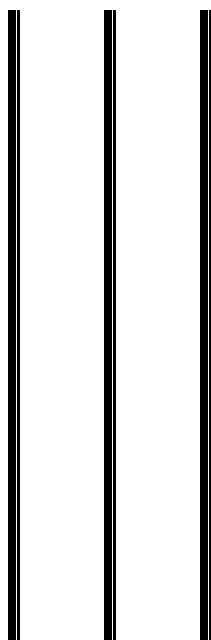


MARKET STUDY OF ALLO AND HEMP



Submitted to
Micro Enterprise and Development Programme
MEDEP (NEP/97/013)

Submitted by
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Internee

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Preamble

The Micro-Enterprise Development Programme (MEDEP) was launched in 1998 at the initiative of HMG/N and technical assistance of UNDP. This programme was envisaged to help attain the poverty reduction target determined under the Ninth Five Year Plan (1997-2002) by creating additional job opportunities through the creation and development of micro-enterprises.

One of the program's key strategies being demand driven, the programme initiates with the district level area potential, socio-economic and market survey. This enables the programme to select viable sectors of enterprise development in the district. The programme is a process oriented multi partner programme having special thrust on market research for product development and linkages.

It has a focus on studying the comparative advantages of the district and tapping local resources based on which building up micro-enterprises able to compete with the outer world. In this context many of the hill districts have been found to be rich in Nettle Allo (a plant from which natural fibers could be extracted). The thread and fabric produced from such plant is very strong and being natural is of utmost craze to the international market. The traditional skills of fiber processing have been seen to be vanishing due to the modern market intervention of artificial fabrics. MEDEP has tried to revive such skills and rural based technologies with some refinements and thus tried to create a living for the rural poor out of these enterprises.

A study proposal was designed by MEDEP in order to analyze the market situation of Allo threads, fabric and products in Kathmandu as a means to creating a linkage between micro producers and primary consumers of such products in the national and international market.

This study originated as per MEDEP's need and was conducted by Ms. Deewa Shrestha, a students of Manchester College, USA under the guidance and considerable input from me. She has worked very hard to recapitulate the real life situation from the text experience of her courses. She is indeed a hardworking and energetic students and very impressive. The report that she produced will remain a valuable asset for MEDEP as a basis of finding primary markets for Nettle (Allo) thread and fabrics produced by micro entrepreneurs of MEDEP. Congratulating her for the nice piecework, I wish her every success in her future endeavors.

Bidula Shrestha
Marketing Specialist
MEDEP

CHAPTER I

INTRODUCTION

Micro-Enterprise Development Programme (MEDEP) was started in 1998 and is envisioned to run for five years in different districts of Nepal. This programme is run under the technical assistance of United Nations Development Programme (UNDP) and is implemented by His Majesty's Government of Nepal, various non-government organizations and several other private business organizations with extensive donor support and accessibility. MEDEP aims at alleviating poverty through the medium of creating micro-enterprises and generating employment opportunities through enterprise development.

Nepal, is considered to be an under developed country striving for desperate development. Due to Nepal's poor economic structure, employment opportunities and conditions for work seem to have deteriorated at a large scale over the last few years, which is evidently the main reason for the increase of mass poverty and a bleak future for the eradication of the have-nots. The Micro-Enterprise Development Programme possibly serves as a vital instrument and hopefully a break through to hold up UNDP's vision to support the poverty alleviation national goal of Nepal. The main goals of UNDP are to promote equitable distribution of resources and manpower, to uplift empowerment and distribution of responsibility over a greater scale, to preserve the environment and to nurture the natural surroundings for better living.

In order to achieve these goals, the Micro Enterprise and Development Programme can also act as a yardstick to sustain the achievements of the other programmes set forward by UNDP.

Micro- enterprises can be developed in a variety of ways. The processing of agricultural produce for better utility, promotion of cottage and small scale industries that produce traditional handicrafts and other activities relating to agriculture helps in the development of such neglected enterprises.

MEDEP has always aimed at increasing the participation of women as well as their share of benefits and perks in micro- enterprise's development by a huge margin (70%) and most importantly to ensure that women's needs are also equally determined. MEDEP is targeting only low- income wage earners, earning a per capita income that is below the minimum subsistence level and of individuals who live below the poverty line. Unfortunately, majority of the population in Nepal lives below the poverty line and the rate of literacy is astonishing and unbelievably low.

In vain, to identify the targeted individuals, micro-workshops for awareness, focus group discussions on key issues, semi-structured interviews for identification, case studies for justified delegation, field work with ongoing activities and site observations for better conclusion are carried out with great interest and enthusiasm. MEDEP conducts various surveys and identifies resources one of such resources is *allo* nettle fiber. Then it identifies participants from those particular districts. MEDEP then provides sufficient help to establish enterprises in different potential areas such as *allo* processing.

