

PROBLEMS AND PROSPECTS OF NEPALESE HANDICRAFTS EXPORT



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RECOMMENDATION

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*Has been prepared as approved by this department in the prescribed
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DECLARATION

I here by declare that the work reported in this thesis entitled “Problems and prospects of Nepalese Handicrafts Exports” Submitted to faculty of Management ,RRM campus ,Janakpurdham ,TU,is my original work done in the form of partial fulfillment of the requirement of the Degree of Master of Business Studies(MBS) under the Supervision of Dr. Shailendra Labh Karna,Professor,faculty of Management, RRM Campus,Janakpurdham

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Bardibas-7,
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ABBERVATIONS

EC = Electronic Commerce

FNCCI = Federation of Nepal Chamber of Commerce and Industry

FOB= Free on Board

F/y= Fiscal Year

GATT =General Agreement on Trade and Tariff

GDP =Gross Domestic Products

GPS= Generalized system of Preference

HAN = Handicrafts Association of Nepal.

INGO = International Non- Government Organization

Int'I = International

ITC = International Trade Corporation

JICA= Japan International Cooperation Agency

LDC = Least Developed Countries

NACIDA = National cottage Industries development Cooperation

NCC = Nepal Chamber of Commerce

NGO = Non-Government Organization

NIDC = Nepal Industrial Development Corporation

NRB= Nepal Rastra Bank

QC= Quality Control

SIDO = small Industries Development Organization

SME= Small & Medium Sized enterprises

TPC = Trade Promotion Center

TUCL = Tribhuvan University Central Library

UNCTAD = United Nation Conference on Trade and Development

Chapter-1

Introduction

Nepalese Handicraft refers different types of products such as Pashmina, Woolen, Cotton, Silk, Dhaka, Silver Jeweler, Metal craft, Handmade Paper Product, Wood Craft, Bamboo Product, Stone Craft etc. which represents cultural and religious history of Nepal. The purpose of exporting Nepalese Handicraft in foreign countries is to uplift socio-economic life standard of people which creates self employment, employment opportunities and reduce poverty through making awareness in city and remote areas of Nepal. Export refers the selling of Handicraft outside the Nepal in all countries as well as its problems and Prospects.

1.1 Background of the Study:-

Handicraft has been a major exportable product of Nepal. In fact, different kinds of Nepalese handicrafts express the great tradition and proud culture of this great Himalayan Kingdom. Their origin can be traced back to the Stone Age. They can depict such art and culture, which are religious in character and symbolic in nature found in different region of Nepal.

Nepalese handicrafts have been known all over the world for its rich art and crafts and oriental architecture for centuries. Each and Every product is unique in itself and reflects the arts and skill of the craftsmanship. It is cottage scale and home based industry where traditional techniques and skill have been handed over from generation to generation. Nepalese handicrafts include gold plated bronze and brass art icons, filigree articles, household utensils, handmade paper and paper products, painting and thanks, wood carving and basketry works, potteries, Jewelleries, masks etc.

Major production centers of handicrafts goods are in Kathmandu valley that consists of three districts namely Kathmandu, Lalitpur and Bhaktapur.

USA, UK, Germany, France, the Netherlands, Taiwan, Singapore, Japan, Hong Kong, Canada, Italy and Australia etc. are noted as major markets of Nepalese handicrafts.

Handicraft, also known as craftwork or simply craft, is a type of work where useful and decorative devices are made completely by hand or using only simple tools. Usually the term is applied to traditional means of making goods. The individual artisanship of the items is a paramount criterion such items often have cultural and religious significance. Items made by mass production or machines are not handicrafts.

Usually, what distinguishes the term handicrafts from the frequently used category arts and crafts is a matter of intent handcrafted items are intended to be used, worn, having a purpose beyond simple decoration. Handicrafts are generally considered more traditional work, created as necessary part of daily life, while arts and crafts implies more of a hobby pursuit and a demonstration/Perfection of a creative technique. In practical terms, the categories have a great deal of overlap.

Nepal, the Himalayan kingdom of Asia, has its border with China in North and India in the southeast and west. It is located between latitude 26°22' North to 30° 27' North and longitude 80°12' East. Being a landlocked country, the sea access is about 1150 Km, from the border.

Ecologically, the country is divided into three regions running east to west i.e. the mountain, the hill & the Terai. The mountain area lies at an altitude ranging from 4877 meter to 8848 meter above the sea level. It constitutes 15% of total area of Nepal. Most of the high snow- capped mountains, including the world's highest peak Mt. Everest (Mt. Sagarmatha) are located in this region. The hill, the middle region, that cover 68% of total area, lies between the altitude ranging between 610

meter and 4877 meter above the sea level. The region has numerous attractive alleys, basins, lakes and hills. The Terai region, that is low flat land, is situated along the southern side of the country. Most of the fertile land and dense forest area of the country are located in this region. The region covers 17% of total area of the country.

The climate of the country varies with its topography. The population of Nepal is 23.21 million and the literacy rate is 53.74 (*Census*., 2001). The per capital income is US\$276 in F.Y. 2004/05.

The Nepalese handicraft goods have earned the name and fame due to its unique beauty and original nature. The export of handicraft goods has become one of the most important sources of earning foreign currency. The export of handicraft goods, we find that every year, the export of handicraft goods to foreign countries is increasing. Thus, handicrafts have been a valuable part of Nepalese heritage. They express the great tradition & proved cultural heritage of this land. The excellent craftsmanship depicted even today in some artistic and curio products are greatly admired all over the world. These fine works of art and crafts are indeed the result of great devotion and dedication of some talented artisans in the country who can produce the artistic goods with much skill and precision. The exploitation of this talent of the people for the production of artistic goods like Thanka, carpets, curios, Pashmina products, dolls, statues and so on for export may be another arm of exploration. The modernization & exploitation of of traditional craftsmanship for the production of variety of exportable goods requiring low units raw materials intake but high skill and talent, may be one of the reasonable approach. A similar approach taken by Switzerland which has been a great success. In the development of the export oriented industries may prove an example in our case as well.

Handicraft plays an important role in the national economy of Nepal. Sometimes Nepal's economy is described as the handicraft economy and the state of development described as the handicraft stage. The handicraft sector not only has economic importance but it also has social and cultural value. Specially, The handicraft industry gives to all Nepalese a sense of pride, rich heritage and self-sufficiency. Culturally, The handicraft industry has been a part of their religious life and daily living.

Handicraft sector in Nepal is leading industry and contributes 7 to 8% to Nepal Gross Domestic Product (GDP) so cottage industries in fact are far better than manufacturing industries to the national economy because manufacturing industries contribute 3-4% to GDP. The industrial output in the under developed countries is estimated to have grown at an average rate of approximately 7% in the last 5 years. Nepal is an agrarian based economy and even her farming is in the most primitive form. Her industrial growth is also negligible. Therefore, she needs a transformation of agrarian economy into a sound industrial economy to accelerate overall total developments. Economic development program of the developing countries like Nepal should incorporate industrialization for transforming the unproductive labour to productive labour. The productive sector implies an industrial sector, which generates more employment opportunities. Industrialization in turn implies maximum utilization of human capital as natural resources of the country.

Nowadays, the word "handicrafts" has become so popular that there will be few people who don't know it. This "handicrafts" isn't new term, even in ancient time; people were familiar with this term. In simple term, we define handicrafts as any crafts or art product which is made with hands. Totally hands made goods are rarely found nowadays. Even if there are totally hand made goods, they can't live in the competitive markets of the modern world. Some percentage of machine work is also added to handicraft goods.

Handicrafts is the process of making articles by hand. People often work with hand tools only. But they also use power tools. That requires skill to handle. In either case the hand is the most important part of the craft process. Mechanized industry has not replaced handicrafts entirely. Machine tools turn out more precise result with much greater speed than hand tools. But the plans and the designer's model are still made by hand before they are machine required.

Handicrafts are the occupation of making by hand usable products graced with visual appeal. Handicrafts include such activities as needle work, lace making, weaving, printed, textile decoration, basketry, pottery, ornamental metal working and such crafts as glass blowing and the making of stained glass that require complex facility.

Handicraft is a combination of the expression of man's aspirations and necessities. The rich heritage in arts, crafts and architecture is expressed symbolically in "Artistic handicrafts" and articles of very day use. Each piece of handicrafts is a source of artistic inspiration where the image is first an idea in the mind of the craftsmen. Nepal is an ancient and picturesque country resting on the southern slopes of central Himalayas, which has been for long a vertical paradise for pilgrims (Hindus and Buddhists), travelers and tourists from far and near. The Kathmandu valley itself is indeed paradise for the archaeologists and the art historians. Most of the foreign tourists visiting Nepal feel that the handicrafts goods are the only souvenirs of the Nepal to be carried with them while returning to their countries. So Nepalese art and craft have attracted the enthusiastic attention of the viewer as they are the most artistic in nature. These there have own specialty and unique originality which have aroused the enthusiasm and curiosity on the art and crafts of Nepal. And because of the very curiosity, they have shown on the art and architectural products that handicrafts were 'curios' for tourists. The credit of using

new name i.e. curios of the handicrafts of Nepal, goes to the foreign people who visited the land of temples and deities. The curios used for the handicraft products, due to foreigners for whom Nepalese handicrafts are thing of curiosity because of it's unique nature of original art. The tradition of handicrafts being called as curios is being eliminated slow by as Nepalese government has put restriction in dealing on any artistic goods which is 100 or more than 1000 years old. So, nowadays, curios is used only for such ancient handicrafts goods which can't be exported to foreign countries. Even the words handicrafts goods and curios goods are used synonymously.

The export trade of Nepalese handicraft play a vital role in overall national economic development. By exporting handicraft goods to foreign countries, it is possible to increase the foreign exchange. In Nepal, the present economic situation, Export promotion seems to be the only permanent way of increasing convertible foreign exchange to fulfill the growing need for importing development goods. In such situation His Majesty's Government of Nepal has emphasized on the promotion and growth of export to overseas countries and has adopted the policy of commodity other than India is increasing at a higher rate than of any other export product. The share of handicraft export in total export of Nepal has been increasing year by year. Even, strenuous effort of Nepalese handicrafts will lead to strengthen nation's economy by earning the foreign currency. The handicraft industry has vast potentiality for development as well as to earn foreign exchange with less cost to the country.

1.2 Statement of the Problem:

The nature, types and significance of handicrafts briefly described in the earlier section apply suggests that handicraft industry in general has vast potential for development in Nepal. However this sector is said to be faced with various types of problems too. To mention, non availability of required raw material, lack of proper product design and development, absence of quality control, lack of

skilled craftsmen and in appropriate training facilities lack of market information and research activities absence of proper promotional efforts and unsuitable government policies are believed to be some major problems faced by this sectors. The present study is an attempt to address the major problems of Nepalese handicrafts on the one hand, it is also intended to diagnose the prospects of this sectors on the other. In particular, it is denoted to showing the trend of handicrafts export both product wise and country wise, examining the problems associated with the development and export potential of handicrafts .Likewise, it is also proposed to present the sole of handicrafts products in the overall export bad of Nepal.

1.3 Objectives of the study

The general objective of this study is, to examine the significance of the handicraft industry in Nepalese economy & the problems associated with it, particularly in the export sectors. The Specific and Supportive objectives of this study are:

- 1.To show the trend of total handicraft export of Nepal during 2000- 2004 A.D.
2. To examine the problems associated with the development and export potential of handicrafts.
3. To present various data regarding the handicrafts export and its role in the overall export trade of Nepal.
4. To make suggestion for future prospects and promotion of the handicrafts on the basis of the present study.

1.4 Importance of the study

Since the handicrafts industry of Nepal contributes more foreign exchange for the balance of payment of the nation ,some tangible research study is always needed to be conducted in this field from both employment opportunities as well as foreign exchange earning for nation , handicraft industry's importance can't be overemphasized . because this industry orients employment , production and promotion of export in the agro based Nepalese economy . It becomes essential to manage this industry for its development and enlargement (expansion) . For this purpose sum integrated research based study is always welcomed .

Hence to mark the backbone of our economy stronger ,more is expected from the handicraft industries of Nepal and it is obvious that more importance should be given for the protection and further nourishment of the industry , specially with reference to its export side so that more foreign exchange can be earned to fulfill the gap regarding the deficit in balance of payment . This fact further makes obvious the importance of this study

1.5 Limitation of the study

In this fast changing world , it is difficult to cope with the pace of the changes ,which are brought about in every sphere of life . These changing trend also bring with them the usual and obvious uncertainties by some natural limitations and so is the case with the study of the promotional aspects of handicrafts marketing .The main limitation of the study are as follows.

1. Only export of handicrafts to overseas countries have been studied.
2. The study is mainly based on secondary data from the past records.
3. The data which are being presented have been taken for the period of only 5 years from 2000 to 2004 AD.
4. The present study is only a presentation of the past trends but no analytical techniques have been used to predict the future of the trends.
5. Domestic markets of the Nepalese handicraft is not taken into consideration by the study.

1.6 Scope of the Study.

The term handicraft includes various items e.g. handicrafts (Metal articles, filigree works, Thank, wood carving and other woolen carpets, wooden and bamboo goods, ready made garments , utensils, incense sticks and leather goods. These all items are included in this study. This study has covered the period since 2000 to 2004. The study is dealt with export of the handicrafts to overseas countries only.

1.7 Need of the study.

The handicraft product is one of the most important exportable items of Nepal for earning foreign exchange. It is a source of foreign currencies in order to extend the export promotion of handicraft business. In Nepal, where the sources of earning foreign currencies are limited, the export promotion of handicraft product is very important source of earning foreign currency. By promoting the export of handicraft, it can be a lot of hard currency. Handicraft industry, apart from earning foreign exchange, it helps to create a healthy image of the country. It is also important to our economy because it can assist in increasing employment opportunities. A great people including women and youth can work in their home and small factories on part time or seasonal basis.

Due to the dominant role of agriculture in Nepal's economy, we still have an agricultural outlook, the farmer tilled the land, planted his seed, transplanted the seedlings, ensured adequate water and at the end of 4 months reaped the harvest, the rest of the year, he remained idle. Handicrafts can provide supplemental earning during winter season in the farm areas. More than 500,000 people are engaged directly or indirectly in handicraft business. Handicraft industry is such an industry where people of any age and any sex are engaging. The export promotion of handicraft will on one hand provides jobs to a lot of persons and on the other hand makes best use of the artistic skill of the Nepalese people. A need of the study is to diversify export trade in order to export the foreign exchange. Agricultural items, the only prominent items of export trade have dominated the export trade of Nepal. The export promotion of handicraft plays a vital role in diversifying the export of Nepal.

However, the balance of payment deficit can be lessened to greater extent by the promotion of handicraft export to overseas countries. Handicraft business covers a share in the international market but only few items or markets are covered by handicraft goods of Nepal. It is the handicrafts, which can share favorably in

foreign markets. So, the promotion of handicraft export is necessary in order to control the international market. The volume of imports is increasing while the export isn't so increased. So to meet the growing needs of import, the export promotion of handicraft is of great importance. The Nepalese unique beautiful artistic handicraft goods displayed in foreign market can arouse curiosity and interest in the minds of the tourists to visit Nepal. Thus, the export promoting of handicraft goods is necessary.

Our handicraft industry is highly attached with the cultural heritage of our society. Most of the articles are accentuated with the reflection of different cultural ceremony. With this reference, the export of this articles with other countries clearly donates that what we are sending our cultural nations to them also. The present study is trying to show the number of countries that demands our sort of product which brilliantly show that we are establishing a good cultural relationship with these countries.

1.8 Organization of the Study

The research study has been organized into five chapters, which is as follows.

Chapter-1:

The first chapter deals about the introduction that include background of the study, importance of the study, statement of the problem, objectives of the study, limitation of the study , scope of the study , need of the study and organization of the study.

Chapter 2:

The second chapter deals with literature review. This chapter includes two major parts as: Conceptual review and review of related studies. Here, conceptual review includes review of the area based on text books and other reference

materials such as journal and magazines where as review of related studies includes a review of thesis, research article and project works made earlier.

Chapter 3:

The third chapter deals about research methodology . The chapter includes introduction, research design, nature and sources of data, population and sampling, data collection, data processing, analyzing and presentation.

Chapter 4:

The forth chapter is the pivotal chapter of this study. This chapter deals about the presentation, tabulation, interpretation, and analysis of data and finally major finding of the study.

Chapter 5:

This chapter is the last chapter of this study . in this section summary of the study is presented with key findings. Based on those finding, conclusions, suggestion and recommendation of the study are made which will be helpful to all those marketers, students of marketing and any other intersted parties related to it .

The bibliography, annexes, appendix, questionnaire and curriculum vitae of the researcher have been presented at the end of this study.

CHAPTER – II

REVIEW OF RELATED LITERATURES AND

CONCEPTUAL FRAMEWORK

Review of literature is a way to discover what other research in the area of the problem has uncovered. So it provides the foundation for developing a comprehensive theoretical framework from which hypothesis can be developed for testing.

This chapter includes two major parts as: conceptual review and review of related studies. Here, conceptual review includes review of the area based on the textbooks and other reference materials such as journal and magazines where as review of related studies includes a review of thesis, research article and project works made earlier.

2.1 Nepalese Handicrafts: An Introduction.

Handicraft is the practice of making decorative or functional objects, wholly or partly by hand, and requiring both manual and artistic skill. The term crafts also refer to objects made in this way. Crafts today predominantly comprise weaving, basket making, embroidery, quilting

Pottery, woodworking and Jewellery making they are made both by amateur craftsmen at home, as a hobby with a minimum of equipment by professionals with a regular outlet for their products.

” Handicraft is the occupation of making by hand usable products graced with visual appeal. Handicraft includes such activities as needlework, lace making, printed textile decoration, basketry, pottery ornamental, metal working, jewellery, leather working and wood working and such crafts as glass blowing and the

making of stain glass that requires complex facilities"(Encyclopedia Britannica, 1974:820)..

Handicrafts have been a valuable part of Nepalese heritage. They express the great tradition and proud culture of this great Himalayan Kingdom. Their origin can be traced back to the stone age when human beings were devoid of tools of any kind. The history of articles of everyday use may be as old as the history of man living in Nepal itself. But the 5th century A.D. Nepalese art & culture were the result of the Nordic Aryans coming from Indo-Gangetic plains and mixing with different groups of Mongolians. Their art and culture, which are religious in character and symbolic in meaning, developed in Kathmandu valley and western hilly region of Nepal within the Brahminical and Buddhist concepts.

2.2 Religious Aspects of Nepalese Handicrafts

Religion in Nepal encompasses much more than the matter of faith or belief in God or a supreme being on a certain philosophy. The vast scope of Hindu religion covers human conduct and behavior, mental and physical discipline and realization of the self, social, political and economic aspects of society. At the same time through the centuries, the Hindu religion and art of various schools gave mixed, mingled and assimilated with the arts of Greek (Taxila) classicism, Buddhist devotional (Mathura) and plastic forms and the tantric Tibetan art of vigorous and often death theme expressions.

This resultant cauldron has produced in the centuries past a variety of forms and shape in figure making that continues even now to surprise many by its diversity and freedom of expression even to the exports in the field. The artistic metal statuettes, metal ware, filigree works on metal, wood carving, stone carving, hand knotted woolen carpets, pottery, mural paintings, Thangka (Scroll Paintings), ready-made garments are some of the finest examples of artistic skills known to

the world of arts and crafts from Nepal. To make a correct selection from this vast choice is one of the challenges for manufacturers and exporters here and the importers abroad. Those importers interested in Nepalese handicrafts and carpets as well as readymade garments, should understand that volume and mass production is not our strong point, uniqueness and basic quality are.

Nepal has been known for her exquisite and artistic handicrafts. Her traditional expertise and fine craftsmanship in woodcrafts, metal craft, carpet and other woolen products, stone works and various other articles of touristic interest have earned her fame in the world market.

This unique art and craftsmanship, a heritage of centuries of hard work and devotion, provides her a distinct advantage in promoting export of handicraft goods. This sector is already making consistent and significant contributions in terms of increasing export earnings.

The export of handicrafts to overseas countries has risen from Rs. 5.34 million in 1972/1973 to Rs. 2.85 billion in 2004/2005. This shows a very steady trend of export that increase merely over the period of three decades. This is not a very promising situation (Singh 2054:130).

2.3 Classification of Nepalese Handicrafts Products :

The most outstanding handicrafts products may be categorized as:

1. Forest Based Products:

Bamboo products, Cane furniture, wood carving goods, wooden boxes, wooden praying Wheel, wooden Musical instruments, handmade paper, paper products, paper masks.

2. Metal Based Products:

Metal statue, Metal carving, Metal souvenirs, and Metal bells, Nepali Khukuri (Nepali Knife), Filigree products, Inlay works, Metal Utensils, Metal embossed medallions, Gold/Silver Jewelleries, Brass/Bronze Wares.

3. Earthen Based Products :

Stone carvings, Stone sculptures, Ceramic figure, Clay or Ceramic potteries, precious stone, Semi precious stone, Bricks, Tiles, states.

4. Woolen and cotton Based Products:

Knot crafts, Knitwear, Textiles, Pashmina shawls, cotton products, Traditional and Fashion garments, hand knotted carpets, Batiks, Thangkas, woolen mat, Woolen blankets, Dolls, Nepali caps.

5. Animal Based Products:

Bone & horn products, Leather goods, stuff dolls.

6. Agro Based Products:

Hemp cloth products, silk boutiques, Natural fiber products, Jute products, Incense sticks (Shilpakar, 2054:146).

The most outstanding handicrafts with promising export products may be categorized as:

a) Hand Knotted Woolen Carpet of Nepal:

Nepalese Hand knotted woolen Carpet Ranks 2nd in terms of overseas export. Carpet items exported from Nepal are coded under Hs Code 5701.10. the art of carpet weaving is an old tradition in the Himalayan Kingdom of Nepal, especially in the mountainous region of the country. Radi, Pakhi, Bakkhu, Darhi are well – known products produced in this region. The marketing of those products is confined only to the domestic market. The development of an export quality carpet was initiated with the influx of Tibetan refugees in the early sixties. The year 1960 can be regarded as the historic year for the commercial production

of the carpet in the kingdom of Nepal. In 1962, Nepal launched the commercial shipment of the carpet with a sample consignment to Zurich, Switzerland.

Nepalese carpets are made of the highest quality fleece wool imported from Tibet, New Zealand and Britain. These carpets are available both in natural dyes and synthetic dyes with 60, 80 and 100 knots per square inch density. Specialized manufacturers may make even 120 knots per square inch density and more. Nepalese carpets are of various size that normally ranges from 16"X16" to 9 feet x12 feet. Nepalese hand knotted woolen carpet is one of the major export products of unique quality like texture, color combination, resiliency, strength and durability. Designs are large and bold on a single dominant background. These carpet can be used either on the floor or huge on the walls.

The production process of Nepalese carpet includes

- 1) Wool sorting and washing
- 2) Carding.
- 3) Spinning.
- 4) Dyeing.
- 5) Knitting.
- 6) Trimming.
- 7) Washing & drying.
- 8) Finishing.
- 9) Packing.

The price of the Nepalese carpet basically depends on its quality standard, size and design like other products.

Nepalese carpet industry is the backbone of Nepalese economy. It is the highest industrial employment generator, particularly to the rural people who are illiterate or who are deprived of education, as well as the major foreign hard

currency earner. At present, around 95% of the production of carpet is concentrated in the Kathmandu Valley and the rest is outside the valley. The exports of Nepalese carpet has spread over 40 countries out of which, Germany, USA, Belgium, Britain, Turkey, Switzerland, Japan, Spain, Canada and Italy are the leading exports markets. Among these too, the first two are the biggest export markets. Germany alone absorbs more than 45% the total carpet export (TPC, 2005:5).

b) Pashmina:

Pashmina is the finest inner wool that grows as layer at the very bottom of thick and course fiber of Himalayan goat, locally known as Chyangra (*Capra Hircus*), living above 2000 meter from the sea level. Each Chyangra does produce 90 grams of Pashmina once a year. It is extracted from its body either by combing or by cutting during Jan to Feb. 'Pashmina' is one of the finest, softest, warmest and lightest wool found in nature. In fact, it is the best wool in the world. 'Pashmina' is known by different names like "Diamond Fiber" and "Soft Gold of High Asia". It is unparalleled in uniqueness and elegance to any other fibers.

Pashmina product has become the 3rd largest overseas export item of the country after readymade garment and hand knotted woolen carpet. Nepali Pashmina product is a kind of handicraft, which can be regarded as a handmade high quality woolen product of multipurpose use. Pashmina product has been coded under HS Code 62.14.20. The main raw materials used for producing Pashmina products are 'Pashmina Yarn' and Silk Yarn" plus dyes and chemicals. Nepalese pashmina industries require importing all these raw materials. Pashmina yarn and silk yarn are imported from India and China and chemical and dyes from Europe and India. It can be made of pure Pashmina yarn or by using both Pashmina yarn and silk yarn in certain proportion normally in the ration of 70:30, depending upon the demand of the esteemed buyers. Fineness, softness, warmness, lightness, durability and craftsmanship are its inherent features.

The production process of Pashmina product generally includes weaving, dyeing, processing, fringing, tassels, embroidery, and beadwork, printing etc.

The most demanding Pashmina items of different size in the international markets are :-

1. Shawl – 36"x80"
2. Stoles- 28"x78", 28"x72", 24"x72" and 20"x72"
3. Mufflers/Scarves- 18"x78", 18"x65" and 12"x60"
4. Blankets- 45"x72", 45"x90", 56"x96", 52"x110" and 60"x100".

Besides the said items, there is a good demand of various Pashmina made readymade garments in the international market too.

In the case of packing, each Pashmina item, by folding properly, is kept in separate air tight- plastic bags and packed the same in cartoon boxes.

Almost all Pashmina products enter into international markets from Tribhuvan International Airport by air cargo and into India by land. However, it is also exported by post as well as courier in negligible number.

The price of Nepali Pashmina Products basically depends upon its quality, ordering size, colour, design and size.

Almost all of the Pashmina industries are concentrated in the Kathmandu Valley. They are absolutely export- oriented industries. However, it has been given the impression that as many as 5% of its products may be consumed within the country. Pashmina Products account for more than 50% of the total export figure of the handicraft products. And also it is the major export component under the handicraft goods category.

The number of international export markets of Nepali Pashmina products exceeds 40 out of which, USA, Italy, Canada, UK, France, Japan, Germany and India are the major ones (TPC. 2005:4)

c) Gold & Silver jewelleries:

Nepal has a long tradition of craftsmanship in many forms like woodcarving, metal craft, stone carving and working silver and gold into exquisite pieces of Jeweler. The manufacture of Jewellery in Nepal is wide spread throughout the country since time immemorial. The production of Jewellery is labor intensive industry based on caste and cultural heritage. It was traditionally confined only to the Newari Shakya and Sunar families, but nowadays, other castes are also involved in this occupation. The art and the tricks of Making it is passed from father to son in normal family group setting, by father or grandfather showing and instructing the younger ones how to handle the hammer or saw or carving tool. So, it is said that by the time the child goes to school, he can handle the tool. The local religious occasions and other ritual ceremonies.

