



GUIDELINES FOR HANDICRAFTS

Department of Trade

Ministry of Economic Affairs

www.moea.gov.bt

1 Introduction

These guidelines apply for handicraft products to be marked under the brand MADE IN BHUTAN, which is being registered as a Collective Mark with the Department of Intellectual Property (DoIP) of the Ministry of Economic Affairs (MoEA).

Handicrafts are one of the product groups of the sectoral brand MADE IN BHUTAN and are defined as *“Products that are produced either completely by hand or with the help of tools. Mechanical tools may be used as long as the direct manual contribution of the artisans remains the most substantial component of the finished product. Handicrafts are made from raw materials and can be produced in unlimited numbers. Such products can be utilitarian, aesthetic, creative, culturally expressive, decorative, functional, traditional, consumable (not edible), religiously and socially symbolic & significant.”*¹

Categories of handicraft products approved for the brand MADE IN BHUTAN are traditional contemporary Bhutanese crafts such as:²

1. Yig Zo - Calligraphy
2. Lha Zo - Painting
3. Jim Zo – Sculpture
4. Lung Zo – Bronze Casting
5. Troe Zo – Gold and Silver Smith
6. Shing Zo – Carpentry
7. Patra & Shagzo – Wood carving & Turning)
8. Tshem Zo – Tailoring & Embroidery
9. Tshar Zo – Cane and Bamboo Crafts
10. Thag Zo – Textile Weaving
11. Za Zo – Pottery
12. Chag Zo – Blacksmith
13. DO Zo – Masonry.

In addition to these 13 groups of traditional handicrafts, contemporary Bhutanese crafts such as miniature carvings, felting works and others are permitted as well.

Any antique Bhutanese crafts are not allowed to be marked MADE IN BHUTAN.