Micro-economics is the study of an economy as single units and not as a whole. MEDEP defines a micro activity as an economic activity carried out with the following important characteristics:

1. Self-employment and self incorporated
2. Self-managed without any outside interference
3. Employing persons (1-5)
4. Fixed capital investment of up to RS. 2,00,000
5. Machine, if used, with power not exceeding 5 KW and
6. No license required for activity carried out.

The main objective of the MEDEP is to encourage and support micro-entrepreneurs through partnerships between Government and other agencies in the public and private sector in order to ensure that the programme is market driven and goal oriented. The critical factor is to focus on supporting micro-leadership and entrepreneurship development with the target group being low-income groups particularly in the rural and backward areas. The programme is paying special attention to overcoming the obstacles women micro-entrepreneurs have to face and go through. A framework of allocation of resources, market strength, studies on potential areas and research analysis has been developed by MEDEP in order to provide a firm foundation and a platform for the take off of micro-enterprises towards success. MEDEP also believes and uses the policies written in The Ninth Plan. To conclude, the strategies adopted to meet the objective of poverty reduction fully supports MEDEP's goal.

Market promotion and awareness amongst general masses is a key element of this programme and strategic measures after extensive market study have been adopted for market confidence, assurance and possible expansion. This process includes identification of wanted and relevant resources, potential products according to public demand and their markets, product development according to market tastes and wants, new market exploration for opening up avenues for the future, continuous improvement on market feed-back and information and extensive advertising for public awareness.

The ideal starting point for micro-enterprises has been the local and rural markets, although careful and predetermined measures have been undertaken to explore and expand their market at regional and national scale depending on the type of products and its potential in the market with throat

cutting competition and keeping in mind the factors such as price, availability, quality, quantity, extent etc of other products.

The programme also facilitates the potential buyers to inform the producers about their needs and preferences so as to enable the producers to react accordingly to gain market reputation and confidence of the people.

In order to provide individual service needed by micro- entrepreneurs and so as to ensure programme implementation, a closely monitored management information system had been established with Intranet capability in lead partner organizations. The availability of resources for micro-enterprise production is being analyzed in every district through this cutting edge technology.

Allo have been one of the such resource identified as potential for micro enterprise development in many of the hill districts of MEDEP. A market study for *Allo* was designed in this light. The study was intentioned to find out the national market perspective for micro enterprise products such as *allo* thread and try to develop a linkage between buyers and producers.

CHAPTER II

Objective and Methodology

Objectives

The major objectives of the study are:

- To study the demand of the product in the regional and national markets
- To determine whether this product is capable of going beyond the boundaries of the national market
- To build awareness of this product
- To inform the regional and national buyers about the importance of micro-enterprises for the local market
- To gather opinions about the requirements for improvement of the products

Methodology

- Create questionnaires containing general questions about the quality, price, availability, etc.
- Conduct on the spot sampling and selling of the product for awareness and reaction of the buyers
- Perform first hand interviews with target customers to help in the marketing promotion of the different products.

Limitations

- Due to the time constraint, it will not be possible to visit all the existing retailers and wholesalers
- The regional and national markets might not provide accurate information due to reservations of their business conduct.

CHAPTER III

SURVEY ANALYSIS

I. THREAD/ FABRIC/ PRODUCTS

A total of 16 shopkeepers were chosen at random and interviewed. Their individual responses were evaluated which is as follows

- All of the 16 shopkeepers bought the whole finished products which included products such as bags, hats, shawls, etc.
- Amongst those 16 shopkeepers, 3 specified that they bought balls of thread and 1 of these pointed out that the cost was up to Rs. 350 per kg depending upon the quality of the thread.
- Amongst the 16 shopkeepers, 1 person purchased the fabric for Rs. 320 per meter.

A conclusion could be evaluated that the shopkeepers turned out to be very selective with their response. It seemed like a majority of the shopkeepers in Thamel had bought rolls of thread directly from the sellers who came at their doorstep. Hence forth, they then made products according to their requirements in their own factories.

Table I: Numbers of Respondents buying finished products, threads or fabric

ITEMS	RESPONDENTS
Finished products	16
Thread	3
Fabric	1

II. PROBLEMS

Some of the major problems faced by the shopkeepers are

- **11 of the shopkeepers complained about the quality.**
 - Of these, 3 of them specifically said that the texture and weaving of the fabric needed improvement.
 - The quality of the sample of the product turned out to be very different from the quality of the finished product itself.
 - The thread itself and the texture of the fabric were another problem that was bothering the shopkeepers.
 - The thread is not refined, which makes it look unbalanced.

