

Department of Labour Ministry of Labour and Human Resources

ANNUAL REPORT

July 2017 to June 2018

Significant achievements

- 14.0 % increase in the no. of routine inspection and 5.2 % in overall inspection visit
- 32.6 % increase in the workplace dispute registered and resolved
- 187.6 % increase in the workplace dispute registered and resolved by Thimphu Region
- 191.5 % increase in the endorsement of Internal Service Rule
- 57194 workers participated in Provident Fund schemes

Vision: A nation with just and fair labour administration system contributing to GNH.

Mission: Promote decent working conditions through sound labour policies and enforcement of labour laws.

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ANNUAL REPORT (JULY 2017- JUNE 2018)

Department of Labour Ministry of Labour and Human Resources

Prepared by Phuntsho Dendup, Labour Officer Labour Protection Division

FOREWORD



It is my great pleasure to share the Annual Report of the Department of Labour, Ministry of Labour and Human Resources, for the fiscal year July 2017- June 2018. The report covers the mandates and functions, achievements, activities and programs conducted, and the challenges faced by the Department and the Regional Offices.

The report is based on the planned and ad-hoc activities carried out by the Department of Labour and Regional Offices. This report is concise and aligned as per the Annual Performance Agreement targets of the Department and Regional Offices; SDG 8.8: to protect labour rights and secure working environment of all workers; and SDG 8.7: to eradicate forced labour, end modern slavery and worst forms of child labour. I hope that the readers will better understand the situation, challenges and key issues in the Department and Regional Offices while implementing the Labour and Employment Act 2007 and its by-laws on workplace environment and working conditions.

I would like to thank Mr. Phuntsho Dendup, Labour Officer, for initiating and bringing out this report in a new format. I would also like to thank all the people involved in sharing information from both the Regional Offices and the Department. I am optimistic that this report will lead to better linkage of review findings with planning process at all levels.

I would like to express my sincere thanks to all the officials and staff of the Regional Offices and the Department for their rigorous effort in achieving all the targets and performance indicators set in the 2017-2018 Annual Performance Agreement.

(Sonam Wangdi) Director

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ABBREVIATION

APA	Annual Performance Agreement
BIL	Bhutan Insurance Limited
DoL	Department of Labour
FWD	Foreign Workers Division
ISR	Internal Service Rule
LEA	Labour and Employment Act 2007
LPD	Labour Protection Division
LRD	Labour Relations Division
LTIF	Lost Time Injury Frequency
LTIIR	Lost Time Injury Incidence Rate
MoLHR	Ministry of Labour and Human Resources
NPPF	National Pension and Provident Fund
OHS	Occupational Health and Safety
PF	Provident Fund
RO	Regional Office
RICBL	Royal Insurance Corporation of Bhutan Limited
SPD	Social Protection Division
SDG	Sustainable Development Goals
PPE	Personal Protective Equipment

Department of Labour

CHAPTER 1 : INTRODUCTION

1.1. Backdrop

The Department of Labour is a nodal agency for implementation of Labour and Employment Act, 2007 and its regulations. The Regulations related to this Act are: (1) Regulations on Working Conditions 2012; (2) Regulation on Occupational Health, Safety and Welfare 2012; (3) Regulation on Occupational Health and Safety for Constructions Industry 2012. These legislations are enforced through regional offices and headquarter.

The Department publishes its annual report as mandated by section 40 of the "Labour Inspection Regulation, 2009". Since the department is responsible for enforcing the LEA and its regulations, the annual report is not confined to labour Inspection but covers entire activities, achievements, challenges and shortcomings of the department.

1.2. Objective

The general objective of the annual report is to generate comprehensive information on the outcome of implementing Labour and Employment Act 2007 and its regulations. Specifically, it is aimed at:

- reporting the achievements of the department
- providing the challenges faced and outcome of implementing LEA
- providing status and standard on working environment and conditions in the private and corporate sectors
- providing empirical data on labour protection and relation

1.3. Vision and Mission Statement of the Department

Vision: A nation with just and fair labour administration system promoting creation of excellent human resource management system contributing to Gross National Happiness.

Mission: Promote decent working conditions through sound labour policies and enforcement of labour laws.

Department of Labour

1.4. Mandate

With the above vision and mission, the mandate of the Department is laid down as follows:

- Protection of workers' rights and vulnerable groups.
- Promotion of job security at the workplace.
- Promotion of decent working conditions and safer working environments.
- Promotion of fair and just work place.
- Alleviation of poverty through benefits like provident fund, gratuity and various compensations.
- Dissemination of information about labour related laws, rules and regulations and other executive orders in place.
- Establishment of good working relationship at workplaces.
- Promotion of a fair social protection and welfare system in the country.
- Facilitation of employment of foreign workers where national workers are not available for country's developmental activities. This regulates the numbers of foreign workers against the government ceilings.
- Management revision of the National Minimum Wage Rate with the government.
- Promotion of employment creation.
- Promotion of tri-partisan relationship to create conducive working environments.

1.5. The core values

The core values of the Department are:

- **Team work:** to promote inter-personnel relationship amongst the staff and officials and be responsive to public demands.
- **Integrity and honesty:** the staff and officials should demonstrate the highest integrity, honesty and discipline while discharging services.
- Orientation towards service delivery: the Department should be prepared to respond to the demands of the public and provide high quality,

prompt and reliable services to the public and be people friendly.

- **Professionalism:** place professional labour officers in the Department and Regional Offices to fulfill the mandate of their organization
- **Communication skills:** the staff and officials should have good communication skills to communicate with the public and be people friendly.

1.6. Strategic objectives

The Department of Labour is committed to the following strategic objectives:

- To promote good labour practices through improved working condition and environment.
- To provide information and advice on labour laws as the initiator and guardian of labour laws through awareness and education program.
- To ensure compliance with labour laws through a conduct which is both reactive and proactive.
- To negotiate and resolve disputes amongst the workers and employers in good faith.

1.7. Services provided

The Department caters its services through the following four divisions and three regional offices:

- i. Labour Protection Division
- ii. Labour Relations Division
- iii. Social Protection Division, and
- iv. Foreign Workers Division
- v. Regional Offices: Phuntsholing, Gelephu, Samdrup Jongkhar and Trashigang

1.7.1. Foreign Workers Division

The Foreign Workers Division is mandated to:

• Facilitate country's development by approving work permits for the occupations where national employees are not available.

- Assist in formulating policies relating to approval, management and repatriation of foreign workers towards efficient foreign labour administration in the country.
- Co-ordinate and conduct special inspection on foreign workers whenever and wherever necessary.
- Assist in the performance of Foreign Workers Recruitment Agents and strengthen them through supervision, inspection, training and regulation.
- Assess the need for foreign workers and recommend to the government from time to time on:
 - the maximum number of foreigners who may work in the Kingdom,
 - the maximum number of foreigners who may work in specified industries, occupations or in both in the Kingdom, and
- Propose closure of occupations to foreigners that can easily be taken up by Bhutanese
- Carry out advocacy program on foreign workers and related rules and regulations on foreign workers.

1.7.2. Labour Protection Division

The Labour Protection Division is mandated to:

- Protect workers' rights and entitlements as per labour law to ensure fair and just working conditions.
- Promote decent working conditions through Labour Inspection visits
- Establish safe and healthy working environment by promoting safety, health and well-being at workplace through education, monitoring and assessment, conducting research and studies.
- Review performance of Foreign Workers Recruitment Agents through supervision, inspection and training
- Educate, inform and advise employers, management and workers on the content and meaning of the labour laws.
- Encourage enterprises towards self-compliance, adoption of self-inspection and gaining compliance with the labour laws and its regulations.

• Review regulations and standards related to working conditions and environment as per the need of current workplace situation towards effective labour protection system.

1.7.3. Social Protection Division

The Social Protection Division is mandated to:

- Promote and protect social security of workers through benefits like provident fund, gratuity, insurance, workers' compensation and various other compensations.
- Ensure the continuity of citizen's social protection.
- Disseminate information and advocacy on social protection regulations and its system.
- Draw up administrative and operational framework for efficient social protection system in the country.
- Review and revise National Minimum Wage rate periodically;

1.7.4. Labour Relations Division

The Labour Relations Division is mandated to:

- Promote individual harmony and collective cooperation at workplace.
- Minimize the number and impact of work place conflicts and disputes through policies, programs, workplace grievance procedures and related activities.
- Mediate and negotiate labour disputes towards fair and just dispute resolution between the parties.
- Educate and advise the disputing parties on labour rules and necessary grievance procedures.
- Resolve workplace disputes through adoption of dispute settlement mechanisms.
- Endorsement and certification of Internal Service Rules of enterprises for promoting just and fair working relationships.
- Educate the conciliator and arbitrator involved in labour disputes on the

provisions of the Act, their roles and responsibilities towards lawful resolution of labour disputes.

- Review regulations related to labour relations and child labour with the need of current workplace situations.
- Educate, train and inform workers, employers, relevant government officials, and community on the nature and functions of a labour relation system in the country.
- Act as a competent authority in the country to interpret Labour and Employment Act, 2007.

1.7.5. Regional Office

All the activities and programs carried out by the headquarter are replicated in the regional offices. As of July 2018, there are four regional offices located in Phuntsholing, Gelephu, Samdrup Jongkhar and Trashigang.

