), Green Exhibition (Thimphu), Royal Textile Academy Fair (Thimphu), 5th Bhutan India Regional Trade Fair (Samdrup Jongkhar) and Cottage and Small Industries Fair (Thimphu).



*Participants in Taipei Buddhist Appliances and Sculptures Exhibition*

The artisans also took part in the international trade exhibition including 26th Surajkund Mela (Harayana), International Innovative Craft Fair (Thailand), International Trade Show (Taiwan), Singapore Giftionery Show, Kunming International Trade Show (China), Taipei Buddhist Appliances and Sculptures Exhibition, SAARC “Traditional Handloom of South Asia” Exhibition (New Delhi, India), Toshali National Crafts Mela (In-

dia), India International Trade Fair (IITF), SAARC Expo (Nepal), International Craft Exchange Program in India and JATA Expo in Japan.

This exposure has helped the Bhutanese artisans to develop new items, value additions and derivatives products to compete with the imported crafts products for better generation of income.



*Participants in International Innovative Craft Fair in Thailand*

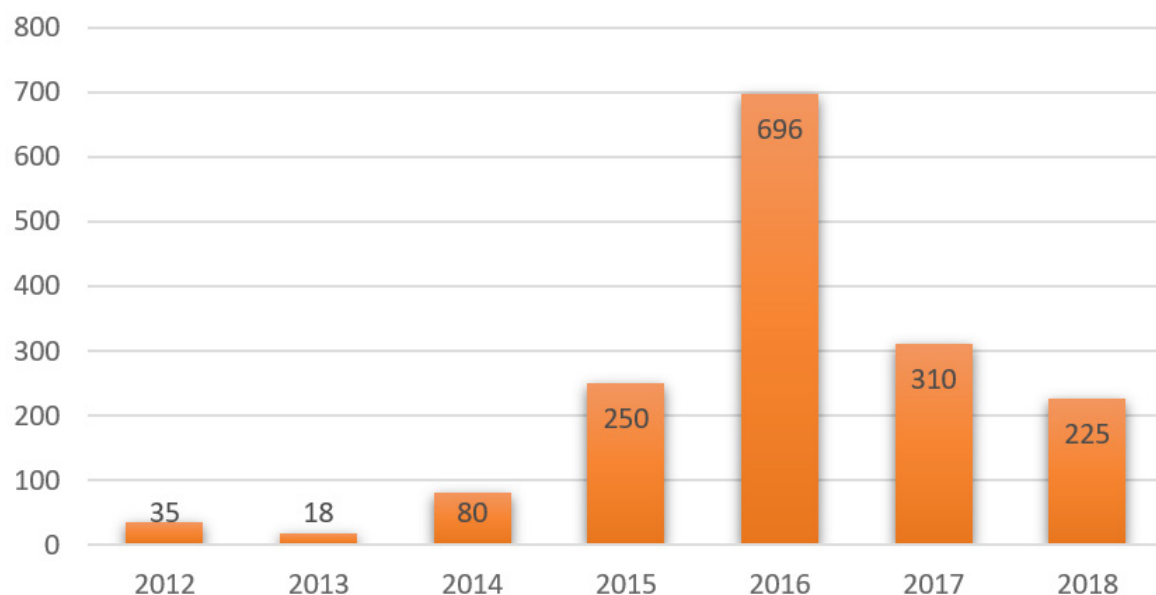


## h. Capacity Building

The Agency for Promotion of Indigenous Crafts in view of its mandate to build capacity of the artisans has conducted various need based trainings to sharpen and upscale the knowledge and skills in various fields. The training field was identified according to the field, the artisans works in. For instance, Tsho Nyim (natural dyeing training) was given to the artisans who works in the field of textile, while packaging training was given to the artisans who works in sales of handicrafts products. Apart from artisans, the agency has also trained youths in patra, bamboo weaving and painting. It was also given to the inmates of Chamgang central jail in order to immaculate their skills in the future. The training on natural dyeing was also provided to the large group of women prisoners at Dawakha (Paro).