- One shopkeeper said that anyone could point out the difference in textures of the thread by just looking at one product. One part of the product is made out of thread that is too thick and the other part of the same product is made out of thread that is too thin. This results in the product looking patched.
- They also said that the sewing and the weaving of the fabric are not done properly which makes it easy for the thread to be pulled out easily when the products are made.
- 4 shopkeepers also stressed on the fact that the present price level in the market needs to be subsidized.
- 4 shopkeepers also said that the customers complained that there wasn't much variety in the designs of the different products.
- Designs are not authentic and are nearly the same in every product.

Table II: Problems and Suggestions given by the Respondents

Problems	Respondents
Quality	11
Price	4
Design	4
Others	2

Other problems that were pointed out by a majority of the shopkeepers are as follows:

- 2 shopkeepers said that the width of the fabric was too narrow and hence making it difficult to make products such as shirts and dresses.
- The products made from *allo* and hemp was said to look like jute.
- 1 shopkeeper said that sometimes the fabrics are also mixed together which makes it look rough.
- Another one said that *allo* and hemp are sometimes mixed together and this makes the fabric look worse.

III. COMPETITORS ANALYSIS

There was at least about 19 different places where the shopkeepers got their products/fabric and thread. The most popular districts being Rukum and Rolpa and then Sankhuwashawa and Jumla.

TABLE III a: Sources of Supply of *allo* and hemp (Threads/Fabrics and Materials)

Districts	Respondents
Rukum	5
Rolpa	5
Sankhuwashawa	3
Jumla	3

Bajura	2
Darchula	2
Dolpa	1
Sindhupalchowk	1
Gorkha	1
Jadarkhot	1
Humla	1

TABLE III b: Sources of Supply of Allo and Hemp Products

PLACES	RESPONDENTS
Dallu	2
Balaju	2
Maipi	1
Gongobu	1
Sakhu	1
Bhaktapur	1
Swayambhu	1
Kathmandu	1

III. NEW SUPPLIERS DEMAND

On being asked whether these shopkeepers were willing to buy from new suppliers like MEDEP.

TABLE IV: Respondents willing to buy from new suppliers

Willing to buy from new suppliers	Respondents
YES	14
NO	2

- 9 out of the 16 shopkeepers said they would certainly buy from new suppliers depending on the price and the quality.

These are:

1. Mahaguthi
2. Everest Crafts
3. Eco- Himal
4. Om Shiva Carnival Wollen Centre
5. Creative International Exports
6. New Store (No name)
7. Cotton Cap Shop
8. Amrita Craft
9. Wean Cooperative

- 3 of them said that they would buy from new suppliers only if the price is reasonable.

These are:

1. Rara Nepal
2. Forever Craft Industries
3. No name (Below J.P. School)

- 1shopkeeper said that she would buy if she could get different products than what she already has in her store. Therefore, she is willing to buy as long as there is a variety of products.

This store is:

1. Sana Hastakala

- Another shopkeeper said that he would buy only if there was an increase in tourists and only if the demand for *allo* and hemp products go up.

This store is:

1. Tika Handicraft

The remaining two of the respondents were not willing to buy from new suppliers because they said that they have their own personal contacts.

CHAPTER IV

CONCLUSION

After conducting a market survey for the demand of *allo* and hemp, it can be concluded that *allo* and hemp are more popular internationally rather than nationally. It seemed like in the previous years, *allo* and hemp products were doing well but right now, Kathmandu is at the state where there are hardly any tourists so there is not many sales of these kinds of products.

It has been found out from the study that the quality of *allo* and hemp materials/ products is a major problem. Majority of the shopkeepers complained that the quality is the most important factor that needs to be improved. By improving the quality of the fabrics, there will be an increase in demand which means sales are bound to go up.

Due to the limited time frame, it was not possible to gather as much information as desired. But I hope the little amount of research done will be useful for MEDEP. I hope MEDEP is able to use the information compiled to link the producers with the buyers of *allo* and hemp products.

Annex I. Fact Sheets of Different Stores

MAHAGUTHI

- **CONTACT INFORMATION**

Store name: MAHAGUTHI

Contact Person: Bhai Raja Bajracharya
Uttara Malakar

Location of shop: Kupondol, Lalitpur

Phone: 533197

Email: mguthi@mos.com.np
umalakar@onebox.com.np

Fax: 521493

Category: Wholesaler/ Retailer

- **PRODUCT INFORMATION**

PRODUCTS	PRICE
Muffler	Rs. 150-500
Scarf	
Shawl	220-500
Dress	700
Bags	150-300
Vests	
Purses	
Mats	

- The most preferred products: Muffler and Place Mat
- The least preferred product: Cloth
- All products go International mostly to the U.S. and Japan