1.8. Labour Officer and Labour Relations Officer

Table 1.1: Numbers of Labour Officers and Labour Relation Officers by region

Region	Labour Officer (LO)	Labour Relation Officer (LRO)	Grand Total	Remarks		
Thimphu	8	3	11	1 LO on EoL, 1 LO on Study Leave		
Phuntsholing	5	1	6	1 LO on study leave		
Gelephu	5	0	5	1 LO on EoL		
Samdrup Jongkhar	З	0	З			
Trashigang	З	0	З			
Grand Total	24	4	28			
Note: The total numbers of LO and LRO include officers on Extra Ordinary						

1.9. Policy and Laws

Following are the legal instruments used by the Department of Labour in ensuring a conducive working environment and conditions in the private and corporate sectors.

- Labour Administration Policy
- Labour and Employment Act, 2007
- 15 Regulations on Working conditions, 2012
- Regulation on Occupational Health, Safety and Welfare, 2012
- Regulation on Occupational Health and Safety for Construction Industry, 2012

1.10.Classification of economic sectors

The economic sector is classified into 12 categories as per the National Statistics Bureau (NSB) of Bhutan classification.

- i. Agriculture, Livestock, Forestry and Fishing
- ii. Mining and Quarrying
- iii. Construction
- iv. Manufacturing
- v. Hotels and Restaurants
- vi. Electricity and Water Supply
- vii. Transport, Storage and Communications
- viii. Wholesale and Retail Trade
- ix. Finance, Insurance and Real Estate
- x. Health and education
- xi. Services
- xii. Public Administration



CHAPTER 2: INSPECTION AND SOCIAL PROTECTION

2.1. Inspection visit

A total of 2256 workplaces were visited during the fiscal year 2017-2018 achieving the annual target of 2000 workplace visits reflected in the 5th year of 11 Five Year Plan. Phuntsholing Region conducted a total of 688 followed by Thimphu region (620). Sectors mostly visited were service, hotels and restaurants, manufacturing, and construction.

Table 2.1: Number and types of inspection by region

Region	Туре	Total		
пеуюн	Routine	Follow-up	Special	TOLAI
Gelephu	326	0	55	381
Phuntsholing	668	10	10	688
Samdrup Jongkhar	329	78	5	412
Thimphu	538	33	49	620
Trashigang	140	13	2	155
Grand Total	2001	134	121	2256

Table 2.2: Number and types of inspection by sector

Sector	Туре	Grand		
Sector	Routine	Follow up	Special	Total
Agriculture, Livestock, Forestry and Fishing	9	0	0	9
Construction	286	4	4	294
Education and Health	165	5	1	171
Electricity & Water supply	16	0	0	16
Finance, Insurance and Real Estate	27	0	0	27
Hotels & Restaurant	459	41	1	501
Manufacturing	293	12	62	367
Mining & Quarry	34	4	45	83
Public Admin	3	0	0	3
Service	468	52	8	528

Sector	Types of Inspection			Grand	
Sector	Routine	Follow up	Special	Total	
Wholesale & Retail trade	241	16	0	257	
Grand Total	2001	134	121	2256	

Table 2.2: Number and types of inspection by sector (Continuation)

Table 2.3: Number of inspections by Dzongkhag

Dronalthar	Туре	Grand Total		
Dzongkhag	Routine	Follow up	Special	Grand Total
Bumthang	86	0	14	100
Chukha	601	10	13	624
Dagana	26	0	3	29
Gasa	2	0	0	2
Наа	32	0	0	32
Lhuentse	12	2	0	14
Mongar	40	2	3	45
Pema Gatshal	31	3	6	40
Paro	65	5	2	72
Punakha	83	8	0	91
Samdrup Jongkhar	298	75	11	384
Samtse	67	0	8	75
Sarpang	155	0	47	202
Thimphu	278	14	4	296
Trashigang	67	6	3	76
Trashiyangtse	21	3	2	26
Trongsa	13	0	3	16
Tsirang	27	0	0	27
Wangdue	78	6	0	84
Zhemgang	19	0	2	21
Grand Total	2001	134	121	2256

Contor	E	Bhutanese		Foreign Workers			Grand
Sector	Male	Female	Total	Male	Female	Total	Total
Agriculture, Livestock, Forestry and Fishing	15	8	23	8	8	16	39
Construction	1244	457	1701	9532	74	9606	11307
Education and Health	1174	931	2105	47	32	79	2184
Electricity & Water supply	1308	394	1702	0	0	0	1702
Finance, Insurance and Real Estate	149	103	252	0	0	0	252
Hotels & Restaurant	18390	2522	4361	395	213	608	4969
Manufacturing	2584	1959	4543	1229	329	1558	6101
Mining & Quarry	1141	86	1227	439	5	444	1671
Public Administration	14	6	20	0	0	0	20
Service	1298	872	2170	804	50	854	3024
Wholesale & Retail trade	507	293	800	258	4	262	1062
Grand Total	11273	7631	18904	12712	715	13427	33241

Table 2.4: Number of workers by sector, gender and nationality captured during inspection visits to the Enterprises

2.2. Comparative statement on inspection visit

While comparing the number of inspections conducted it was observed that there is an overall increase of 5.2% in the total inspection conducted from fiscal year 2016-2017 to 2017-2018. Similarly, there was an increase of 14% in routine inspection.

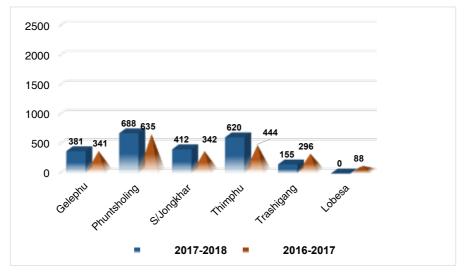


Figure 2.1: Comparative statement on inspection visit by region

Table 2.5: Comparative statement	on insp	pection visit	by region,	type and
fiscal year				

Decion		itine ection	Follow up inspection		Special Inspection		Grand Total	Grand Total
Region	2017- 2018	2016- 2017	2017- 2018	2016- 2017	2017- 2018	2016- 2017	2017- 2018	2016- 2017
Gelephu	326	332	0	9	55	0	381	341
Phuntsholing	668	610	10	22	10	3	688	635
S/Jongkhar	329	305	78	36	5	1	412	342
Thimphu	538	170	33	65	49	209	620	444
Trashigang	140	258	13	37	2	1	155	296
Lobesa	0	80	0	0	0	8	0	88
Grand Total	2001	1755	134	169	121	222	2256	2146

2.3. Improvement Notice and Penalty Memo

A total of 179 Improvement Notices and 20 Penalty Memos were issued during the fiscal year 2017-2018. Higher prevalence of contraventions was found in sectors such as Service, Hotels and Restaurants, and Construction. Most common contraventions of the labour legislation were on non-institution of Provident Fund (39.4%), ISR (24.1%), hours of work and PPE.

Table 2.6: Numbers of improvement notices and penalty memos issu	ied by
region	

Region	Improvement Notice	Penalty Memo
Gelephu	20	0
Phuntsholing	10	6
Samdrup Jongkhar	83	2
Thimphu	45	12
Trashigang	21	0
Grand Total	179	20

Table 2.7: Number of improvement notices and penalty memos issued by sector

Sector	Improvement Notice	Penalty Memo
Construction	35	7
Education and Health	5	0
Electricity & water supply	1	0
Hotels & Restaurant	53	5
Manufacturing	10	1
Mining & Quarry	5	0
Service	54	7
Wholesale & Retail trade	16	0
Grand Total	179	20

2 Department of Labour

Dzongkhag	Improvement notice	Penalty memo
Chukha	10	6
Dagana	1	0
Lhuentse	2	0
Mongar	3	0
Pema Gyeltshel	3	2
Paro	5	0
Punakha	8	З
Samdrup Jongkhar	80	0
Sarpang	19	0
Thimphu	27	7
Trashigang	10	0
Trashiyangtse	6	0
Wangdue	5	2
Grand Total	179	20

Table 2.8: Number of improvement notices and penalty memos issued by Dzongkhag

Table 2.9: Number and per cent of Improvement Notices and Penalty Memos issued by contravening provisions

Contravening section	Improvem	ent Notice	Penalty Memo		
	Numbers	Per cent	Number	Per cent	
Internal service rule	58	24.1	6	25.0	
Provident fund	95	39.4	3	12.5	
Leave	22	9.1	0	0.0	
Pubic holiday	11	4.6	2	8.3	
Wage record	8	3.3	1	4.2	
Unlawful deduction	1	0.4	1	4.2	
Probation period	3	1.2	0	0.0	
PPE	22	9.1	6	25.0	
Over time	3	1.2	0	0.0	
Weekly rest period	15	6.2	0	0.0	
Contract of Employment	1	0.4	0	0.0	
Hours of Work	2	0.8	4	16.7	
Non-payment of wages	0	0.0	1	4.2	
Grand Total	241	100.0	24	100.0	

13

Contravening section	Construction	Hotels & Restaurant	Manufacturing	Service
PPE	6	0	0	0
Hours of Work	0	4	0	0
Public Holiday	0	1	1	0
Provident Fund	0	2	1	0
Weekly rest period	0	1	0	0
Internal Service Rules	0	0	0	6
Non-payment of wages	1	0	0	0
Unlawful deduction	0	0	0	1
Grand Total	7	8	2	7

Table 2.10: Penalty Memo issued by sector and contravening sections



Contravening section	Construction	Education and Health	Electricity & Water Supply	Hotels & Restaurant	Manufacturing	Mining & Quarry	Services
Internal service rule	6	2	0	20	6	2	19
Provident fund	11	4	1	15	3	5	42
Leave	2	2	0	9	0	0	3
Public Holiday	0	0	0	10	0	0	1
Wage record	0	1	0	5	1	0	1
Unlawful deduction	0	0	0	0	0	0	1
Probation period	1	0	0	0	0	0	1
PPE	21	0	0	0	1	0	0
Over time	0	0	0	3	0	0	0
Weekly rest period	0	0	0	7	0	0	8
Contract of Employment	0	0	0	1	0	0	0
Hours of Work	0	0	0	2	0	0	0
Grand Total	41	9	1	72	11	7	76

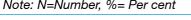
Table 2.11: Improvement Notices issued by sector and contravening sections

2.4. Comparative Statement on Improvement Notice and Penalty Memo

In the year 2016-17, a total of 225 Improvement Notices were issued compared to 179 in 2017-18 which is a decline of 20.0% in IN issued. However, it is observed an increase of 17.0% of PM issued from 2016-17 to 2017-18.