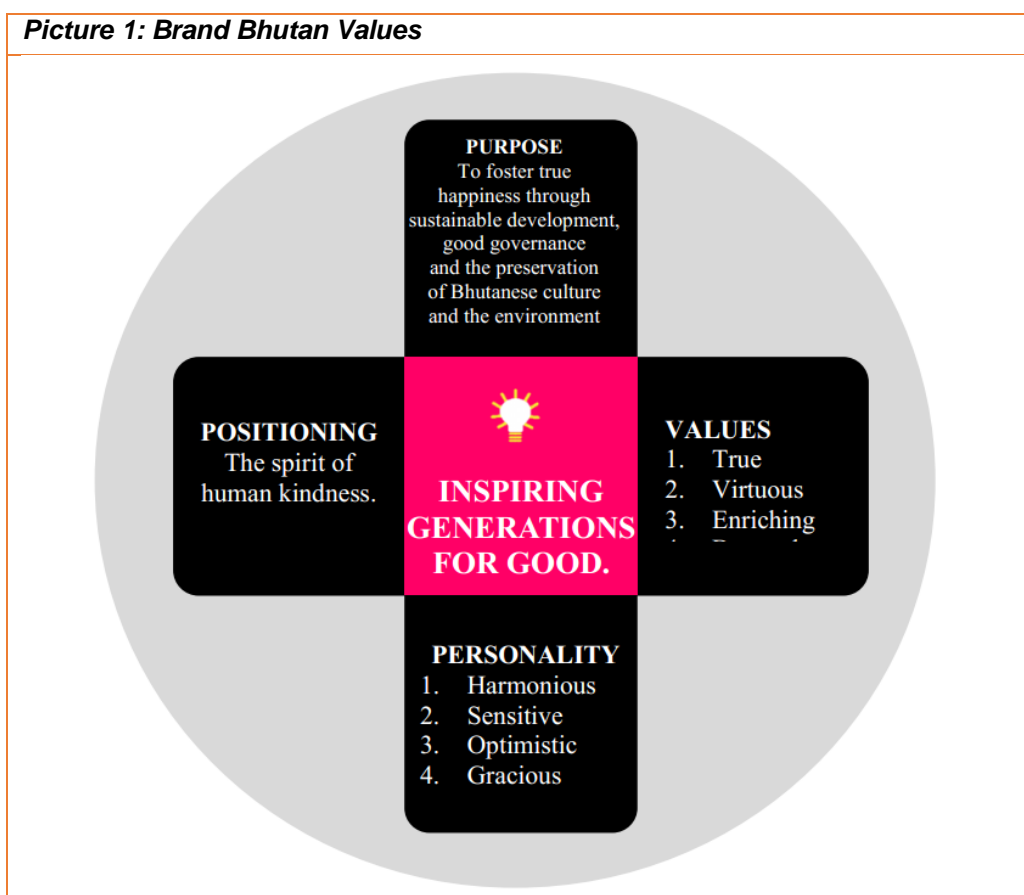
2 Brand Bhutan framework

The sectoral brand MADE IN BHUTAN is part of the country brand BHUTAN, which is owned by the Department of Trade (DoT) of the Ministry of Economic Affairs of the Royal Government of Bhutan and which shall allow buyers to identify premium products truly originating from Bhutan.

¹ Agency for Promotion of Indigenous Crafts (APIC), Guidelines for Seal of Origin

² www.apic.org.bt

BRAND BHUTAN'S purpose is to foster true happiness through sustainable development, good governance and the preservation of Bhutanese culture and the environment. Everything crafted in Bhutan comes from its pristine nature, timeless traditions and enduring values. The “Brand Plus” model shown in Picture 1 is the essence of the BRAND BHUTAN development process.³



BRAND BHUTAN values are:⁴

- **TRUE:** Bhutan originates from the pure, pristine and natural mountains of the Himalayas, which has influenced the traditions, and continues to resonate down through to everything said and done today.
- **VIRTUOUS:** Cultivating truly meaningful and personal experiences, by genuinely connecting with the people at every opportunity.
- **ENRICHING:** Changing lives for better, by inspiring a sense of belonging and well-being, and making a positive impression that lasts a lifetime.
- **BENEVOLENT:** Borne from the innate concern for others; warm –hearted kindness, friendliness and compassion are synonymous with the culture and way of life.

BRAND BHUTAN's personality should reflect:

³ PW Consultancy, Brand Bhutan Implementation Plan and Guideline 2017

⁴ FutureBrand, Brand Bhutan Guidelines 2015

- **HARMONIOUS:** By being balanced and totally in tune with the rhythms of nature-aware of how the elements work together to create peace and accord.
- **SENSITIVE:** By being perceptive and attuned to what is going on around and responding to the need and feelings of others.
- **OPTIMISTIC:** By being positive in our outlook and sharing this perspective with the world around us.
- **GRACIOUS:** By being kind, generous and considerate to the people regardless of who they are and where they come from.

Any product to be marked MADE IN BHUTAN under the BRAND BHUTAN umbrella should be in line with BRAND BHUTAN's value and personality.

3 Application procedure

All individuals, companies and organisations having a license or registration in Bhutan to produce or trade handicraft products can apply for MADE IN BHUTAN under the umbrella brand BHUTAN. The brand is open to individual craft producers, community groups, cooperatives, private businesses and agencies that produce and trade commercial handicraft products.

Individuals, companies and organisations who want to use the mark have to complete the mark application form in annex 1. Applicants are requested to provide information according to their best knowledge and information. The provision of misleading or wrong information will lead to losing the right of applying for the mark for five years. If an applicant wants to apply for different products, a separate questionnaire has to be filled in for each product.

The mark application form has to be submitted to the BRAND BHUTAN Secretariat, which is managed by the Department of Trade. The mark application form has to be accompanied by a product sample. DoT will take photos of the product samples and keep record of the photos for later reference. The product samples will be returned to the applicant after the assessment is done.

The Brand Bhutan Committee consisting of members from the Department of Trade and relevant agencies will assess the completed questionnaires and product samples.