- **SUPPLIERS:** 1.) Sankasabha

- Never had a shortage of supply.
- Will buy from new suppliers depending on price and quality

- **WHOLESALE/ PRODUCER INFORMATION**

- receive 10%- 15% discount
- they buy in bulks
- payment is made by cash
- no transportation charges

- **SUGGESTIONS:**

- to improve the quality of the product, the thread should be balanced and not patched
- New Product Ideas: Variety in Dresses

WEAN COOPERATIVE

- **CONTACT INFORMATION**

Store name: WEAN COOPERATIVE

Contact Person: Kalawati Rai
Usha Gongol

Location of shop: Kupondol, Lalitpur

Phone: 544981

Email: weancop@wlink.com.np

Fax: 544981

Category: Cooperative

Date of establishment: 1992

PRODUCT	PRICE (Rs.)	PRODUCT	PRICE (Rs.)
Thread		Purses (Hemp)	46-75
Muffler		Table mat (Hemp)	120
Sweaters		Mat	80
Shoes		Glass holder	165
Slippers (Hemp)	160-175	Floor Mat	
Bags	110-260	Cushion Cover	
Shopping Bags	270	Hats	140
Bags (vegetable dye)	335	Small Purses	46-52

Sales quantity per month on average: Rs. 20- 25 thousand

- The most preferred products: Slippers, Seminar Bags and Thread.
- Pencil cases and purses are sold in Nepal.
- Hemp slippers are exported to Japan

- **SUPPLIERS:** 4 from Kathmandu

- Had a shortage of supply of the fabric and the thread because a few districts were closed due to the insurgency

- **WHOLESALE/ PRODUCER INFORMATION**

- receives no discount
- they do not buy in bulks
- payment is made as a consignment and they have to pay within 1 month
- no transportation charges, they own their own vehicle

- **COMPLAINTS:**

- Quality is very bad
- Price too high compared to the regional markets
- The prices vary according to the different regions.
- Hemp from the districts, Dolpa and Bajura are cheap but the quality is not good.

- **SUGGESTIONS:**

- Work on product development
- Improve the processing of the thread

- Technology is lacking in Nepal, which is the main reason for the poor quality
 - To improve the quality of the product, they should refine the thread
 - Increase the width of the fabric
 - New Product Ideas: Dresses
- **ADDITIONAL NOTES:**
 - Only when International Organizations have meetings, do they demand seminar bags. Nepali Organizations have never ordered seminar bags.

ECO- HIMAL

- **CONTACT INFORMATION**

Store name: Eco- Himal

Contact Person: Shanker Pradhan
Janaki Pradhan

Location of shop: Kupondol, Lalitpur

Phone: 412763/ 523733

Email: shankerpradhan@hotmail.com

Fax: 522633

Category: Wholesaler/ Retailer

PRODUCT INFORMATION

PRODUCTS	PRICE (Rs.)	PRODUCTS	PRICE (Rs.)
Hats	150-200	Halters	250
Pullovers		Passport Bags	100-150
Shawl	600-700	Caps	150-200
Dress	900	Money purse	60
Bags	250	Coin purse	20
		Thread	350/kg

- The most preferred products: Hats in the summer and Jackets in the winter
- Peak season: after Dasain, once a year
- All products go International mostly to the U.S. and Japan

- **SUPPLIERS:** About 20 from Sankhuwashawa

- Never had a shortage of supply.
- Will buy from new suppliers depending on price and quality

- **WHOLESALE/ PRODUCER INFORMATION**

- advance payment is made by cash

- **COMPLAINTS:**

- the sample and the product are not the same
- the sample is done very well but when they make the product the quality becomes very bad

- **ADDITIONAL NOTES:**

- Sales of hemp and allo products decreased due to Pashmina
- Allo pillow heals back aches/ body aches

EVEREST FASHION

- **CONTACT INFORMATION**

Store name: Everest Fashion

Contact Person: Rabita Shrestha

Location of shop: Thamel

Showroom: Sundhara, Lalitpur

Phone: 416625; 525187/ 541013

Email: evefas@wlink.com.np

Fax: 525906

Category: Wholesaler

Date of establishment: 5 years

PRODUCT INFORMATION

PRODUCTS	PRICE (Rs.)	PRODUCTS	PRICE (Rs.)
Muffler	350	Socks	180
Hats	110	Sweater	700
Slippers	180	Bags	180-400
Shoes	650	Tea Mat	11
Tops	250	Lawn Mat	45
Waist coat	450	Friendship Band	25
Shawl	650		

- The most preferred products: Bags and Caps
- Peak season: summer time
- All products go International

- **SUPPLIERS:** 1.) Rukum
2.) Rolpa

- Never had a shortage of supply.
- Will not buy from new suppliers because they also personally go to the different districts and teach the people.