	Impro	Improvement Notice Issued				Penalty Memo Issued			
Region	2017-2018		2016-2017		2017-2018		2016-2017		
	Ν	%	Ν	%	Ν	%	Ν	%	
Gelephu	20	11.2	22	9.8	0	0	1	5.9	
Phuntsholing	10	5.6	76	33.8	6	30	6	35.3	
Samdrup Jongkhar	83	46.4	24	10.7	2	10	0	0.0	
Thimphu	45	25.1	66	29.3	12	60	10	58.8	
Trashigang	21	11.7	37	16.4	0	0	0	0.0	
Grand Total	179	100.0	225	100.0	20	100	17	100.0	
Nata: N. Number 0/ Derent									

Table 2.12: Comparative statement on Improvement Notice & Penalty Memo
issued for two fiscal years



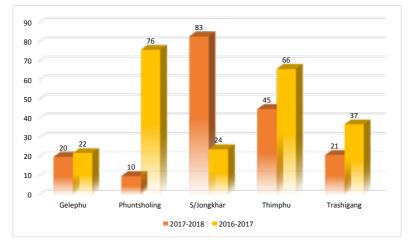


Figure 2.2: Comparative statement of Improvement Notice issued by region and fiscal year

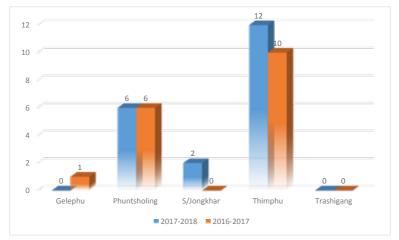


Figure 2.3: Comparative statement of Penalty Memo issued by region and fiscal year

2.5. Provident fund

A total of 57,195 employees from the private, corporate, and public administrative sectors participated in Provident Fund scheme. RICBL had the higher percentage of participation in Provident Fund scheme compared to Bhutan Insurance Limited and NPPF.

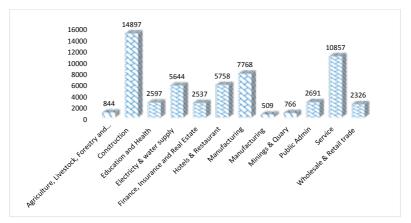


Figure 2.4: Numbers of employees with Provident Fund scheme by sector

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Table 2.13: Number of employees with Provident Fund scheme by see	ctor
and financial institution	

Sector	BIL	NPPF	RICBL	Grand Total
Agriculture, Livestock, Forestry and Fishing	10	425	409	844
Construction	356	2673	11868	14897
Education and Health	295	00	2302	2597
Electricity& water supply	00	4133	1511	5644
Finance, Insurance and Real Estate	215	1877	445	2537
Hotels & Restaurant	1073	00	4685	5758
Manufacturing	587	1667	6023	7690
Mining & Quarry	101	69	596	766
Public Administration	02	1983	706	2691
Service	1045	2353	7459	10857
Wholesale & Retail trade	262	224	1840	2326
Grand Total	3946	15404	37844	57194

2.6. Awareness and education on LEA 2007 and OHS

A total of 74 awareness programs on five major topics were conducted covering 9 sectors and 3022 workers. Majority of the programs were focused on manufacturing and service sectors. The coverage, based on the number of participants, indicates service sectors had higher number of participants (925), followed by education and health (598), manufacturing (560) and the least by wholesale & retail trade (7).

	Number of awareness program								
Region	LEA 2007 & OHS	FWRA regulations	LEA 2007	Occupational Health and Safety	Provident Fund (PF), Gratuity & ISR	Grand Total			
Gelephu	4	5	6	0	0	15			
Phuntsholing	3	1	1	2	6	13			
Samdrupjongkhar	0	0	8	6	0	14			
Thimphu	19	0	1	4	0	24			
Trashigang	0	0	8	0	0	8			
Grand Total	26	6	24	12	6	74			

Table 2. 14: Number of awareness programs conducted by region

Table 2.15: Number of participants by types of program and region

	Numbers of Participants								
Region	LEA 2007 & OHS	FWRA Regulations	LEA 2007	Occupational Health and Safety	Provident Fund (PF), Gratuity & ISR	Grand Total			
Gelephu	318	217	86	0	0	621			
Phuntsholing	296	68	150	60	253	827			
Samdrupjongkhar	0	0	520	131	0	651			
Thimphu	340	0	81	102	0	523			
Trashigang	0	0	400	0	0	400			
Grand Total	954	285	1237	293	253	3022			

Table 2.16: Number of part	icipants by	program and	sector	•				
		Numbers of Participants						
Sector	LEA 2007 and OHS	FWRA regulations	LEA 2007	Occupational Health and Safety	Provident Fund (PF), Gratuity & ISR	Grand Total		
Construction	86	0	4	24	0	114		
Public Administration	0	0	305	0	0	305		
Education and Health	33	0	555	0	10	598		
Electricity and Water supply	116	0	0	0	0	116		
Hotels & Restaurants	43	0	99	0	85	227		
Manufacturing	269	0	89	202	0	560		
Mining & Quarry	83	0	0	57	30	170		
Service	324	285	178	10	128	925		
Wholesale & Retail trade	0	0	7	0	0	7		
Grand Total	954	285	1237	293	253	3022		

Table 2.16: Numb 1 - 4 - - -. .

Table 2.17: Numbers of program by sector

	Number of Awareness Program					
Sectors	LEA 2007 and OHS	FWRA regulations	LEA 2007	Occupational Health and Safety	Provident Fund (PF), Gratuity & ISR	Grand Total
Construction	1	0	1	1	0	3
Dungkhag	0	0	1	0	0	1
Education and Health	1	0	2	0	1	4
Electricity and water supply	1	0	0	0	0	1
Gewog	0	0	6	0	0	6
Hotels & Restaurants	2	0	3	0	2	7
Manufacturing	10	0	2	7	0	19
Mining & Quarry	6	0	0	3	1	10

	Number of Awareness Program					
Sectors	LEA 2007 and OHS	FWRA regulations	LEA 2007	Occupational Health and Safety	Provident Fund (PF), Gratuity & ISR	Grand Total
Public Administration	0	0	4	0	0	4
Service	5	6	4	1	2	18
Wholesale & Retail trade	0	0	1	0	0	1
Grand Total	26	6	24	12	6	74

Table 2.17: Numbers of program by sector (Continuation)

Table 2.18: Number of programs by Dzongkhag

Dzongkhag	LEA 2007 and OHS	FWRA regulations	LEA 2007	Occupational Health and Safety	Provident Fund (PF), Gratuity & ISR	Grand Total
Bumthang	2	0	0	0	0	2
Chhukha	3	1	1	6	6	17
Dagana	1	0	1	0	0	2
Наа	2	0	0	0	0	2
Lhuentse	0	0	1	0	0	1
Mongar	0	0	2	0	0	2
Pemagatsel	0	0	2	2	0	4
Punakha	8	0	0	0	0	8
Samdrupjongkhar	0	0	6	4	0	10
Sarpang	1	4	5	0	0	10
Thimphu	1	0	1	0	0	2
Trashigang	0	0	3	0	0	3
Trashiyangtse	0	0	2	0	0	2
Tsirang	0	1	0	0	0	1

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Table 2.18: Number of programs by Dzongkhag (Continuation)

Dzongkhag	LEA 2007 and OHS	FWRA regulations	LEA 2007	Occupational Health and Safety	Provident Fund (PF), Gratuity & ISR	Grand Total
Wangdue	8	0	0	0	0	8
Grand Total	26	6	24	12	6	74

Table 2.19: Number of participants by program and Dzongkhag

Dzongkhag	LEA 2007 and OHS	FWRA regulations	LEA 2007	Occupational Health and Safety	Provident Fund (PF), Gratuity & ISR	Grand Total
Bumthang	220	0	0	0	0	220
Chhukha	296	68	150	162	253	929
Dagana	43	0	43	0	0	86
Haa	23	0	0	0	0	23
Lhuentse	0	0	35	0	0	35
Monggar	0	0	123	0	0	123
Pemagatsel	0	0	28	32	0	60
Punakha	117	0	0	0	0	117
Samdrupjongkhar	0	0	535	99	0	591
Sarpang	55	171	0	0	0	269
Thimphu	86	0	81	0	0	167
Trashigang	0	0	115	0	0	115
Trashiyangtse	0	0	127	0	0	127
Tsirang	0	46	0	0	0	46
Wangdue	114	0	0	0	0	114
Grand Total	954	285	1237	293	253	3022

CHAPTER 3: OCCUPATIONAL HEALTH AND SAFETY

3.1. Workplace accident and compensation

The Department has recorded a total of 67 workplace accidents reported in the year 2017-2018. However, many workplace accidents go unreported.