Gold Jewelliries:

Gold Jewellery is also one of the Nepalese handicraft products. Nepalese people are very fond of different varieties of golden ornaments and Jewelleries. Nepalese women prefer to put on varieties of golden ornaments and Jewelleries on different occasions to flaunt their identities and social status, whereas men wear very few ornaments and Jewelleries carrying religious, tantrums and horoscopes values. These are made both in traditional and modern combined designs. Gold Jewelleries are deemed to be the safe deposit and preservation of the property by Nepalese people. The exportation of gold Jewellery is open since the F.Y. 051/52 B.S.

Silver Jewelleries:

Silver Jewelleries have also similar tradition. However, the arrival of foreign tourist has led to the mingling of the traditional heritage with modern foreign market taste . the filigree and Joli cutting have made Nepalese silver Jewell rice peerless . the handmade production process has made it possible to spread over rural areas benefiting the rural mass . Nowadays, Nepalese silver jewelleries are found in traditional, modern cum traditional or modern designs. the popular product varieties of silver jewelleries made in Nepal are earrings, rings, bracelets, pendent, bangles brooches, payels, kali, phuli and other decorative articles, made of minimum 92.5% purity silver with or without – precious stones .

Nepalese silver jewellery, coded under HS Code 71.13.11.00, is one of the major overseas export products next to Nepalese paper and paper products . the number of the export markets of this product has crossed 30 out of which, USA, UK, Canada, Germany, Japan, France, Italy and Australia are the leading ones (TPC, 2005:5).

d) The Nepalese paper and paper products :

the Nepalese paper and paper products are very famous in the overseas market . the Nepalese paper are made by lokta or Dashing (Daphne Cannabir) plants. The unique feature of Nepalese papers its moth resistance quality. Besides Nepalese paper, verities of products made from it like postcards, writing pad and papers, wood block prints , calendars, gift-wrap, lampshades, etc. are exported from Nepal. The major markets are USA, Japan, Canada and European countries (TPC, 2003:39).

e) Wood Carving :

The high quality wood carving craftsmanship of Kathmandu valley, reflected in articles like windows, doors, mythological figures of gods and goddess, animals and birds made of wood have been admired by Nepali and foreigners alike. The art of wood carving has been in existence since the middle ages as evidenced by the artistic wood carvings found in the various old temples in and around Kathmandu valley and elsewhere in Nepal. The art slowly started dying out as an economy – conscious population and the labour cost and raw wood base relatively expensive and scarce .

since the mid 1960s, however, wood carving has received a sudden impetus from all over the world, mainly from developed countries, showed great interest in wood carving of Nepal and bought from the local markets and carried with them as souvenirs or articles of home decoration, the opening up of several hotels in Kathmandu and Pokhara also created demand for artistic wood carvings .

Most of wood carving works is done in Patan, Bhaktapur and Kathmandu cities by artisans and their families along individual lines . production is widely spread among individuals and households. the combined total production of individuals and household is not known. It has been discovered that because of the high quality and unique features of Nepali wood carving there is bright prospect of increasing income from this source (2054;133).

F) Metal Crafts:

Broadly speaking metal products can be classified into cast and filigree art craft; utilitarian utensils and tools The art craft can be further sub divided into artistic sacred statues; ritual metal art ware and filigree and utilitarian domestic metal utensils and tools and weapons; The metal craft industry in Nepal run mostly by

household units clustered around the city of Patan. Individual artisans follow age old design and production technology (HAN,2054:133).

g) Bronze Art:

Recently this object is being increasing exported to every corner of the world. Two significant facts on bronze are its heavy credit to the pala school of India and its propagation in Tibet. Artistic Bronze figures comprise copies of antique art works of different Gods and Goddesses of Trantric Buddhism and Hinduism (HAN,2054:133).

h) painting :

painting in Nepal began in 11th century A.D. when the Buddhists and Hindus began to make illustration of the deities and natural scenes . Nepalese paintings were backed by different schools but the influence of Eastern school was the most profound and long lasting . Historically Tibetan and Chinese influence in Nepalese printings is quite evident in paubhas are two types, the palas which are mystic diagrams paintings of the deities and the mandalas, which are mystic diagrams paintings of complex test prescribed patterns of circles and square each having specific significance (HAN, 2054:133).

i) Thangkas :

Thangkas has been popular among the tourist visiting Nepal. It's a Tibetan Painting depicting various facts of Buddhism of mystic tantric sect. Painted on silk or cotton fabrics using bright colors of many hues. Thangkas are used as wall-decorations. For Lamas, they are objects of religious importance.

With Thangkas's popularity among the Western tourists, demand has been rising. Thangkas have developed in the northern Himalayan regions among the Lamas and supply from this area is increasing every year. Besides Lamas, Gurung and Tamang communities are also producing Thangkas, which provide substantial employment opportunities for many people in the hills. Because of their uniqueness. Thangkas may continue to command good market outside Nepal. Quality will, however, have to be maintained. All Nepali paintings whether on plam leaf, paper, wood or cloths are carried out in gouache. Verities of the Buddhists and Hindus deities, secret philosophies and illustrative scenes full of narratives are painted by traditional methods. Mostly such paintings contain horror provoking images, the wheel of life, image of different Gods and goddesses, illustration of stories, various Shaktis (Erotic figures), imaginary representations of the great thinkers, etc. Some of these paintings were originally made to fulfill certain purposes, such as (a) to serve as a guide out of chaos of the unconscious and the entanglements of the world (b) as support of concentration, meditation and ritual aids on the way towards the center of the cosmos and self and (c) as magical instrument where merely looking at a painting the faithful might achieve what is desired. The most popular paintings on canvas (coarse cotton) and on thick paper, often called Thangkas or Paubhas based also on the Tibetan refugees settled in Nepal and by the Sherpa and Tamang tribes of the Northern regions. Amongst a sect in Northern Nepal, as in Tibet, the second son in every household is sent to a Gumba (Monastery) where he is trained to be a Lama. Fine arts is one of the subjects for those students, who gradually turn into masters. This tradition is the chief reason for the profusion of paintings, (mainly on especially prepared and smoked cloth but also on various other surfaces) that fill up all the Fumes in Lama lands. This tradition imbued to the present generation as well that, these Thangkas based on traditional symbols, forms, styles, and colour arrangements and are carried out in gouache. Some for the artistic religious and historical paintings are also done by the Newars of Kathmandu valley (HAN, 2054:134).

j) Bamboo Cane and Straw Products :

Articles of daily use or utility articles are produced out of bamboo and straw all over the kingdom of Nepal. Examples of such articles are furniture, matting, baskets, bags, boxes, trays, curtains, flower vases, storage for grain etc. Such articles are being made in households of Nepalese villages, traditionally for their everyday use. Commercial production of such articles has developed mainly in Kahtamndu Valley and the southern Terai regions of the country (TPC, 2020:12).

k) Leather crafts:

Lately, production of leather goods has started in Nepal. Utility item like purses wallets, luggage, women's bags, belts, etc. are available in different colours and size (TPC, 2029:13).

l) Terra-Cotta/Ceramics:

In Nepal, Building and modeling in terra cotta goes back to 2600 year and still continues to this day. Terra-cotta temples displaying superbly carved with lively motifs of sculptures were built between 14th and 18th centuries. Locally known as "Kumhale", one of several occupational castes of Nepal, Nepalese potters move the earth to produce a range of quality ceramics products. Earth ware statues, water and storage jars and flowerpots are traditional products. Today, producers have added interesting glazes, all lead free and an expanding product line of terracotta into useful and decorative items like glass, cup plate, tea pot, flower vase, serving bowl, soup bowls etc.

m) Dhaka products:

One of the handloom fabrics, which is gaining more and more popularity among buyers, at present, is Dhaka shawl and cloths. Dhaka cloths is an intricate art in traditional hand weaving that has been preserved in Nepal and is valued for its artful handwork in natural fibers. This traditional pattern weaving is done on wood and bamboo treadle looms by Limbu and Rai women of eastern hill area (Tehrathum) of Nepal. The stripes of mercerized sewing cotton with their intricate colorful stranded cotton patterns are used in this weaving. Each weaving is unique at every change of shed. The weaver decides without chart or counting threads into which section of the wrap she is going to lay the colors which form the pattern.

n) Natural fiber of Allo:

The natural fiber of Allo comes from the bark of giant nettle *Girardinia diversifolia* and has been extracted for generation in the high mountain region. The Allo plant occurs in most of the high mountain regions of Nepal (Sankhuwasabha, Dhankuta, Rolpa, Rukum) at the altitude 1200 and 3000 mt., Flourishing under the shade of mixed deciduous forests. The seed are shed freely and begin to grow with the onset of monsoon rains between April and June. Harvesting begins towards ends of August/ September and continues until plants begin to flower around December. Only mature thick stems are harvested, others left to seed. The stems are cut about 15cm from the ground in order to leave sufficient stem of new shoots to spread. After the cutting and stripping, bundles of about five stems are held at the butt end and an incision is made with the teeth in each stem in order to separate the outer bark and fiber layer from the inner stem.

The barks are either processed while still lush or dried and stored in bundles. The dried bark will be soaked in water before fiber extraction. The dried bark will be soaked in water before fiber extraction . the bark is processed by boiling for two to three hours ,in water to which wood ash has been added. The exposed fibers are beaten or rubbed between fingers and thumb to remove any

remaining plant matter and rinsed in water . The wet fibers are then coated with a white miraculous clay soil to Lubricant the fibers and make their separation and spinning easier. The dry bundles of all fiber are prepared for spinning easier . The dry bundles of all fiber are prepared for spinning by being shaken to remove surplus micaceous soil and then open out for spinning women use a light weight hand spindle. Allo fibers are taken on most journeys and spun not only when resting but on even the most difficult walk. Allo is traditionally woven into cloth in a open back strap loom. presently wooden looms are used to weave cloth, placemat and table runners. Allo tread also is knitted into vests, shawl, and nets. Variety of new products ranging from bags , cushions covers , wallet and clothing with natural dyes are being produced and liked by many buyers at present .

Other Miscellaneous products :

a) Gurkhas Knives (Khukuri):

used as traditional weapon by the Gorkhas of Nepal Army , it is also a practical household implement and now universally acquired for decorative purposes .

b) Rope incense and sticks :

Rope incense is native and special to Nepal. Made of twisted rice paper filled in with sweet smelling powder it burns Incense sticks are however fairly new to Nepal and are now being locally produced .

c) Paper , Mache , mask, puppets , wooden dressed dolls :

colorful paper Mache masks depicting various & mythical demons make unique decorations and available in various size . Though fragile, they are a popular export item. puppets made of wood and clay with paper Mache makes come colorfully and ethnically dressed and are items of display and gifts. Some

wooden dolls depicting various occupations and tribal groups of Nepali plus mythical demons and gods are dressed in bright clothes, have painted metal masks for faces.

d) Musical instruments:

Trumpets made of hand beaten copper, drums of various kinds, flutes, cymbals and bells are traditionally produced in Nepal So far its performances as an export item is low, but production can be geared to meet the demand.

e) Handicraft products of Bone and Horn:

Not much has been developed in this line due to the limited number of craftsmen working in this field however popular items are available as decorative articles and ornaments such as figurines, combs, shoe horns, etc (HAN, 2054:135).

f) Hand- Made, Readymade Garments:

Handmade cotton and woolen readymade garment are fairly a new entrant in the Nepalese list of Exportable products. Such garments are still traditional on the whole, which would mean garments mostly made by hand or by the minimum use of mechanical skills. Nepalese dresses and designs, the most popular being exported at present to overseas market are . sherpa jacket. waistcoat , Bhotto, long dress , shirt, pullover Nepali dress (labeda Surwall) etc. The main production center of such garments are the Kathmandu valley and Northern hilly parts of Nepal . the people engages in the production of such products are mostly the Sherpas and tibetan refugees (HAN,2054:136).

2.4 Historical review of Nepalese Handicrafts :

The Evolution of crafts and small industries in Nepal is perhaps as old as the growth of Kiratee civilization whose origin may be traced back to many centuries

before the christian era .it is recorded that crafts and commerce were in more flourishing stage then agriculture during the kiratee period (sharma,2008;76).

the history temple as changu narayan of 5th centry and fabulous palace as kausal kut bhavan of the 6th century provide sufficient evidence of the glorious achievement of the lichhavi art and architecture whose amazing beauty had long been appreciated by ancient chinese traveler hien tsang had made a remark that the Nepalese artisans were gifted with considerable skill (bishop , 1952;24).

the Nepalese art and culture were not resule of nordis aryan coming north from indo gangetic plains and mixing up with different groups of mongolians . their art and culture ,which are religions in character and symbolic in meaning , developed in Kathmandu valleys and western hilly region of Nepal within the Brahminical and Buddhists concept. The Kathmandu valley having a legendary history is the oldest place of Nepalese culture where the traditional chronicles called the Vansavallies of Hindus and Buddhist origin are found (TPC,1978:1).

According to the vansavallies, there were three dynasty (the Gopalas, the Mahisapalas and Karate's) before the region of Lichhavis. The vasavallies also describes about the important personalities like the Buddha, Manjushre, Ashoka, Shankaracharya etc. To historians Buddhism and its concomitant art spread from Nepal to Tibet in the 7th Century A.D & a special relationship was developed between Nepal and Tibet in 13th century A.D when a young architect Arniko led a group of artists to erect artistic statues in Tibet .

The history temple as Changu Narayan of 5th Century and fabulous palace as Kausal Kut Bhavan of the 6th provide sufficient evidence of the glorious achievement of the Lichhavi art and architecture whose amazing beauty had long been appreciated but ancient Chinese traveler Hiuem Tsang had made a remark that the Nepalese artisans were gifted with considerable skill(Bishop,1952:24).

"It is doubtful whether any country in the world has conceived a more artistic memorial status than that to be observed in the public squares of cities of Nepal" (*Brown, 1912:156*)

In ancient time the wood carving and stone carving were not less remarkable art works . Every window of houses in Kathmanu Valley was artistically carve .Even today, we can see these things in old houses . There is still a wonderfully carved window popularly known Neplase dynastic history(*Sharma 1912:156*). Nepal's beautiful craftsmanship and architectural beauty were spread far and near in the past . These things, we can find in any book on Nepal whether they are written by foreign writers further that Nepal's architectural beauty of past is equally revealing in numerous temple, palaces and buildings. The Nepalese style in these works seemed to have influenced not only Tibet but even Burma and China (*Shrestha, 1998:134*).

An English author , who has visited the country in 1973 A.D., describe not only spinning and weaving of cotton and woolen textiles but also manufacturing of Iron, copper, brass, bronze and other metal goods(*Kirkpatrick, 1998: 134*).

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In ancient time the wood carving and stone carving were not less remarkabal art works. Every window of houses in Kathmandu valley was artistically carved . Even today , we can see these in old houses . There is still a wonderfully carved window popularly known as "Deshemarujha" which is very rare window in kathmandu. Every pieces window in the temples were carved artistically .Tourists are very much enchanted by these artistically carved pieces of wood even this day . We find many tourists looking up these Sandals , wood pieces, in the temple of

Durbar squares of there cities of the Kathmandu valley . the outstanding skill of Nepalese in atone – carving can be seen at Krishna Mandir in paten . A complete epitome of the Hindu epic , the Mahabharat was engraved in litchi pictures on the walls of temple. people had also made by hand many simple arms such as rifles even as late as 1873. More requirements of arms and ammunition, sense "in the valley of Kathmandu, there are arenas and magazines" (Temples).

Development of Nepalese art and handicrafts can be divided into six stylistic periods which is as follows .

1. The per–Lichhavi period (Before 400 A.D.)
 2. The Lichhavi period (5th to 8th Century)
 3. The transitional period between the Lichhavis and Mallas (6th to 10th Century)
 4. The early Malla period (11th to 14th Century)
 5. The late Malla period (15th to 18th Century)
 6. The Shah or Gurkha period (from the middle of the 18th Century)
- (Joseph, 1973).

2.5 Review of Journal, Newspaper & Text Book :

Handicraft being a important exportable goods of Nepal, there is a lack of studies made up to now regarding all aspects of Nepalese handicraft products. However, some minor studies are conducted by various individual personalities and very few by some organized sector such as Handicrafts association of Nepal & trade promotion center . The trade promotion canter & handicrafts association has done commendable work in this regards. Most of these are concerned with marketing aspects of handicrafts . They had found out the possibilities of increasing export amount of handicraft. Their suggestion in increasing handicraft export are , however, passable. Trade promotion center has published commotion

workshop" organized but it is collaboration with the international trade center , Geneva with a concerned officials to the promotion of related commodities including handicrafts goods.

In 2028/029B.S., Trade promotion center of Nepal conducted a valley wide survey on handicraft. In this survey, it tried to find out the cost of promotion and the variable of the cost in the handicraft production. This survey recommended to give industry . It has also emphasized to encourage the artisans . More than this, this study gave more suggestion in the field of export promotion.

The study regarding Nepalese handicrafts has been done by trade promotion center of Nepal holding Export marketing seminar on 13th March 1977 in Kathmandu for 13 days to provide producers and exporters of Nepal with qualitative and qualitative information on the handicrafts together with the analysis of market condition and sales possibilities of Federal republic of Germany. The Federal republic of Germany is one of the leading importers of Nepalese hand-crafted goods. Every year, the handicrafts export to F.R.G. is increasing .

In 2031 again two studies were conducted on Nepalese handicraft industry. The first is R. M. Shakya's handicraft" a growing industry" and second is "Nepalese handicraft" by S.N. Ralbhandari. Both the studies are of descriptive type and tried to show the possibilities of increasing our export volume of handicraft . However, their suggestions are also similar to the study made by Mr. S. R. Shakya and the suggestions are mostly concerned with marketing aspect of the industry .

In 2054, Mr. Shaker M. Singh, is his study "Handicraft in Nepalese perspective : Some critical observations" has pointed out the problem and suggestion of Nepales handicrafts export which are as follows.

problems of Nepalese handicrafts Export

- a) It has been found that the exporters and the producers should give due emphasis on the producers should give due emphasis on the promotion those handicrafts like "Value in Use" products I. e. emphasis should be given to utilitarian items with the decorative items".
- b) There has been very steady growth in the export over the last 25 years .
- c) Exporter of handicrafts are not getting pre-export loan .
- d) Exporter of handicrafts to India has severely restricted the growth potential of Nepales handicraft .
- e) Frequent changes in government do change the policy .
- f) Administrative hurdle in export procedure exist .

Suggestion :

- a) There must be consistency in export promotion goals and rural development goals.
- b) The products adaptation of handicraft product should be carried as per the demand of the consumer .
- c) Training seminar should be held to give information about the market potentialities, GSP facilities etc .
- d) Fcilitate administerative procedure with respect to export to sum up, handicraft industry has a major and distinct role to play as rural development and export promotion nexus . It is for the concerned authorities and the private sector to meet the challenges (singh, 2054 : 138)

on the occasion of silver jubilee celebration of Handicrafts association of Nepal Mr. Sanu R. Shilpakar, in his article "Nepalese Handicrafts products design

and development" has focused in the Nepalese Handicraft products design & development to increase the export of manufacturers in int'l market. In his opinion, the crucial problem of manufacturers is not to decide on what to produce but how to match the demand of the customers in term of design and quality. Product design is also known as industrial design. It is an important element for successful industrialization in a developing country like ours. Of course, it is much more important for export oriented industries, Because products that may satisfy domestic markets requirements will not be automatically acceptable in foreign markets particularly in industrialized countries whose costumers increasingly demand good design and high quality.

Since products design and development plays a vital role in the industrialization of the country. Proper attention should be paid on it's development and expansion of the products We need to fullfil at least the following prerequisites.

- a) The national education policy could pay gentian to producing product designers within the country .
- b) Incentive should be provided to the concerned designers for their contribution and the engagement in the professional field .
- c) promoting the product design profession, and
- d) Organizing and operating exhibition facilities as ancillary services to the concerned designers.

So far as the industrial policy of Nepal is concerned , proper attention has not been paid to product design . however, in developing country like Nepal. where almost all of the handicrafts industries are in an infant stage. product design and development should not be neglected . In the present day situation, success of industries largely depends not only upon the products they produce but also on the

design, they introduce. products should be able to win not only the mouths of the people but also their eyes and minds.

All the concerned institutions should be jointly organized 'Respect the skills' campaign as an annual calendar for improvement and recognition of the artists as well as the artisan's proficiency skills.

The qualitative product initially depends on availability of good quality and standard size of raw materials and auxiliary materials. Therefore, the specific materials should be available ways.

Exposition, talk program, an observation mission, product competition and skill competition are some effective promotional program for enhancing the competition of products design and development, which provide effective opportunity for interaction, exchange views, share experiences, technologies transfer, and receive feed back comments from contemporary product designer, producers, buyers and general viewers .

Nevertheless, the philosophy of "Good Desing" means the objects or the products is made, or manufactured manually or on the machining with standard materials and crafted skillfully within quality control . Which re resulted presentably balance in form, in all respects and in all aspects means always" Good design" or Good product" .

For all and forever , this text conclude with a slogan 'A thing of good design is a joy for ever' (Shipload, 2054:134).

Mr. Ratna Man Shakya (past president of Han) has expressed his views in "Handmade Silver Jewellery – Prospects and Possibilities" that in order to establish a handicrafts industries, competitiveness in international market. we

have to involve more in the technical aspect of the industry, updating tools and equipment, using advance methods and information to reach market trends .

Market trends and competition constantly change, as such a system of providing market information and promotional services needs to be expanded. Nepalese exporter relatively small entrepreneur – small size of private sector can not possibly work for independent promotion. Nepal has a long way to go before it acquires a fairly sound and wide overseas export promotion office. An economical way to establish overseas promotion offices is to appoint a commercial attaché at the embassy. It should be manned by professional skilled in marketing, market research and activities directly concerned with promotion and with no other activities. The future of countries export industries, lies with information processing, that is where we should look if we want to make productions .

Export industry plays an important role in country's economic development and deserves special attention. There is an urgent need to develop new exportable items (Shakya, 2054:114).

Mr. Dinesh prasad upadhyaya. in his study "Handicrafts, Its Export & Design Impact" has given more emphasis in the products design because the products. which are functional, which could change the design and pattern according the current fashion, have better prospects. for example, in the fiscal year 1993/1994, the export under the heading Ethnic Garments that included, pashmina, woolen goods and other textile was just around 217.65 million. But by the year 2001/2002, even though this heading was splited into 4 heading viz. pashmina, woolen goods, ethnic garments and other textiles the export under each heading maintained 1412. 88 million, 207. 88 million, 71. 20 million, 11.76 million respectively . This was a tremendous success. The handmade paper can also be coted here, rhe export of which was 25.36 million in 1993/1994 and it reached 242.86 million in 2001/2002.

He added that as long as people were buying handicrafts as souvenir and for their own collection, its quality, style and functionality never had been a big issue. But, as our customers were buying it from us for their customers, they became more and more concerned about it. obviously, to be competitive and to succeed, they had to takes so many things into account . Basically , it is the quality, the price and service that make the intended arrangement of materials to produce a certain or effect. However, only the properly designed products are considered among the good quality products. To be a good desing, it has got to be functional and / or compatible with the kind of market that we are approaching to .

A careful study of the past performances revels that besides other things, those handicrafts, which were well designed and well adapted according to the current fashion, thrived, for example, the pashmina, woolen goods, paper products are making progress whereas the traditional handicrafts, such as the metal crafts, woodcrafts, paintings, masks and puppets etc, are making progress but in a slower pace.

He has also pointed the negative impact of products design that adaptation of new design does not always have positive impacts, there could be negative impacts as well. If we can't maintain the balance between supply and demand, the quality would fall. Take for example the Pashmina shawl. There is a chance of loosing the identity of the products. Such, adaptation of new design must not be like a 'Carbon copy'. A direct copy of any design could create a serious problem, it is violation of a copyright. To preserve the essence of Nepalese handicrafts, A simple touch of ingenuity or ethnicity is a must.

Mr. Dinesh Chandra has pointed out that now, we don't have to be dependant with our Government or any agency in particular for the development or the designing of our products. If we are ready, we have various options.

1. Get expert's services where possible.
2. Acquire new sample
3. Try to acquire new sample from your own customer
4. Visit Trade Fairs and Exhibitions periodically.
5. Seek assistance and cooperation from the relevant Institutions,

Chambers and Associations (Upadhyaya, 2060:13)

Mr. Khilendra Basnyat, in his study "Promoting Handicrafts, Industries, Right policies needed" has focused on right policies have to be formulated to compete with foreign goods. He has suggested that the appropriate program should be launched to modernize the traditional indigenous techniques that are to be ascertained are slowly disappearing. Despite some advantages of handicrafts, the technology used in such industries is of subsistence nature and fails to maintain equality and costs at desired levels. Consequently, such industries are unable to compete with foreign goods. The Isolation and stagnation of ideas, in addition to the tendency of the inhabitants living near the Indian border to depend on the Indian market for goods, hindered technological advances. It is too late to bring in suitable and low cost technology and familiarize entrepreneurs with it. The flow of Indian goods has a negative impact on the handicraft business in Kathmandu because over seventy five per cent of the handicraft goods available in the market are Indian ones. The past, there were only Nepalese handicraft products in the markets but nowadays, duplication of Indian goods are found everywhere. This has adversely affected our handicraft goods.

At last, he has expressed that the handicraft business may virtually collapse if necessary steps are not taken to increase the number of tourists in our country. Apart from this, the highly potential handicraft needs to be given high priority for its development In this context, right policies have to be formulated (The Rising Nepal:2001:8).

In 16 mar. 2002, The Rising Nepal (daily) published "Promoting Handicrafts- Private sector's cooperation Essential" has pointed out the importance of Nepalese handicrafts export and focused to cooperation with private sectors for handicrafts promotion in foreign markets. According to the article, Nepal is one of the major handicrafts exporters in the world with the annual export of about seven billion rupees. Apart from earning foreign currency, handicraft export will also help spread Nepal's image in the world as a country that produces such traditional artistic goods.

In this regard, the government's commitment to promoting industries that produce handicrafts comes as a great relief, especially to those who have spent many years in the profession that is facing hard time for survival. In order to encourage the entrepreneurs and produce skilled human resources in this sector, the government in cooperation with the private sector needs to launch some concrete program such as establishing training centers and providing loans at low rates (The Rising Nepal :2002:6)

2.6 Government policies on Export of handicraft Goods :

1. The production and quality of exportable products will be raised to make them competitive in the international market.
2. Necessary efforts will be made to increase and diversify exports of goods and services with the objective of increasing foreign exchange earnings.
3. Exports will promote by raising the production and quality of traditional as well as new products. Similarly, more emphasis will be placed on the export of profitable but processed and finished products. for the export promotion of these products, New markets will be identified.
4. Foreign exchange earning will be increased and opportunities for gainful employment will be created by identifying and increasing the production of new products.