- **WHOLESALE/ PRODUCER INFORMATION**

- receives discount
- they buy in bulks
- payment is made by cash and credit within 2 months
- no transportation charges

- **COMPLAINTS:**

- no variety in designs
- quality is not good

- **SUGGESTIONS:**

- to improve the quality of the product, the products should be woven well
- there should be more designs
- New Products: Dresses

AMRITA CRAFT

- **CONTACT INFORMATION**

Store name: Amrita Craft

Contact Person: Prem Kumar Rajbanshi

Location of shop: Thamel

Phone: 244345/ 240757

Email: craft@ecomail.com.np

Fax: 220045

Category: Wholesaler/ Retailer

Years of operation: 25 years

PRODUCT INFORMATION

PRODUCTS	PRICE (Rs.)	PRODUCTS	PRICE (Rs.)
Passport Bag	90	Caps	
Bags	375-500	Slippers	250
Hats	130-250	Jacket	450-700
		Waistcoat	375-600

- The most preferred products: Bags
- All products go International.

- **SUPPLIERS:**

Materials: Jumla, Sindhupalchowk and Gorkha

- Had a shortage of supply due to the lack of mass production
- Will buy from new suppliers depending on price and quality

- **WHOLESALE/ PRODUCER INFORMATION**

- receives discount
- they buy in bulks
- payment is made by cash
- no transportation charges

- **SUGGESTIONS:**

- New Products: Dresses in net design

- **ADDITIONAL NOTES:**

- Hemp is in more demand compared to Allo
- Quality of both is not bad.

COTTON CAP SHOP

- **CONTACT INFORMATION**

Store name: Cotton Cap Shop

Contact Person: Pitambar Tiwari

Location of shop: Thamel

Phone: 420917

Category: Wholesaler/ Retailer

Years of operation: 4 years

PRODUCT INFORMATION

PRODUCTS	PRICE (Rs.)
Hats	120-130
Caps	80-90
Bags	250-300
Passport Bags	50-60

- The most preferred products: Bags and Hats
- Peak season: Summer time
- They export bags to the U.S. and Japan

- **SUPPLIERS:**

- 1.) Rukum
 - 2.) Rolpa
- Never had a shortage of supply.
 - Will buy from new suppliers depending on price and quality

- **WHOLESALE/ PRODUCER INFORMATION**

- receive 5%- 10% discount
- they buy in bulks
- payment is made by cash and credit within 15 days
- no transportation charges

- **COMPLAINTS:**

- Hemp is mixed with allo so, the quality turns out to be very bad

- **SUGGESTIONS:**

- to improve the quality of the product, allo and hemp should not be mixed together
- New Products: Dresses, pants and shoes.

OM SHIVA CARNIVAL WOLLEN CENTRE

- **CONTACT INFORMATION**

Store name: Om Shiva Carnival Wollen Centre

Contact Person: Dhurba Prasad Dalal

Location of shop: Thamel

Phone: 256554

Category: Wholesaler

Years of operation: 15 years

PRODUCTS	PRICE (Rs.)
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Hats	100
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- The most preferred products: Hats
- Peak season: February and March
- They export hats to the U.S., France, Germany and Italy

- **SUPPLIERS:**

- 1.) Bhaktapur
 - 2.) Sakhu
- Never had a shortage of supply.
 - Will buy from new suppliers depending on price and quality

- **WHOLESALE/ PRODUCER INFORMATION**

- receive 5%- 10% discount
- they buy in bulks depending on season
- payment is made by credit
- no transportation charges

- **COMPLAINTS**

- the quality of the sample is different from the product
- the sample is made very well but the product does not look anything like the sample

- **SUGGESTIONS:**

- to improve the quality of the product, technology should be used
- New Products: socks, gloves, bags and sweaters.

NEW STORE

- **CONTACT INFORMATION**

Store name: New store (no name yet)

Contact Person: Ramkumar Pudasaini

Location of shop: Thamel

Category: Retailer

Years of operation: 1 month

PRODUCTS	PRICE (Rs.)
----------	-------------

Bags	40-150
Caps	60-90
Balls	10-20
Hats	100-150
Coin Purse	5-10

- The most preferred products: Caps
- The least preferred product: Bags
- Peak season: September
- They do not export any of their products

- **SUPPLIERS**

- 1.) Balaju
 - 2.) Maipi
 - 3.) Gongobu
- Never had a shortage of supply.
 - Will buy from new suppliers depending on price and quality

- **WHOLESALE/ PRODUCER INFORMATION**

- receives 5% discount
- they do not buy in bulks
- payment is made by cash and credit within 15 days
- no transportation charges

- **COMPLAINTS:**

- Indians complain that its jute and sometimes the products are mixed with jute
- The designs are not original
- The products are not woven properly so the thread comes out very easily

- **SUGGESTIONS:**

- to improve the quality of the product, technology should be used
- New Products: shirts and friendship bands.