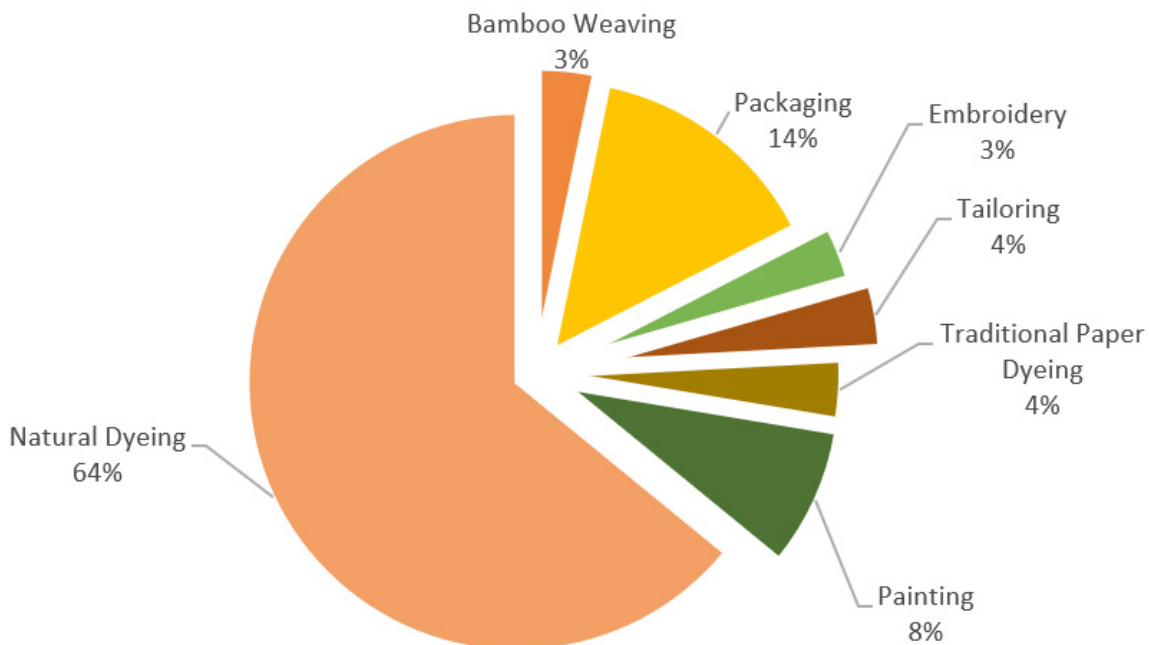
The agency, so far has trained a total of 1614 from 2011 - 2018 with funding support from RGoB, GoI, UNDP Bhutan and JICA.