5. Service oriented activities will be promoted to increase foreign exchange earnings.
6. For the effective utilization of manpower, stress will be given to the development of appropriate and potential skills to promote service sector as well as export of skilled manpower in an organized way.
7. Appropriate monetary, foreign exchange and fiscal policies will be formulated and necessary change will be made in the administrative procedures to make them liberal, simple and dynamic in order to implement above policies on an efficient, smooth and transparent basis (TPC.2003:17).

2.6.1 Export procedure & Documentation :

Only a registered firm or company is eligible to export goods. The following documents are required for exporting to third country by air

1. Custom Declaration form .
2. Commercial Invoice.
3. GSP form 'A' if applicable .
4. Copy of letter of credit or advance payment statement received from the bank.
5. Foreign Exchange Declaration form of Nepal Rastra Bank.
6. Packing List.
7. Copy of firm/company registration certificate.
8. Copy of income tax registration certificate.
9. Airway bill.
10. Letter of authority to clear the consignment.
11. Phytosanitary Certificate for agricultural products/Plants.
12. Certificate from department of archaeology for the export of statues, Thankas, wood Carving of archaeological value etc.

13. Visa Authorization certificate from garment visa office of national Productivity and Economic development center for the export of garments to USA and Canada.
14. CITES certificate form the department of National parks and wild life conservation for the export of bone and horn products.
15. Certifications on invoice form the Handicrafts Association of Nepal for Handicrafts goods and Silver products.
16. Value added Tax Certificates for beer, spirits and cigarettes.
17. Passbook for gold handicrafts.
18. Clearance certificate of Department of mines and Geology for mineral products.
19. Clearance certificate of Department of Drug Management for medicines.
20. Certificate of origin from local chamber of commerce.
21. Multiple country declaration for garment export to the USA.

All the above documents except No. 9 and additional following documents are required for export to third country by sea/land.

1. Transport manifesto, one copy per truck.
2. Custom transit declarations.
3. Transit declaration invoice for goods in transit via India/Bangladesh to third country destination (TPC, 2003:21).

2.7 Organization for development of Handicrafts Industry :-

All the country of the world have opted for some or the other institutions, which shall be responsible for the development and promotion of the handicrafts. These institutions are responsible for the policy decisions for their handicraft items. They are as follows,

1. **International Trade Center** :- The International Trade Center UNCTAD/GATT(ITC) is the focal point in the united Nation system for technical

Co-operation with developing countries in trade promotion. ITC was created by the general agreement on Tariffs and Trade (GATT) in 1964 and since 1968 has been operated jointly by GATT and UN, the latter acting through the United Nation Conference on Trade and Development Program (UNCTAD). ITC is directly responsible for implementing UNCTAD- financed projects in developing countries related to trade promotion.

ITC works with developing countries to set up effective national trade promotion program for expanding their exports and improving their operations. One aspect of this activity is advising governments on their national trade promotion strategies, institutions and services. ITC also provides market development services aimed at identifying new export opportunities, adapting products for sale abroad and promoting these goods on the international market. Such work is undertaken for both non-traditional exports of developing countries and selected primary commodities. ITC's special services to backup these export marketing efforts include advice on export packaging, quality control, costing and pricing, publicity, trade information, export financing, institutional requirements for trade promotion, legal aspects of foreign trade, joint marketing for small and medium size firms and official commercial representation abroad. ITC also works with import management organizations to improve their import operations and techniques. Training is organized by ITC on broad range of export and import subjects. In addition to these main areas, ITC's program deals with the special trade promotion needs of the least developed countries and trade promotion activities of national chamber of commerce and other business organizations.

ITC's technical co-operation projects are carried out in all developing area at the national, regional and inter-regional levels. They are administered from ITC headquarters in Geneva and are implemented by ITC experts. In addition to Geneva and are implemented by ITC experts. In addition to project support, ITC

headquarters' activities consist of research and development on trade promotion and international marketing .

Financing for ITC's technical co-operation activities in developing countries comes from UNDP(United) Nation Development program). international financing institutions and individual developed and developing countries budget is funded in equal parts by GATT and UN (Imitational Trade Center, 1991).

2. Handicraft Association of Nepal:- Handicraft association of Nepal was established in 1971 to enhance and to promote handicraft trade and industry. It was registered under institution Registration act of Nepal. As a service oriented non-profitable organization of private sector business and artisan community , it helps its members improve their productivity, explore market and introduce them to the international arena. It also works as liaison between its members and the Government/ three branches within Nepal.

Aims and objectives

1. To work towards steady growth of handicraft trade and Industry .
2. To encourage Nepalese artisans to adopt handicraft production as their profession by reserving Nepalese cultural heritage and to popularize it in the world .
3. To provide pragmatic suggestion and advice to His majesty's Government and its related agencies to formulate policy/ programs for the betterment of handicraft trade and Industry .
- 4 . To popularize and promote handicraft products.
- 5 . To strive towards enhancing the quality of handicraft goods and its productivity .

Activities

To attain its aims and objectives, the association has been undertaking the following activities.

1. Organize seminars, symposiums and conferences various topics
2. Explore additional markets for the handicraft products.
3. Organize exhibition and trade fair to highlight handicraft products and create public awareness in its usage.
4. Activate and increase contacts with National and international agencies for the growth of handicraft trade industry.
5. Institute award in recognition of highest export and best craftsmanship.
6. Arrange participation in international trade fairs and organize exhibitions for its members.
7. publication of news bulletins, books , catalogues, directory and the materials relevant to handicraft trade and industry.
8. Act as catalytic agent for management of training program for the benefit of its members.
9. Issuance of valuation certificate for handicraft and silver products.
10. Certification of products made from the parts of domestic animals.
11. Documentation Dissemination of information regarding handicraft trade and industry (HAN, 1998:18).

3. Trade promotion center:- Trade promotion center (TPC) is a national trade promotion organization of the country established in 1971 under the Nepal development Board Act 1956. it is a non-profit making and focal organization of the promotion of foreign trade in general and export trade in particular. To develop and strengthen the export trade of the country, the center has been doing various activities since its establishment. Furthermore, to facilitate the small and medium entrepreneurs in international trade by making them more

competitive and giving them access to advanced information and telecommunication technology and network, the center has joined the trade point program of UNCTAD and launched Himalayan Trade point Katmandu under the joint coordination of the center and Federation of Nepal Cottage and Small Industries.

principal Functions:

- Undertake export promotion activities to boost export trade
- Assist the Government in formation and implementation of national trade policy , including export promotion strategies .
- Undertake research activities for export product feasibility, export promotion and market access.
- Coordinate national product development and product adaptation.
- Design and develop effective trade infrastructure conducive to export trade.
- Maintain liaison with trade related international organizations.
- Coordinate and assist business enterprises for their participation in expansion of export trade of the country.
- Act as a catalyst agent between Government and exporters.
- Develop export awareness and entrepreneurship among the business communities .

Services:

- Product survey for identification, adaptation and development of export product .
- Market research and export marketing promotion.
- Develop the export consciousness and entrepreneurship among the business community.

- Conduct training, seminar and workshop to facilitate the exporters.
- Organize buyer seller meeting and entertain trade opportunity.
- Provide trade information and counseling services.
- Publication and publicity for export trade development.
- Compile, analyze and disseminate the overseas trade statistics.
- Maintain professional link with national and international trade and business related organizations.
- Provide trade facilitation service (TPC:2005).

4. **Export promotion Board:-** EPB constituted in December 1995 under the Chairmanship of Commerce Minister. It supports product development and export promotion program with a view to improving the balance of trade position.

The EPB encourages export promotion schemes such as product development, product diversification and quality improvement undertaking, FNCCI, FNCSI, commodity Associations , Bi-national Chamber of Commerce and other Organization particularly engaged in export promotion. Further , the Board provides assistance for development export – related infrastructure, conducting market study and research, organizing training and trade and participation in trade fairs at home and abroad.

Policies and Acuties :

The EPB policies basically cover the following activities:

- Preparation of long – term strategy and export perspective plan .
- Improvement of program related to product development.
- Improvement of Quality of the export products.
- Stabilization of export .
- Diversification of export.

- Development of infrastructure for export and .
- Recognition source and honor of good performers.

5. Federation of Nepal Cottage and Small Industries :-Federation of Nepal Cottage and small Industries (FNCSI) is a member based nonprofit organization established in 1990 as the movement of the cottage and small entrepreneurs in Nepal . It is an autonomous, nongovernmental umbrella organization for cottage and small industries . As a single organization to lead CSI sector in Nepal, it also leads micro industries . Main objective of the FNCSI is to contribute to the overall development of cottage and small entrepreneurs (CSI) sector in Nepal by uniting cottage and small entrepreneurs into a national organizational framework, providing business information. promoting industrial relations, promoting and enhancing entrepreneurship as well as their capacity through of lobbying and advocacy with larger voice.

FNCSI spreads in 68 district out of 75 district of Nepal . It has a central women entrepreneurs committee with 46 district committee. It has total industrial members of 28,000 including 6,500 women members (TPC,2005:2).

CHAPTER-III

RESEARCH METHODOLOGY

3.1 Introduction :

Research Methodology is the overall framework for when/how to conduct, process, analyze and present data on tables and diagrams to find answer of this research problem/ question/ objectives . This research is concerned with secondary as well as primary data .

The main objective of this research is to highlight the problem associated with the Nepalese handicrafts export and it's future prospects. Secondary data are presented with suitable table also includes research design,

population and sample, nature and sources of data, data collection procedure and statistical procedure of analysis .

3.2 Research Design :

Research design is the plan, structure and strategy of investigation conceived so as to obtain answer to research question and control variance. A well settled research design is necessary to fulfill the objectives of the study. Research design adopts a definite procedure and techniques that guide the study and it propounds the way for research viability .

In this study, a descriptive research design has been followed to make the study more authentic and reliable by way of using available data in a systematic manner.

3.3 Population and Sample :

All Manufacturers , Dealers and Exporters of Nepal in Handicrafts Sector are considered as population for research purpose Secondary data from F/Y 2000/01 to 2004/05 is taken as sample. Simple random sampling is used to take interview from 20 dealers, manufactures and Exporters who belong to Kathmandu, lalitpur and Bhaktapur district .

3.4 Nature and sources of Data :

The entire secondary data used used in this study are basically of the following nature:-

Export data of Handicraft goods from 2000/01 to 2004/05.

Country wise export data of Handicraft goods from 2000/01 to 2004/05.

product Wise export data of Handicraft goods forms 2000/01 to 2004/05.

The present study is primarily based upon secondary data however primary data has also been used. The main sources of secondary data are Handicrafts association of Nepal, Trade promotion centers, Nepal Rastra Bank , Commerce Departments and various newspaper and magazines. primary data are collected from Manufacturers, Dealers and Exporters within the Kathmandu valley .

3.5 Data Gathering instruments :

The present study is based upon the secondary data and primary data, so they are collected directly from the related published materials and magazines as well as from Dealers, Manufacturers and Exporters of handicrafts.

3.6 Data Collection Procedures :

The procedure employed in this study are, first of all bibliography cards are prepared by visiting various Libraries and collection of related published materials. The necessary secondary data are collected using appropriate technique .

3.7 Data Analysis :

In the analysis of data, appropriate tools have been used to make the analysis more effective, convenience, reliable and authentic. In the analysis process, data have been analyzed using descriptive and graphical methods.

In descriptive analysis the data has been presented in an appropriate way with help of percentage, tables, graphs and charts. The graphical presentation being self explanatory simplest and the most convenient form. On the basis of

analysis and interpretation, major findings, conclusions have been drawn and subsequently recommendations are made .

CHAPTER-IV

PRESENTATION AND ANALYSIS OF DATA

4.1 Introduction :

Data presentation is the basic organization and classification of the data of export of handicraft goods for analysis . Organization and processing of data include editing, coding, classification and tabulation of raw data . Tabulation is the process of transferring classified data from data gathering tools to the tabular form in which they are systematically examined. Data is personated in table and charted/ diagrams to make sense to the researcher as well as the readers of this thesis .

The main purpose of the analyzing the export data of handicrafts goods is to make suggestion for the future prospects of the handicrafts export and it's problems. The analysis of data consists of organizing , tabulation, performing descriptive and graphical analysis and drawing inferences about the handicrafts exports. Data is analyzed by using proper way with help of percentage, average, tables, grapha and charts to find the answer of research questions or to fulfill the objectives export to overseas, It focuses to present an overall handicrafts export situation of Nepal . In this research, it is also tried to study and know export trend of handicrafts, prospects of Nepalese handicrafts export by analyzing secondary as well as primary data within the whole periphery of this chapter.

4.2 Presentation and Analysis of Secondary Data :

Under this analysis , the total export of handicraft items since 2000/01 to 2004/05 and other essential data available from different Organization have been presented with the help of table, pie chart , bar diagram as appropriate .

4.2.1 Export of Pashmina Products:

Table 4.1

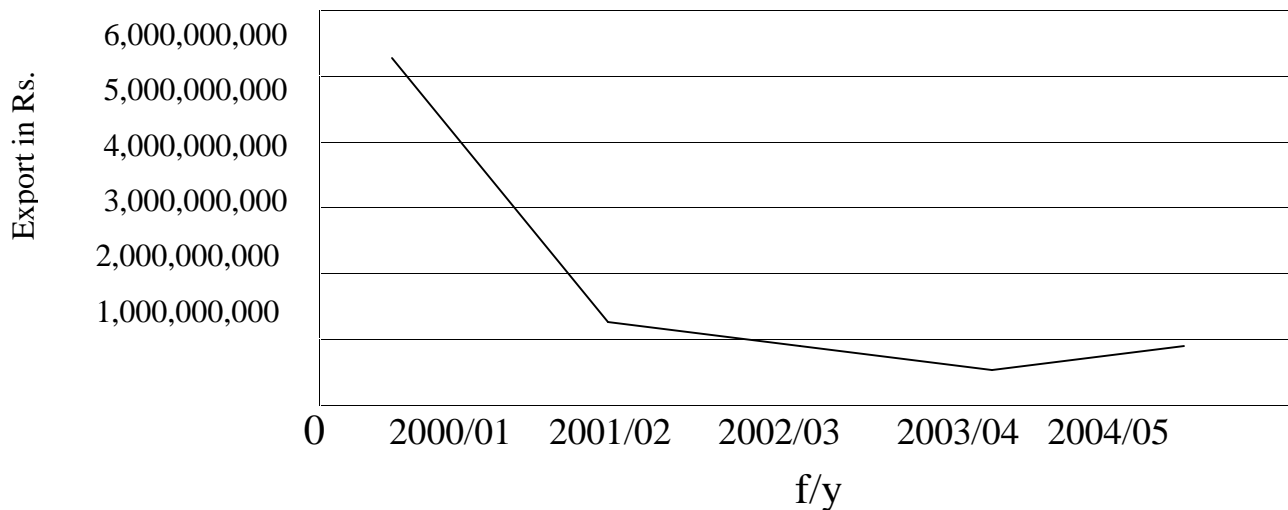
Export of pashmina Products
Fiscal Year 2000/01 to 2004/05

S.N	F/Y	Export	Growth Rate %
1.	2000/01	5,643,629,926	-
2.	2001/02	1,412,877,312	-74.97
3.	2002/03	989,897,860	-29.94
4.	2003/04	661,373,832	-33.18
5.	2004/05	700,701,035	5.95

(Source: HAN, Annual Report From F/Y 2000/01 to 2004/05)

Chart 4.1

Export trend of pashmina products



In the table, the export of pashmina products is decreased each and every year export little increased in f/y 2004/05 by 5.95%, compared to last year. The lowest export amount of pashmina products is Rs. 661373832 in f/y 2003/2004 and the highest export amount of pashmina products is Rs. 5643629926 in f/y 2000/01. The lowest export decline rate of pashmina products is 33.18% in f/y 2003/04 and the highest export decline rate of pashmina is 74.97% in f/y 2001/02. form f/y 2001/02 to f/y 2003/04, the export of pashmina products is in a declining trend and the declining percentage is really very high . But in f/y 2004/05 , the export of pashmina products has been increased by 5.95% which is really nominal growth, compared to the declining rate .

4.2.2 Export of Woolen products :

Table 4.2

Export of Woolen products

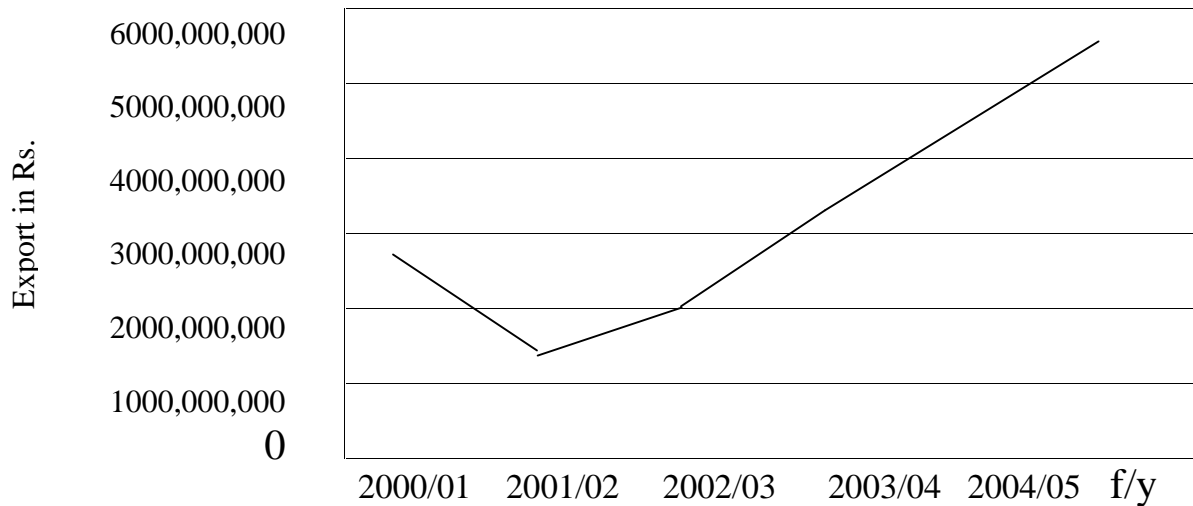
Fiscal year 2000/01 to 2004/05

S.N	Fiscal year	Export	Percentage
1.	2000/01	243961432	-
2.	2001/02	207863139	-14.8
3.	2002/03	277937043	33.71
4.	2003/04	432203471	55.50
5.	2004/05	555182797	28.45

Source: (HAN, Annual Report From F/Y 2000/01 to 2004/05)

Chart 4.2

Export Trend of Woolen products



In the Above table, the export of woolen products is increased every year export In f/y 2001/02. f/y 2001/02 the export of woolen products is decreased by 14.8%, compared to last year. in f/y 2002/03. the export of woolen products is increased by 33.71% and In f/y 2003/04. the export of woolen products is increased by 55.50% In f/y 2004/05 also, the export of woolen products is increased by 28.45% .

The lowest export amount of woolen products is rs.207863139 in f/y 2001/02 and the highest export amount of woolen products is Rs.555182797 in f/y 2004/05. The lowest export growth rate of woolen products is 28.45% in f/y 2004/05 and the highest export growth rate is 55.50% in f/y 2003/04. from f/y 2002/03, the export of woolen products is in a increasing trend and the increasing percentage is also high .

4.2.3 Export of Cotton Goods :

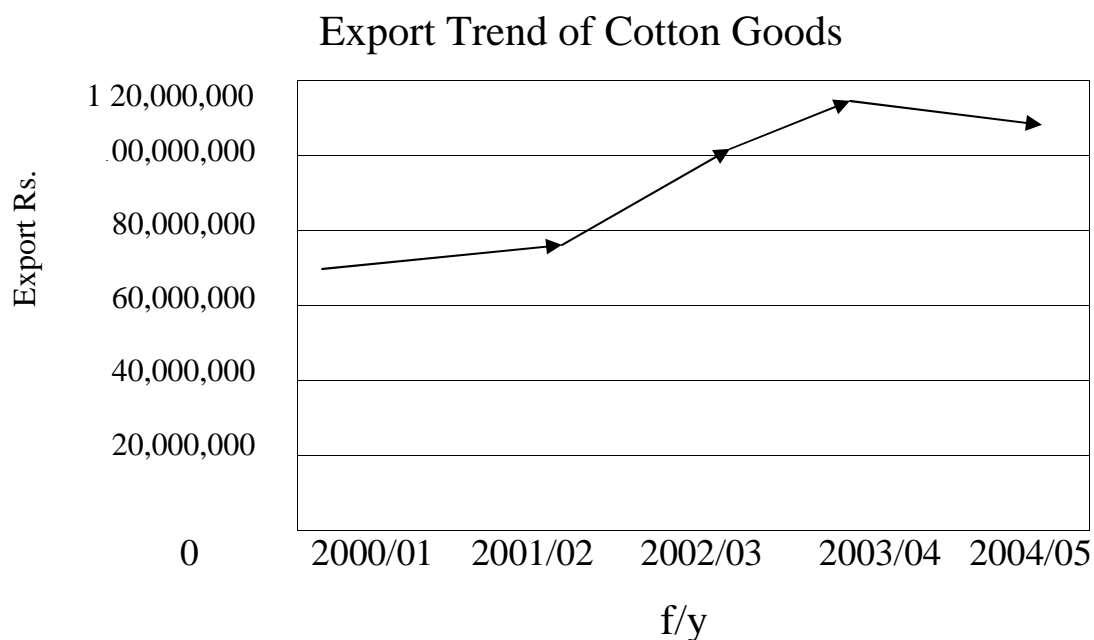
Table 4.3

Export of Cotton Goods
Fiscal year 2000/01 to 2004/05

S.N	f/y	Export	Growth Rate %
1.	2000/01	67188529	-
2.	2001/02	71203371	5.97
3.	2002/03	96199631	35.10
4.	2003/04	113720701	18.21
5.	2004/05	110769595	-2.60

(Source: HAN, Annual Report From F/Y 2000/01 to 2004/05)

Chart 4.3



In the above table, the export of cotton goods is increased every year export in f/y 2004/05. In f/y 2001/02, the export of cotton goods is increased by 5.96%, compared to last year's export . In f/y 2002/03, the export of cotton goods is increased by 35.10% which is really big amount of incensement . In f/y 2003/04, the export of cotton goods is increased by 18.21% But in f/y 2004/05, the export of cotton goods is declined by 2.60% .

The lowest export growth rate of cotton products is 5.97% in f/y 2001/02 and the highest export growth rate of cotton goods is 35.10% in f/y 2002/03. The lowest export amount of cotton goods is Rs.67188529 in f/y 2000/01 and the highest export amount of cotton goods is Rs. 113720701 in f/y 2004/05. The export of cotton goods was in a increasing trend from f/y 2001/02 to f/y 2003/04 but from f/y 2004/05, the export trend is a declining trend .

4.2.4 Export of Dhaka Products :

Table 4.4

Export of Dhaka Products

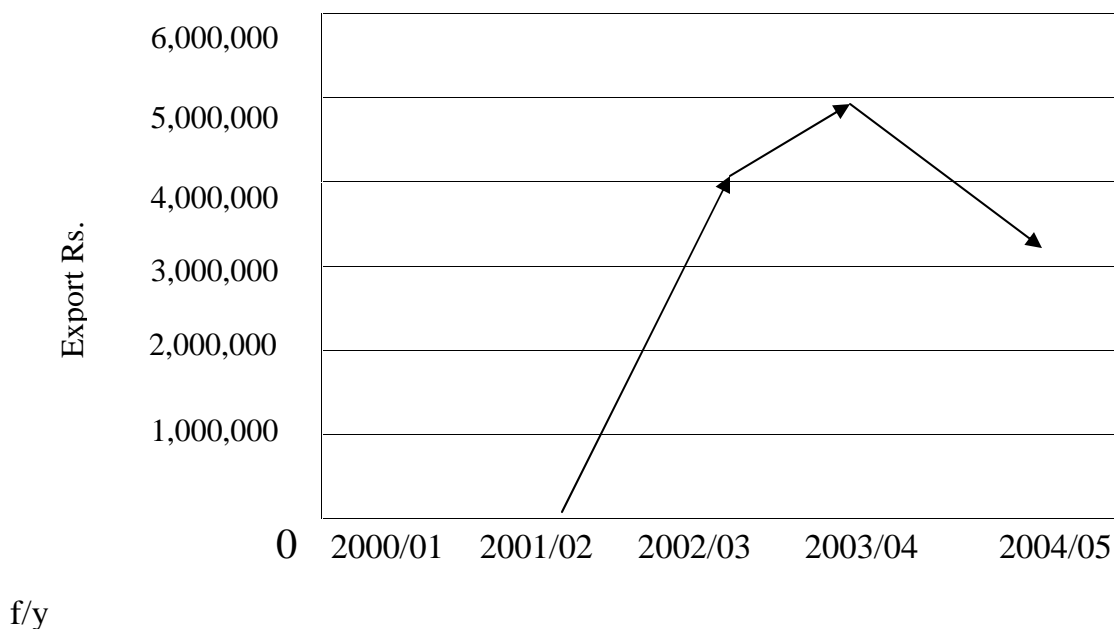
Fiscal Year 2000/01to2004/05

S.N.	F/Y	Export	Growth Rate%
1	2000/01	-	-
2	2001/02	-	-
3	2002/03	3991182	-
4	2003/04	4995352	25.15
5	2004/05	3370222	-32.54

(Source: HAN, Annual Report from F/Y 2000/01to 2004/05)

Chart 4.4

Export Trend of Dhaka Products



in the above, the export of Dhaka products is in a fluctuating trend. In f/y 2003/04, the export of Dhaka products is increased by 25. 15% but in f/y 2004/05, the export of Dhaka products is decreased by 32.54% In f/y 2002/03 the export amount of Dhaka products is Rs. 3991182 and in f/y 2003/04, it has increased to Rs. 4995352. But in f/y 2004/05 the export of Dhaka products is deceased to 3370222, compared to last year's export . from f/y 2002/03 to f/y 2003/04, the export of Dhaka products was in increasing trend but from f/y 2004/ 05, the export is in a declining trend .