Phuntsholing region observed higher percentage of workplace accidents (50.7%), followed by Samdrupjongkhar (19.4%) and Thimphu (13.4%).

Manufacturing sector and construction sector showed higher percentage of workplace accidents.

Fall from height (16.4%), failure in safety management and monitoring (16.4%), stuck by object (14.9%), and caught and pull in by machines and equipment (14.9%) were found to be the leading causes of workplace accidents.

• LTIF 3472.2

Lost Time Injury Frequency (LTIF) was estimated at 3472.2 (90*100,000/ $(33241*54*6*8) = 3472.2)^1$, which means for every 100,000 hours worked about 3472.2-man hours worked were lost.

LTIR 2.7

Lost Time Injury Incidence Rate (LTIIR) was estimated at 2.7 (90*1000 / 33241 = 2.7), indicating that for every 1000 workers 3 workers got injured due to workplace accidents.



¹ Numbers of workers is considered based on the data collected during inspection visit. Hours of work is taken as standard hours as per labour legislation i.e. 8 hours per days and 48 hours per week as actual hours of work is unknown.

ANNUAL REPORT (July 2017- June 2018)

Table 3.1: Number and percentage of workplace accidents by region

Region	Number	Percent
Gelephu	6	9.0
Phuntsholing	34	50.7
Samdrup Jongkhar	13	19.4
Thimphu	9	13.4
Trashigang	5	7.5
Grand Total	67	100.0

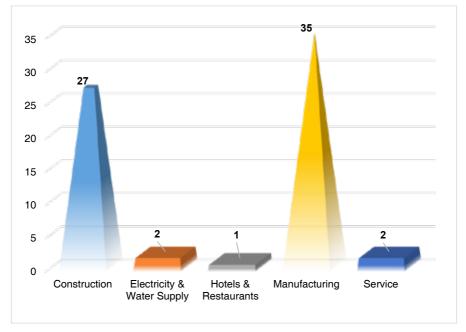


Figure 3.1: Number and percentage of workplace accidents by sector

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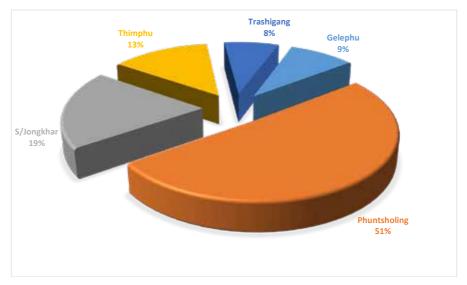


Figure 3.2: Number and percentage of workplace accidents by region

T () O O () () ()			
Table 3.2: Number of	workers met with	accidents h	v sector and gender
	workere met ma	acondonico D	y boblor and gonabr

Sector		Fatal		Injury			Grand	
Sector	Male	Female	Total	Male	Female	Total	Total	
Construction	27	0	27	19	1	20	47	
Electricity & Water Supply	0	0	0	4	0	4	4	
Hotels & Restaurants	1	0	1	0	0	0	1	
Manufacturing	2	1	3	33	0	33	36	
Service	2	0	2	0	0	0	2	
Grand Total	32	1	33	56	1	57	90	



Cause	Number	Percent
Caving	1	1.5
Caught and pull in by machine and equipment	10	14.9
Cut injury	1	1.5
Drowning	1	1.5
Electric shock	2	3.0
Exploratory Drift of Tunnel	5	7.5
Explosion in the tunnel	1	1.5
Explosion of carbide cylinder	1	1.5
Exposure to smoke	1	1.5
Failure in safety management and monitoring	11	16.4
Failure to use LOTO	1	1.5
Fall from height	11	16.4
Hot flames	1	1.5
Manual breaking of N1 crude	1	1.5
Pull in by machine	1	1.5
Slip and trip	1	1.5
Stuck by object	10	14.9
Unsafe ladder	1	1.5
Vehicle accident	5	7.5
Water jet impact due to failure of Main Inlet Valve Bypass Pipe	1	1.5
Grand Total	67	100.0

Table 3.3: Number and percentage of workplace accidents by cause



Cause	Con- struction	Electricity & Water Supply	Hotels & Restaurants	Manufac- turing	Service	Total
Caving	1	0	0	0	0	1
Caught and pull in by machine and equipment	1	0	0	9	0	10
Cut injury	0	0	0	1	0	1
Drowning	1	0	0	0	0	1
Electric shock	0	1	1	0	0	2
Exploratory Drift of Tunnel	5	0	0	0	0	5
Explosion in the tunnel	1	0	0	0	0	1
Explosion of Carbide cylinder	0	0	0	0	1	1
Exposed to Smoke	0	1	0	0	0	1
Failure in safety management and monitoring	0	0	0	11	0	11
Failure to use LOTO	0	0	0	1	0	1
Fall from height	10	0	0	1	0	11
Hot flames	0	0	0	1	0	1
Manual breaking of N1 crude	0	0	0	1	0	1
Pull in by machine	0	0	0	1	0	1
Slip and trip	0	0	0	1	0	1
Stuck by object	3	0	0	6	1	10
Unsafe ladder	0	0	0	1	0	1
Vehicle accident	4	0	0	1	0	5
Water jet impact due to failure of Main Inlet Valve Bypass Pipe	1	0	0	0	0	1
Grand Total	27	2	1	35	2	67

Table 3.4: Number and percentage of workplace accidents by cause and sector

ANNUAL REPORT (July 2017- June 2018)

ANNUAL REPORT (July 2017- June 2018)

3.2. Comparative statement on workplace accident

The number of workplace accidents reported to the Department has increased by 3.0% from fiscal year 2016-2017 to 2017-2018. Similarly, the number of workers that met with accidents has increased by 38.0%.

Table 3.5: Comparative sta	tement on number	and percentage of workers
with accidents by region		

Region	2017-	-2018	2016-2017		
neyiun	Number	Percent	Number	Percent	
Gelephu	10	11.1	9	13.9	
Phuntsholing	37	41.1	33	50.8	
Samdrup Jongkhar	19	21.1	9	13.9	
Thimphu	13	14.4	7	10.8	
Trashigang	11	12.2	2	3.1	
Lobesa	0	0.0	5	7.7	
Grand Total	90	100.0	65	100.0	

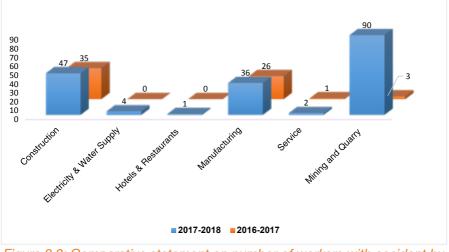


Figure 3.3: Comparative statement on number of workers with accident by sector

Sector	2017-	-2018	2016-2017		
	Fatal	Injury	Fatal	Injury	
Construction	27	20	26	9	
Electricity & Water Supply	0	4	0	0	
Hotels & Restaurants	1	0	0	0	
Manufacturing	3	33	1	25	
Service	2	0	1	0	
Mining & Quarry	0	0	1	2	
Grand Total	33	57	29	36	

Table 3.6: Comparative statement on numbers of workers with accidents by sector and type

Table 3.7: Comparative statement on number of workers by main cause of workplace accidents

Main cause	2018-2017	2016-2017
Fall from height	18	9
Caught and pull in by machine and equipment	11	0
Stuck by object	11	11
Failure in safety management and monitoring	11	0
Accident in tunnel	11	0
Vehicle accident	9	0
Electric shock	4	8
Others	15	37
Grand Total	90	65



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3.3. Safety and health committees

A total of 83 enterprises² have instituted Safety and Health Committee at their workplace and higher percentage of enterprises with Health and Safety Committees were from Phuntsholing Region and Thimphu Region. Sector-wise, manufacturing and construction sector represent higher percentage.

Table 3.8: Number and percentage of enterprises with safety committee by	
region	

Region	Number	Per cent
Gelephu	8	9.6
Phuntsholing	48	57.8
Samdrup Jongkhar	9	10.8
Thimphu	15	18.1
Trashigang	3	3.6
Grand Total	83	100.0

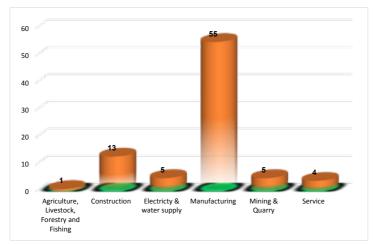


Figure 3.4: Numbers of enterprises with safety committees by sector

² This committee includes 77 enterprises assessed for good safety culture in 2018 and 6 new enterprises have instituted safety and health committee before June 2018.

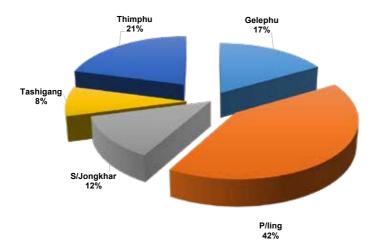


3.4. Occupational Health and Safety Policy Statement

A sample Occupational Health and Safety Policy Statement was developed and made available on the Department's website. 24 enterprises framed OHS policy statement as per the sample and submitted to the Department. Most of the enterprises who have framed and submitted OHS policy statements are from Phuntsholing Region and Thimphu region.

