

**RE: Market Inspection Report for Paro Dzongkhag, carried out from  
18-25 June, 2023.**

**A. Background**

Competition & Consumer Affairs Authority ( CCAA) in collaboration with officials from the Bhutan Food and Drug Authority (BFDA) and Regional Forestry Office based in Paro, a comprehensive inspection of the major market hubs in Paro Dzongkhag was conducted from June 18 to June 25, 2023. A total of 102 business entities were monitored, encompassing various sectors such as grocery stores, automobile workshops, meat shops, Wood Based Industries (WBI), Petroleum Retail outlets (PROs), hardware shops, restaurants, garment stores, a pharmacy, and a fabrication unit.

The primary purpose of these inspections was to verify the adherence of these business entities to the essential regulatory requirements outlined in the Consumer Protection Act (CPA), 2012, and the Consumer Protection Rules and Regulations (CPRR), 2015. By undertaking these inspections, our objective was to ensure the effective implementation of market regulations, thereby promoting fair practices in the marketplace.

The minimum market regulatory requirements are as follows:

- All products are adequately labeled and there is clear and prominent display of price,
- Issuance of money receipts/purchase receipts by the business entity,
- Display of a precise weights/volume of the products,
- All weighing balance are calibrated and accurate,
- Proper product labeling of all products,
- To ensure PRO products are not adulterated and all pumps are calibrated,
- All PROs meet the minimum safety standards,
- Compliance to NRPC selling prices by WBI

**B. Coverage:**

A total of **102** business entities were inspected wherein 50 were grocery stores, 9 automobile workshops, 9 meat shops, 4 Wood Based Industries (WBI), 3 Petroleum Retail outlets (PROs), 4 hardware shops, 17 restaurants, 4 garment shops, 1 Pharmacy and 1 was fabrication unit, as depicted below in Table I.

Table I: Details of Business Entities Inspected.

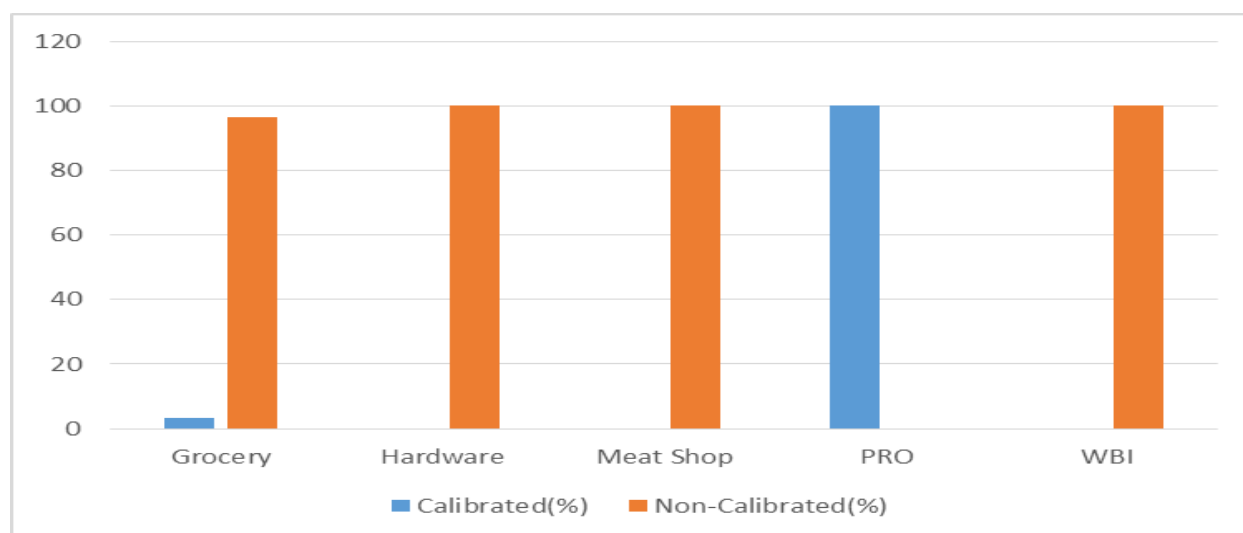
Market Place(s)	Activity										Total
	Grocery	Auto. workshop	Meat Shop	WBI	PRO /LPG	Hardware	Pharmacy	Garment	Fabrication	Rest.	
Paro town, Tsento, Lamgong, Nemjo, Bongdey, Shaba, Shari, Drugyal	50	9	9	4	3	4	1	4	1	17	102
<b>TOTAL</b>	<b>50</b>	<b>9</b>	<b>9</b>	<b>4</b>	<b>3</b>	<b>4</b>	<b>1</b>	<b>4</b>	<b>1</b>	<b>17</b>	<b>102</b>