4.2.5 Export of Silver Jewellery :

Table 4.5

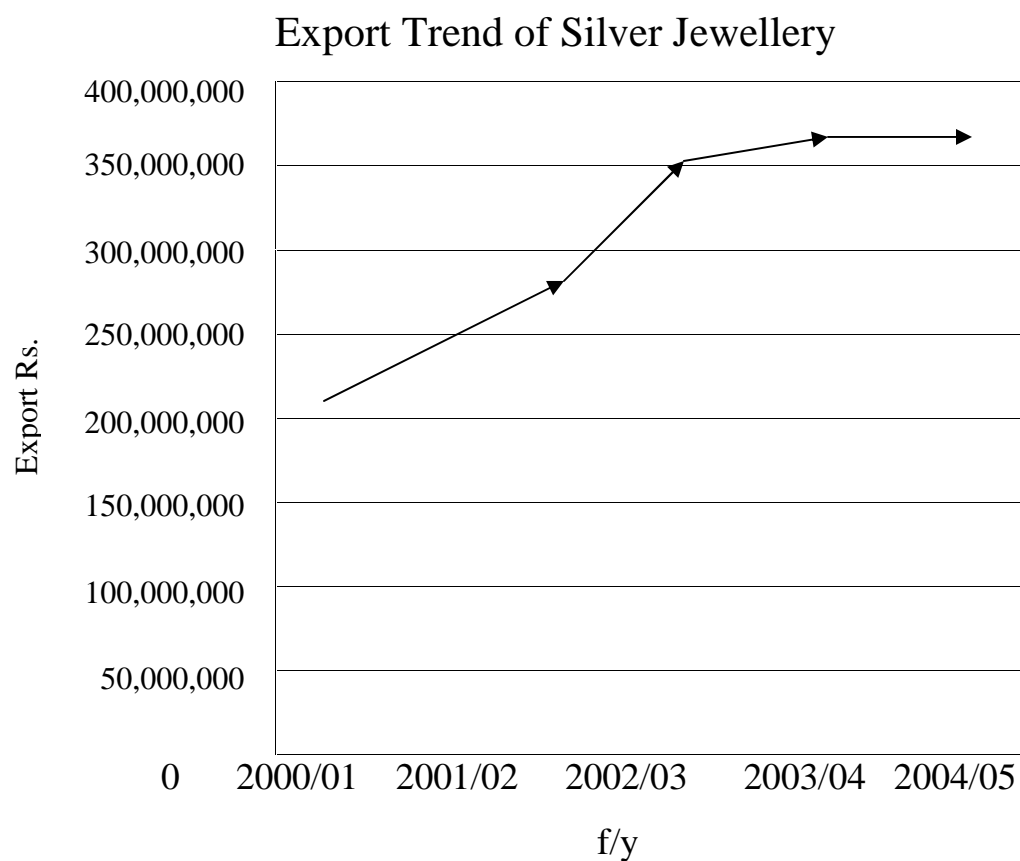
Export of Silver Jewellery

Fiscal year 2000/01 to 2004/05

S.N.	F/Y	Export	Growth Rate%
1	2000/01	225916546	-
2	2001/02	283299573	25.4
3	2002/03	353059924	24.62
4	2003/04	367498246	4.08
5	2004/05	377448266	2.70

(Source: HAN, Annual Report from F/Y 2000/01 to 2004/05)

Chart 4.5



In the above table, the export of silver Jewellery is increased each and every year . In f/y 2001/02, the export of Silver Jewellery is increased by 25.4 % and In f/y 2002/03, the export is increased by 24.62% compared last year's export . In f/y 2003/04, the export of Silver Jewellery is increased by 4.08%, which is comparatively less growth percentage than last year . In f/y 2004/05, the export is increased by 2.7% which is less growth last year .

The lowest export growth rate of Silver Jewellery is 2.7% in f/y 2003/04 and the highest export growth rate of Silver Jewellery is 25.4% in f/y 2001/02 The lowest amount of export of Silver Jewellery is Rs. 225916546 in f/y 2000/01 and the highest amount of export of silver Jewellery is Rs.377448266 in 2004/05. the export of Silver Jewellery is in an increasing trend but the increasing percentage is not high .

4.2.6 **Export of Metal Craft:**

Table 4.6

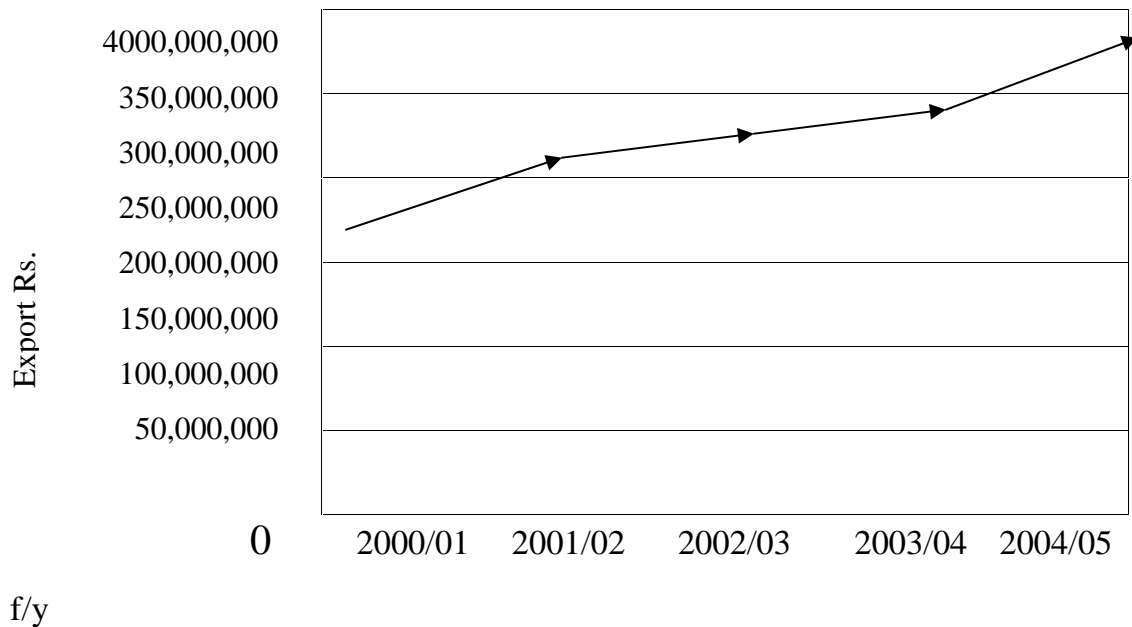
Export of Metal Crafts
Fiscal year 2000/01 to 2004/05

S.N.	F/Y	Export	Growth Rate%
1	2000/01	22048719	-
2	2001/02	262708287	16.21
3	2002/03	276238090	5.15
4	2003/04	293065733	6.09
5	2004/05	373010297	27.27

(Source: HAN, Annual Report from F/Y 2000/01 to 2004/05)

Chart 4.6

Export Trend of Metal Craft



In the above table, the export of metal craft is increased each and every year. But the growth rate is in fluctuating trend. In f/y 2001./02 the export of metal craft increased by 16.215% but in f/y 2002/03,the export is increased only by 5.15%. In f/y2003/04, the export of metal craft is increased by 6.09% which is slightly more than last year. In f/y2004/05, the export of metal craft is increased by 27.27 which is 21% more than last year's export.

The lowest growth rate of metal craft 5.15% in f/y2002/03 and the highest export growth rate of metal craft is 27.27%.The lowest amount of export of metal craft is Rs. 226048719 in f/y 2000/01 and the highest export amount of metal craft is Rs. 373010297 in f/y 2004/05. The export of metal craft is in a increasing trend and it is smoothly increasing every year.

4.2.7 Export of Handmade paper products :

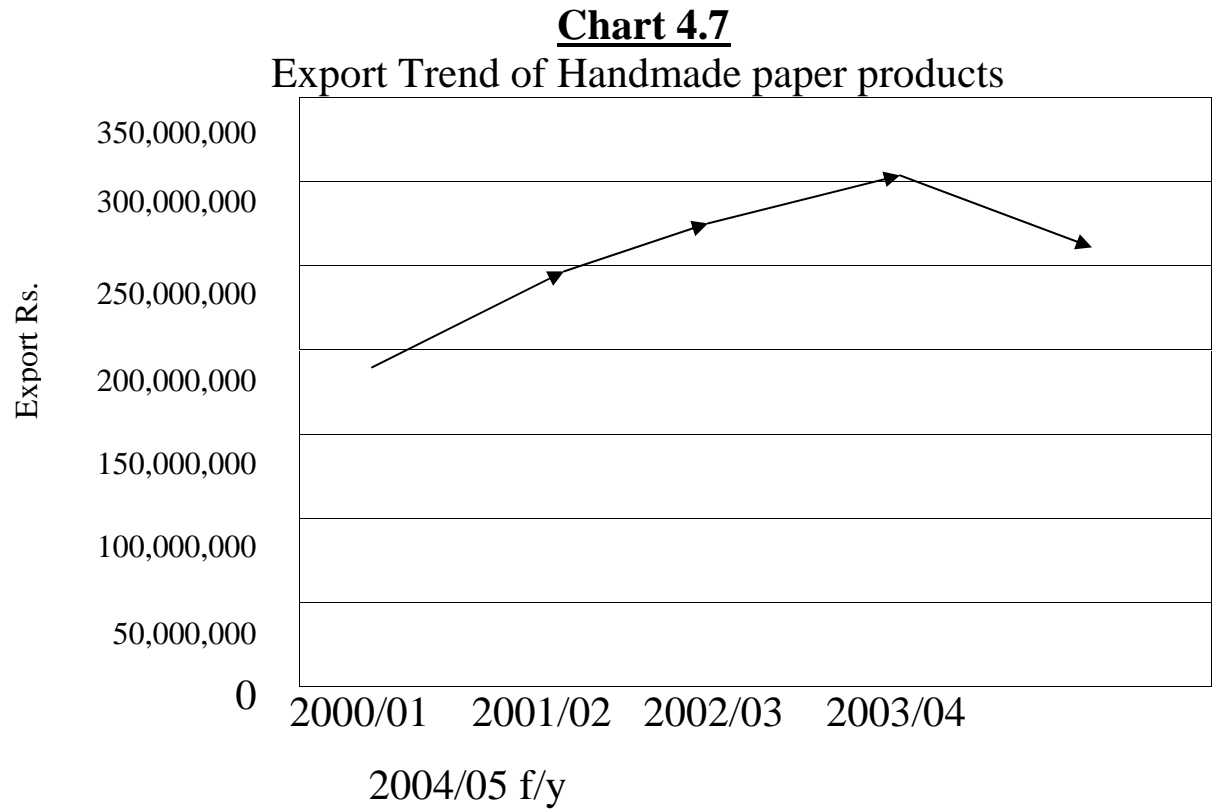
Table 4.7

Export of Handmade paper products :

Fiscal year 2000/01 to 2004/05

S.N.	F/Y	Export	Growth Rate%
1	2000/01	190987925	-
2	2001/02	242859397	27.15
3	2002/03	275374703	13.38
4	2003/04	301725045	9.56
5	2004/05	263764274	-12.58

(Source: HAN, Annual Report from F/Y 2000/01 to 2004/05)



In the above table, the export of hand made paper products is increased from f/y 2000/01 to f/y 2003/04 but in f/y 2004/05, the export is decreased. In f/y 2001/02, the export of hand made paper products is increased by 27.15 and in f/y 2002/03, the export of handmade paper products is increased by 13.38%, which is 14% less growth percentage than last year. In f/y 2003/04, the export of handmade paper products is 9.56% but in f/y 2004/05, the export of handmade products is decreased by 12.58%.

The lowest export growth rate of handmade paper products is 9.565 in f/y 2003/04 and the highest export growth rate of handmade paper products is 27.15% in f/y 2001/02. the lowest export amount of handmade paper products was in a increasing trend from f/y 200 ½ to f/y 2003/04 but from f/y 2004/05, the export of handmade paper products is in a declining trend .

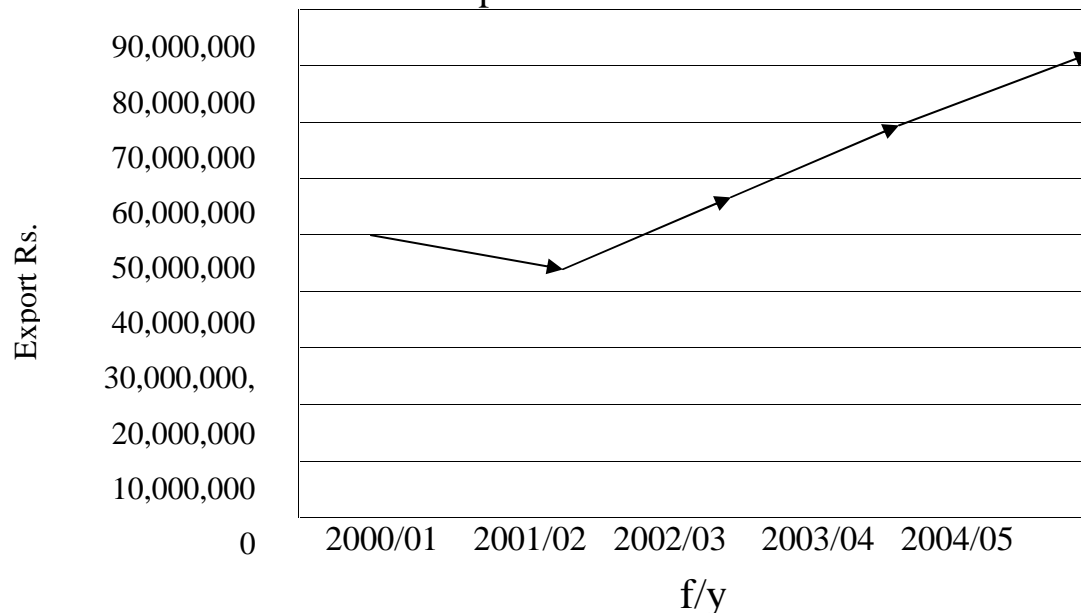
4.2.8 Export of Wood Craft :

Table 4.8
Export of Wood Crafts
Fiscal Tear 2000/01 to 2004/05

S.N.	F/Y	Export	Growth Rate%
1	2000/01	48753160	-
2	2001/02	43363140	-11.05
3	2002/03	56211726	29.63
4	2003/04	69881610	24.31
5	2004/05	80824001	15.65

(Source: HAN, Annual Report from F/Y 2000/01 to 2004/05)

Chart 4.8
Export of Wood Craft



In the above table, the export of Woodcrafts is decreased in f/y 2001/02 but the export the export of woodcraft is increased is increased every year from f/y 2002/o3 . IN f/y 2001/02, the export of woodcraft is decreased by 11.05% but in f/y 2002/03, the export Woodcraft is increased by 29.63% in f/y 2003/04, the

export of Woodcraft is increased by 24.31% compared to last year's export. In f/y 2004/05, the export of Woodcraft is increased by 15.65%.

The lowest export growth rate of woodcraft is 15.65% in f/y 2004/05 and the highest export growth rate is 29.63% in f/y 2002/03. The lowest export amount of woodcraft is Rs.43363140 in f/y 2002/02 and the heights export amount of woodcraft is Rs.80824001 in f/y 2004/05. The export of woodcraft is increasing trend export in f/y 2001/02.

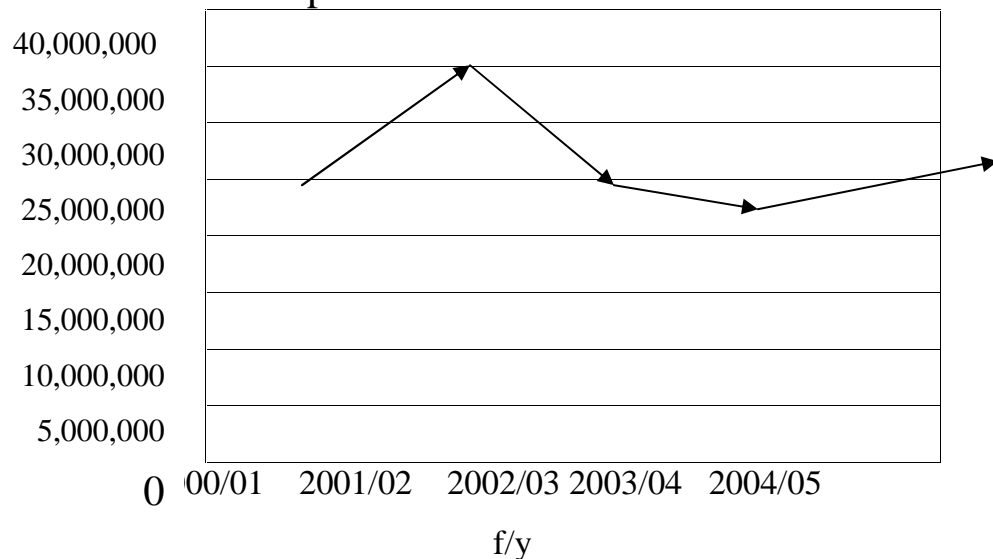
4.2.9 Export of Leather Goods:

Table 4.9
Export of Leather Goods
Fiscal Year 2000/01 to 2004/05

S.N.	F/Y	Export	Growth Rate%
1	2000/01	24553682	-
2	2001/02	35190889	43.32
3	2002/03	24850288	-29.38
4	2003/04	23610502	-4.98
5	2004/05	25811618	9.32

(Source: HAN, Annual Report from F/Y 2000/01 to 2004/05)

Chart 4.9
Export Trend of Leather Goods



In The above table, the export of leather Goods is in a Fluctuating trend. In f/y 2001/02 , the export of leather goods is increased by 43.32% but in f/y 2002/03, the export of leather goods is decreased by 29.38%, which is high decline rate of export . In f/y 2003/04, the export of leather goods is decreased by 4.98% but in f/y 2004/05,the export of rather goods is increased by 9.32.

The lowest export growth rate of leather goods is 9.32% in f/y 2004/05 and the highest export growth rate of leather goods is 43.32% in f/y 2001/02. the lowest export decline rate of leather goods is 4.98% in f/y in f/y 2003/04 and the highest export decline rate is 29.38% in f/y 2002/03. The lowest export amount of leather goods is Rs.24553682 in f/y 2000/01 and the highest export amount of leather goods is Rs. 35190889 in f/y 2001/02. the export of lather goods is in a increasing from f/y 2004/05 but the growth rate is very low .

4.2.10 Export of Incense:

Table

Export of Incense

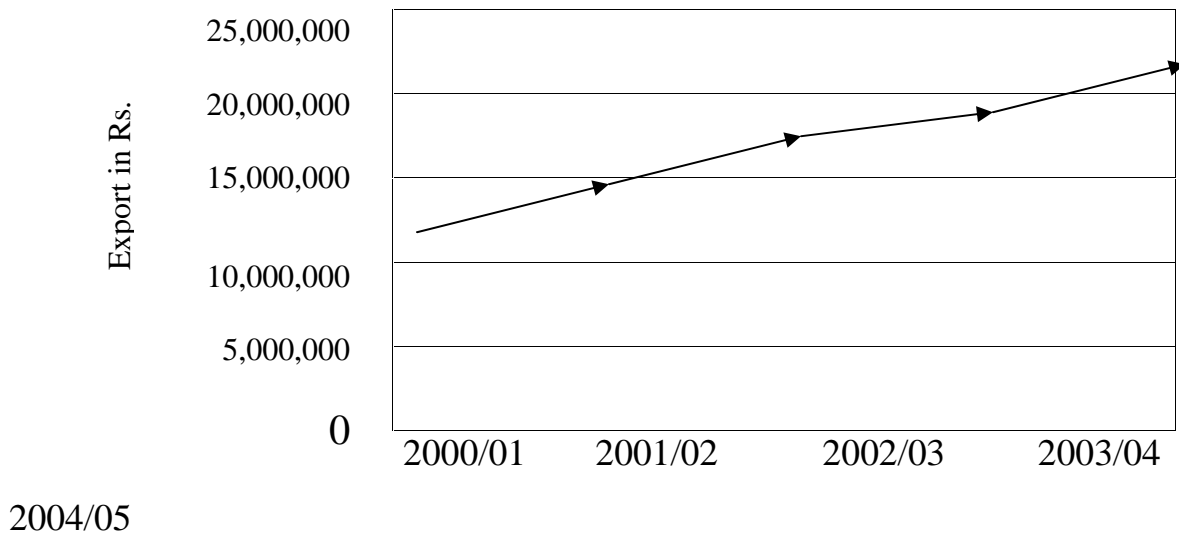
Fiscal year 2000/01 to 2004/05

S.N.	F/Y	Export	Growth Rate%
1	2000/01	12173139	-
2	2001/02	14174142	16.43
3	2002/03	16502523	16.42
4	2003/04	18308356	10.94
5	2004/05	20591579	12.47

(Source: HAN, Annual Report from F/Y 2000/01 to 2004/05)

Chart 4.10

Export Trend of Incense



In the above table, the export of Incense is increased and every year In f/y 2001/02, the export of Incense is increased by 16.43% and in f/y 2003/03, the export of Incense is increased by 16.42% compared to last year's export . In f/y 2003/04,the export of Incense is increased by 10.94% and in f/y 2004/05, the export is increased by 12.47% .

The lowest export growth rate of Incense is 10.94% in f/y 2003/04 and the highest export growth of Incense is 16.53% in f/y 2001/02 and the highest export amount of Incise is Rs. 20591579 in f/y 2004/05. the export of Incense is in a increasing trend and it is smoothly increasing every year .

4.2.11 Export of Paubha (Thanka) :

Table 4.11

**Export of Paubha (Thanka)
Fiscal year 2000/01 to 2004/05**

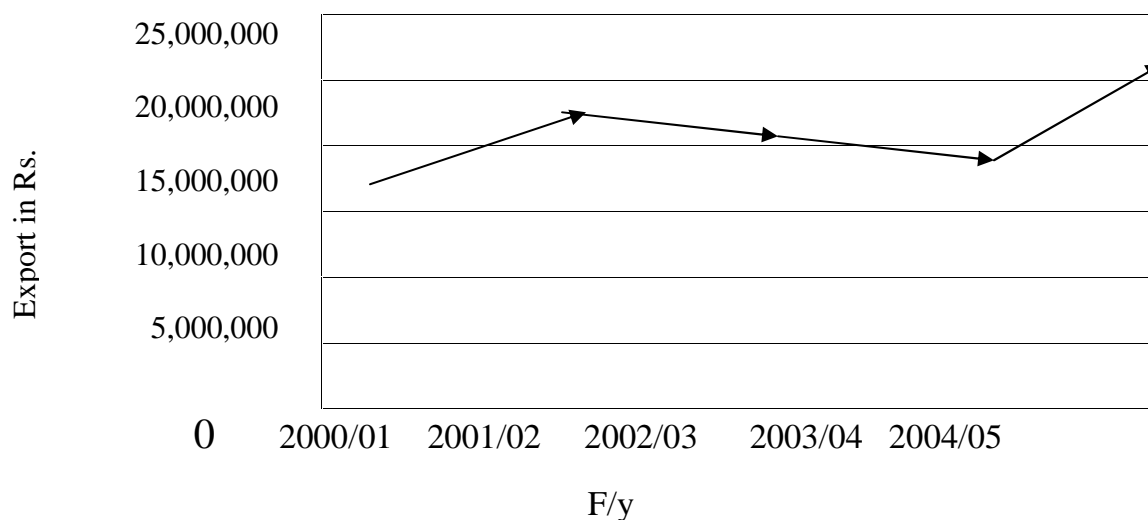
S.N.	F/Y	Export	Growth Rate%
1	2000/01	12853249	-

2	2001/02	17543529	36.49
3	2002/03	15761935	-10.15
4	2003/04	15002557	-4.81
5	2004/05	21009108	40.03

(Source: HAN, Annual Report from F/Y 2000/01 to 2004/05)

Chart 4.11

Export Trend of Paubha (Thanka)



In the above table, the export of thanka is in a Fluctuating tread. In f/y 2001/02 the , export of Thanka is increased by 36.49% but in f/y 2002/03,the export of the Thanka is decreased by 10.15% In f/y 2003/04, the export of Thanka is decreased by 4.81% the decreased percenting is less than last year . In f/y 2004 /05, the export of Thanka is increased by 40.03% which is really high growth rate than last year .

The lowest export growth rate is 36.49% in f/y 2001/02 and the highest export growth rate is 40.03% in f/y 2005/05. The lowest export declined rate is 4.81% in f/y 2003/04, & the highest declined rate is 10.15% in f/y 2002/03.The lowest export amount of Thanka is Rs. 12853249 in f/y 2000/01 and highest

export amount of Thanka is Rs. 21009108 in 2004/05. The export of paubha (Thanka) is in a increasing trend form f/y 2004/05.

Table 4.12

4.2.12 Export of Bone and Horn Products:

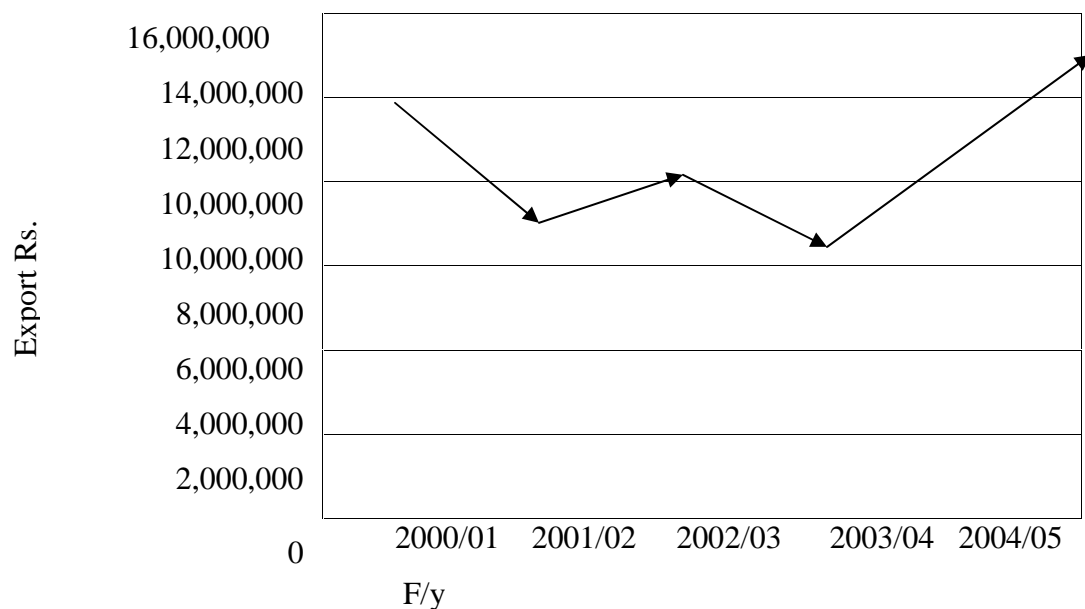
Fiscal year 2000/01 to 2004/05

S.N.	F/Y	Export	Growth Rate%
1	2000/01	13583599	-
2	2001/02	11277291	-16.48
3	2002/03	12308845	9.14
4	2003/04	10691236	-13.14
5	2004/05	14976693	40.08

(Source: HAN, Annual Report from F/Y 2000/01 to 2004/05)

Chart 4.12

Export of Bone and Horn Products:



In the table, the export of Bone and horn products is in a Fluctuating trend. the f/y 2001/02, the export of Bone and horn products is decreased by 16.98% but the export the export is increased by 9.14% in f/y 2002/03. In f/y 2003/04, the export of bone and Horn products is decreased by 13.14% but in f/y 2004/05, the export is increased by 40.08% The lowest export growth rate is 9.14% in f/y 2004/05, The lowest export declined rate is 13.14% in f/y 2003/04 and the highest export declined rate is 16.98% in f/y 2001/02, the lowest export amount of Bone & Horn products is Rs. 10691236 in f/y 2003/04 and the highest export amount of Bone & horn products is Rs. 14976693 in 2004/05. The export of Bone & Horn products is in a increasing trend from f/y 2004/05.