Table 3.9: Numbers of enterprises with OHS policy statement by sector

Sector	Number
Agriculture, Livestock, Forestry and Fishing	1
Construction	5
Electricity & Water Supply	1
Electricity & water supply	1
Manufacturing	13
Services	2
Wholesale & Retail trade	1
Grand Total	24





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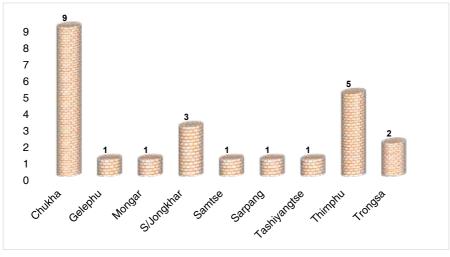


Figure 3.6: Number of enterprises with OHS policy statement by Dzongkhag

3.5. Occupational Health and Safety Assessment

The Department initiated assessment of good OHS practices at workplace since 2015 in those enterprises that have established safety and health committees. In 2018, a total of 77 enterprises were assessed and 39 enterprises were recognized for good safety and health practices at their workplace.

Region	Numbers	Percent
Phuentsholing	44	57.1
Thimphu	15	19.5
Gelephu	8	10.4
Samdrupjongkhar	7	9.1
Trashigang	3	3.9
Grand Total	77	100.00

Table 3.10: Enterprises assessed on good OHS practices by region (n=77)



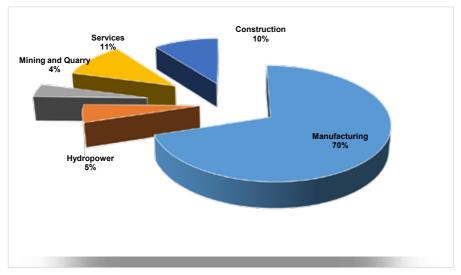


Figure 3.7: Enterprises assessed on good OHS practice by sector

Out of 77 enterprises assessed for good workplace safety and health practice, 39 enterprises were recognized for ensuring good safety and health practices at their workplace. The certificate of recognition was issued on 28th April, 2018 coinciding with the observation of World Day for Safety and Health at Workplace.

Region	Number	Percentage
Phuntsholing	20	51.3
Thimphu	6	15.4
Gelephu	8	20.5
Samdrupjongkhar	2	5.1
Trashigang	3	7.7
Grand Total	39	100.0

Table 3.11: Enterprises recognized for good OHS practices at workplace by	
region	

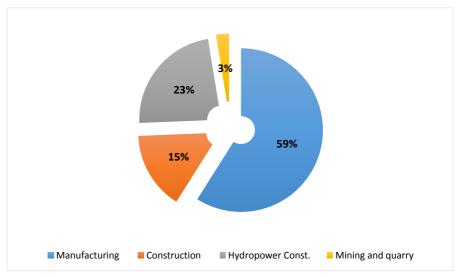


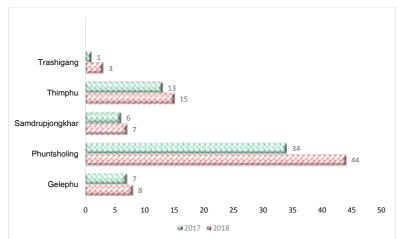
Figure 3.8: Enterprises recognized for good OHS practices by sector

For the first time, safety officers were recognized and issued with Certificate of Appreciation for contributing to building a safety culture at their workplace.

Table 3.12: Safety officers recognized for contributing to workplace safety and health

SI. No	Name	Name of the Enterprise	Region
1	Mr. Karma Chedup	Zimdra Food Pvt Ltd	Phuntsholing
2	Mr.Tshering Penjor	Bhutan Hydropower Services Ltd	Gelephu
З	Mr.Kumbu Dukpa	Jai Prakash Associate Ltd	Gelephu
4	Ms. Bandana Rai	Bhutan Ferro Alloys Ltd	Phuntsholing
5	Mr.Tshering Wangdi	Druk Wang Alloys Ltd	Phuntsholing
6	Mr.Md. Shahin Ansari	Gammon II-PHPA 2	Thimphu
7	Mr.Thinley Dorji	Tala Hydro Power Plant	Phuntsholing





3.6. Comparative Statement on Occupational Health and Safety Assessment

Figure 3.9: Comparative statement on number of enterprises assessed on good safety practice by region

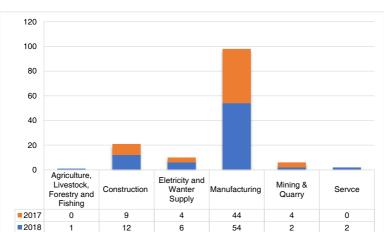


Figure 3. 9: Comparative statement on number of enterprises assessed on good safety practice $b_{\rm c}$ region

Figure 3.10: Comparative statement on number of enterprises assessed on good OHS practice by sector

Department of Labour

Table 3.13: Comparative statement	on number of enterprises assessed on
good OHS practices by Dzongkhag	

Dzongkhag	2018	2017
Chukha	34	24
Mongar	2	0
Pemagatshel	3	4
Samdrupjongkhar	4	2
Samtse	10	10
Sarpang	8	3
Thimphu	8	6
Trashigang	0	1
Trashiyangtse	1	0
Trongsa	0	4
Wangdue	7	7
Grand Total	77	61

Table 3.14: Comparative statement on number and percentage of enterprises assessed on good OHS practice by sector and region

Caster/Decien	201	18	2017	
Sector/Region	Number	Percent	Number	Percent
Agriculture, Livestock, Forestry and Fishing	1	1.3	0	0.0
Trashigang	1		0	
Construction	12	15.6	9	14.8
Gelephu	5		4	
Thimphu	7		5	
Electricity and Water Supply	6	7.8	4	6.6
Gelephu	1		1	
Phuntsholing	2		1	
Thimphu	1		1	
Trashigang	2		1	

Sector/Region	2018		2017	
Sector Region	Number	Percent	Number	Percent
Manufacturing	54	70.1	44	72.1
Gelephu	2		2	
Phuntsholing	41		32	
Samdrupjongkhar	6		5	
Thimphu	5		5	
Mining & Quarry	2	2.6	4	6.6
Phuntsholing	0		1	
Samdrupjongkhar	1		1	
Thimphu	1		2	
Service	2	2.6	0	0.0
Phuntsholing	1		0	
Thimphu	1		0	
Grand Total	77	100.0	61	100.0

Table 3.14: Comparative statement on number and percentage of enterprises assessed on good OHS practice by sector and region (Continuation)

Table 3.15: Comparative statement on Average, Maximum, and Minimum score on assessment by sector

	2018			2017		
Sector	Average of Score	Max of Score	Min of Score	Average of Score	Max of Score	Min of Score
Agriculture, Livestock, Forestry and Fishing	73.6	73.6	73.6	0.0	0.0	0.0
Construction	72.1	85.4	45.3	71.5	79.0	53.4
Electricity and Water Supply	75.4	92.1	70.9	76.3	77.7	75.0
Manufacturing	62.7	96.6	10.7	63.9	94.2	24.7
Mining & Quarry	52.9	63.1	42.7	63.0	89.3	45.3
Service	30.0	40.2	19.9	0.0	0.0	0.0

Table 3.16: Top	10 enterprises recognized for good OHS practice at the	əir
workplace		

Rank	2018		Ч	2017	
Ba	Enterprise	Region	Rank	Enterprise	Region
1	Zimdra Food Pvt Ltd	P/Ling	1	Zimdra Food Pvt Ltd	P/Ling
2	Bhutan Hydropower Services Limited	Gelephu	2	Jigme Mining Corporation Ltd	P/Ling
3	Bhutan Ferro Alloys Ltd	P/Ling	3	Saint Gobain Ceramic Materials	P/Ling
4	Saint Gobain Ceramic Materials	P/Ling	4	Bhutan Ferro Alloys Ltd	P/Ling
5	Tashi Beverage Ltd	P/Ling	5	ICE Beverages Pvt Ltd	P/Ling
6	Druk Wang Alloys Ltd	P/Ling	6	Druk Wang Alloys Ltd	P/Ling
7	Neethsel Pvt Ltd.	P/Ling	7	Jigme Industries Pvt Ltd	P/Ling
8	Lhaki Cement	P/Ling	8	Drangchu Beverages Pvt Ltd	P/Ling
9	Jai Prakash Associate Ltd	Gelephu	9	Tala Hydropower Plant	P/Ling
10	Bhutan Centennial Distillery	Gelephu	10	Neethsel Pvt Ltd	P/Ling

It was observed that over the past 4 years of OHS assessment, the enterprises that are adopting good safety and health practices have gradually increased in most of the regions except Thimphu and Phuntsholing showing a decline in 2018.

The Figure 3.11 illustrates that the overall good practices have increased over the three years but a decline by 8.1% from 2017 to 2018. The decline in the good safety and health practices were mainly observed in Thimphu by 26.7% and Phuntsholing by 11.6%.