In case of incomplete, unclear or missing information, the Brand Bhutan Secretariat may ask the applicant to provide further details and may inspect the business premises where goods are produced or packaged by providing prior notice to the applicant.

The Brand Bhutan Committee will notify the applicant about the outcome of the application. The decision can be as follows:

- **Non-approval:** The applicant does not fulfill with the criteria of MADE IN BHUTAN.
- **Approval with condition:** The goods are approved but with certain conditions with period to rectify them, after which products are allowed to use the mark.
- **Approval without condition:** The products are approved without any condition provided that an undertaking of compliance is signed. The certificate of approval will

bear the sign of Brand Bhutan Committee chair.

The right to use the mark will be granted for three years, as long as the rules and regulations of using the mark are respected. Applicants who are granted the right to use the mark have to sign and submit a declaration of Undertaking of Compliance according to annex 2. After three years, new applications have to be submitted, if the business intends to continue using the mark.

The Brand Bhutan Committee may be monitoring the product for which approval is granted and may withdraw the approval in case of non-continued compliance with the rules and regulations.

Applicants have the right to appeal against decisions of the Brand Bhutan Committee. The appeal must be in writing and shall be filed at the Department of Trade within 10 days from the date of issue of notice. The appeal shall specifically disclose the reason of the appeal. The appeal shall be placed before the Brand Bhutan Committee who shall fix a date for hearing the appeal.

4 Criteria

The detailed criteria to be applied for handicrafts MADE IN BHUTAN reflect the lead criterion of the MADE IN BHUTAN brand, which is **“Premium goods, happily and sustainably made in Bhutan with uncompromised quality by reliable business partners”**.

The lead criterion is a combination of the assessment of the origin of the product going along with further detailed criteria reflecting the specific values, culture, traditions and spirit of Bhutan. The lead criterion builds on five different elements:

- Premium quality
- Happily made
- Sustainably made
- Made in Bhutan
- Made by reliable business partners.

For a measurable assessment, these five elements of the lead criterion have been broken down to ten criteria, which the applicant is expected to meet all.

Table 1: MADE IN BHUTAN criteria

Lead criterion: “Premium goods, happily and sustainably made in Bhutan with uncompromised quality by reliable business partners”		
Made in Bhutan	1.	The final product underwent its last substantial, economically justified production or processing in a production facility in Bhutan.
	2.	At least 50% of the value addition can be attributed to production or processing in Bhutan.
Premium quality	3.	The final product is handmade by artisans using authentic cultural heritage techniques and patterns or is an innovative product inspired by cultural heritage.

	4. The design, artisanship, materials used and finishing are of superior quality as deemed by the committee or relevant authority.	
Happily made	5. Fair payment of workers and suppliers going beyond the Bhutanese Minimum Wage.	
	6. Decent work: Work conditions and work safety comply with national laws and provide a favourable, child labour-free and gender-sensitive context.	
Sustainably made	7. Any natural raw material from Bhutan used in the production comes from sustainable sources.	
	8. Cleaner production techniques are applied, such as eco-optimized production processes, waste management and use of recyclable material.	
By reliable business partners	9. The applicant is a licensed or registered entity.	
	10. No adverse record and major complaints in business are reported in the last 3 years.	

5 Instructions for filling in and assessing the questionnaire

The questionnaire in annex 1 has to be completed for one specific product only. If an applicant wants to apply for more than one product, a separate questionnaire shall be filled in for each product.

As a company may apply for several products, it is suggested to fill in the form on the computer for easier adaptation from one product to the other.

Product indication: The product denomination shall be precise.

- The product should be denominated in a combination of:
 - a) the kind of product
 - b) the raw material used
 - c) the further processing or finishing done.

Example 1: "Table runner made of nettle with natural dyes" would be accepted

Example 2: "Scarf made of terry cotton with chemical dyes" would be accepted

Example 3: Just "Cotton scarf" would not be accepted

Example 4: "Natural dyed stole" would not be accepted.