4.2.13 Export of Ceramics Products :

Table 4.13

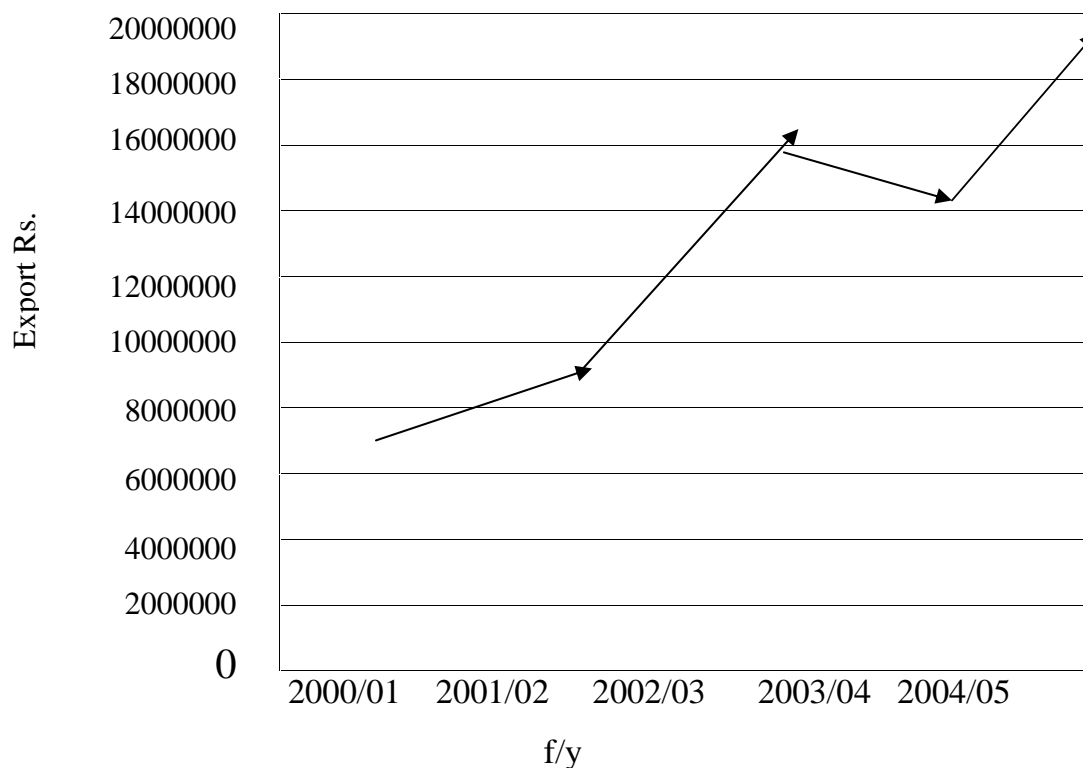
Export of Ceramics products
fiscal year 2000/01 2004/05

S.N.	F/Y	Export	Growth Rate%
1	2000/01	7416762	-
2	2001/02	9779108	31.85
3	2002/03	15970615	63.31
4	2003/04	14864420	-6.92
5	2004/05	18716832	-25.91

(Source: HAN, Annual Report from F/Y 2000/01 to 2004/05)

Chart 4.13

Export Trend of Ceramics products



In the above table, the export of Ceramics products is increased every year in f/y 2003/04. In f/y 2001/02, the export of Ceramics products is increased by 31.85%. In f/y 2002/03, the export of Ceramics products is increased by 63.31% which is a very nice growth rate than last year. But in f/y 2003/04, the export is decreased by 6.92%. In f/y 2004/05, the export of Ceramics products is increased by 25.91%.

The lowest export growth rate of Ceramics products is 25.91% in f/y 2004/05 and the highest export growth rate is 63.31% in f/y 2002/03. The lowest export amount of Ceramics products is Rs. 7,416,762 in f/y 2000/01 and the highest export amount is in an increasing trend.

4.2.14 Export of Beads Items :

Table 4.14

Export of Beads Items
fiscal year 2000/01 2004/05

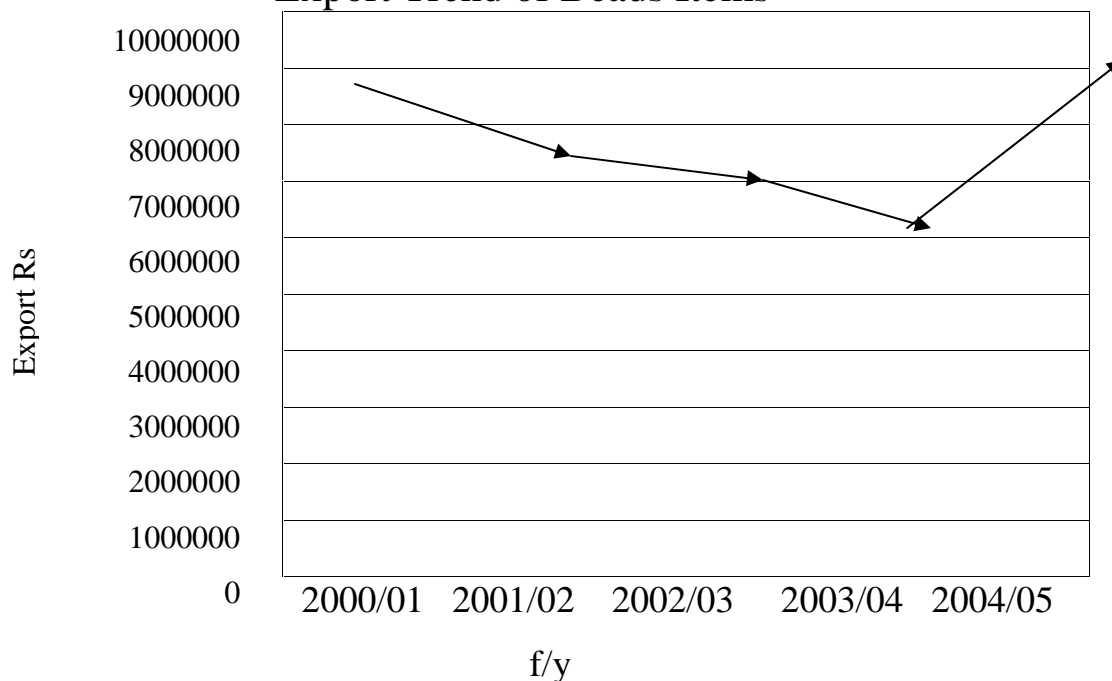
S.N.	F/Y	Export	Growth
------	-----	--------	--------

			Rate%
1	2000/01	8802606	-
2	2001/02	7369405	-16.28
3	2002/03	7099160	-3.68
4	2003/04	6026616	-15.10
5	2004/05	7967173	32.19

(Source: HAN, Annual Report from F/Y 2000/01 to 2004/05)

Table 4.14

Export Trend of Beads Items



In the above table , the export of Beads Item is decreased every year export in f/y 2004/05, In f/y 2001/02,the export of Beads Items is decreased by 16.28% and in f/y 2002/03,the export of beads items is again decreased by 3.68% In f/y 2003/04, the export is decreased by 15.10% But in f/y 2004/05, the export Bead is increased by 32.19% compared to the export of last year .

The lowest export declined rate is 3.68% in f/y 2002/03 and the highest declined rate is 16.28% in 2001/02. The lowest export amount is Rs. 6026616 in f/y 2003/04 and the highest export amount is Rs. 8802606 in f/y 2000/01 The export of beads item is in a increasing trend from f/y 2004/05 but before f/y 2004/05, it was in declining trend .

4.2.15 Export of Bamboo Products :

Table 4.15

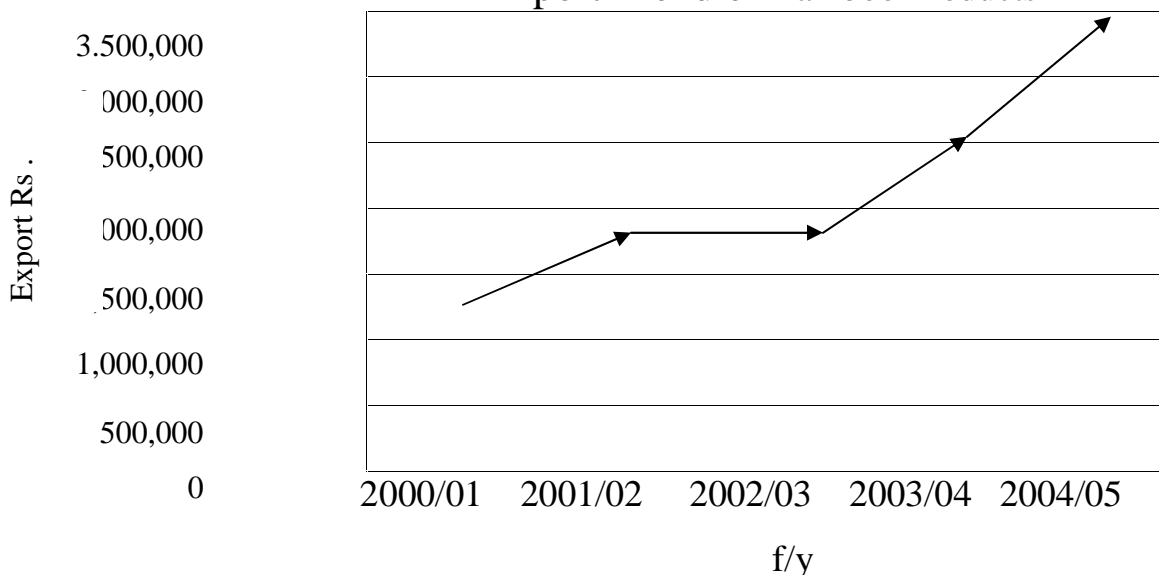
Fiscal year 2000/01 to 2004/05

S.N.	F/Y	Export	Growth Rate%
1	2000/01	1220255	-
2	2001/02	1696432	39.02
3	2002/03	1768574	4.25
4	2003/04	2487826	40.66
5	2004/05	2918536	17.31

(Source: HAN, Annual Report from F/Y 2000/01 to 2004/05)

Chart 4.15

Export Trend of Bamboo Products



In the above table, the export of Bamboo Products is increased each and every year. In f/y 2001/02, In export of bamboo products is increased by 39.02%. In f/y 2002/03, the export of bamboo products is increased by 4.25% only which is very low growth rate , compared to last year's growth rate . In f/y 2003/04, the export of bamboo products is increased by .40.66% and In f/y 2004/05, the export is increased 17.31% .

The lowest export growth rate of bamboo products is 4.25% in f/y 2002/03 and the highest export growth rate of Bamboo products is 40.66% in f/y 2003/04.

The lowest export amount of bamboo products is Rs. 1220255 in f/y 2000/01 and the highest export amount of Bamboo products is Rs. 2918536 in f/y 2004/05. The export of Bamboo products is in an increasing Trend.

4.2.16 Export of Stone Crafts :

Table 4.16

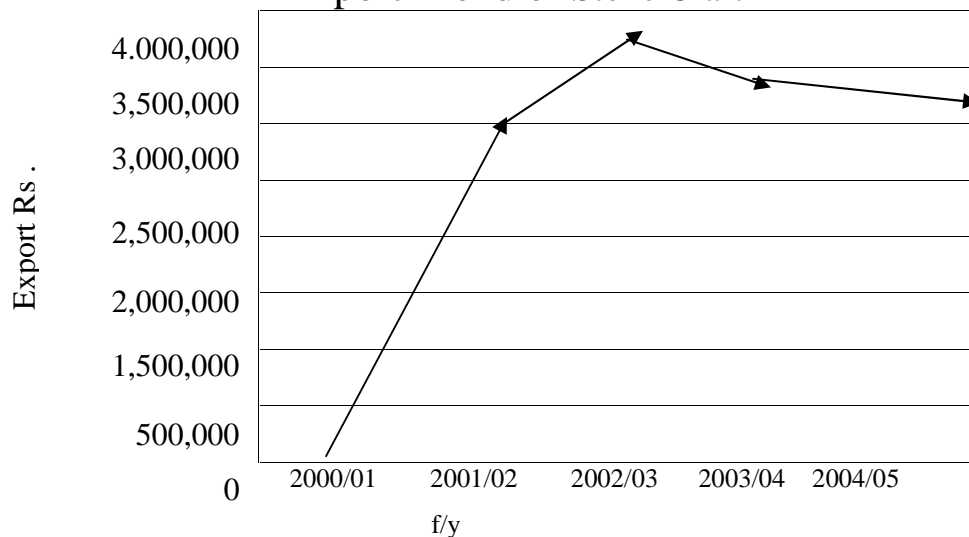
Export of Stone Crafts
Fiscal year 2000/01 to 2004/05

S.N.	F/Y	Export	Growth Rate%
1	2000/01	-	-
2	2001/02	3032186	-
3	2002/03	3616754	19.27
4	2003/04	3458700	-4.37
5	2004/05	3372941	-2.47

(Source: HAN, Annual Report from F/Y 2000/01 to 2004/05)

Chart 4.16

Export Trend of Stone Craft



In the above table, the export of stone craft is decreased every year export in f/y 2002/03. In f/y 2002/03. the export of stone craft in increased by 19.23% but in f/y 2003/04. the export is decreased by 4.47%. In f/y 2004/05, the export of stone craft is again decreased by 2.47%.

The lowest export decline rate of stone crafts is 2.47% in f/y 2004/05 and the highest export declined rate is 4.37% in f/y 2003/04, The lowest export amount of stone craft is Rs. 3032186 in f/y 2001 /02 and the highest amount of stone craft

is Rs. 3616754 in f/y 2002/03. The export of stone craft is in a declining trend from f/y 2003/04.

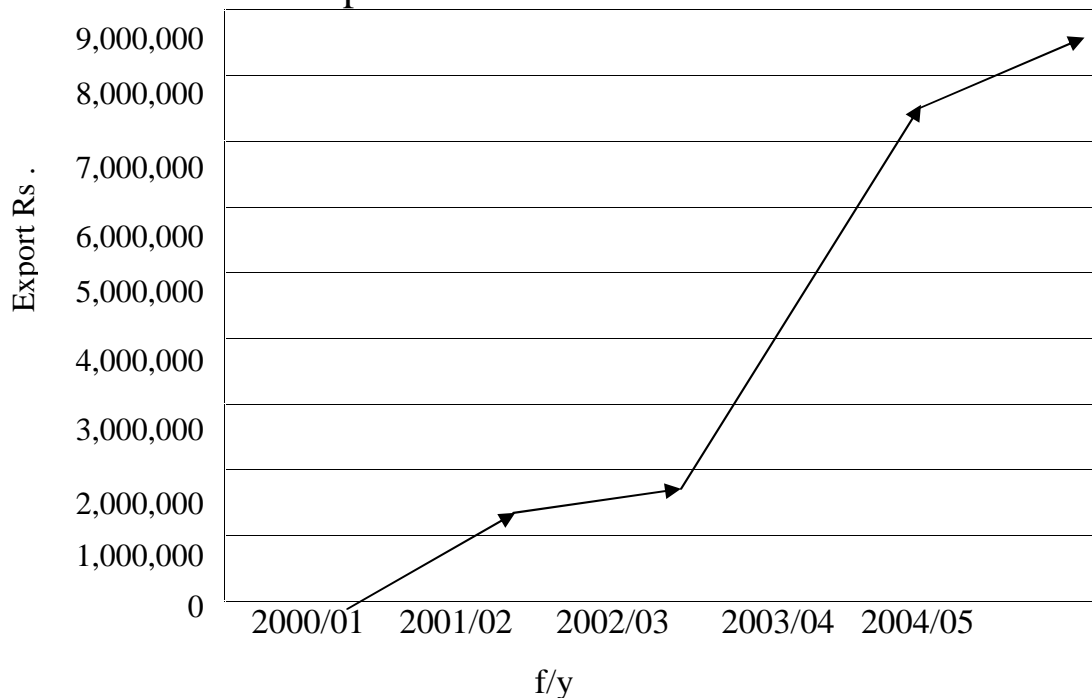
4.2.17 Export of Plastic Item :

Table 4.17
Export of Plastic Item
Fiscal year 2000/01 to 2004/05

S.N.	F/Y	Export	Growth Rate%
1	2000/01	-	-
2	2001/02	1130321	-
3	2002/03	1853942	64
4	2003/04	7453119	302
5	2004/05	8530634	14.45

(Source: HAN, Annual Report from F/Y 2000/01 to 2004/05)

Chart 4.17
Export Trend of Plastic Item t



In the above table, the export of plastics items is increased each and every year . in f/y 2002/03, the export plastic items is increased by 64% In f/y 2003/04. the export of plastic items is increased by 302% which is around 5 times more growth rate than last year . In f/y 2004/05, the export of plastic items is increased by 14.45%

The lowest export growth rate is 14.45% in f/y 2004/05 and the highest export growth rate is 302% in f/y 2003/04. The lowest export amount of plastic items is Rs. 1130321 in f/y 2001/02 and the highest export amount of plastic item is Rs. 8530634 in f/y 2004/05, The export of plastic items is in a increasing trend and the increasing percentage is also high.

4.2.18 Product Wise Export of Handicrafts Goods: For Fiscal Year 2000/01:-

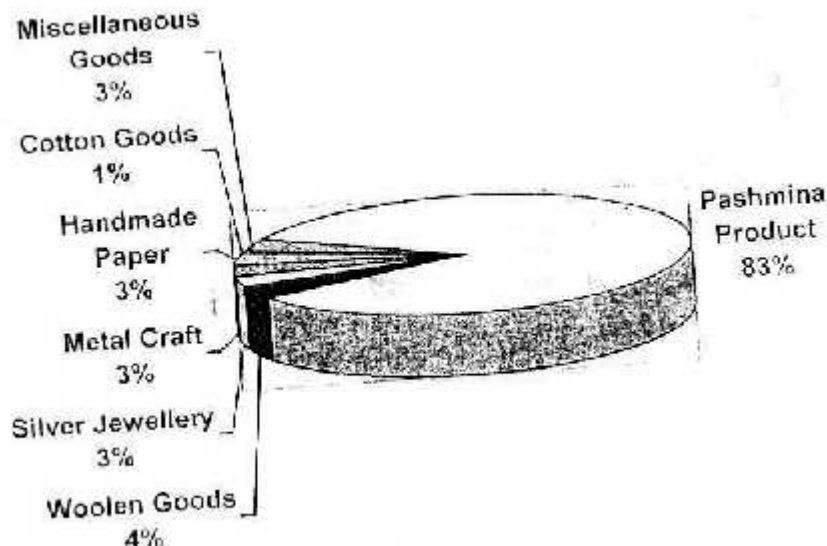
Table 4.18
Product Wise Export of Handicrafts Goods
Fiscal Year 2000/01

Amount in
'000'

S.N.	Products	Amount (Nrs.)	Percent
1	Pashmina products	5643629926	83
2	Woolen Goods	243961432	4
3	Silver Jewellery	225916546	3
4	Metal Craft	226048719	3
5	Handmade paper	190987925	3
6	Cotton Goods	67188529	1
7	Miscellaneous Goods	225429716	3
	Total	6823162793	100

(Source: HAN, Annual Report of F/Y 2000/01)

Chart 4.18
Product Wise Export of Handicraft Goods
Fiscal Year 2000/01



In The above table & pie chart, in f/y 2000/01, pashmina products has contributed 83% in the total export of handicraft goods followed by Woolen goods 45 Silver Jewellery 3% Metal craft 3%, Handmade paper products 3% Cotton Goods 1% & miscellaneous Goods 3% .

In f/y 2000/01, the total export of handicraft goods is Rs. 6.82 billion while only export of pashmina products is Rs. 5.64 billion. This indicates that pashmina products is the number one exportable handicraft products of Nepal but other handicrafts goods has few contribution in total export of handicraft in f/y 2000/01 .

For Fiscal Year 2001/02:-

Table 4.19

Product wise Export of Handicraft Goods

Fiscal Year 2001/02

S.N.	Products	Amount (Nrs.)	Percent
1	Pashmina products	142877312	52
2	Silver Jewellery	283299573	10
3	Metal Craft	262708287	10
4	Handmade paper	242859397	9
5	Woolen Goods	207863139	8
6	Cotton Goods	71203371	3
7	Wood Craft	43363140	2
8	Hemp/Allo Goods	27821720	1
9	Silk products	34495094	1
10	Leather Goods	35190889	1

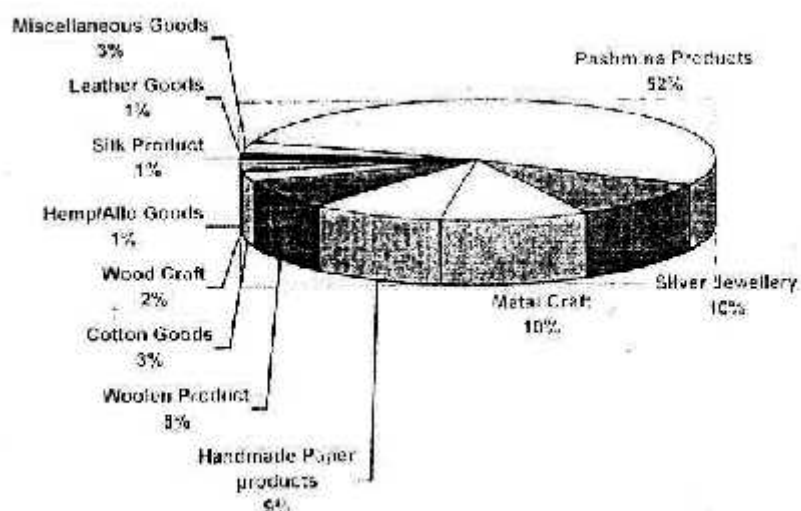
11	Miscellaneous Goods	97954568	3
	Total	2719636490	100

(Source: HAN, Annual Report From F/Y 2001/02)

Chart 4.19

Product Wise Export of Handicraft Goods

Fiscal Year 2001/02



In the above table & pie chart, in f/y 2001/02, the pashmina products has contributed 52% in the total export of handicraft goods followed by Silver Jewellery 10% Metal craft 10%, Handmade paper product 9% woollen Goods 8% Cotton Goods 3% wood Craft 2% , Hemp/All Goods 1% Silk products 1% Leather Goods 1% & Miscellaneous goods 3% .

In f/y 2001/02, the total export of handicraft goods is 1.41 billion. This indicates that pashmina products are the number one exportable handicraft products of Nepal. After pashmina products Silver cotton goods has deserved second, third, fourth, fifth and sixth position.

For Fiscal Year 2002/03 :-

Table 4.20
Product wise Export of Handicraft Goods
Fiscal Year 2001/02

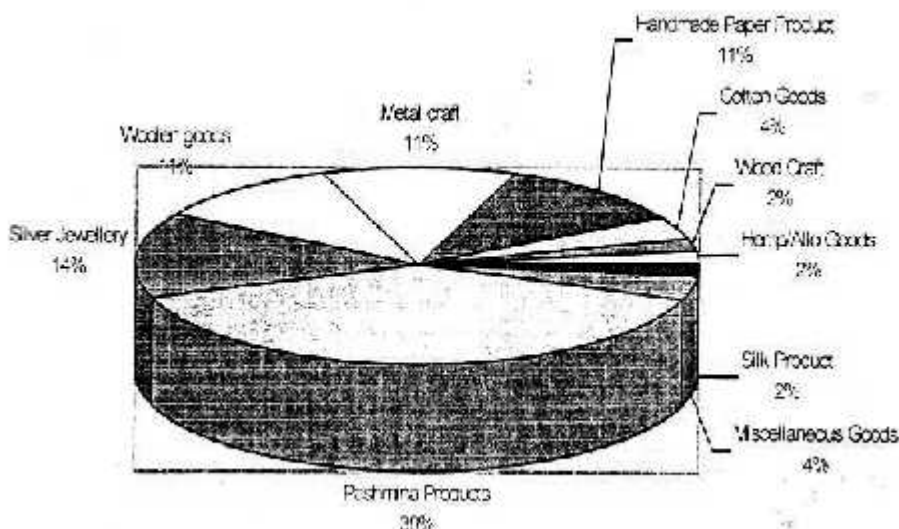
S.N.	Products	Amount (Nrs.)	Percent
1	Pashmina products	989897860	39
2	Silver Jewellery	353059924	14
3	Woolen Goods	277937043	11
4	Metal Craft	276238090	11
5	Handmade paper products	275374703	11
6	Cotton Goods	96199631	4
7	Wood Craft	562117726	2
8	Hemp/Allo Goods	43675079	2
9	Silk products	41489102	2
10	Miscellaneous Goods	142869385	4
11		2552952543	100

(Source: HAN, Annual Report From F/Y 2001/02)

Chart 4.20

Product Wise Export of Handicraft Goods

Fiscal Year 2002/03



In the above table and pie chart, In f/y 2002/03, pashmina product has contributed 39% in the table export of handicraft goods followed by silver Jewellery 14%, Woolen Goods 11% Metal Craft 11% , Handmade paper products 11%, Cotton goods 4% Woods Craft 2% , Hemp / Allo goods and Miscellaneous goods 8% .

In f/y 2002/03, The total export of handicraft goods is Rs. 2.55 billion while only export of pashmina products is Rs.0.98 billion. This indicates that pashmina products is the number one exportable handicraft products of Nepal . After pashmina products, Silver Jewellery has deserved second position and Woolen goods, Metal Craft, Handmade paper products have deserved third position Whereas Cotton Goods, Woodcrafts, Hemp/Allo Goods and Miscellaneous Goods have deserved Fourth, Fifth, Sixth and Seventh posit

For Fiscal Year 2003/04 :-

Table 4.21

Product wise Export of Handicraft Goods

Fiscal Year 2003/04

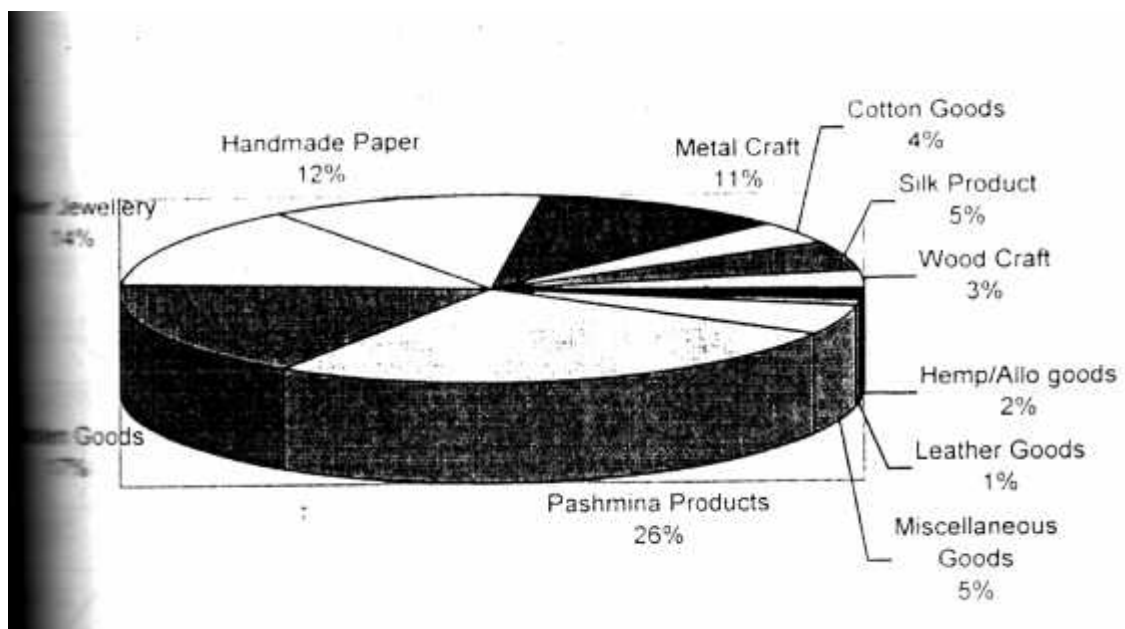
S.N.	Products	Amount (Nrs.)	Percent
1	Pashmina products	661373832	26
2	Woolen Goods	432203471	17
3	Silver Jewellery	367498246	14
4	Handmade paper products	301725045	12
5	Metal Craft	293065733	11
6	Silk products	132354320	5
7	Cotton Goods	11370701	4
8	Wood Craft	69881610	3
9	Hemp/Allo Goods	43675079	2
10	Leather Goods	2310502	1
11	Miscellaneous Goods	132732884	4
	Total	2571841423	100

(Source: HAN, Annual Report From F/Y 2003/04)

Chart 4.21

Product Wise Export of Handicraft Goods

Fiscal Year 2003/04



In the above table and pie Chart, in f/y 2003/04, pashmina products has contributed 26% In the total export of handicraft goods followed by woolen goods 17%, Silver Jewellery 24%, Handmade paper product 12%, Metal Craft 11% Silk product 5%, Cotton goods 4% Wood Craft 3% Hemp/Allo goods 2%, Leather 2% and miscellaneous goods.