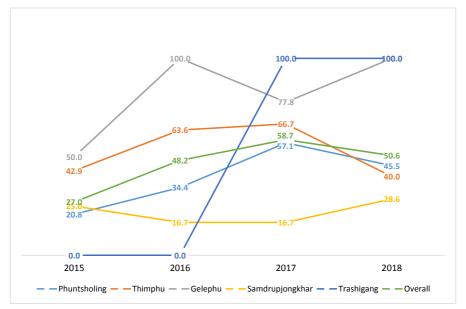


Figure 3.11: Comparative statement on percentage of enterprises adopting good safety and health practices at their workplace by region

3.7. Training and Awareness

Table 3.17: Number of trainings conducted by region and sector

Region/Sector	Fire Safety	First Aid	OHS	Total
Phuntsholing	0	3	0	3
Electricity& water supply	0	1	0	1
Manufacturing	0	2	0	2
Thimphu	9	7	2	18
Construction	1	2	1	4
Education	0	0	1	1
Hotels & Restaurant	2	3	0	5
Manufacturing	2	0	0	2
Mining & Quarry	0	1	0	1
Services	4	1	0	5



Region/Sector	Fire Safety	First Aid	OHS	Total
Trashigang	0	6	1	7
Agriculture, Livestock, Forestry and Fishing	0	1	0	1
Construction	0	1	0	1
Education and Health	0	2	1	3
Electricity& water supply	0	2	0	2
Grand Total	9	16	3	28

Table 3.17: Number of trainings conducted by region and sector (Continuation)

Table 3.18: Number of trainings conducted by types and Dzongkhag

Dzongkha	Fire Safety	First Aid	OHS	Grand Total
Chhukha	0	3	0	З
Haa	4	0	0	4
Mongar	0	3	0	3
Paro	1	1	0	2
Punakha	1	1	0	2
Thimphu	2	3	1	6
Trashigang	0	1	1	2
Trashiyangtse	0	2	0	2
Wangdue	1	2	1	4
Grand Total	9	16	3	28

Table 3.19: Number of participants by types of training and region

Region	Fire safety	First Aid	OHS	Grand Total
Phuntsholing	0	103	0	103
Thimphu	342	273	44	659
Trashigang	0	48	162	210
Grand Total	342	424	206	972



Sectors	Fire safety	First Aid	OHS	Grand Total
Agriculture, Livestock, Forestry and Fishing	0	20	0	20
Construction	192	136	19	347
Education	0	13	25	38
Education and Health	0	0	162	162
Electricity & water supply	0	53	0	53
Hotels & Restaurant	35	96	0	131
Manufacturing	13	0	0	13
Manufacturing	0	57	0	57
Mining & Quarry	0	29	0	29
Services	102	20	0	122
Grand Total	342	424	206	972

Table 3.20: Number of participants by types of training and sector

3.8. Comparative statement on OHS training and awareness

Table 3.21: Comparative statement on number of participants by type of program

Program	2017	2018
OHS Management System	702	206
Industrial First aid	600	424
Fire safety	0	342
Grand Total	1302	972





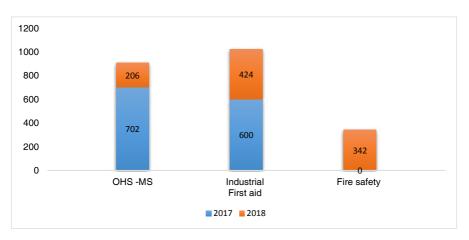


Figure 3.12: Comparative figure by types of program



CHAPTER 4: LABOUR RELATION AND FOREIGN WORKERS

4.1. Workplace dispute registered

A total of 497 workplace disputes were registered with the Department of Labour and the highest was registered with Thimphu Region (431) followed by Phuntsholing Region. The dispute due to non-payment of wages/salary (42.5%) tops the case profile, followed by unlawful termination including not serving notice for termination of contract (30.4%) and resignation without serving notices (6.4%).

Table 4.1: Number of workplace disputes by region

Region	Forwarded to Court	Forwarded to Head Office	Under review	Resolved	Withdrawn	Grand Total
Gelephu	1	3	0	7	2	13
Phuntsholing	0	0	5	18	0	23
S/Jongkhar	1	0	2	10	0	13
Thimphu	235	0	0	124	72	431
Trashigang	2	0	2	13	0	17
Grand Total	239	3	9	172	74	497

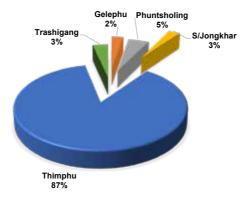


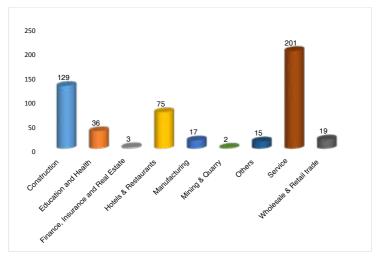
Figure 4.1: Percentage of workplace disputes by region

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Sector	Forwarded to Court	Forwarded to Head Office	Under Review	Resolved	Withdrawn	Grand Total			
Construction	38	2	6	81	2	129			
Education and Health	9	0	0	27	0	36			
Finance, Insurance and Real Estate	2	0	0	1	0	3			
Hotels & Restaurants	68	0	0	7	0	75			
Manufacturing	1	0	1	14	1	17			
Mining & Quarry	1	0	0	1	0	2			
Others	11	0	0	4	0	15			
Service	95	1	2	33	70	201			
Wholesale & Retail trade	14	0	0	4	1	19			
Grand Total	239	3	9	172	74	497			

Table 4.2: Number of workplace disputes by nature and sector





Nature of Disputes	Number	Percentage
Absconded after taking advance	4	0.8
Breach of contract of agreement	8	1.6
Compensation against using of CV	1	0.2
Discrimination	3	0.6
Failure to deposit TDS	9	1.8
Non-payment of wage	211	42.5
Non-issuance of NOC and reliving order	3	0.6
Non-payment of benefits	13	2.6
Non-payment of Advance taken	9	1.8
Non-payment of Gratuity & PF	14	2.8
Non-refund of fees collected	23	4.6
Non-release of personal document	5	1.0
Non-return of advance taken for work.	1	0.2
Overseas Employment without Valid Employment Agent's License	1	0.2
Relieved from service after expiry of contract period.	1	0.2
Resignation without notice	32	6.4
Retrenchment	2	0.4
Unlawful termination including not serving notices	151	30.4
Use of CV	1	0.2
Work permit issues	5	1.0
Grand Total	497	100.0

Table 4.3: Number and percentage of disputes by nature of dispute



Table 4.4: Number of disputes by nature and sector

Nature of Dispute		I		IV	V	VI	VII	VIII	IX	X
Absconded after taking advance	4	0	0	0	0	0	0	0	0	4
Breach of contract of agreement	З	0	0	1	0	0	3	0	1	8
Compensation against using of CV	1	0	0	0	0	0	0	0	0	1
Discrimination	0	0	2	0	1	0	0	0	0	3
Failure to deposit TDS	0	9	0	0	0	0	0	0	0	9
Nonpayment of wage	86	1	0	1	5	2	97	7	12	211
Non-issuance of NOC and reliving order	1	0	0	0	0	0	1	1	0	3
Non-payment of benefits	2	0	1	1	6	0	3	0	0	13
Non-payment of Advance taken	9	0	0	0	0	0	0	0	0	9
Non-payment of Gratuity & PF	6	1	0	0	1	0	5	1	0	14
Non-refund of fees collected	0	22	0	0	0	0	0	1	0	23
Non-release of personal document	2	0	0	1	0	0	0	2	0	5
Non-return of advance taken for work.	0	0	0	0	0	0	0	0	1	1
Oversea Employment without Valid Employment Agent's License	0	0	0	0	0	0	1	0	0	1
Relived from service after expiry of contract time.	0	0	0	0	1	0	0	0	0	1
Resignation without Notice	4	1	0	1	2	0	17	6	1	32
Retrenchment	0	1	0	1	0	0	0	0	0	2
Unlawful termination including not serving Notices	5	1	0	69	1	0	74	1	0	151
Used of CV	1	0	0	0	0	0	0	0	0	1
Work permit issues	5	0	0	0	0	0	0	0	0	5
Total	129	36	3	75	17	2	201	19	15	497

Note: I Construction, II Education and Health, III Finance, insurance and real estate, IV Hotels & Restaurants, V Manufacturing, VI Mining & Quarry, VII Services, VIII Wholesale and Retail, IX Others, X Grand Total

4.2. Comparative statement on workplace disputes handled

The number of workplace disputes handled by the Department in the fiscal year 2017-2018 was 497 compared to 224 in the year 2016-2017 which is 32.6% increment. Compared to other regions, Thimphu region handled the maximum number of workplace disputes showing an increase of 187.3 % from 2016-2017 to 2017-2018.

Table 4.5: Comparative statement on number of workplace disputes handled by region

Region	2017-	-2018	2016-2017			
negion	Numbers Per cent		Numbers	Per cent		
Gelephu	13	2.6	6	2.7		
Phuntsholing	23	4.6	30	13.4		
S/Jongkhar	13	2.6	6	2.7		
Thimphu	431	86.7	150	67.0		
Trashigang	17	3.4	16	7.1		
Lobesa	0	0.0	16	7.1		
Grand Total	497	100.0	224	100.0		

Table 4.6: Comparative statement on number of workplace disputes by status

Degion	2017-2018				2016-2017			
Region		l	III	IV		I		IV
Gelephu	4	0	7	2	0	0	6	0
Phuntsholing	0	5	18	0	0	0	30	0
Samdrup Jongkhar	1	2	10	0	0	0	6	0
Thimphu	235	0	124	72	0	0	150	0
Trashigang	2	2	13	0	0	0	16	0
Lobesa	0	0	0	0	0	0	16	0
Grand Total	242	9	172	74	0	0	224	0

Note: I-Forwarded to Court and HQ, II -Under review, III- Resolved, IV- Withdrawn

Table 4.7: Comparative statement on number of workplace disputes by nature

Nature of Dispute	2017-2018	2016-2017
Non-payment of wage	211	93
Non-issuance of NOC and relieving order	3	7
Non-payment of benefits	13	31
Resignation without Notice	32	40
Unlawful termination including not serving Notices	151	13
Others	87	42
Grand Total	497	226

4.3. Internal Service Rules

A total of 263 Internal Service Rules were reviewed. Thimphu region alone received about 148 ISR's followed by Gelephu Region and Phuntsholing Region.