1. Criterion: The final product underwent its last substantial, economically justified production or processing in a production facility in Bhutan.

- The applicant should indicate the main processing steps done.
- At least one major transformation of the product is required
- For textile products it is required that at least weaving or dyeing is done in Bhutan.

Example: A Gho, Kira or bag made of imported ready-made and dyed fabric will not be accepted under Made in Bhutan, even if one or more processing steps are done in Bhutan, whereas a scarf made from imported fabric but dyed and sewn in Bhutan would be accepted.

2. Criterion: At least 50% of the value addition can be attributed to production or processing in Bhutan.

- In line with the guideline for issuance of Certificate of Origin of the Department of Trade,⁵ the formula to be applied is:

⁵ Department of Trade, Guideline for issuance of Certificate of Origin, June 2018

$$\frac{(\text{Ex-factory price} - \text{value of the imported raw material})}{\text{Ex-factory price}} \times 100$$

- Ex-Factory price means the price at the gate of the production workshop.
- For products made of precious metals, such as silver brooches or paintings using precious metals, a value added of 30% is sufficient for qualifying for Made in Bhutan.
- In case there are doubts about the correctness of price and cost indications made, the Brand Bhutan Secretariat may ask for further proof or verify the prices on-site.

Example: If a sales price indicated seems to be unreasonable, the Brand Bhutan Secretariat may ask for a copy of an invoice.

3. Criterion: The final product is handmade by artisans using authentic cultural heritage techniques and patterns or is an innovative product inspired by cultural heritage.

- The applicant should indicate what kind of traditional patterns, techniques, tools, handlooms, backstrap looms, natural dyeing, and any other traditional knowledge and methods are used that are considered authentic cultural techniques.

4. Criterion: The design, artisanship, materials used and finishing are of superior quality as deemed by the committee or relevant authority.

- The applicant shall refer to particularities of design, skills of workers, quality of the raw material used, finishing methods, colourfastness etc. and particular product advantages to describe the quality himself.
- If the product already received an award or recognition of a relevant authority, the applicant shall add this wherever available and applicable.
- A product sample is required for proof of the quality. The product sample will be returned to the applicant after assessment of the application. DoT will take photos of the sample for documentation purposes.
- The Brand Approval Committee assesses the quality of the product sample and decides whether it agrees to the own assessment of the applicant.

5. Criterion: Fair payment of workers and suppliers going beyond the Bhutanese Minimum Wage.

- If the production is mainly done by employed artisans, the applicant should provide an indication of the average monthly salary of a full-time employed typical artisan
- If the production is mainly based on homeworkers, the applicant should indicate how much a homemaker can earn per month, if working full-time and being paid by piece.

6. Criterion: Decent work: Work conditions and work safety comply with national laws and provide a favourable, child labour-free and gender-sensitive context.

- Applicants should indicate to what extent they provide favourable work conditions, such as spacious room with adequate lighting, heating or cooling installations and proper facilities, work places at village level, facilities to take care of small children, average working hours etc.
- In case of work safety issues (e.g. when working with chemical dyes or machines), the applicant should inform about protective measures.
- Child labour is not allowed in handicraft production. The minimum age for employing youth is 15 years.

- The employment of youth must be in-line with the Regulation on Working Conditions 2012 of the Ministry of Labour and Human Resources (MOLHR).
- Applicants should indicate to what extent they particularly offer decent income generation possibilities for women or the percentage of women employees or handicraft suppliers.
- If applicants particularly work with disadvantaged groups of artisans, they should indicate this as well.
- If there is no employment of women, please indicate under additional comments.

7. Criterion: Any natural raw material from Bhutan used in the production comes from sustainable sources.

- Raw material originating from farming will be considered as coming from a sustainable resource, e.g. cotton.
- For raw material collected from forests or other environmental sources in Bhutan, the applicant should indicate to what extent the material is available in abundance or declare how sustainable harvesting is ensured.