COLLECTION CRAFTS

- **CONTACT INFORMATION**

Store name: Collection Crafts

Contact Person: Laxmi Shrestha

Location of shop: Thamel

Category: Wholesaler/ Retailer

PRODUCTS	PRICE (Rs.)
Hats	200
Hairbands	100
Bags	300-400

- All products go International
- **SUPPLIERS:** 1.)Own factory
- Never had a shortage of supply.
- Will not buy from new suppliers

SANA HASTAKALA

- **CONTACT INFORMATION**

Store name: Sana Hastakala

Contact Person: Ramila Sharma

Location of shop: Kupondol, Lalitpur

Phone: 522628

Email: sanahast@wlink.com.np

Fax: 526985

Category: NGO

Date of establishment: 1989

PRODUCTS	PRICE (Rs.)	PRODUCTS	PRICE (Rs.)
Table mats	54	Tops	415
Table runner	116	Cushion	250
Shawl	880	Cloth	320/ meter
Bags	200-350	Devil Dolls	42

- The most preferred products: Table mat and bags
- The least preferred product: Tops and dresses
- Products that are exported: bags, shawls, table mat, table runner, cloth and devil dolls

- **SUPPLIERS:** 1.) Sankhwasabha (Alok Club)
2.) Bhaktapur

- Had a shortage of supply of table mats because the weaving is slow
- Will buy from new suppliers depending if there is a variety of products

- **WHOLESALE/ PRODUCER INFORMATION**

- does not receive discount
- they buy in bulks
- payment is made by cash and credit and after sales
- they have to pay transportation charges of 8%

- **COMPLAINTS:**

- present price level too high

- **ADDITIONAL NOTES:**

- Contacting the suppliers is very difficult while acquiring the products

EVEREST CRAFTS

- **CONTACT INFORMATION**

Store name: Everest Crafts

Contact Person: Roshan Ranjit

Location of shop: Thamel

Phone: 251200

Category: Wholesaler/ Retailer/ Exporter

PRODUCTS	PRICE (Rs.)	PRODUCTS	PRICE (Rs.)
Bags	125-275	Sandals	150-160
Friendship bands	10	Purses	35
T-Shirt	185	Caps	110-115
Hats	45-120		

- The most preferred products: Bags and sandals
- The least preferred product: Purse
- All products go International mostly to Spain, France, U.K. and Australia

- **SUPPLIERS:** 1.) People come to the stores and they buy big balls of thread from them and they make products in their own factory.

- Never had a shortage of supply.
- Will buy from new suppliers depending on price and quality

- **WHOLESALE/ PRODUCER INFORMATION**

- receives discount
- they do not buy in bulks
- payment is made by cash and credit within 15 days
- no transportation charges

- **COMPLAINTS:**

- In one product, there is a difference in the texture of the thread
- In some parts, the thread is too thick and in other parts, it is too thin

- **SUGGESTIONS:**

- New Products: pants and tea mats

CREATIVE INTERNATIONAL EXPORTS

- **CONTACT INFORMATION**

Store name: Creative International Exports

Contact Person: Madev Prasad Thapale

Location of shop: Thamel

Phone: 264157

Email: crtvexpo@enet.com.np

Fax: 249588

Category: Wholesaler/ Retailer

PRODUCTS	PRICE (Rs.)	PRODUCTS	PRICE (Rs.)
Bags	150-400	Purses	60
Pants	800-1200	Jackets	1300
Waist coat	800-1200	Shawls	150-400
Caps	90	Blanket	900

- The least preferred product: All the products
- All products go International

- **SUPPLIERS:** 1.) Rukum

2.) Rolpa

3.) Jagharkhot

- Never had a shortage of supply.
- Will buy from new suppliers depending on price and quality

- **WHOLESALE/ PRODUCER INFORMATION**

- does not receive discount
- they buy in bulks
- payment is made by cash within 1 month
- no transportation charges

- **COMPLAINTS:**

- People complain that the products look like they are made out of jute

- **SUGGESTIONS:**

- Decrease present price level
- Increase quality
- New Products: hats and knitted bags

FOREVER CRAFT INDUSTRIES

- **CONTACT INFORMATION**

Store name: Forever Craft Industries

Contact Person: Hom Bahadur Gurung

Location of shop: Thamel

Phone: 231468

Email: forever@wlink.com.np

Factory: Naya Bazar

Category: Wholesaler/ Retailer

PRODUCTS	PRICE (Rs.)
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Hats	65-105
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Hair bands	10-25
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Bags	65-150
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Sandals	100-200
---------	---------