255 ISR's were endorsed, 19 amended, and 2 are under review. Thimphu Dzongkhag (53.6%) had the highest percentage of enterprises submitting ISR followed by Gelephu (19.6%) and Chhuka (15.9%).

Table 4.8: Number of internal service rules received by region

Region	Number	Percentage
Gelephu	54	19.6
Phuentsholing	44	15.9
Samdrup Jongkhar	15	5.4
Thimphu	148	53.6
Trashigang	15	5.4
Grand Total	276	100.0



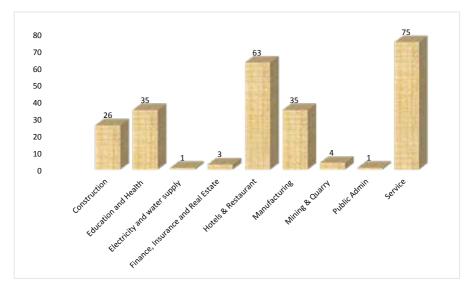


Figure 4.3: Number of internal service rules received by sector

Sector	Gelephu	P/ling	S/Jongkhar	Thimphu	T/gang	Grand Total
Construction	6	3	4	9	4	26
Education and Health	4	5	1	25	0	35
Electricity and water supply	0	0	0	0	1	1
Finance, Insurance and Real Estate	0	0	0	3	0	3
Hotels & Restaurant	18	3	2	40	0	63
Manufacturing	6	15	1	7	6	35
Mining & Quarry	0	2	1	0	1	4
Public Administration	0	0	0	1	0	1
Service	11	12	5	46	1	75
Wholesale & Retail trade	9	4	1	17	2	33
Grand Total	54	44	15	148	15	276

Table 4.9: Number of Internal Service Rules received by sector and region

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Region	Amended	Endorsed	Under Review	Grand Total
Gelephu	0	54	0	54
Phuentsholing	4	38	2	44
Samdrup Jongkhar	0	15	0	15
Thimphu	15	133	0	148
Trashigang	0	15	0	15
Grand Total	19	255	2	276

Table 4.10: Number of internal service rules received by status

Table 4.11: Number and percentage of Internal Service Rules submitted byDzongkhag

Dzongkhag	Number	Percentage
Bumthang	22	8.0
Chukha	44	15.9
Dagana	2	0.7
Haa	1	0.4
Lhuentse	1	0.4
Mongar	2	0.7
Paro	18	6.5
Pemagatshel	2	0.7
Punakha	7	2.5
S/Jongkhar	13	4.7
Samtse	4	1.4
Sarpang	31	11.2
Thimphu	105	38.0
Trashigang	5	1.8
Trashiyangtse	8	2.9
Trongsa	2	0.7
Wangdue	9	3.3
Grand Total	276	100.0

4.4. Comparative Statement on Internal Service Rules

A total of 276 ISR's were received in the year 2017-18 compared to 242 in 2016-17 which shows an increase of 14.04%. Thimphu Region and Phuntsholing Region received and endorsed the maximum number of ISR's compared to other regions in both the fiscal years. The percent of ISR endorsed has increased by 191.5% from 2016-2017 to 2017-2018.

Table 4.12:	Comparative	statement	on	the	number	of	ISR's	received	by
region									

Decion	2017	-2018	2016-2017			
Region	Number	Percentage	Number	Percentage		
Gelephu	54	19.6	8	3.3		
Phuentsholing	44	15.9	20	8.3		
Samdrup Jongkhar	15	5.4	18	7.4		
Thimphu	148	53.6	190	78.5		
Trashigang	15	5.4	6	2.5		
Grand Total	276	100.0	242	100.0		

Table 4.13: Comparative statement on the number of ISR's by region and status

	2	2017-2018			2016-2017		
Region	Amended	Endorsed	Under Review	Amended	Endorsed	Under Review	
Gelephu	0	54	0	0	8	0	
Phuentsholing	4	38	2	0	20	0	
Samdrup Jongkhar	0	15	0	0	12	6	
Thimphu	15	133	0	0	48	142	
Trashigang	0	15	0	0	6		
Grand Total	19	255	2	0	94	148	

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4.5. Foreign workers

A total of 54,972 foreign workers were issued work permits as of June 2018. Majority of foreign workers were approved for craft and related trade occupations. By nationality, Indian workers represent the majority compared to other nationalities. Thimphu Dzongkhag had the highest number of foreign workers compared to other Dzongkhags.

Table 4.14: Number of foreign workers by major occupation as of 30th June 2018

Major Category	Hydropower Sector	Non- hydropower Sector	Total
Clerical support workers	8	508	516
Craft and related trade workers	13,380	33,359	46,739
Elementary Occupation	27	3,812	3,839
Managers	97	157	254
Plant and machine operators and assemblers	1,527	220	1,747
Professionals	551	585	1,136
Service and sales workers	38	104	142
Skilled Agricultural, Forestry and Fishery workers	-	56	56
Technicians and Associate Professionals	404	139	543
Grand Total	16,032	38,940	54,972



		Indian	Others			Grand	
Minor Occupations	Male	Female	Total	Male	Female	Total	Total
Administrative and Commercial Managers	51	0	51	З	3	6	57
Agriculture and Forest Professionals	0	0	0	0	2	2	2
Assemblers	72	0	72	1	0	1	73
Building and related trade workers	43027	280	43307	142	0	142	43449
Business and administration associate professionals	350	4	354	9	9	18	372
Business and administration professionals	32	1	33	4	4	8	41
Chief executives, senior officials and legislators	75	2	77	26	5	31	108
Cleaner and Helper	39	0	39	0	0	0	39
Customer Service clerk	1	0	1	0	0	0	1
Drivers and mobile plant operator	1244	0	1244	10	0	10	1254
Food processing, wood working, garment and other related trade workers	4	0	4	0	0	0	4
General and keyboard clerks	381	129	510	0	0	0	510
Handicraft and printing workers	5	0	5	26	2	28	33
Health Associate Professionals	4	0	4	0	6	6	10
Health Professionals	11	1	12	4	9	13	25
Hospitality, Retail and Other Service Manager	11	1	12	4	З	7	19
Information and Communication Technology associate professionals	20	0	20	0	1	1	21
Information and Communications Technology Professional	12	0	12	0	0	0	12
Legal, social and cultural Professional	3	1	4	2	0	2	6

Table 4.15: Number of Foreign Workers by minor occupation and gender as of 30th June 2018

		Indian			Others		Grand
Minor Occupations	Male	Female	Total	Male	Female	Total	Total
Legal,social,cultural associate professionals	1	0	1	З	1	4	5
Manual Workers	2820	950	3770	0	0	0	3770
Market-oriented skilled agricultural workers	2	0	2	0	1	1	3
Market-oriented skilled forestry,fishery and hunting workers	52	0	52	1	0	1	53
Metal, machinery and related trade workers	3249	3	3252	1	0	1	3253
Numerical and material recording clerks	5	0	5	0	0	0	5
Personal Care Workers	1	0	1	0	0	0	1
Personal Service Worker	124	3	127	8	3	11	138
Physical and Social Science Professionals	39	1	40	З	3	6	46
Process Control Technicians	1	0	1	0	0	0	1
Production and Specialized Service Manager	61	1	62	8	0	8	70
Refuse Worker and other elementary workers	12	3	15	0	0	0	15
Sales Workers	3	0	3	0	0	0	З
Science and engineering associate professionals	119	1	120	10	0	10	130
Science and Engineering Professionals	607	0	607	43	2	45	652
Stationary plants and machine operators	409	0	409	11	0	11	420
Street and related services worker	15	0	15	0	0	0	15
Teaching Associate	1	1	2	0	2	2	4
Teaching Professionals	231	57	288	35	29	64	352
Grand Total	53,094	1,439	54,533	354	85	439	54,972

Table 4.15: Number of Foreign Workers by minor occupation and gender as of 30th June 2018 (Continuation)

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Table 4.16: Number of Foreign Workers by Dzongkhag and gender as of 30th	
June 2018	