Number of Participants by Year





## Number of Participants by Training Field

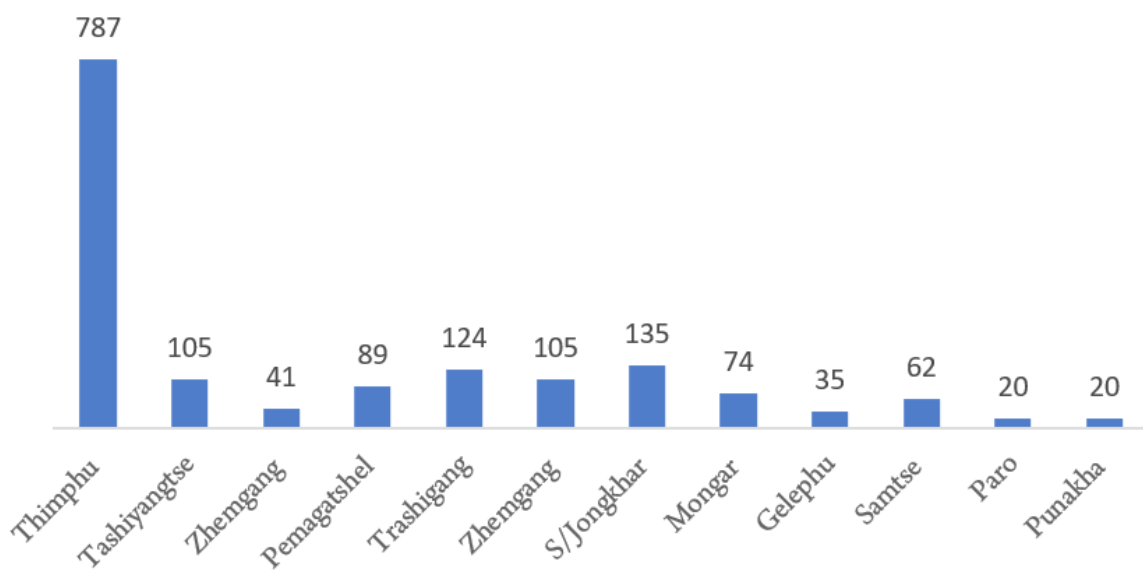


*Natural Dye Training at Goenpa Kabab, Lhuentse, 2015*



*Participants of Bamboo Weaving Training in Panbang, 2018*

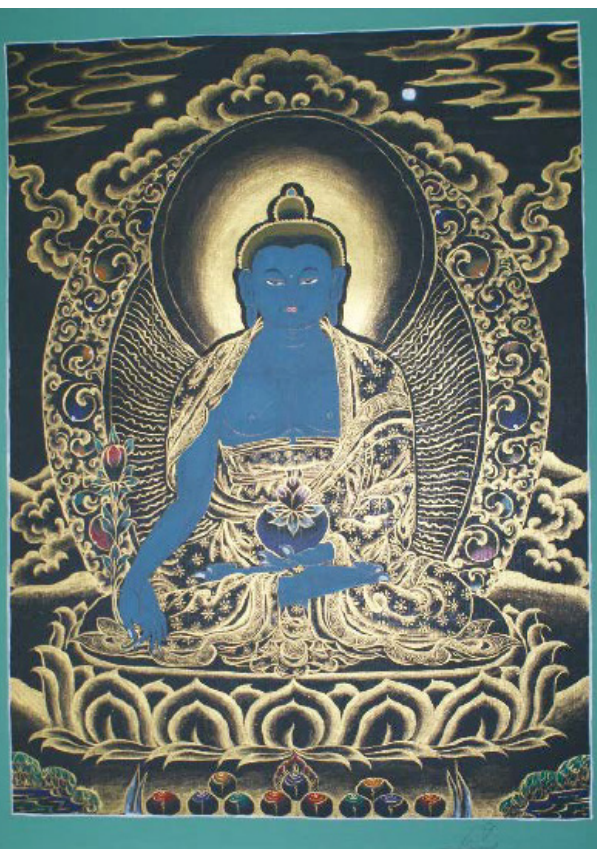
## Number of Participants by Place







*Products of Bamboo Weaving Training in Panbang, 2018*



*Paintings by inmates of Chamgang, 2018*

## **i. Revolving Fund**

The Agency for Promotion of Indigenous Crafts has received a financial grant from UNDP amounting to United States dollar 90,000. The grant is been used as an interest free revolving fund which is being distributed to CSOs and group of artisans.

The fund was distributed to the textile sector during the initial phase of distribution, which was successful and the amount was recovered within two years of time span. The fund benefited thirteen weaving groups comprising of about 250 members.

After successful completion of first phase of disbursement of the fund, the grant was given to two groups of wood sculpture (patra) comprising of 22 members, 10 craftsmen in traditional statue production, 40 natural pigment preparation painters and 46 weavers across the country.

The fund, currently has been disbursed among groups of artisans engaged in textile weaving, wood works, cane and bamboo and statue making sectors.

## CHALLENGES

To ensure in preserving and promoting the rich cultural heritage of arts and crafts of Bhutan, APIC with its limited staff has been striving to achieve the results for which it was established.