In f/y 2003/04, The total export of handicraft goods is Rs. 2.57 billion while only export of pashmina products is Rs. 0.66 billion. This indicates that pashmina products is the number one exportable handicraft products of Nepal . After pashmina products, Craft, Silk products, Wood Craft, Hemp/Allo goods, Leather goods have deserved second, third, Fourth, Fifth, Sixth, Seventh & eighth position.

For Fiscal Year 2004/05 :-

Table 4.22

Product wise Export of Handicraft Goods

Fiscal Year 2004/05

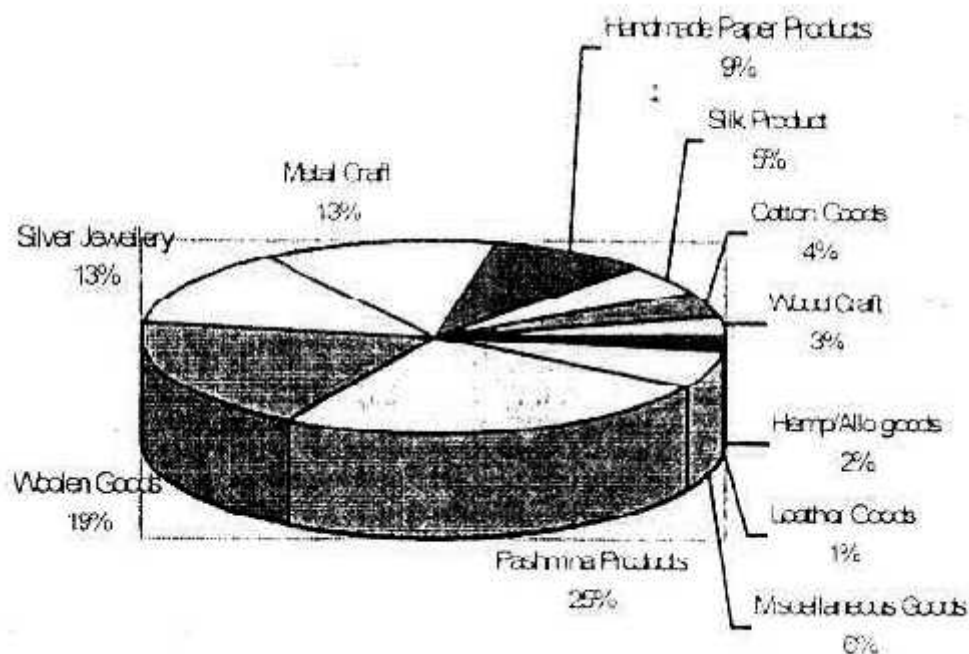
S.N.	Products	Amount (Nrs.)	Percent
1	Pashmina products	700701035	25
2	Woolen Goods	555182797	17
3	Silver Jewellery	377448266	13
4	Metal Craft	373010297	13

5	Handmade paper products	263764274	9
6	Silk products	129084221	5
7	Cotton Goods	110769595	4
8	Wood Craft	80824001	3
9	Hemp/Allo Goods	62082023	2
10	Leather Goods	25811618	1
11	Miscellaneous Goods	170798213	6
	Total	2849476340	100

(Source: HAN, Annual Report From F/Y 2004/05)

Chart 4.22

Product Wise Export of Handicraft Goods
Fiscal Year 2004/05



In the above table and pie Chart, in f/y 2004/05, pashmina products has contributed 25% in the total export of handicraft goods followed by Woolen goods 19%, Silver Jewellery 13% Metal Craft 13%, Handmade paper product 9% Silk products 5% Cotton Goods 4% Wood Craft 3%, Hemp/Allo Goods 2%, Leather goods 1% and Miscellaneous goods.

In f/y 2004/05, The export of handicraft goods is Rs. 2.84 billion while only export of pashmina products is 0.70 billion . This indicates that pashmina products is the number one exportable handicraft products of Nepal . After pashmina products, Woolen goods, silver Jewellery, Metal Craft , Handmade paper product, Silk product silk products , Cotton Goods , Wood Craft, Hemp/Allo goods, leather goods have deserved second, third, fourth, fifth, sixth, sevenths, eighth ,Ninth , position .

4.2.19 Country Wise Export of Handicraft Goods :

For Fiscal Year 2000/01 :-

Table 4.23
Country Wise Export of Handicraft Goods
Fiscal Year 2000/01

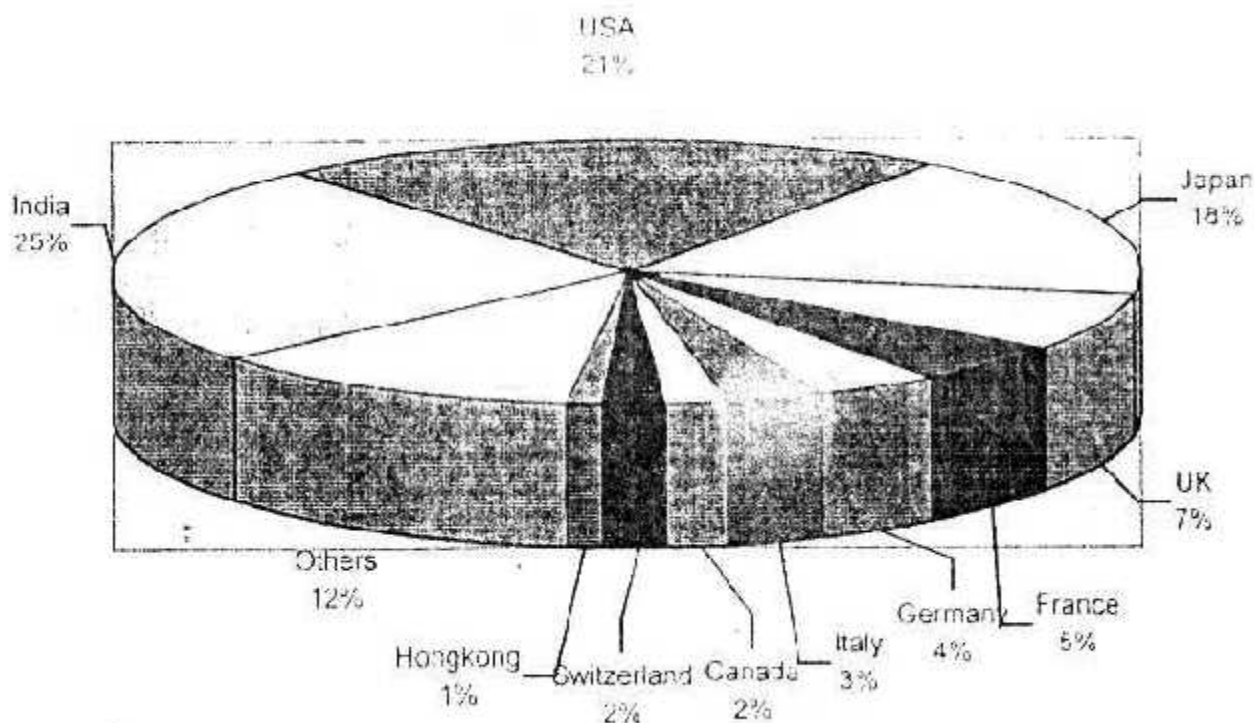
S.N.	Products	Amount (Nrs.)	Percent
1	India	1707791	25
2	USA	1439975	21
3	Japan	1212922	18
4	UK	481944	7
5	Frince	315351	5
6	Germany	271972	4
7	Italy	220481	3
8	Canada	174337	2
9	Switzerland	115949	2
10	Hong Kong	102358	1
11	Others	780083	12
	Total	6823163	100

(Source: HAN, Annual Report From F/Y 2000/01)

Chart 4.23

Country Wise Export of Handicraft Goods

Fiscal Year 2000/01



Whereas USA and Japan has been the second and third major importer of Nepalese handicraft goods which has contributed 21% amounted to Rs. 1439975 thousand and 18% amounted to Rs. 1212922 thousand in total export of handicraft goods respectively while other countries holding few percent of handicraft export like UK 7% amounted to Rs. 481944 thousand, France 5% amounted to RS. 315351 thousand, Germany 4% amounted to Ra. 271972 thousand, Italy 3% amounted, to thousand, Canada 2% amounted to Rs. 174337 thousand, Switzerland 2% amounted to 115949 thousand, & Hong Kong 1% amounted to Rs. 102358 thousand . In f/y 2000/01, the total export of handicraft goods is Rs. 6823163 thousand.

For Fiscal Year 2001/02 :-

Table 4.24

Country Wise Export of Handicraft Goods

Fiscal Year 2001/02

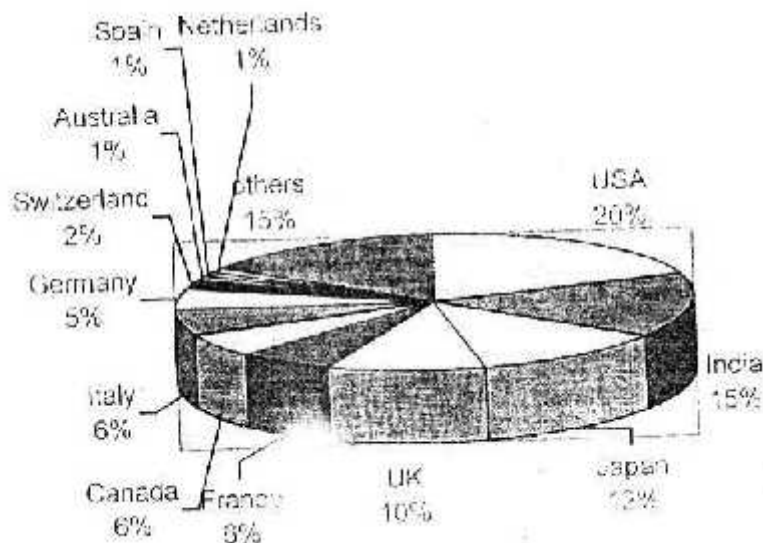
S.N.	Products	Amount (Nrs.)	Percent
1	USA	548459	20
2	India	426143	15
3	Japan	317814	12
4	UK	374601	10
5	Frince	156379	6
6	Canada	151441	6
7	Italy	158625	6
8	Germany	148852	5
9	Switzerland	60450	2
10	Australia	35781	1
11	Spain	30340	1
12	Netherlands	30140	1
13	Others	390611	15
	Total	2719636	100

(Source: HAN, Annual Report From F/Y 2001/02)

Chart 4.24

Country Wise Export of Handicraft Goods

Fiscal Year 2001/02



In the above table pie chart, in f/y 2000/01, USA has been the number one importer of Nepalese handicraft goods which has contributed 20% amounted to Rs. 548459 in the total export of Nepalese handicraft goods . Whereas India, Japan, UK has been the second, third & Fourth major importer of Nepalese handicraft goods which has contributed 15% amounted to Rs. 416143 thousand , 12% amounted to Rs . 317814 thousand , 10% amounted to 274601 thousand in total export of handicraft goods, respectively while others countries holding few percent of handicraft export like France 6% amounted to Rs. 156379 thousand , Canada 6% amounted to Rs. 151441 thousand, Italy 6% amounted to Rs. 158625 thousand , Switzerland 2% amount to Rs. 60450 thousand, Australia 1% amounted to 35781 thousand, Spain 1% amounted to Rs. 30340 thousand, Netherlands 1% amounted Ws. 30140 thousand . In f/y 2000/01, the total export of handicraft goods is Rs. 2719636 thousand.

For Fiscal Year 2002/03 :-

Table 4.25

Country Wise Export of Handicraft Goods

Fiscal Year 2002/03

S.N.	Products	Amount (Nrs.)	Percent
1	USA	535995	21
2	India	303169	12
3	Japan	272699	11
4	UK	292778	11
5	Italy	194298	8
6	Canada	177274	7
7	Germany	189135	7

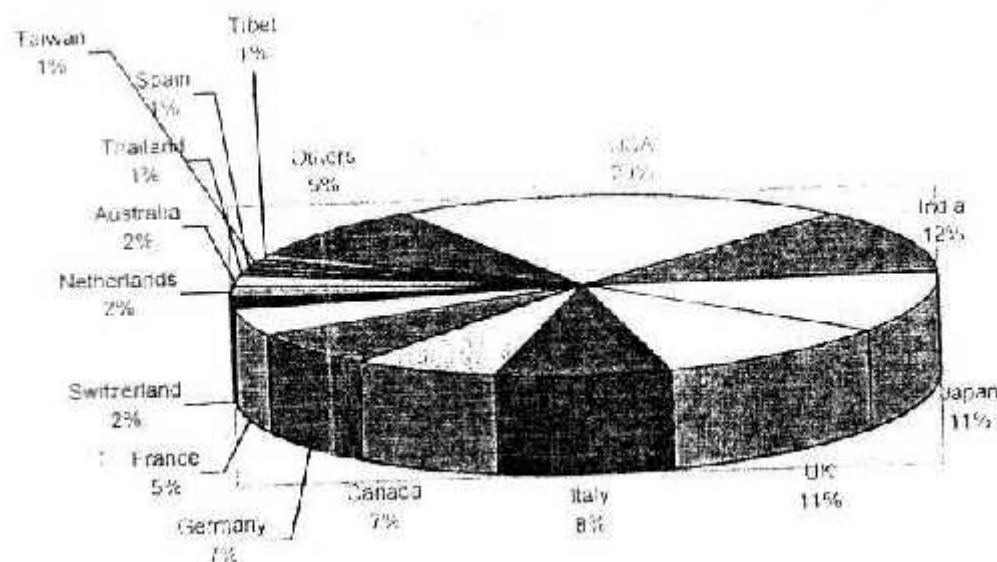
8	France	136116	5
9	Switzerland	46417	2
10	Netherlands	42331	2
11	Australia	36187	2
12	Thailand	30605	1
13	Tibet	28498	1
14	Taiwan	34266	1
15	Others	197912	9
	Total	2552953	100

(Source: HAN, Annual Report From F/Y 2002/03)

Chart 4.25

Country Wise Export of Handicraft Goods

Fiscal Year 2002/03



In the above table and pie Chart, in f/y 2002/03, USA has been the number one importer of Nepalese handicraft goods which has contributed 21% amounted to Rs. 535995 thousand in the total export of Nepalese handicraft goods . Whereas India, Japan & UK Italy, Canada & Germany , has been the second , third, Fourth & Fifth major importer of Nepalese handicraft goods which has contributed 12% amounted to 303169 thousand , 11% amounted to Rs. 272699 thousand , 11% amounted to Rs. 292778 thousand , 8% amounted to Rs. 194298,

% 7% amounted , to Rs . 177274 thousand , 7% amounted to Rs. 189135 in total export of handicraft goods respectively while other countries holding few percent of handicraft export like France 5% amounted to Rs. 136116 thousand , Switzerland 2% amounted , to Rs. 46417 thousand , Netherlands 2% amounted to Rs. 42331 thousand, Australia 2% amounted to Rs. 36187 thousand , Spain 1% amounted to Rs. 35273 thousand, Thailand 1% amounted Rs. 30605 thousand , Tibet 1% amounted to 28498 thousand , Taiwan 1% amounted to Rs. 34266 thousand, In f/y 2000/01 the total export of handicraft goods is Rs , 2552953 thousand .

For Fiscal Year 2003/04 :-

Table 4.26

Country Wise Export of Handicraft Goods
Fiscal Year 2003/04

Amount in

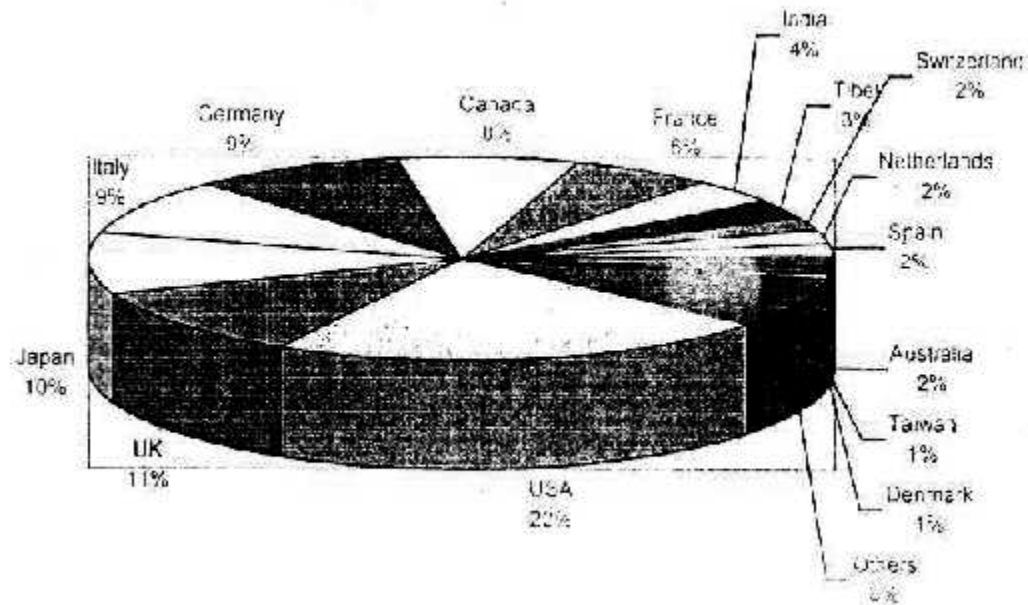
'000'

S.N.	Name Countries	Amount (Nrs.)	Percent
1	USA	556176	22
2	UK	278016	11
3	Japan	253337	10
4	Italy	242662	9
5	Germany	219722	9
6	Canada	201943	8
7	France	147031	6
8	India	113949	4
9	Tibet	64485	3
10	Switzerland	50996	2
11	Netherlands	48295	2
12	Spain	457559	2
13	Australia	39981	2
14	Taiwan	33229	1
15	Denmark	26045	1
15	others	197912	8
	Total	2552953	100

(Source: HAN, Annual Report From F/Y 2003/04)

Chart 4.26

Country Wise Export of Handicraft Goods Fiscal Year 2003/04



In the above table pie chart, in f/y 2003/0, USA has been the number one importer of Nepalese handicraft goods, which has contributed 22%, amounted to Rs. 556176 thousand in the total export of Nepalese handicraft goods. Whereas UK, Japan, Italy & Germany, Canada, France, India has been the second, third, Fourth, Fifth, & sixth major importer of Nepalese handicraft goods which has contributed 11% amounted to Rs . 278016 thousand, 10% amounted to Rs. 253337 thousand, 9% amounted to Rs. 242662 thousand, 9% amounted to rs. 219722, 8% amounted to Rs, 201943 thousand, 6% amounted to Rs. 147031 thousand, 4% amounted 4% amounted to Rs. 113949 thousands in total export of handicraft goods respectively while others countries holding few percent of handicraft export like Tiber 3% amounted to Rs. 64485 thousand, Switzerland to Rs. 48295 thousand , Australia 2% amounted to Rs. 39981 thousand, Spain 2% amounted to Rs. 45759 thousand, Taiwan 1% amounted to Rs. 33229 thousand , Denmark 1% amounted to 26045

thousand. In f/y 2000/01, the total export amount of handicraft goods is Rs. 2552953 thousand.

For Fiscal Year 2004/05 :-

Table 4.27

Country Wise Export of Handicraft Goods
Fiscal Year 2004/05

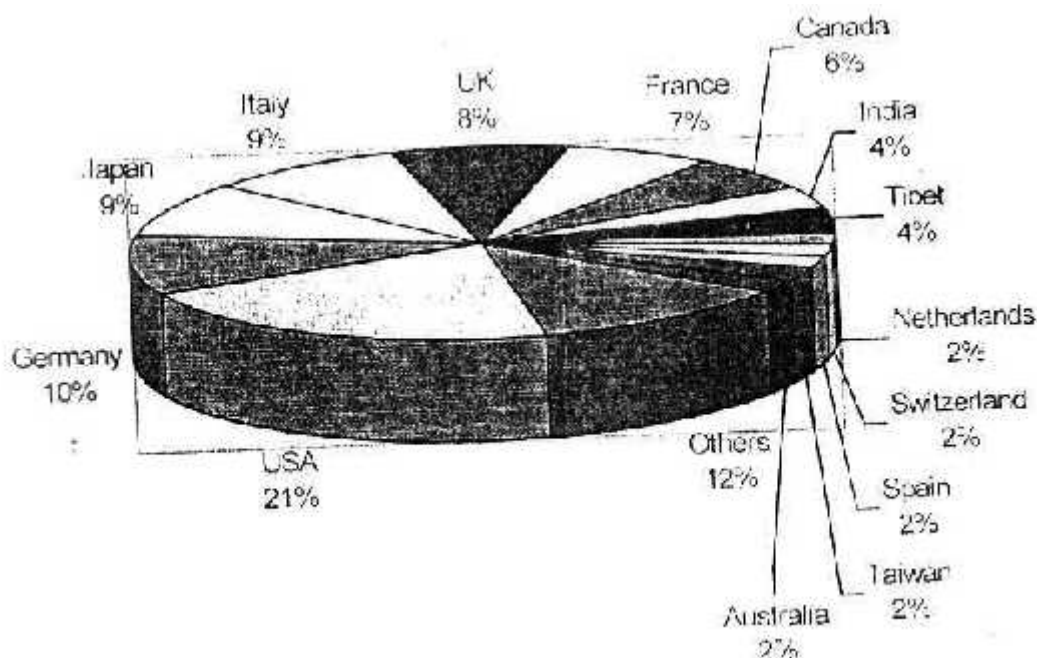
		Amount in	
		'000'	
S.N.	Name of Countries	Amount (Nrs.)	Percent
1	USA	589041	21
2	Germany	283305	10
3	Japan	264370	9
4	Italy	242683	9
5	UK	238396	8
6	France	187480	7
7	Canada	183560	6
8	India	115403	4
9	Tibet	109793	4
10	Netherlands	66296	2
11	Switzerland	59348	2
12	Spain	58244	2
13	Taiwan	53371	2
14	Australia	50857	2
15	Others		12
15	Total	2552953	100

(Source: HAN, Annual Report From F/Y 2004/05)

Chart 4.27

Country Wise Export of Handicraft Goods

Fiscal Year 2004/05



nun

amounted to Rs. 589041 thousand in the total export of Nepalese handicraft goods. Whereas Germany, Japan & Italy, UK, France, Canada, India has been the second, third, fourth, fifth, Sixth & seventh major importer of Nepalese handicraft goods which has contributed 10% amounted to Rs. 283305 thousand, 9% amounted to Rs. 264390 thousand, 9% amounted to Rs. 242683 thousand, 8% amounted to Rs. 238396, 7% amounted to Rs. 187480 thousand, 6% amounted to Rs. 183560 thousand, 4% amounted to Rs. 115403 thousand in total export of handicraft goods respectively while others countries holding few percent of handicraft export like Tibet 4% amounted Rs. 109793 thousand, Netherlands 2% amounted, Spain 2% amounted to Rs. 58244 thousand, Taiwan 2% amounted to Rs. 53371 thousand, Australia 2% amounted to Rs. 50857 thousand, In F/Y 2000/01, the total export amount of handicraft goods is Rs. 2849476 thousand. In F/Y 2000/01, the total export amount of handicraft goods is Rs. 2849476 thousand.

4.2.20 Total Export of Handicraft Goods F/Y 2000/01 to 2004/05:

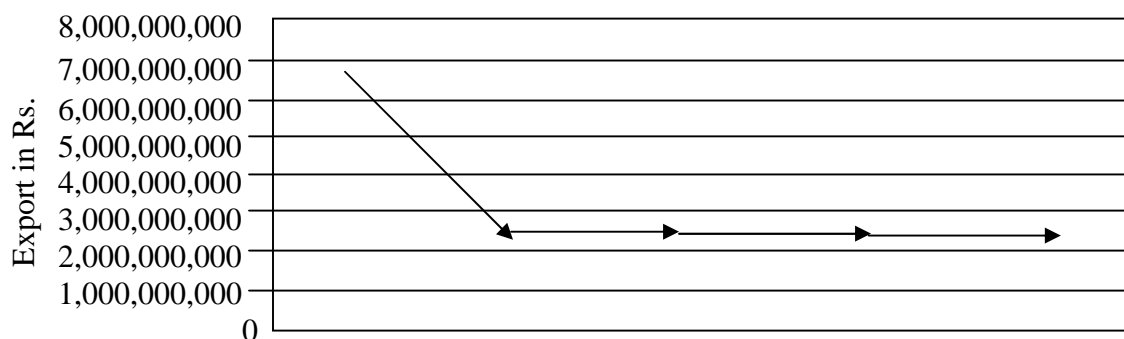
Table 4.28
Total Export of Handicraft Goods
Fiscal Year 2000/01 to 2004/05

Amount in '000'

S.N.	F/Y	Export	Growth Rate%
1	2000/01	6823162793	—
2	2001/02	2719636490	-60.14
3	2002/03	2552952543	-6.12
4	2003/04	1571841423	0.74
5	2004/05	2849476340	10.80

(Source: HAN, Annual Report from F/Y 2000/01 to 2004/05)

Chart- 4.28
Export of Handicraft Goods
Fiscal Year 2000/01 to 2004/05



2000/01 2001/02 2002/03 2003/04 2004/05
F/Y

In the above table, the total export of handicraft goods is in a fluctuating trend and Fluctuating gap between growth rate and decline rate is very high. In F/Y 2001/02, the total export of handicraft goods is decreased by 60.14% and in F/Y 2002/03, the total export of handicraft goods is decreased by 6.12% as compared to last year. In F/Y 2003/04, the total export of handicraft goods is increased by 0.74% only and in F/Y 2004/05, it is increased by 10.80% compared to last year's growth rate.