Dzepel/bee		Indian			Others		
Dzongkhag	Male	Female	Total	Male	Female	Total	Total
Bumthang	600	0	600	5	0	5	605
Chhukha	2,814	461	3,275	16	0	16	3,291
Dagana	812	0	812	1	0	1	813
Gasa	320	0	320	0	0	0	320
Haa	781	43	824	0	0	0	824
Lhuentse	112	0	112	0	0	0	112
Mongar	905	84	989	4	2	6	995
Paro	4,684	240	4,924	72	10	82	5,006
Pema Gatshel	419	0	419	0	0	0	419
Punakha	1,661	6	1,667	14	З	17	1,684
Samdrup Jongkhar	1,295	45	1,340	4	0	4	1,344
Samtse	1,141	5	1,146	1	1	2	1,148
Sarpang	2,718	5	2,723	15	0	15	2,738
Thimphu	15,504	138	15,642	177	62	239	15,881
Trashigang	1,468	388	1,856	З	З	6	1,862
Trashiyangtse	406	0	406	0	3	З	409
Trongsa	7,786	10	7,796	16	0	16	7,812
Tsirang	678	З	681	0	0	0	681
Wangdue Phodrang	8,477	9	8,486	26	1	27	8,513
Zhemgang	513	2	515	0	0	0	515
Grand Total	53,094	1,439	54,533	354	85	439	54,972

Table 4.17: Number	of Foreign	Workers	by	country	and	gender a	as c	of 30th
June 2018								

Country	Male	Female	Total
Australia	9	12	21
Austria	0	1	1
Bangladesh	11	0	11
Brazil	1	1	2
British Virgin Islands	1	0	1
Canada	2	2	4
China	1	0	1
Cuba	0	1	1
Czech Republic	0	1	1
Denmark	1	1	2
Ethiopia	2	0	2
Fiji	0	1	1
France	2	0	2
Germany	12	0	12
Greece	3	0	3
Hong Kong	1	0	1
Hungary	1	0	1
Iceland	98	0	98
India	53,094	1,439	54,533
Indonesia	37	0	37
Iran	2	0	2
Japan	47	30	77
Malta	2	0	2
Myanmar	2	3	5
Namibia	5	0	5
Nepal	59	0	59
Netherlands	4	2	6
New Zealand	3	1	4
Pakistan	2	0	2

Country	Male	Female	Total
Philippines	1	1	2
Singapore	2	2	4
South Africa	1	1	2
South Korea	2	0	2
Spain	1	0	1
Sweden	1	0	1
Switzerland	1	0	1
Taiwan	0	1	1
Thailand	11	7	18
United Kingdom	8	2	10
United States	12	10	22
Vietnam	6	5	11
Grand Total	53,448	1,524	54,972

Table 4.17: Number of Foreign Workers by country and gender as of 30th June 2018 (Continuation)

4.6. Comparative statement on Foreign Workers

Table 4.18: Comparative Statement on Foreign Workers by major occupationas of 30th June 2017 & 30th June 2018

Major Category	2017	2018
Clerical support workers	638	516
Craft and related trade workers	44,807	46,739
Elementary Occupation	4,735	3,839
Managers	265	254
Plant and machine operators and assemblers	1,941	1,747
Professionals	1,249	1,136
Service and sales workers	122	142
Skilled Agricultural, Forestry and Fishery workers	64	56
Technicians and Associate Professionals	548	543
Grand Total	54,369	54,972



Table 4.19: Comparative statement on Foreign Workers by major occupation and hydropower sector and non-hydropower sector

	20	17	20	18
Major Category	Hydropower Sector	Non- hydropower Sector	Hydropower Sector	Non- hydropower Sector
Clerical support workers	9	629	8	508
Craft and related trade workers	15,410	29,397	13,380	33,359
Elementary Occupation	74	4,661	27	3,812
Managers	107	158	97	157
Plant and machine operators and assemblers	1,712	229	1,527	220
Professionals	607	642	551	585
Service and sales workers	51	71	38	104
Skilled Agricultural, Forestry and Fishery workers	-	64	-	56
Technicians and Associate Professionals	441	107	404	139
Grand Total	18,411	35,958	16,032	38,940



Table 4.20: Comparative statement on Foreign Workers by Dzongkhag as of	
30th June 2017 & 30th June 2018	

Dzongkhag	2017	2018
Bumthang	708	605
Chhukha	4,336	3,291
Dagana	920	813
Gasa	349	320
Haa	1,085	824
Lhuentse	160	112
Mongar	824	995
Paro	4,002	5,006
Pema Gatshel	432	419
Punakha	1,557	1,684
Samdrup Jongkhar	1,040	1,344
Samtse	1,178	1,148
Sarpang	3,820	2,738
Thimphu	10,758	15,881
Trashigang	1,847	1,862
Trashiyangtse	335	409
Trongsa	8,807	7,812
Tsirang	1,434	681
Wangdue Phodrang	10,156	8,513
Zhemgang	621	515
Grand Total	54,369	54,972

Table 4.21: Comparative statement on Foreign Workers by minor occupation as of 30th June 2017 & 30th June 2018

Minor Occupation	2017	2018
Administrative and Commercial Managers	53	57
Agriculture and Forest Professionals	5	2
Assemblers	79	73
Building and related trade workers	41,233	43449
Business and administration associate professionals	373	372
Business and administration professionals	48	41
Chief executives, senior officials and legislators	116	108
Cleaner and Helper	35	39
Customer Service clerk	1	1
Drivers and mobile plant operator	1,346	1254
Food processing, wood working, garment and other related trade workers	2	4
General and keyboard clerks	631	510
Handicraft and printing workers	21	33
Health Associate Professionals	11	10
Health Professionals	26	25
Hospitality, Retail and Other Service Manager	19	19
Information and Communication Technology associate professionals	8	21
Information and Communications Technology Professional	18	12
Legal, social and cultural Professional	2	6
Legal, social, cultural associate professionals	9	5
Manual Workers	4,644	3770
Market-oriented skilled agricultural workers	5	3

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Table 4.21: Comparative statement on Foreign Workers by minor occupation
as of 30th June 2017 & 30th June 2018 (Continuation)

Minor Occupation	2017	2018
Market-oriented skilled forestry, fishery and hunting workers	59	53
Metal, machinery and related trade workers	3,551	3253
Numerical and material recording clerks	6	5
Personal Care Workers	1	1
Personal Service Worker	121	138
Physical and Social Science Professionals	45	46
Process Control Technicians	3	1
Production and Specialized Service Manager	77	70
Refuse Worker and other elementary workers	37	15
Sales Workers	0	3
Science and engineering associate professionals	144	130
Science and Engineering Professionals	739	652
Stationary plants and machine operators	516	420
Street and related services worker	19	15
Teaching Associate	0	4
Teaching Professionals	366	352
Grand Total	54,369	54,972



CHAPTER 5: SHORTCOMINGS AND CONCLUSION

5.1. Achievements

- a. The Department was able to overwhelmingly achieve all the targets set in the Annual Performance Agreement 2017-2018.
- b. The Department joined the International Community in observing the World Safety Day on 28th April, 2018 at Phunthsoling. Coinciding with the day, certificates were also awarded to the companies who passed the Assessment for Good Practice of OHS at Workplace.
- c. The Department conducted trainings on Occupational Health and Safety to Technical Training Institute instructors to build their capacity.
- d. It developed and published a guideline on Risk Assessment which will enable the industry to conduct risk assessment at their workplace.
- e. It formulated and published model for Occupational Health and Safety Policy Statement for enterprises.
- f. It reviewed Guidelines on Assessment and Evaluation on Occupational Health and Safety Practice at Workplace, 2017.

5.2. Shortcomings

Following are the challenges faced by the Department, which if addressed adequately more could be achieved:

- a. Lack of human resource to carry out its mandates is the biggest challenge. The workplaces liable for inspection have increased manifold and are spread all over 20 dzongkhags making it virtually impossible for the current strength of labour officers to cover the workplaces at least once in a year. On the other hand, high employee attrition rate, particularly with the Labour Protection Division, is the biggest bottleneck for smooth functioning of the Department. Similarly, the number of workplace disputes received is on the rise with shortage of officers dealing with the cases.
- b. Lack of mobility is one of the biggest shortcomings faced by the Department

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especially for conducting regular inspection visits. Though there is dedicated vehicle for inspection, frequent need for the ministry to use it impedes execution of the planned activities.

- c. Lack of competent and trained professionals to carry out inspections on occupational health and safety.
- d. Inadequate travel budget for Regional Labour Offices impedes carrying out of follow-up inspections. The travel budget allocated for the conduct of labour inspection in regional offices is barely adequate to conduct routine inspections. After routine inspections are over, inspectors are almost confined to office with no follow- up inspections to conduct. Therefore, the lack of travel budget in the Regional Labour Offices is a serious issue that compromises the professionalism, independence and impartiality of inspectors.

5.3. Conclusion

The Department have strived hard to achieve the APA target set for year 2017-18 despite many shortcomings and challenges encountered in terms of human resources strength both in terms of number and competency and financial constraints. The department have remarkably achieved the annual target set for all the success indicators set in APA of the department despite many ad-hoc actives carried out by the department.

The Department has also strived towards achieving SDG 8.7 to eradicate forced labour, end modern slavery and worst forms of child labour and SGG 8.8 to protect labor rights and to promote safe and secure working environments of all workers.

The vision and mission of the department are to create a just and fair labour administration system and promote decent working conditions through sound labour policies and enforcement of labour laws. Thus, it is paramount for the department to ensure that labour laws are implemented effectively through regular inspection, conducting awareness programs and training and, whenever necessary, imposing sanctions. However, human and other resources play a critical role to achieve the mandates of the Department. There is need to build



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the competency of the labour officers particularly on safety and health, industrial labour relation, and social protection measures and polices. The Department should be well equipped with transportation facilities. Enough mobility budget and a conducive working environment should be ensured for encouraging creativity and entrepreneurship abilities to facilitate effective service delivery.