The sale of Bhutanese arts and crafts products have been hampered with the increase of import and imitated products from outside Bhutan at cheaper cost. The challenge is further compounded by the lack of use of technology for mass production in the country, where as in the neighboring countries, mass production at cheaper costs is not an issue.

The agency, with its limited number of staffs need to cater to the arts and crafts industry in the country and has been a challenge. The lack of permanent office space is another issue to the agency, and thus, APIC is currently hiring a flat from Royal Society for Protection of Nature for its operation.

The policies that are aimed for the growth of crafts sector are very few and with the high costs of raw materials, labour and limited use of technology, the production of arts and crafts of Bhutan are ineffective and expensive while not meeting the demands from the market. The agency had established raw material banks across country, however due to limited fund, purchasing raw material in bulk has been challenging.

The coordination between stakeholders for promotion of arts and crafts and the producers are weak in coordination, information dissemination and a common vision for the development of craft sector. Additionally, poor skills base and knowledge on the manufacturing enterprise impacts on products supply to markets. The middlemen between producers and outlets have been increasing affecting the price of the products whereby hampering the profitability to the producers.

Due to lack of baseline study on the Bhutanese crafts, a proper market demand on the handicrafts products is not clear. This increases the market being supplied with same products in every handicraft shop.

The art and craft products are mostly aimed at tourist; however, the products are large, bulky and miniaturization has not caught up to the market demand which tourists prefer considering the portability. This issues needs to be considered and resolved in order to properly promote and preserve the arts and crafts of the Kingdom of Bhutan

## **CURRENT STATUS OF APIC**

With the institution of the Authentic Bhutanese Craft Market along the Norzin Lam and in line with the directives of the Executive Order, the Agency for Promotion of Indigenous Crafts was set up with the appointment of the Chief Executive Officer and subsequently, other staffs for APIC as outlined in the organogram was recruitment from the year 2011 with 100% budgetary grant from the Royal Government of Bhutan and as supplementary activity in the 10FYP.

After successful completion of ABSD program in 2013 vide letter no: MoEA/DCSI/04/108 issued on January 18, 2013, APIC submitted the budget proposal to DCSI, MoEA that was then approved by GNHC vide letter no. GNHC/DCD/GOI-Gen/2818. The activities of APIC was programmed under 11FYP with directives from government. The management of APIC has formulated draft 12FYP and submitted to the government.

The table below shows the activities and tentative budget of APIC for 12 FYP.

<b>Project Title: Promotion of Indigenous Crafts</b> <b>Project Duration: July 2018 - June 2019</b> <b>Total Project Cost: 188.64 million</b> <b>Implementing Agency :APIC</b>						
Sl. No	Activities	12 Five Year Plan Budget Outlay (in Million Ngultrums)				
		2018-2019	2019-2020	2020-2021	2021-2022	2022-2023
1.	Set up new craft clusters <ul style="list-style-type: none"> <li>Set up 2 new clusters</li> </ul>	0.0	2.5	0.0	2.5	0.0
2.	Enhance the capacity of the existing Craft Clusters <ul style="list-style-type: none"> <li>Mechanized tools and equipment's at feasible clusters</li> <li>Skills up-gradation</li> </ul>	0.6	0.6	0.6	0.6	0.6
3.	Establishment of additional Raw Material Banks <ul style="list-style-type: none"> <li>Tendering for the supply of raw materials bank</li> <li>Process trade License and Process Tax Exemption (Fiscal incentives)</li> <li>Hiring and training of sales person or sales manager</li> <li>Scouting and rental of store</li> <li>Placing orders</li> <li>Receipt and organizing of materials</li> <li>Launch of raw material bank</li> <li>Advertisement of the service provided.</li> </ul>	0	0.75	0.75	0.75	0.75
		Total				
		3				