- The most preferred product: Hats
- All products go International

- **SUPPLIERS:** 1.) Balaju
2.) Swayambhu
1.) Jumla
2.) Humla

- Had a shortage of supply because production is low
- Will buy from new suppliers depending on price

- **WHOLESALE/ PRODUCER INFORMATION**

- does not receive discount
- They do not buy in bulks
- payment is made by cash as soon as they buy it
- no transportation charges

- **COMPLAINTS:**

- Quality is very bad

- **SUGGESTIONS:**

- Improve quality
- Come up with quality control standards and verify the products
- Dye the products
- New Products: gloves and rubber bands.

RARA NEPAL

- **CONTACT INFORMATION**

Store name: Rara Nepal

Contact Person: Hari Khenal

Location of shop: Thamel

Phone: 425095

Email: raraneal@infocom.com.np

Fax: 415679

Factory: Lainchour

Category: Wholesaler

PRODUCTS	PRICE (Rs.)	PRODUCTS	PRICE (Rs.)
Bags	150-220	Shawls	300-750
Dresses	700-1050	Skirts	350
Hats	120	T- Shirts	650
Shoes	140-200	Coin Purse	50

- The most preferred product: All the products (especially the ones that are knitted)
- All products go International mainly to the U.S., Japan, Australia and Norway

- **SUPPLIERS:** 1.) Rukum
2.) Rolpa
3.) Bajura
4.) Darchula

- Never had a shortage of supply
- Will buy from new suppliers depending on price

- **WHOLESALE/ PRODUCER INFORMATION**

- does not receive discount
- they buy in bulks
- payment is made by cash as soon as they buy it
- no transportation charges

- **COMPLAINTS:**

- no complaints from the customers

- **SUGGESTIONS:**

- Make the width of the fabrics more broader.

NO NAME

- **CONTACT INFORMATION**

Store name: No name (it is below J.P. School)

Contact Person: Rama

Location of shop: Thamel

Category: Retailer

PRODUCTS	PRICE (Rs.)
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Bags	200
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Purse	10
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- Sales are not predictable
- They export bags
- **SUPPLIERS:** 1.) Dallu (own factory)
2.) Jumla
3.) Darchula
- Never had a shortage of supply.
- Will buy from new suppliers depending on price
- **WHOLESALE/ PRODUCER INFORMATION**
- does not receive discount
- they do not buy in bulks
- payment is made by cash and credit as soon as they buy it
- no transportation charges
- **COMPLAINTS:**
- Customers complain that the fabric is bad
- Design is bad
- Sewing is bad
- **SUGGESTIONS:**
- To improve the quality of the product, sewing needs improvement
- Make sure the color does not fade away
- Decrease the present price level
- **ADDITIONAL NOTES:**
- The quality of the fabrics from Pokhara is very good but too expensive.