Examples: Leaves used for natural dyes may be available in abundance. For nettle, promotion of sustainable harvesting techniques may be referred to. For wooden products, special information may be required about the tree species.

8. Criterion: Cleaner production techniques are applied, such as eco-optimized production processes, waste management and use of recyclable material.

- Cleaner production refers to reduced use of resources, production without environment pollution, environmentally friendly production processes.

Examples: Left-overs from natural dyeing processes may be used as manure for farming, use of waste material from metal casting, use of leftovers in textile production, degradable waste or use of natural packaging material.

9. Criterion: The applicant should be a licensed or registered entity.

- The applicant should provide information about his licence or micro-license number or details of the registration as an individual entrepreneur, company, cooperative, Non-Governmental Organisation, Civil Society Organisation (CSO), Public Benefit Organisation (PBO) or similar.

10. Criterion: No adverse record and major complaints in business were reported in the last 3 years.

- Simple declaration.

6 Rights of using the MADE IN BHUTAN promotion material

The applicant has two options for using the MADE IN BHUTAN mark:

- **Option 1:** Branding of the products under his own name, trade mark and label, and additionally using the MADE IN BHUTAN logo/mark
- **Option 2:** Branding the product only as MADE IN BHUTAN without using an own brand name.



Option 1 is the preferred way of applying MADE IN BHUTAN. In general, the use of MADE IN BHUTAN should go along with an own company branding.

The mark owner will make a set of promotion material, like hangtags or stickers available to the applicant that can be used on the approved products. For mass production, the applicant may be allowed to print and apply the mark on the approved product.

Considering that Bhutan lives in harmony with the environment, wherever possible the use of natural and locally sourced materials like wood, organic cotton and handcrafted materials is suggested for producing promotion material to add value and give a more human touch and natural feeling to our brand. The mark user should avoid using anything that associates an industrialized synthetic or unnatural feeling with the brand.

Appropriate examples of use of the mark are presented in table 2.

Table 2: Examples of use of the mark

Use	Example
Made in Bhutan logo on hang tags	
Panels, banners, posters for shop decoration	

7 Visual identity system

The diamond shape that can be found in the art, architecture and handicrafts in Bhutan inspired the MADE IN BHUTAN logo. It represents Bhutan’s culture and heritage. The “endless knot” is a Bhutanese cultural symbol of the unity of wisdom, great compassion and the illusory character of time. It also represents harmony and the insight and knowledge.

The following specifications have to be respected when using the logo. It is vital that all mark users consistently apply the visual identity system set out in the Brand Bhutan Guidelines in order to build strong visual recognition.⁶

⁶ FutureBrand, Brand Bhutan Guidelines 2015

Picture 2: MADE IN BHUTAN logo

Clear Space

Clear space refers to the area around the logo. It should remain clear of visual clutter. It must never be decreased and no other elements should be positioned within this space.

= Clear space

Minimum Size

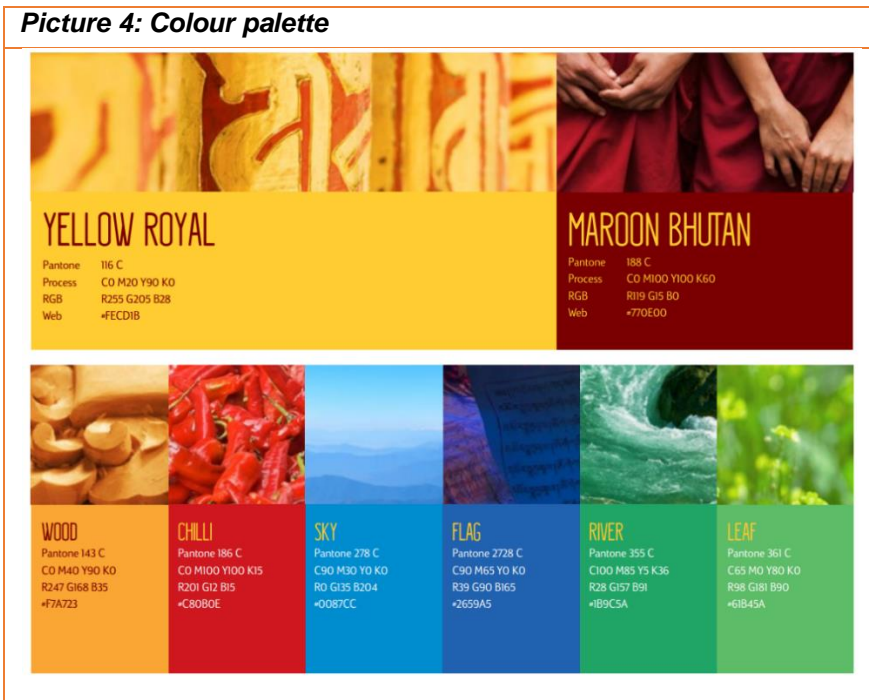
A minimum size has been set for the logo. This is to ensure visibility of the logo.