4.	Enhance the existing RMBs <ul style="list-style-type: none"> <li>• System updates for the RMBs</li> <li>• Trainings/ skills up-gradation for the office bearers at RMBs</li> <li>• Maintenances of the equipment's at the RMBs</li> </ul>	0.3	0.3	0.3	0.3	0.3	0.3	1.5
5.	Develop Training Needs Assessment <ul style="list-style-type: none"> <li>• Meeting with relevant stakeholders for drawing up training calendar</li> </ul>	0.1	0.1	0.1	0.1	0.1	0.1	0.5
6.	Training for Artisans and Craft dealers <ul style="list-style-type: none"> <li>• Training for Artisans and Craft dealers on various areas related to skills up-gradation, product quality, packaging, etc</li> </ul>	2	2	2	2	2	2	10
7.	Set up New Craft Market <ul style="list-style-type: none"> <li>• Construction of Craft Market in central or eastern region</li> </ul>	29.168	29.168	29.168	29.168	29.168	29.168	145.84
8.	Marketing & Promotion <ul style="list-style-type: none"> <li>• Develop Promotional materials</li> </ul> External networking in fairs & exhibition	2	2	2	2	2	2	10
9.	Product Innovation and Design <ul style="list-style-type: none"> <li>• Develop catalogue</li> <li>• Develop new craft products &amp; research</li> </ul>	1.96	1.96	1.96	1.96	1.96	1.96	9.8
<b>Grand Total</b>								<b>188.64</b>



## ANNEXURE

### Annexure 1. Executive Order



དཔལ་ལྷན་འབྲུག་གཞུང་།  
Royal Government of Bhutan

PRIME MINISTER

C-2/ 198

10 August, 2010.

#### EXECUTIVE ORDER

The Royal Government of Bhutan is pleased to approve the proposals in the “Culture Track” of the project “Accelerating Bhutan’s Socio-economic Development” including the aspiration to increase GDP contribution, create ~1500 jobs and increase income of rural households impacting additional ~1700 people by end of 2013. The Government, thus hereby issues the following directives to all concerned agencies for their implementation :

1. In principle approval for Ministry of Economic Affairs (MoEA) to lead the formulation of a non-profit largely self sustaining agency for execution on craft and related initiatives. Department of Cottage and Small Industry (DCSI) to support the formation on the ground.
  - a. This agency will be governed by a board ensuring tight performance compacts and flexibility on processes.
  - b. Some of the key functions will include setting-up and operating design banks, facilitating cluster development, craft bazaars, etc..
  - c. The MoEA (DCSI) shall submit the governance structure and resource requirement (manpower and budget) for consideration by the Lhengye Zhungtsog. The funds for the self sustaining body shall initially be supported by the Ministry of Finance till such time the body is able to generate enough funds to support its operation.
  - d. The agency once formulated to develop the ‘Product Innovation and Design Unit’. The unit should adequately leverage research units (Zorig Chusum, National Institute of Traditional Medicine, Khaling Handloom Development Center) and Handicrafts Association of Bhutan (HAB);

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དཔལ་ལྷན་འབྲུག་གཞུང་།  
Royal Government of Bhutan

PRIME MINISTER

: 2 :