The lowest export amount of handicraft goods is Rs. 2552953 thousand in f/y 2002/03 and the the highest export amount handicraft goods is Rs.6823163 thousand in f/y 2000/01.

4.2.21 Handicraft Export's contribution in Total Export of Nepal:

Table 4.29

Handicraft Export's contribution in Total Export of Nepal

S.N.	F/Y	Handicraft Export (Nrs.)	Total Export (Nrs.)	Growth Rate%
1	2000/01	6823163	55245900	12.35
2	2001/02	2719636	47386788	5.74
3	2002/03	2552953	50011122	5.10
4	2003/04	2571841	53949414	4.76
5	2004/05	2849476	58975321	4.83

(Source: HAN, Annual Report from F/Y 2000/01 to 2004/05)

In The above table, In f/y 2000/01, the total Export of handicraft goods is Rs. 6823163 thousand which contribute 12. 35% in the total export of Nepal . In f/y 2002/02,the total export of handicraft goods is Rs. 2719636 thousand which

contributes 5.74% in total export of Nepal In f/y 2002/03, the total export of handicraft goods is Rs. 2552953 thousand which contribute 5.10% in total export of Nepal . In f/y 2003/04, the total export of handicraft goods is Rs. 2571841 thousand which contribute 4.76% in the total export of Nepal , In f/y 2004/05, the total export of handicraft goods is rs. 28492176 thousand which contribute 4.83%.

This indicates that the contribution of handicraft's export in total export of Nepal is in a declining trend up to 2003/04 but in f/y 2004/05, the contribution of handicraft export has increased by 0.07%, compared to last year's contribution .

4.2 Presentation & Analysis of primary Data :

Under this analysis, data been presentation with the help of table, pie chart, bar diagram.A total of 20 Manufacturer/dealer / exporters have filled up the questionnaire and provided interview where necessary .

The information and data obtained through the questionnaire survey have been tabulated and they have been explained with different charts and diagrams as appropriate.

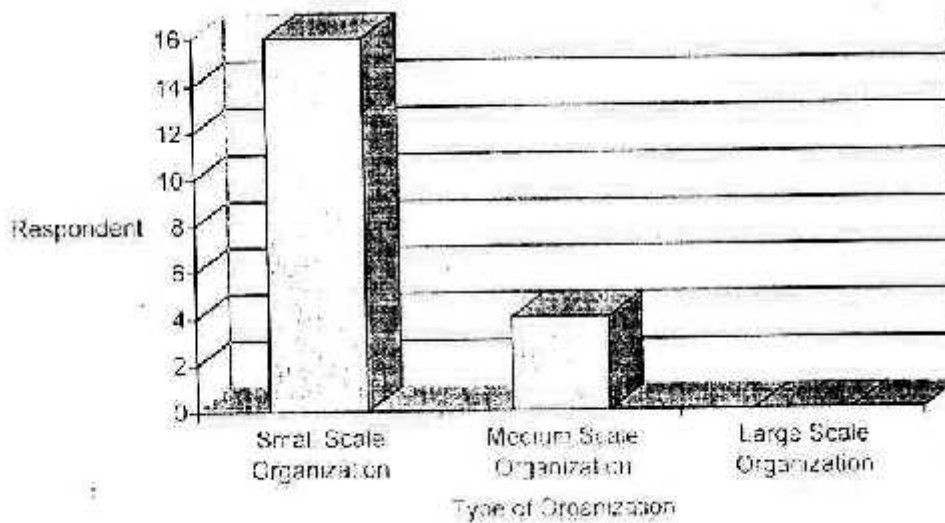
Nature of Organization :

Table 4.30

Nature of Organization

S.N	Nature of Organization	Frequency	Percentage
1	Small Organization	16	80
2	Medium Organization	4	20
3	Large Organization	0	0
	Total	20	100

Chart 4.30
Nature of Organization



The above table depicts that 16 respondents out of 20 were small-scale Organization, 4 respondents were medium scale Organization and none of the Organization is large scale. The Organization with the investment of up to 3 core is termed as small-scale organization whereas the industries with the investment of more than 3 core and up to 10 core is medium scale organization and the organization having investment of more than 10 core is large scale industry.

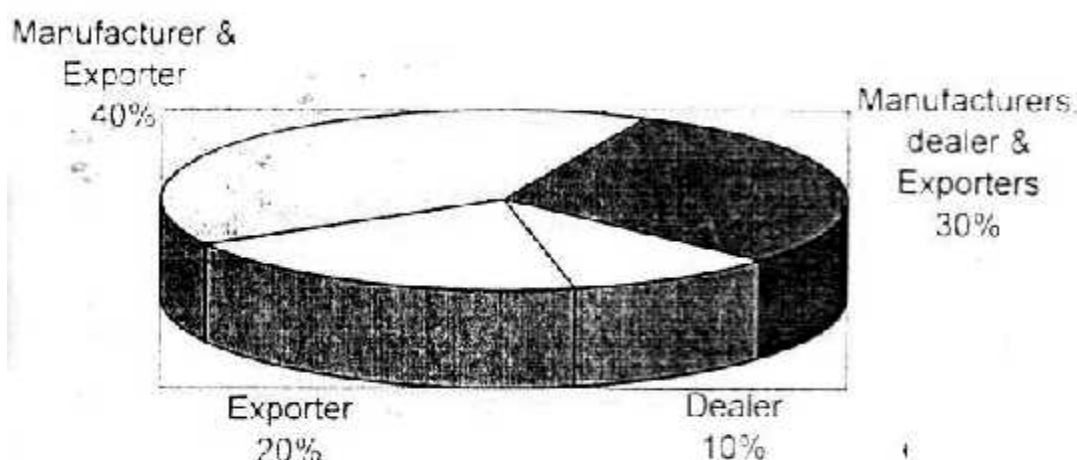
Types of Organization :-

Table 4.31
Types of Organization

S.N	Types of Organization	Frequency	Percentage
1	Manufacturer and Exporter	8	40
2	Manufacturer, Dealer and Exporter	6	30
3	Dealer	2	10

4	Exporter	4	20
	Total	20	100

Chart 4.31
Types of Organization



The Above table depicts that 40% of the Respondents are manufacturer and Exporters where as 30% of the respondents are manufacturer, dealer and Exporters, 10% of Respondents are dealer, 20% of the Respondents are exporters who export handicrafts goods in the international market. so most of the Respondents are interested in manufacturing the handicrafts products and exporting then directly in the international market. So that they can eliminate the middleman . This indicates that most of the respondents themselves manufacture the Nepalese handicrafts products and export them in the international market .

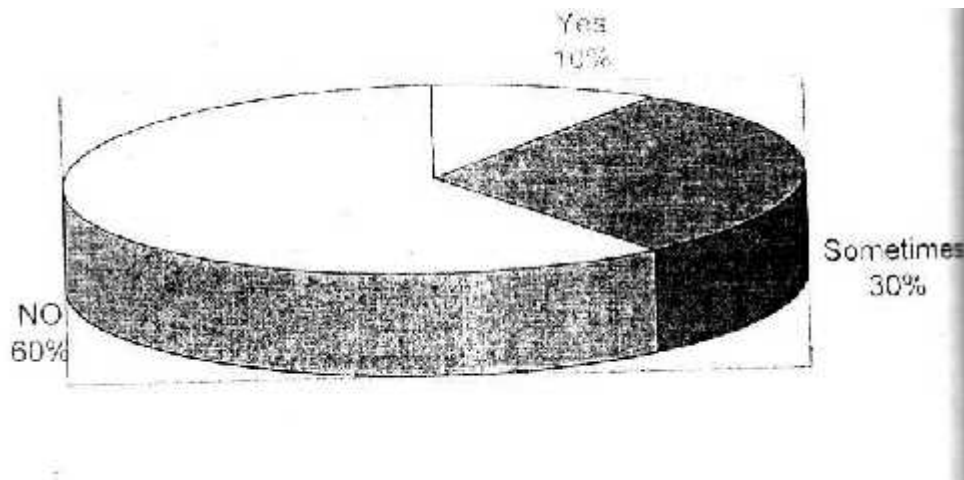
Getting difficulty for Raw Material of handicrafts :-

Table 4.32
Difficulty for Raw Material

S.N	Difficulty in getting raw	Frequency	Percentage
-----	---------------------------	-----------	------------

	Material		
1	yes	2	10
2	Sometimes	6	30
3	No	12	60
	Total	20	100

Chart 4.32
Difficulty in getting raw Material



The above table depicts that 10% of the respondents are getting difficulty for raw materials, 30% of the respondents are getting defect sometimes, 60% of the respondents are not getting any difficulty for raw materials, So most of the respondent aren't getting difficulties.

Quality control of the products: -

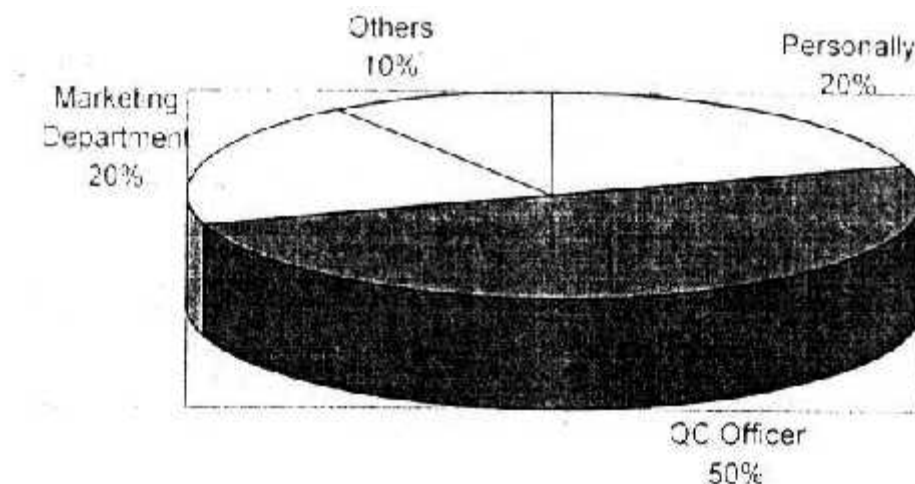
Table 4.33

Quality control of the products

S.N	Quality controller	Frequency	Percentage
1	Personally	4	20
2	QC Officer	10	50
3	marketing Department	3	20
	others	2	10
	Total	20	100

Chart 4. 33

Quality control of the product's



The above table depicts that 20% of the respondents used to control the quality of the products by themselves. 50% of the respondents used to control the quality of the products by QC officer, 20% of the respondents used to control the quality of the products by marketing department, 10% of the respondents used to control the quality of the products by others techniques, so most of the respondents used to control quality of the products through QC officer.

Dealing With Int'l Customers;-

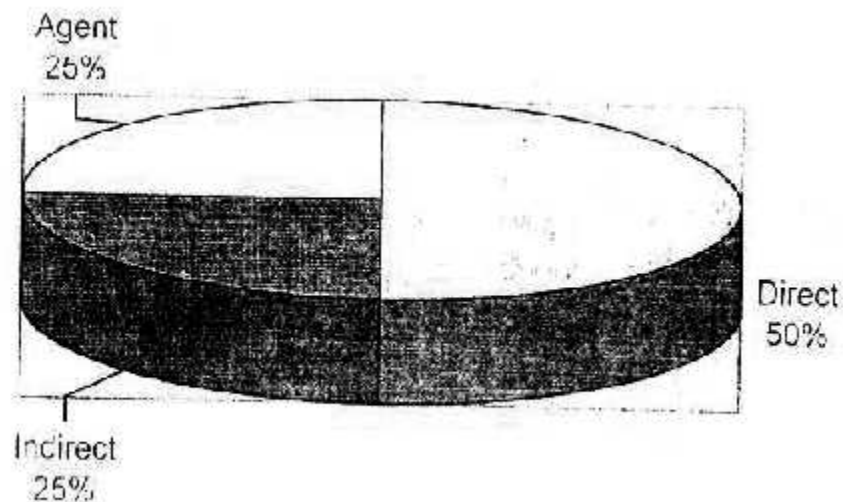
Table 4.34

Dealing with Int'I Customer

S.N	Dealing with Int'I Customer	Frequency	Percentage
1	Direct	10	50
2	Indirect	5	25
3	Agent	5	25
	Total	20	100

Chart 4.34

Dealing with Int'l Customer



The above table depicts that 50% of the respondents directly deal with their international customer . 25% of the respondents deal indirectly and 25% of the respondents deal through agent. On interviewing in has also been identified that 50% respondents deal directly to the countries where they have good contact with

their customers and in some others countries where they are not too aware of the customers, they hire agent. This indicates that 50% of the exporters are dealing with international customers directly & remaining by agent and indirectly.

countries where Nepalese Handicrafts products are Exported:-

Table 4.35

Countries where Nepalese Handicrafts products are exported

S.N.	Countries	Frequency	Percent
1	USA	10	50
2	UK	2	10
3	Japan	3	15
4	EU Countries	4	20
5	Other Countries	1	5
		20	100

They above table depicts that 50% of the respondents export handicrafts products to USA, 10%,15% 20%, 5% of the respondents export handicrafts product to UK, Japan, EU Countries and other Countries respectively.

This indicates that most of the exporters are exporting their handicraft products to USA, UK, Japan, EU Countries with first priority basis but others Countries export is comparatively very few.

Meeting Demand on Time:-

Table 4.36

Meeting Demand on timely basis

S.N.	Timely Basis	Frequency	percent
1	Yes	14	70
2	Sometimes No	6	30
Total		20	100

The above table depicts that Among 20 respondents 14 respondents (70%) of the respondents are meeting demand on timely basis but sometimes, 6 respondents (30%) are getting problem to meet the demand on time. They have pointed that lack of new technology, lack of raw material & political are the major cause of not meeting demand on timely basis .

Market Expansion Problem :-

Table 4.37
Market Expansion Problem

S.N.	Market Expansion Problem	Frequency	percent
1	Advertisement problem	12	60
2	Legal Problem	0	0
3	Political problem	0	0
4	Others	8	40
Total		20	100

The above table depicts that among 20 respondents, 12 respondents (60%) are facing the problem of advertisement for market expansion . But among 20 respondents, 8 respondents (40%) are facing other problem export advections which is as follows .

- # Lack of the sufficient information about the potential markets.
- # Global changes & Global competitors .
- # Sometimes social and cultural problem.

India being the only transit country for Nepal , It has to face transit problem many times.

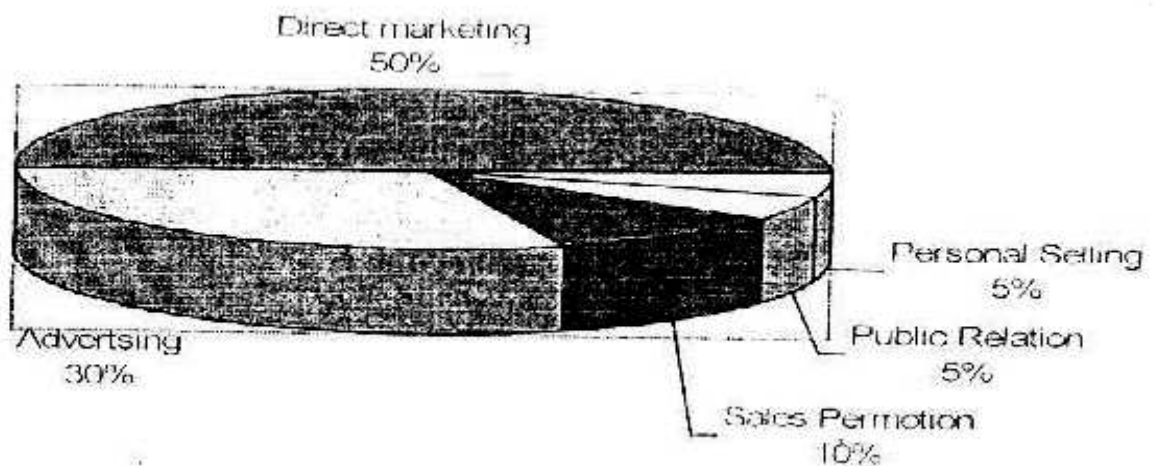
Similarly , the country has not sufficiently developed infrastructure.

Promotional Strategies :-

Table 4. 38
Promotional Strategies

S.N.	Promotional Strategies	Frequency	percent
1	Advertising	6	30
2	Direct Marketing	10	50
3	Personal selling	1	5
4	Public Relation	1	5
5	Sales Promotion	2	10
Total		20	100

Chart 4.38
Promotional Strategies



The above table depicts that among 20 respondents, 6 respondents (30%) are promoting their handicrafts products through advertisement, 10 respondents (50%) are promoting their business through direct marketing, 1 respondent is promoting his handicraft products through personal selling 1 respondent is promoting are promoting business through public relation & 2 respondents are promoting handicraft products through sales promoting .

This indicates that most of the exporters are promoting their handicrafts products through Direct marketing and advertisement .

Advertising Budget :-

Table 4.39

Advertising Budget

S.N.	Advertising Budget	Frequency	percent
1	0-500,000	16	80
2	500,000-10,00,000	4	20
Total		20	100

The above table depicts that among 20 respondents, 16 respondents (80%) are spending Rs. 0-5000,000 per annum for advertisement and 4 respondents (20%) respondents are spending 500,000 to 10,000,000 are annum for advertisement .

This indicates that most of the exporters are spending Rs. 0-500,000 per annum for advertisement .

Websites Construction:-

Table 4.40

Websites Construction

S.N.	Website	Frequency	percent
1	Yes	12	60
2	No	6	30
3	Planning to Construct	2	10

Total	20	100
--------------	-----------	------------

The above table depicts that among 20 respondents, 12 respondents have websites, 6 respondents have no website and 2 respondents are planning to construct the websites,

This indicates that more than 50% of the exporter who are dealing with int'l customers have website but still 30% of the respondent have no ideas about the websites.

Participation in int'l Trade Fair:-

Table 4.41
Participation in int'l Trade Fair

S.N.	Advertising Budget	Frequency	percent
1	Yes	7	35
2	No	13	65
Total		20	100

The above table depicts that among 20 respondents, 7 respondents have participated in the Int'l trade fairs whereas 13 respondents have not participated in the Int'l trade fairs and exhibitions.

On interviewing to the respondents, it has been identified that out of the total of 7 respondents who have participated in int'l trade fair held in different countries such as USA, EU countries, Asian Countries etc. Most of the respondents have participated in exhibition held in Germany, France, UK, Japan and USA.

5 of the respondents have participated in less than 6 trade fair, where as 2 of the respondent has participated in more than 6 exhibition. Generally, the duration of the exhibition varies according to the nature of exhibition and the location of the country but respondents in form that mostly the duration of the exhibition will be 2 to 7 days.

Market Research Conducted:-

Table –4.42

Market Research Conducted

S.N.	Market Research Conducted	Frequency	Percent
1	Yes	8	40
2	No	12	60
Total		20	100

The above table depicts that among 20 respondents, 8 respondents (40%) are conducting market research program in their organization for promoting handicrafts in int'l market but 12 respondents (60%) are not conducting market research program.

This indicates that most of the exporter are still doing handicraft business through traditional way, only 40% exporters are conducting market research program.

Support from HMG/NGO/INGO and Others Organization :-

Table-4.43

Support from HMG/NGO/INGO and Others Organization :-

S.N.	Support from HMG/NGO/INGO & Others Organization	Frequency	Percent
1	Yes	5	25
2	No	15	75
Total		20	100

The above table depicts that among 20 respondents, 5 respondents (25%) are getting support from HMG/NGO/INGO and other organization but 15 respondents (75%) are not getting any support from them.

The indicates that most of the exporter are not getting any support from HMG/NGO/INGO and other organization, only few big organization are taking advantage from them.

Familiar With E-Commerce :-

Table –4.44
Familiar With E-Commerce

S.N.	Familiar With E-Commerce	Frequency	Percent
1	Yes	8	40
2	No	10	50
3	Little Bit	2	10
Total		20	100

The above table depicts that among 20 respondents, 8 respondents (40%) are familiar with E-commerce and they are doing handicraft business through E-commerce but 10 respondents (50%) respondents are unfamiliar with E-commerce 2 (10%) respondents are little bit familiar with E-commerce but they haven't used this tools for promoting their handicraft export.

This indicates that more than 50% exporters are unfamiliar with E-commerce but 40% exporters are taking advantage of through E-commerce.

Future Prospect of Nepalese Handicraft Export :-

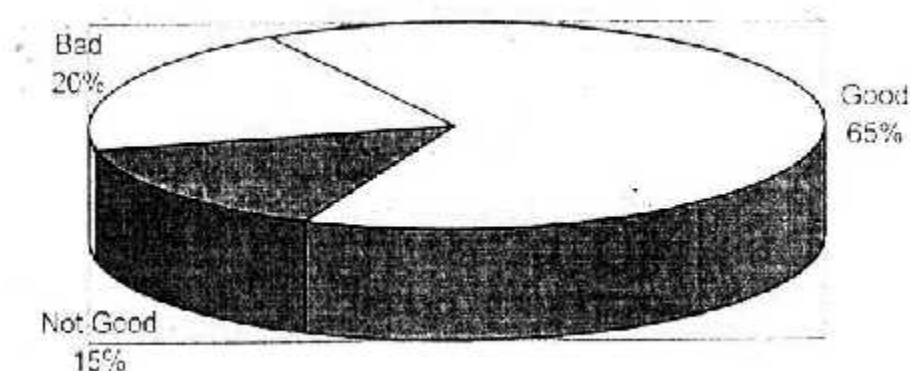
Table 4.45
Future Prospect of Nepalese Handicraft Export

S.N.	Future Prospect	Frequency	Percent
1	Good	13	65
2	Not Good	3	15`
3	Bad	4	20

Total	20	100
--------------	-----------	------------

Chart-4.46

Future prospect of Nepalese Handicraft export



The above table depicts that among 20 respondents, 13 respondents (65%) are quite positive towards the future prospect of handicraft export business in Nepal, 3 respondents (15%) are unsure about handicraft export business in near future, 2 respondents are quite negative towards the future prospects of handicraft export business because on interviewing, they have pointed India and China will capture our export business in coming days. They also added that it will be very hard to compete with them.

This indicates that still most of the exporters are quite positive towards the future prospect of handicrafts export.

4.4 Major Finding of the Study :

Finding from Secondary Data:

1. Finding from export of major handicraft products.

Export of Pashmina Products :- The export of Pashmina Products is decreased every year from F/Y 2000/01 to 2003/04 in F/Y 2004/05, the export of Pashmina Products is increased by 5.95%. Pashmina Products is decreased by 74.97% amounted to Rs. 4.23 billion in F/Y 2001/02. This indicates that the export of Pashmina Products is in a declining trend.

Export of woolen Products:- The export of woolen Products is increased every year except in F/Y 2001/02. The export of woolen products is increased up to 55%. This indicates that the export of woolen products is in a increasing trend.

Export of Cotton Goods:- The export of Cotton goods is increased decreased every year but in F/Y 2004/05, the export of Cotton goods is slightly decreased by 2.66%. The export of cotton goods is increased up to 35% this indicate that the export of cotton goods is in a increasing trend .

Export of Silk Product:- The export of Hemp/ Allo goods is increased every year. It is increased up to 57% This indicates that the export of Hemp / Allo goods is in a increasing trend .

Export of Silk Product:- The export of Silk products is increased every years . But in f/y It is 2004/05, the export of silk products is slightly decreases by 2.47%. the export of silk products is increased up to trend .

Export of Dhaka Products:- The export of Dhaka products is in a fluctuating trend. In f/y 2003/04, The export of Dhaka products is increased by 25% but in f/y 2004/05, It is decreased by 32.54%, compared to last year's export.

Export of Silver Jewellery:- The export of sliver Jewellery is increased each and every year. The export of Sliver Jewellery is smoothly increasing and it is increased up to 25% This indicates that the export of Silver Jewellery is in a increasing trend .

Export of Cotton Goods:- The export of metal craft is increased each and every year but the growth rate is in a fluctuating trend. The export of metal craft is smoothly increasing and It is increased up to 28% This indicates that export the export of metal craft is smoothly increasing and it is increased up to 28% . These indices that the export of metal craft is in an increasing trend.

Export of Handmade paper products :- the export of Handmade paper product is increased from F/Y 2000/01 to 2003/04 but in F/Y 2004/5, the export of handmade paper products is decreased by 12.58%. This indicates that the export of handmade paper products is in an increasing trend from F/Y 2000/01 to 2003/04 but from F/Y 2004/05, the export of handmade paper product is in a declining trend.

Export of Wood craft :- The export of wood craft is increased every year export in f/y 2001/02, In f/y 2001/02, the export of wood craft is decreased by 11.05% the export of wood craft is smoothly increasing every year and it is increased up to 30% This indicates that the export of wood craft is in an increasing decreasing trend .

Export of Leather goods :- The export of leather goods is in a fluctuating trend . In f/y 2001/02, the export of leather goods is increased by 43% but in f/y 2002/03 and 2003/04, It is decreased by 29.38% and 4.98% respectively . In f/y 2004/05, the export of leather goods is increased by 9%. This indicates that export of leather goods is in a fluctuating trend whereas it is an increasing trend from f/y 2004/05.

Export of Incense :- The export of Incense is increased each and every year. the export of incense is smoothly increasing and it is increased up to 16% This indicates that the export of Incense is in an increasing trend.

Export of Paubha (Thanka):- The export of Thanka is in a fluctuating trend. In f/y 2001/02 and 2004/05, the export of paubha (Thanka) is increased by 36% and 40% respectively but in f/y 2002/03 and 2003/04, the of export of paubha is decreased by 10.15% and 4.81% respectively This indicates that the export of paubha is in a fluctuating trend whereas it is increasing trend form f/y 2004/05, .

Export of Bone and Horn Products :- The export of bone and Horn products is in a fluctuating trend . In f/y 2002/03, and 2004/05, the export of bone and horn products is increased by 9% and 40% respectively but in f/y 2001/02 and 2003/04, It is decreased by 16.98% and 13.14% respectively this indicting that the export of bone and horn products is in a fluctuating trend whereas it is in a increasing trend from 2004/05.

Export of Beads Items :- The export of bands items is decreased every year export in f/y 2004/05, The export of bands items is decreased up to 16.28% between f/y 2001/02 to 2003/04, But it is increased by 32% in f/y 2004/05, This indicates that the export of Beads items was in a decreasing trend form 2001/02 to 2003/04, but from f/y 2004/05, the export of beads items is in a increasing trend .

Export of Stone Crafts :- The export of Stone craft is decreased every year export in f/y 2002/03, The export of Stone craft is smoothly decreasing every likes in f/y 2003/04, It is decreased by 4.37% and in f/y 2004/05, it is decreased by 2.47% this indicates that the export of Stone craft is in a deckling trend .