Different colour versions of the MADE IN BHUTAN logo have been created to ensure contrast and legibility when using both colours and solid images as backgrounds. Logo users are only allowed to use the colours from the primary colour palette when choosing colours as a background to the logo.

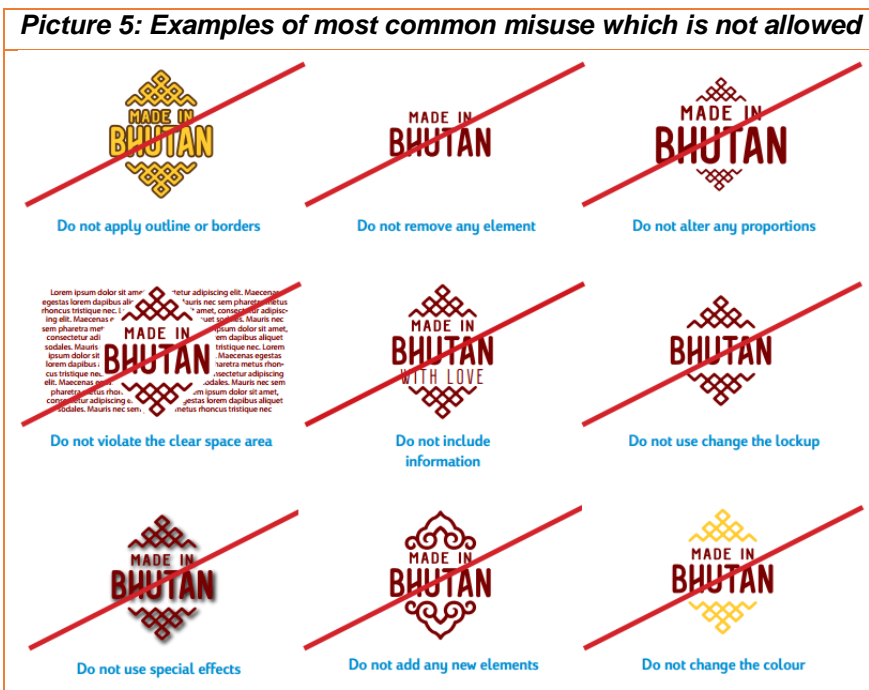
Picture 3: Different color versions of the MADE IN BHUTAN logo

<small>Do not use other colours</small>	<small>Do not use over cluttered background</small>	<small>Do not use over image with low contrast</small>

The use of the logo is strictly limited to the colour palette allowed by BRAND BHUTAN as indicated below.



The examples shown below in picture 5 demonstrate the most common misuse of the MADE IN BHUTAN logo elements and are not allowed as such use would weaken or damage the authenticity, integrity and consistency of the brand Bhutan identity system overall.