### C. Findings and Observations:

The findings and observations of the market inspection are as follows:

- 73.5 percent of the 102 business organizations inspected have printed cash memo/purchase receipts that are provided upon consumer’s demand.
- Out of 50 grocery shops, 16 percent of business entities did not adhere to the minimum requirements of product labeling on food items such as locally packed red rice, puffed rice, popcorn, dry fish, *karmey* butter and red chillies. The products were packaged in polyethylene or polypropylene bags without any basic labeling.
- Out of 50 business entities ( 29 Grocery Shop, 4 hardware, 9 Meat shops, 3 PROs and 4 WBIs), only 8.17 percent of business entities were using calibrated weighing balance which includes (1 Grocery Shops and 3 PROs) while 91.83 percent had not calibrated their weighing balance from a total of 50 businesses (refer figure I) however, there is no discrepancy observed with regarding accuracy of weights of packaged products.

Figure I: Rate of Use of Calibrated & Uncalibrated Measuring Devices



- Out of 102 business entities, only 30 business entities have displayed price tags on their goods and services provided.
- A total of 9 Automobile Workshop were inspected in addition to the evaluation of product labeling and display of price on spare parts displayed for sale by the business entities. Further, there were 5 business entities selling spare parts without a valid trade license.
- Expired products such as noodles, cup cakes, biscuits, soft drinks, flour (atta) and chips were found for sale in 34 grocery stores (68%). However, all expired products were collected by BFDA officials for disposal.
- The team in collaboration with forest officials inspected WBI to check the compliance to NRPC rates during which only 4 WBIs out of 25 could be monitored due to time limitation. It was observed that all four WBIs were found non-compliant to NRPC rates. In addition to it, the measuring tape used by the business entity to measure cubic feet of timber was not calibrated.
- The quantity of fuel dispensed by 3 petroleum retail outlets were found to be on a permissible range and the PRO's were found complying with the general safety requirements prescribed for fuel stations. Additionally, water content upon verification was found to be within the permissible range in all 3 PRO's.
- 5-liters metal cans and nozzle pumps in all 3 PROs were calibrated by BSB. The PRO namely Damchen Petroleum Distributor (DPDL) and Druk Petroleum Corporation Ltd (DPCL) have not installed weighing balances in their LPG Depot. All PROs have installed the valid fire extinguishers in their premises.
- HSD was out of stock at the time of inspection at DPCL, Shaba and there wasn't enough back up sand.

#### **D. Actions Taken:**

- All expired products were detained in coordination with BFDA , and a total fine of Nu. 50,913/- from 32 business entities and two businesses were facilitated for return of goods worth Nu.1500 from the wholesalers.
- All PROs were advised to abide by SOP's for safekeeping and handling of LPG cylinder, and install calibrated weighing machines in cylinder depot, to equip all the instruments required to determine the density, water content and quantity of fuel dispensed by the respective PRO. Moreover, the PROs were advised to maintain daily records of fuel density and check the quality of fuel from time to time and also advised to cross-check fuel dispensed from the machines on a daily basis to ascertain the accuracy of volume dispensed.
- Advised DPCL to maintain HSD in stock and or replenish reserve tank in a proactive basis so that the consumers can avail uninterrupted supply of HSD (diesel).

#### **E. Action To be Taken**

- A list of all business entities that had not calibrated their weighing machine shall be forwarded to Bhutan Standard Bureau (BSB) for necessary action.
  - List of business entities operating without valid trade license shall be forwarded to RoEA, Thimphu for necessary action.
  - The monitoring of the remaining 21 WBIs shall resume in the coming weeks, and accordingly the non-compliant WBIs shall be penalized.
  - Serve a letter of rectifications to those business entities violating the provisions of CPA 2012 and CPRR 2015.
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