TIKA HANDICRAFT

- **CONTACT INFORMATION**

Store name: Tika Handicraft

Contact Person: Ramesh Gurung

Location of shop: Thamel

Category: Retailer

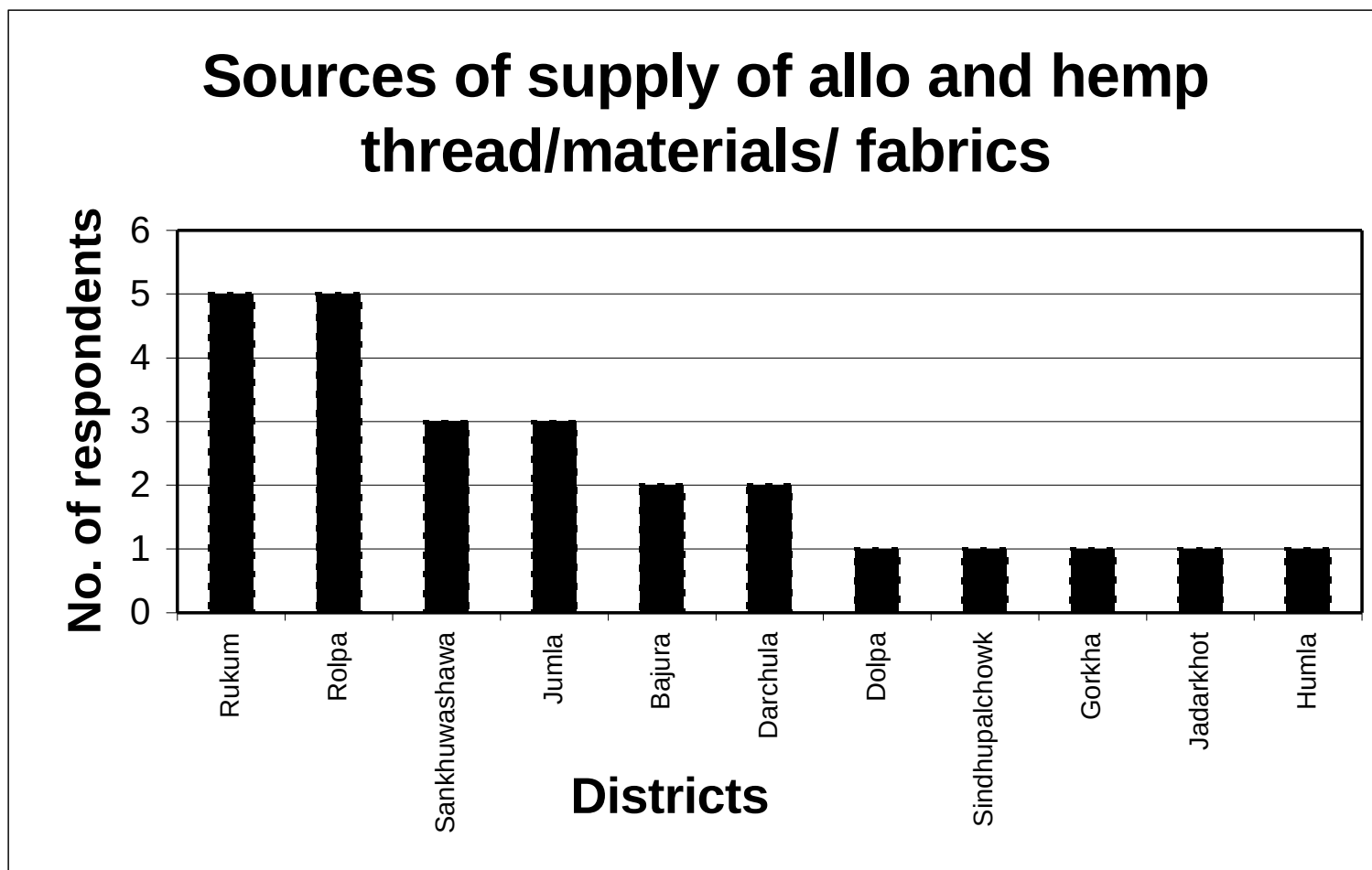
PRODUCTS	PRICE (Rs.)
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Bags	300-400
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Purse	50
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- Least preferred product: Bags
- Sales are not predictable, it depends on the seasons
- They export bags to Japan and America
- **SUPPLIERS:** 1.) Rukum
2.) Rolpa
- Never had a shortage of supply.
- Will buy from new suppliers only if tourists increase and the demand goes up
- **WHOLESALE/ PRODUCER INFORMATION**
- does not receive discount
- they do not buy in bulks
- payment is made by cash within 2 weeks
- no transportation charges
- **COMPLAINTS:**
- Design is bad
- Quality is not good
- **SUGGESTIONS:**
- Maintain the quality
- Ask for government support
- New Products: Clothes

ANNEX II Sources of supply of allo and hemp threads/materials/ fabrics



ANNEX III Sources of supply of allo and hemp products



ANNEX IV

Questionnaire for Customer Profile

(Background Information)

Name of the store/shopkeeper:

Name of the store/shop:

Location :

Phone:

E-mail:

Fax:

Category : Wholesaler Retailer Agent
Industry Others

Date of establishment:
(years of operation)

1. Product Information:

[illegible]

2. Market Coverage

Product name	National	International

3. Market Trend:

High Growth Products			Negative Growth Products		
Product Name	Sales record		Product Name	Sales record	
	Last year (per month in average)	This year (per month in average)		Last year (per month in average)	This year (per month in average)

4. Information on short supply

Product Name	Quantity sold per Week /month	Reason for short Supply

5. Increase in product / Looking for new suppliers

Name of the products willing to buy from new suppliers	Quantity needed per week/month	Buying Condition

6. Main strategies to generate higher demand

Cut down present price level

Improve quality

General awareness

Market extension

Improve design

Any other (please specify):

7. Wholesaler / Producer Information

Any discount scheme:	Yes	No		
Do you buy in bulks?	Yes	No		
Term of business payment:	Cash	Credit	Both	Others
Payment Period:	15 days	1 month	2 months	
	Others			
Transportation charges:	If yes, then at what rate?			No
Problems/ suggestions while acquiring the products (please specify):				

8. Complaints from consumers

9. Suggestions to improve the quality of the products

10. Suggestions for new products

Interviewer

Interviewee

Signature

Signature