2. The DCSI, Ministry of Economic Affairs is to lead a feasibility study and develop a detailed implementation plan for the pilot 'Cluster Development' in Zhemgang. DCSI to leverage other stakeholders such as the Department of Agriculture Marketing and Cooperatives (Ministry of Agriculture and Forest), the HAB, Department of Trade, external experts, etc. and submit the final proposal to the Government by December 2010. The proposal should include recommendations on operating mechanisms, funding requirement and detailed implementation plan including infrastructure, financing, skill development etc.;
3. The DCSI (MoEA) is to constitute a Committee comprising of representatives from the DCSI, the Ministry of Labour and Human Resources (MoLHR), Zorig Chusum Institutes, the Ministry of Home and Cultural Affairs, the HAB, the Bhutan Chamber of Commerce and Industry, the Department of Agriculture Marketing and Cooperatives (MoAF), the UNIDO (if engaged) and other relevant stakeholders. The Committee is to conduct a study of the existing trainings, assessment of training needs, recommendations on the new courses, develop a training calendar, and identify roles of various stakeholders in different types of training. The Committee is to submit its recommendations to the Government by December 2010;
4. The Ministry of Agriculture and Forest is to take the lead role in assessment and implementation of initiatives for locally available raw material sourcing, conservation, replenishment and expansion of resource base;
5. The Ministry of Agriculture and Forest and the Secretariat of Tourism Council of Bhutan are to ensure that the Centenary Farmers' Market in Thimphu is designated as craft sales center for 3 days a week on a temporary basis and also to explore other ideas for display of handicrafts. However, for the long term, the Ministry of Works and Human Settlement is to jointly work with TCB Secretariat to build a designated craft bazaar. The DCSI is to ensure that a detailed proposal on setting up a craft bazaar is submitted to the Government for approval by December, 2010. This shall also include a weekend crafts market on selected streets.

.../-

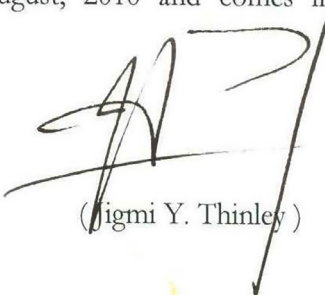


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**Royal Government of Bhutan**

**PRIME MINISTER**

: 3 :

This Executive Order is issued on 10<sup>th</sup> August, 2010 and comes into effect immediately.



(Jigmi Y. Thinley)

*Copy for necessary action to:*

1. Secretary, Ministry of Economic Affairs, Thimphu
2. Secretary, Ministry of Home & Cultural Affairs, Tashichhodzong
3. Secretary, Ministry of Labour & Human Resources, Thimphu
4. Secretary, Ministry of Finance, Tashichhodzong
5. Secretary, Ministry of Agriculture & Forests, Thimphu
6. Secretary, Ministry of Works & Human Settlement, Thimphu
7. Director General, Department of Culture, MoHCA, Thimphu
8. Director General, TCB Secretariat, Thimphu
9. Director, Department of Agri. Marketing & Cooperatives, MoAF, Thimphu
10. Director, Department of Cottage & Small Industry, MoEA, Thimphu
11. President, BCCI, Thimphu
12. President, Handicraft Association of Bhutan (HAB), Thimphu

*Copy for kind information to:*

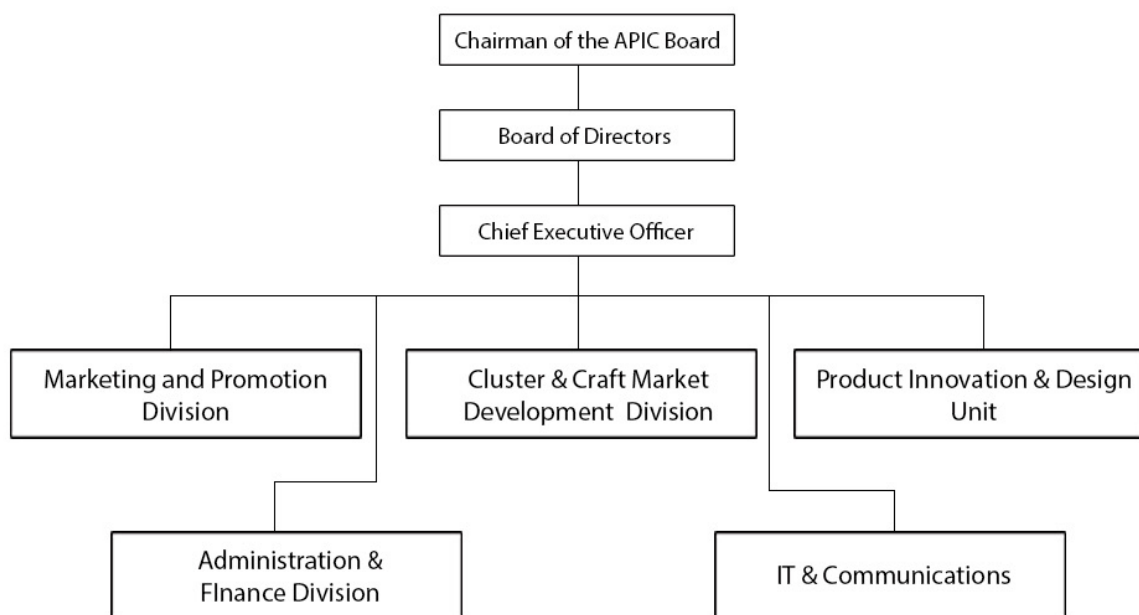
1. Hon'ble Minister, All Ministries, Thimphu
2. The Secretary to His Majesty the King, Tashichhodzong, Thimphu
3. Cabinet Secretary, Gyalyong Tshogkhag, Thimphu
4. Secretary, All other Ministries, Thimphu
5. Secretary, GNHC/DDC/NLC/NEC, Thimphu
6. Dasho Dzongdag, All 20 Dzongkhag Administrations
7. Head, All Autonomous Agencies, Thimphu