Export of Plastic Items :- The export of plastic items is increased each and every year . The export of plastics items is increased by 302% amounted to Rs .7453119 in F/Y 2003/04. It is really good growth rate of plastics items. This indicates that the export of plastics items is in a increasing trend.

2. Finding from products wise contribution in total export of handicraft goods per annum .

Fiscal year 2000/01 :- In F/Y 2000/01, Pashmina Product has contributed 83% in the total export of handicraft goods followed by woollen goods 4%, Silver Jewellery 3%, Metal crafts 3%, Handmade Paper Products 3%, Cotton Goods 1%, Miscellaneous Goods 3%. This indicates that Pashmina Products is the number one exportable handicrafts products of Nepal, which has contributed Rs. 5.64 billion out of Rs.6.82 billion. Others Products contribution in the total export of handicraft is very few.

Fiscal Year 2001/02:- In F/Y 2001/02, Pashmina Products has contributed 52% in the total export of handicraft goods followed by silver Jewellery 10%, Metal Crart 10%, Handmade Paper Products 9%, woollen Goods 8%, Cotton Goods 3%, wood Crafts 2%, Hemp/Allo Goods 3%. This indicates that Pashmina is the number one exportable handicraft goods of Nepal which has deserved 52% of the total export of handicraft goods. After Pashmina Products, Woolen goods and Cotton goods have deserved second, Third, Fourth and Fifth position in the total export of handicraft goods.

Fiscal Year 2002/03:- In F/Y 2002/03, Pashmina Products has contributed 39% in the total export of handicraft goods followed by Silver Jewellery 14%, Woolen goods 11%, Metal Crafts 11%, Handmade Paper Products 11%, Cotton goods 4%, Wood Craft 2%, Hemp/Allo 2%, Silk Products 2% and Miscellaneous Products 8%. This indicates that Pashmina Products is the number one exportable handicraft goods of Nepal which has deserved 39% in the total export of handicraft goods. After Pashmina Products, silver Jewellery, Woolen goods/Metal crarts and handmade Paper Products,

Cotton Goods has deserved second, third and fourth position in the total export of handicraft goods.

Fiscal Year 2003/04 :- In F/Y 2003/04, Pashmina Products has contributed 26% in the total export of handicraft goods followed by woolen goods 17%, silver Jewellery 14%, Handmade Paper 12%, Metal craft 11%, silk Products 5%, Cotton goods 4%, wood craft 3%, Hemp/Allo 2%, Leather goods 2% and Miscellaneous goods 5%. This indicates that Pashmina Products is the number one exportable handicraft products of Nepal. After Pashmina Products woolen goods, silver Jewellery, Handmade paper Products, Metal craft and Silk Products have deserved second, third, fourth, fifth and Sixth position respectively.

Fiscal Year 2004/05 :- In F/Y 2004/05, Pashmina Products has contributed 25% in the total export of handicraft goods follow by woolen goods 19%, silver jeweler 13%, metal craft 13% Handmade paper Products 9%, Silk products 5%, cotton goods 4%, wood craft 3%, Hemp/Allo goods 2%, Leather goods 1% and Miscellaneous goods 6%. This indicates that Pashmina products is the number one exportable handicraft goods, of Nepal. After pashmina products, woolen goods, Silver Jewellery/, Metal Craft Handmade products, Silk products have deserved second, third fourth and fifth position respectively .

3. Finding from country wise Export of Handicraft Goods form f/y 2000/01 to 2004/05.

Fiscal Year 2000/01 :- In f/y 2000/01 India has been the number one importer of Nepalese Handicraft goods which has contributed 25% in the total of handicraft goods . USA and Japan has been the second and third major importer of Nepalese Handicraft goods which has contributed 21% and 18% respectively whereas other countries . hooding few percent of handicraft export

likes UK 7% France 5% Germany 4% Italy 3% Canada 2%, Switzerland 2%, Hong 1% .

Fiscal Year 2001/02:- In f/y 2001/02, USA has been the number one importer of Nepalese Handicraft goods which has contributed 20% in the total export of Nepalese Handicraft goods. India, Japan, UK has been the second, third & fourth major importer of Nepalese handicraft goods which has contributed 15%, 12% & 10% respectively whereas other countries holding few percent of handicraft export like France 6% Canada 6%, Germany 5%, Italy 6%, Switzerland 2%, Australia 1%, Spain 1%, Netherlands 1%.

Fiscal Year 2002/03:- In f/y 2002/03, USA has been the number one importer of Nepalese handicraft goods which has contributed 21% in the total export of Nepalese handicraft goods. India, UK/Japan, Italy, Germany has been second, third fourth & fifth major importer of Nepalese handicraft which have contributed 12%, 11%, 11%, 10%, 7%, respectively in the total export of Nepalese handicraft goods which other countries holding few percent of handicraft export like Canada 7%, France 5% Switzerland 2%, Netherlands 2%, Australia 1% Spain 1%, Thailand 1%, Tibet 1%, Taiwan 1%.

Fiscal Year 2003/04:- In f/y 2003/04, USA has been the number one importer of Nepalese handicraft goods which has contributed 22% in the total export of Nepalese Handicraft goods. UK, Japan, Italy and Germany, Canada has been second, third, fourth and fifth major importer of Nepalese Handicraft products which have contributed 11%, 10%, 9%, 8% respectively where as other countries holding few percent of handicraft export like France 6% India 5%, Tibet 3%, Switzerland 2%, Netherlands 2%, Spain 2%, Australia 2% Taiwan 1% and Denmark 1%.

Fiscal Year 2004/05:- In f/y 2004/05, USA has been the number one importer of Nepalese handicraft goods which has contributed 21% in the total export of Nepalese handicraft goods. Germany Japan & Italy, UK France, Canada has been second third fourth and fifteen major importers of Nepalese handicraft goods which has contributed 10% 9% 9% 8% 7% 6% respectively where as other countries holding few % of handicraft export like India 4% Tibet 4% Netherlands 2% Switzerland 2% Spain 2% Australia 2% Taiwan 2%.

4.Finding from the total export of handicraft goods during

F/Y 2000/01 to 2004/05 : The total export of handicraft goods is in a fluctuating trend between 5 years period . The fluctuating gap between growth rate and decline rate is very high. In F/Y 2001/02,the total export of handicraft is decline by 60.14% amounted to Rs. 4.1 billion out of Rs.6.82 Billion but In F/Y 2003/04, the total export of handicraft is increased by 0.74% amounted to Rs. 166683 only. In f/Y 2004/05, the total export of handicraft goods is increased by 10.80%amounted to Rs. 277635. The lowest export amount of handicraft goods is Rs. 2.55billion in F/Y 2002/03 and the highest export amount is Rs.6.82 billion in F/Y 2000/01. This indicates that the fluctuating gap between growth rate is very high.

5.Finding from handicraft export's contribution in total

export of Nepal during 5 years period : The total export of handicraft goods has contributed 12.35% in F/Y2002/01 whereas 5.7% in F/Y 2001/02, 5.10%in F/Y 2002/03, 4.76% in F/Y 2003/04and 4.83% in F/Y 2004/05 respectively. This indicates that the contribution of total export of handicraft goods in the total export of Nepal is in a declining trend up to 2003/o4 but in F/Y 2004/05, it has increased by 0.07%, compared to last year's contribution to the total export of Nepal.

Finding obtained from primary Date

Fiding from primary date obtained from manufacturer /Dealer/Wholesaler & Exporters

1. It has been found from the study that most of the organizations are either small or medium scale organization.
2. The organization exporting Nepalese Handicraft products in the international market are generally both manufacturer and exporter. They themselves produce the products and export it in the internationals market.
3. Most of the respondents don't have difficulty in getting the basic raw material for producing the Nepalese handicrafts goods.
4. From the study, it has also been found that the respondents are giving importance on quality control and they are conducting quality control to produce standardized products as demanded in the international market. But still there are many problems in quality control to meet the standard of international market.
5. 50% of exporters directly deal with their international customer, 25% of exporter deal through agent, 25% exporter deal directly and via agent. This indicates that most of the exporters are dealing with their int'l customers directly.
6. Most of exporters are exporting Nepalese handicraft to USA, UK, Japan, and EU countries with first priority basis but others countries export is comparatively very few.
7. 70% of the exporter are getting problem to meet the demand on timely basis. They have pointed that lack of raw materials, lack of new technology and political problem is a major cause of not meeting demand on timely basis.

8. 60% of the exporter are facing the problem of advertisement for market expansion. But 40% for the exporters are facing others problem except advertisement like lack of the sufficient information about the potential markets, Global changes, global competitors, sometimes social & cultural problem.
9. 30% of the exporter are promoting their handicraft products through advertisement, 50% of the exporter are promoting their handicraft through direct marketing, 5% of the exporters are promoting through personal selling, 5% of the exporter are promoting through public relation and 10% of the exporter are promoting through sales promotion. This indicates that most of the exporter is promoting their handicraft products through direct marketing and advertisement.
10. 35% Manufacturers, Dealers and exporters participate in Int'l trade fair and 65% don't participate.
11. 80% of the exporter are spending Rs. 0-500,000 per annum and 20% of the exporter are spending Rs. 500,000 to 10,00,000 per annum for advertisement. This indicates that most of the exporters are spending Rs. 0-500,000 per annum for advertisement.
12. 60% of the exporter have websites, 30% of the exporters have no websites & 10% of the exporters are planning to construct the websites. This indicates that more than 50% of the exporters who are dealing with int'l customers have websites.
13. 40% of the exporters are conducting market research program in their organization for promoting handicrafts in int'l markets but 60% of the exporters are not conducting market research program. This indicates that most of the exporters are still doing business through traditional way whereas they are doing business in 21st century, only 40% of the exporters are conducting this program.

14. 25% of the exporters are getting support from HMG/NGO/INGO and others organization but 75% of the exporters aren't getting any support from HMG/NGO/INGO and other organization. This indicates that only few organization are taking advantage from HMG/NGO/INGO & others organization.
15. 40% of the exporters are familiars with e-commerce and they are doing business, using e-commerce tools but 50% respondents are unfamiliar with e-commerce 10% of the exporters are little bit familiar with e-commerce but they haven't used it. This indicates that most of the exporters are taking advantage through e-commerce.
16. 65% of the exporters are quite positive towards the future prospects of handicrafts export, 15% of the exporters are unsure about handicraft export business in near future and 20% of the exporters are quite negative towards the future prospect of handicrafts export because they have pointed the global changes and global competitors are major threat for Nepalese handicraft export business.

CHAPTER-V

SUMMARY, CONCLUSION AND RECOMMENDATION

5.1 Summary :-

Nepalese handicraft, which have been a part and parcel of the Nepalese heritage, depicts the great tradition and proud culture of this great Himalayan kingdom. Their origin dates back to the Stone Age when human beings were devoid of tools of any kind. Nepalese handicraft products have been best known to the world for its rich art, craft and oriental architecture. The skill and techniques of making handicraft products, which have been handed down from generation to generation, not only represent the talent and skill of craftsmen but also reflect the social, religious and cultural values found in different parts of the country.

Being a labour intensive product, it is different for one to produce it in large quantity with uniformity and with equal quality standard. In Nepal, the production of handicraft in an age old occupation. Novel handicrafts are also developed in harmony with changing market taste. In the last 27 years, export of handicrafts of the country has considerably grown. Thus, the development of handicraft, on one hand, helps in preserving the national heritage of the country and on other hand, it contributes to eliminating poverty by creating job opportunities. Nepalese handicrafts industries have been providing employment to hundreds of thousand of people of the country. It has also been a prime source of foreign exchange required for the importation of necessities. Handicraft export figure are as high as US \$ 40 million per annum.

Handicrafts are prevalent in almost all parts of the kingdom of Nepal. However, handicraft related works have been adopted as a traditional occupation by the Newar community of the Kathmandu valley, Particularly by the

Bajrachharya Shakya and Chitrakar families According to HAN Nepalese handicraft cover 42 groups of products .

\The expoer of Nepalese handcraft sstarted from the mid 60's of the last centyry . However, the systematic export started only from early 70's Handicraft have long been a major line of Nepalese exports currently, It has been the lagest overseas export item of the handicraft product products mainly the pashmina products woolen goods, Silver Jewellery, Nepalese Handmade paper product and Metal Crafts, wood Craft, Cotton Goods etc . are being exported to about 85 countries . USA (which alone absorbs around 25% of the total export of handicraft products), UK, India, Canada, Germany, Japan , Italy, France, Australia, Netherlands and China are its major foreign buyers,

Although handicraft exports paper to be sizeable, Nepal's share in world imports is negligible. Despite the experience of a fairly large production base and production potential and a lager number of craftsmen, Nepal hasn't been able to cash in on the opportunities. This is mainly because production and supply are inadequate, the quality and finishing aren't up to the mark supply are inadequate, standard prices aren't maintained and products development isn't well conceived. The prospects for handicrafts exports from Nepal are bright, provided these problems can be solved .

Handicrafts, in the overseas market are liked and bought for their novelty . Decorative items over the years have become outdated dot to changes in taste and preference . the consumers as well as importers are always on the lookout for something onuses and new in handicrafts. As a result, demand for new handicraft items with unseal features is on the increase, Nepalese manufacturers continue to supply the same old stuff without taking due notice of the changing demands and tastes in the overseas market. Initiatives to develop , innovate and carry out research in handicrafts for export are insignificant despite the ability to innovate

new products and adopt old products to suit consumer tastes and preferences . the manufacturers/ exporter, who is mainly capturing the seasonal demand in the overseas market should take the necessary initiatives for products development and innovation in handicrafts .

In the regards, the development of the handicrafts needs a sound and well elaborated publicly . the emphasis should also be given on strong export marketing promotion strategies, There must be consistency in export promotion goals and rural development goals . The product adaptation of handicrafts products be carried as per the demand of the consumer. Training. seminar should help to give information about the consumer & market potentialities, GSP facilities each, facilitate administrative procedure with respect to export, In order to encourage the entrepreneurs and produce skilled human resources in this sector the government in cooperation with private sector needs to launch some concrete program such as establishing training centers, regular and easy availability of raw material and providing loans at low rates.

5.2 Conclusion :

In Conclusion, it can be said that the export of Nepalese handicraft plays a vital role in the economy of the country .The handicrafts has peculiar preservation of art and culture on one hand and on the other hand they earn foreign exchange, which are needed to accelerate the pace of the economic development. The export sector must be able to earn enough foreign exchange to contribute a meaningful help for the production growth, employment promotion, increased mobilization of internal resources, the promotion of industrial and other investment.

The export of Nepalese handicraft is in declining trend export in f/y 2004/2005 during study period and its demand on the international market shows a growing trend. Although handicraft exports appear to be sizable, Nepal's share

in world imports is negligible. Despite the existence of a fairly large production base and production potential and large number of craftsmen. Nepal hasn't been able to cash in on the opportunities. This is mainly because production and supply are inadequate, This is mainly because production and supply are inadequate, the quality and finishing aren't up to the mark, standard prices aren't maintained and product development isn't well conceived. the prospects for handicraft exports from Nepal are bright, provided these problems can be solved. The following main conclusions are drawn on the basis of the study.

Conclusion obtained from secondary data:-

1. Among the handicraft items, which are functional , which could change the pattern according the current fashion , have better prospects. for example. in the fiscal year 2000/01, the export amount of pashmina woolen goods and others textiles is Rs. 6.02 billion which is 88% of total export revenue of Nepalese handicraft industry pashmina products alone contributed approximately 83% to the total export revenue generation for the handicraft industry in fiscal year 2000/01, the pashmina products are closely followed by woolen goods, silver jewellery, metal Craft and handmade paper products, This highlights the need to give emphasis on other handicraft items like wood Craft, Stone craft Bamboo products Ceramic products, paubha (Thanks), Bone and horn products etc.
2. The products, that have got artistic and cultural values, are also doing well but may be not as much as to the desired extent. It is certainly not due to the quality of the products which are so excellent, nor is it due to the supply situation that has already been improved over the years But It could be because of nature the product itself, which could not be changed into new design or style altogether. In fact, there are limited numbers of people

in this world who appreciate the art object and even smaller number of people who could afford to buy them such products include Metal crafts, Wood Crafts, Paubha, Paintings, Stone Carving etc.

3. We didn't see much of the rural handicrafts making their appearance here in this statistics except the handmade paper products (i.e. in its improved forms), some Hemp and Allo (Wild nettle) and Bamboo Goods. Apart from these, there are products like straw mats, Basketry , Pottery, Dolls, Ropes, Iron Products and many more, which are found through the kingdom. It is pity that no one seemed to have recognized the potentials of such handicrafts as yet and to have made export them.
4. The export of some products, previously not so significant such as the incense, leather goods, Bone and Horn, Beads and Ceramics, have now become noticeable and a completely new products, the plastic has been introduced as Nepalese exportable handicraft. This is quite interesting.
5. The export of the Nepalese handicraft items for the study period (200/01-2004/05) is maximum to USA. USA (which alone absorbs around 21% of the total export of handicraft products), UK, India, Japan, Germany, Canada, Italy, France, Australia, Netherlands and China are its major foreign buyers. Nepal is exporting handicraft products to about 85 countries. So strenuous efforts should be made to secure great export market for handicraft in near future.
6. The export of handicraft goods is in a declining trend between 5 year period except in fiscal year 2004/05, It has increased by 10.80%, compared to last year's export. The fiscal year 2000/01 saw a boom in the handicraft industry with Rs. 6.82 billion.
7. The contribution of the total export of handicraft goods in the total export of Nepal is in a declining trend. In fiscal year 2000/01, the export of handicraft goods has contributed 12.35% in the total export of Nepal whereas in fiscal year 2004/05, it has contributed only 4.83%.

Conclusion obtained from Primary Data :

1. Most of the exporters are dealing with their international Customers directly. The organization exporting Nepalese handicraft products in the int'l market are generally both manufacturer and exporter. They themselves produce the products and export it in the international market.
2. Most of the exporters are exporting their handicraft to USA, UK, Japan, Germany, France, Italy, Belgium, India, Switzerland, New Zealand and other countries export is few.
3. 70% of the exporters are meeting demand on timely basis and remaining 30% are getting problem to meet the demand on timely basis.
4. 60% of the exporters are facing the problem of advertisement for market expansion. But 40% of the exporters are facing other problem like lack of the sufficient information about the potential market, global changes, global competitors, sometimes social & cultural problem.
5. 50% of the exporters are promoting their handicrafts products through advertisement, 75% of the exporters are promoting through direct marketing, 15% of exporters are promoting through personal selling, 20% of the exporters are promoting through public relation and 25% of the exporters are promoting through sales promotion.
6. Most of Manufacturers, dealers and Exporters don't participate in Int'l Trade Fair.
7. 80% of the exporters are spending Rs. 0-500,000 per annum and 20% of the exporters are spending Rs. 500,000 to 10,00,000 per annum for advertisement.
8. 60% of the exporters have websites, 30% of the exporters have no websites and 10% of the exporters are planning to construct the website.

9. 40% of the exporters are conducting market research program and remaining 60% exporters aren't conducting market research program for promoting handicrafts in international market.
10. 25% of the exporters are getting support from HMG,NGO,INGO and other organization but 75% exporters aren't getting any support form them.
11. 40% of the exporters are familiar with e-commerce and they are doing handicraft business through it but 50% exporter are unfamiliar with e-commerce, 10% of the exporters are little bit familiar with e-commerce but they haven't used it.
12. 65% of the exporters are quite positive towards the future prospects of handicrafts export, 15% of the exporters are unsure and 20% of the exporters are quite negative towards it's future.

5.3 Recommendations :

On the basis of finding and conclusion from primary and secondary data, the following recommendation can be drawn.

1. Focus on functional products :- The products, which are functional, which could change the design and pattern according the current fashion, have better prospects. For example the Pashmina Products, Woolen goods, Paper Products are making rapid progress whereas the traditional handicrafts such as the metal crafts, wood crafts, paintings masks and Puppets etc. are making progress but in slower pace. So Nepalese craft producers and exporters should give more emphasis in functional products rather than traditional one.

2. Focus on market demand :- The handicraft products should be according to the demand of customers in foreign market. Hence traders should have necessary advice, research facilities and market information through various institutions. So this direction HMG/HAN/TPC should have

to make more significant effort by incorporating various information centers and agencies to get more information regarding the new market in foreign.

3. Focus on Products Design and Development :- Product design and development plays a vital role in the industrialization of the country. Foreign markets particularly in industrialized countries whose customers increasingly demand good design and high quality's products. So proper attention should be paid to its development and expansion. However, for the development and expansion of the products, we need to fulfill at least the following prerequisites.

- The national education policy could pay greater attention to producing product designer within the country.
- Incentives should be provided to the concerned designer for their contribution and the engagement in the professional field.
- Promoting the product design profession.
- Organizing and operating exhibition facilities as ancillary services to the concerned designers.

4. Focus on quality of products:- since handicrafts are handmade products and each piece is different from another, it may not be possible to maintain exact or accurate quality standards. Nepalese manufacturers and exporters, in the absence of quality control measures, tend to take undue advantage of this and spoil their image in the overseas market. In a bid to enhance the image of Nepalese handicrafts in the overseas market, it would be good to set certain guidelines.

Apart from the use of quality raw materials in required portion, steps should also be taken to ensure uniformity in the finished products. Workmanship could also improve if handicraft production for export is organized through skilled craftsmen and is strictly supervised.

5. Focus on price :- Price is an important factor in the marketing of handicraft particularly in respect of utility and untidily commemorative items . Consumers are price conscious They don't hesitate to compare the price of handmade handicraft eighth those made partly by machines . Although they export handicraft pikes to cost more than similar machine made products, they will not cost buy if the price is expensive, Besides machine made substitutes made in other countries, Nepalese handicraft face competition from handicraft origination from other price of Nepalese handicraft are comparatively higher because of the high cost of the raw material.

6. Focus on novelty: - Handicraft, in the overseas market are liked and bought for their novelettes. Decorative items over the years have become outdated due to changes in taste and preference. The consumers as well as importers are always on the lookout for something unusual and new in handicraft. As a result, demand for new handicraft items with unusual features is on the increase. Nepalese. Manufactures out research in handicraft for export are insignificant despite the ability to consumer taste and preferences. The manufacturer /exporter, who is mainly capturing the seasonal demand in the overseas market should take the necessary initiatives for product development and innovation in handicraft.

7. Improve on Inadequate and irregular production: -

Inadequate and irregular production affect overseas exports supplies and the delivery schedule. In order to increase production on a continuous basis for export, besides ensuring organized production and adequate supplies of required quantity and quality of raw materials, the strength of the artisans, particularly skilled ones, must be increased by training them. Certain production processes

must also be mechanized. However, one must see it that the originality is maintained without disturbing the handwork in the produced handicrafts.

8. Focus on good packaging :- packaging, on the most important aspect in the promotion of product, is relatively new concept for Nepalese handicraft exporters. there should be consistency packaging and package size. An attractive and efficient packaging can be very good means gaining popularity and prestige. So a continuous program of training about packaging for the exporters should be launched in the country.

9. Focus participation in the trade fair and exhibition:- Trade fair and exhibition play a vital role to increase the demand of handicraft export therefore the country should always be ready to participate in international trade fair and exhibition. International fair and exhibitions help to develop evaluate export marketing strategies. The overall purpose of participating in the international trade fair and exhibition is to recognize a market need and a business opportunity. This recognition is based on understanding of customer's desires and detailed knowledge of exiting products for specified markets within the companies has financial and manufacturing limits.

10. Focus on publicity and promotional measures:- Organized and attractive publicity and promotional measures of the handicraft items should received immediate attention in the foreign market . In today's world of rapid information flow, Nepal should advertise it's handicraft industry through multimedia like TV,Radio,world wide web etc . Well published bulletins and periodicals presentation may also be an effective traditional means for the publicity of the handicraft items .

11. Private sectors cooperation essential :- For promoting the handicraft export, there must be participation from private sectors, so they must be motivated for such cooperation as the handicraft export promotion is not the task of government alone or private sector alone . It, needs the participation of both parties . Thus for promoting it, there should be estimated separate certain budget. So that there won't be any uncompleted task of the export promotion due to lack of financial sources.

12. Focus on training program: - There should be an adequate training program for the handicraft producers, laborers and exporters . Appropriate training centers with modern and sophisticated facilities should be set up for providing training to the personnel associated with the handicraft industry. The trained craftsmen would enhance the design and quality of the handicrafts goods.

13. **Establish a research center :-** There should be a separate research center for gathering information about market trend, competition, changing fashion, market need and a business opportunity for handicraft goods. such type of research center can play a vital role to provide information about potential markets to the personnel associated with the handicraft industry .

14. **Government policy :-** The government should provide adequate protection to the evergreen handicrafts industry of the country , implement the policy effectively and launch concrete program such as establishing trading centers and providing loans at low rates for the promoting of this indigenous industry and its export .

15. **Patent Right :-** The patent rights present in the country should be enforced more strongly by the government so that the exporters feel

encourages to innovates new design and they don't have to worry about their products design in be unnecessarily imitate by others .

16. **Role of HAN /TPC / HTPK /FNCCI/FNCSI/ ECON &**

NCC :- The export promotion bureaus such as HAN, TPC, HTPK, FNCCI, FNCSI, ECON & NCC should encourage exporters by providing information about market trend, competition, potential markets, changing fashion, marketing strategies, market need, various trade information and business opportunity. They should also encourage the exporters to participate in many trade fair and exhibitions. These export-promoting bureaus should also co-ordinate with different embassies and should promote the Nepalese handicrafts goods in the respective countries. The foreign diplomats as well as Nepalese ambassador can play the significant role by providing the various valuable information e.g. market situation of foreign country and market situation of Nepalese country regarding its exportable items.

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APPENDIX-I

Questionnaire

Dear sir/Madam

I am Madhu Subedi, student of R.R.M. campus Janakpur of master degree level. As per the requirement of the T.U., I am writing Thesis on 'A study on the problems and prospects of Nepalese Handicraft Industries'. I would like to request you to provide me the answer for the Academic purpose and will be kept confidential.

Scheduled and Structural Questionnaire to

Name of organization : (optional)

Respondent: (optional)

Position: (optional)

1. Is your organization?

Small (investment up to 3 crores)

Medium (investment up to 10 crores)

Large (investment more than 3 crores)

2. Please mention where your organization is?

Manufacturer & Exporter

Dealer

Manufacturer, Dealer & Exporter

Exporter

3. Is there difficulty in getting raw material of handicraft?

Yes

Sometimes

No

4. Who control quality of product?

Personally

Marketing Department

QC officer

others

5. In which countries do you export Nepalese Handicrafts products?

USA

Japan

EU countries

UK

Other countries

6. Are you able to fulfill the demand on the time

Yes

No

Sometimes No

7. What types of the problems do you face in Market Expansion in the International Market?

Legal

Advertisement

Social

Others

8. What are your promotional strategies?

Advertisement

publicity

Public relation

direct selling

Sales promotion

others

9. Have you participated in International trade exhibition?

Yes

No

10. Do your organization has market research programmed?

Yes

No

11. Do you know about E-commerce?

Yes

No

Little bit

12. What do you think about the future prospects of Nepalese Handicraft Export ?

Good

Not good

Bad

Worse