8 Annex

Annex 1: Questionnaire for the assessment of handicraft products

Annex 2: Declaration of Undertaking of Compliance

Annex 1: Questionnaire for the assessment of handicraft products

Application

Name of the entity:

Contact person:

Address:

Telephone, e-mail, website:

Date of application:

We hereby apply for the following product:

1. Is the last substantial production or processing of the final product done in a production facility in Bhutan?

YES

No

If yes, please indicate the production and processing steps that take place in Bhutan:

2. Is the product made 100% in Bhutan?

YES

No

If not, can at least 50% of the value addition be attributed to processing in Bhutan according to the following calculation? Please provide a typical calculation.

Imported raw material	(1) Cost per unit of raw material	(2) Quantity of raw material needed per piece of final product	Cost of imported raw material per piece of final product (1 x 2)
Raw material 1:			
Raw material 2:			
Raw material 3:			
A) Total cost of imported raw material			
B) Sales price of the final product (Ex-factory price)			
C) Value addition in Bhutan: (B minus A) divided by B multiplied by 100			

3. Do you use authentic cultural heritage production techniques or patterns? Or do you produce an innovative product inspired by cultural heritage?

YES

No

If yes, please briefly describe, which authentic cultural production techniques you use:

4. Are the design, artisanship, materials used and finishing of your product of superior quality?

YES

No

Please briefly describe the particular quality features of your product and/or indicate any awards, prizes or recognitions obtained from relevant authorities:

5. Do you provide a fair payment of workers and suppliers going beyond the Bhutanese Minimum Wage?

YES

No

If yes, please indicate a typical average monthly income of your workers and/or indicate how much a homemaker can earn per month, if working fulltime and being paid by piece:

6. Do you provide decent work conditions, work safety, good premises or homework? Do you ensure a child labor-free and gender-sensitive context?

YES

No

Do you provide spacious room with proper facilities, appropriate lighting, heating or cooling installations (if necessary) or do you offer homework options?

YES

No

Do you use protective equipment where necessary?

YES

No

Do you not employ youth under 15 years?

YES

No

Do you provide favorable work conditions for women? If yes, how?

YES

No

Additional comments:

7. Do the natural raw materials from Bhutan used in the production come from sustainable sources?

YES

No

Please briefly describe the natural raw material you use from Bhutan and whether it comes from farming or sustainable harvesting:

8. Do you apply cleaner production techniques, such as eco-optimized production processes, waste management and use of recyclable material?

YES

No

Please briefly describe any cleaner production techniques:

9. Are your business activities registered or do you have a license?

YES

No

In case, please indicate and attach a copy:

10. Do you have any adverse record or any major complaints reported against your business in the last three years?

YES

No

In case, please indicate:

Declaration

I hereby declare that the information furnished above is true and complete. I understand that any false or inaccurate information shall render my application invalid, or shall result in cancellation of approval if it is already granted.

Place, date

Name and signature

Annex 2: Undertaking of Compliance

I, holding a trade license/CID operating business in , approved as the MADE IN BHUTAN brand user holding approval no.....hereby sign the ‘Undertaking of Compliance’ that I will follow the MADE IN BHUTAN guidelines in usage of the brand logo/marks on my product to assure its usage is not misused.

1. I acknowledge and agree that the MADE IN BHUTAN logo will be used in compliance with the guidelines;
2. I will respect all the requirements set out in the guidelines;
3. I will ensure that all the conformity assessment shall be fulfilled as desired by the concerned authority;
4. I will ensure that the MADE IN BHUTAN logo or mark is used for appropriate product without compromising the product quality and shall prohibit misleading or deceptive conduct or conduct that is likely to deceive or mislead;
5. I will cooperate with the BRAND BHUTAN Secretariat for the examination and inspection of the product;
6. I shall accept the decision of the Brand Bhutan Secretariat in regards to my accreditation and work thereon;

I hereby declare that all the information that I have provided in the application and during my successive appraisal is correct and accurate in the best of my knowledge, and I will keep my information up to date with any changes.

Place and Date

Name and title
(Affix legal stamp)

Signature