## Annexure 2. Management of APIC

### Organogram



AGENCY for PROMOTION of INDIGENOUS CRAFTS





## Board of Directors



**TANDIN TSHERING**

Chairperson

Director General  
Department of Small and Cottage Industry  
Ministry of Economic Affairs



**KARMA WEEZIR**

Board Director

Director General  
Department of Culture  
Ministry of Home and Culture Affairs



**JIGME NAMGYEL**

Board Director

Director  
Directorate Services  
Ministry of Finance



**KARMA SONAM**

Board Director

Director  
Department of Human Settlement  
Ministry of Work and Human Settlement



**NORBU WANGCHUK**

Board Director

Director  
Department of Technical Education  
Ministry of Labour and Human Resources



**CHHIMMY PEM**

Board Director

Director

Tourism Council of Bhutan



**CHANDRA B. CHHETRI**

Board Director

Deputy Secretary General

Bhutan Camber of Commerce and Industry



**TSHEWANG PELDON**

Board Director

Principal

National Institute of Zorig Chusum



**LAM KEZANG CHHOEPHEL**

Member Secretary

Chief Executive Officer

Agency for Promotion of Indigenous Crafts

Ministry of Economic Affairs



## Management Team of APIC



**LAM KEZANG CHHOEPHEL**

Chief Executive Officer

M.A Dzongkha, MBA, Diploma in Education and Zorig.



**TSHERING PELDEN**

Manager, Marketing and Promotion Division

B.A Advertising and Marketing



**KARMA CHODEN**

Manager, Cluster and Craft Market Development Division

MBA, Bachelors in Business Administration



**KESANG ANAYAT YAGANAGI**

Manager, Product Innovation and Design Unit

Bachelors in Business Management



**HIROKO SUZUKI**

JICA Sr. Volunteer



**KEZANG**

Site Engineer

Bachelors of Civil Engineering, Diploma in Civil Engineering



**PEMA LODEY**

ADM/HR/PO/QMO

Bachelors of Arts in Economics (Hons)



**TSHETRIM DORJI**

Communications Officer

Bachelors in English and Environmental Studies



**YESHEY TSHOGAY**

Finance Officer

Bachelors in Business Administration



**CHEKI DORJI**

Cluster Development Officer

Bachelors in English and Dzongkha



**DORJI DRUKPA**

Craft Market Development Officer

MBA (HRM), Bachelors in Business Administration



**PEMA**

Office Secretary

Diploma in Management



**RINZIN WANGMO**

ADM Assistant

Bhutan Higher Secondary Education Certificate



**YESHEY CHODEN**

Project Assistant

Diploma in Management



**TSHERING TASHI**

Driver



**YESHEY WANGMO**

Hygienist



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