

The handicrafts industry in nepal and tibet business essay



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Based in Kathmandu Everest Handicraft distributor was established in 1998 with the aim of distributing fine Nepalese and Tibetan handicrafts. It collects different handicrafts goods made of woods, leathers, stones, clay, clothes, paper and different metals. Such type of goods are very popular and famous in different foreign markets such as Hong Kong, Korea, USA, UK, Japan and most of the European countries. Some of the goods include Nepalese knife (khukuri), Thankas, Tibetan woollen carpets, rugs, dolls, masks, crazy and fancy hats, cotton and hemp products, Buddhist religious items, wooden carved pictures and monuments, fine Nepalese pashmina and carpets.

This business is targeted and directed to foreign citizens who like to collect different fascinating and exotic goods because these goods are made of hands and beautifully crafted and carved romantic pictures. Large number of tourists comes to visit Nepal and on the way to return they take some goods so that they remember their journey to Nepal. As this business is for foreign citizen, it has high potentiality in different overseas countries. In this modern era of globalisation, it is easier to expand goods and services in different foreign markets. So, I am planning to make my business global expanding it into Japan and America.

1. 1 Political and Economic Overview

As our business is going global and we are planning to develop into international market, the political and economic condition of such market is most important. As our business deals with domestic and industrial handicrafts, we studied it has good market opportunity in Japan and USA.

Based on the constitutional monarchy system, ' Japan is industrialized; free-

market economy is the second-largest in the world. Its economy is highly efficient and competitive in areas linked to international trade.' (<http://www.state.gov/r/pa/ei/bgn/4142.htm>). It produces and distributes industrial and technological goods and services because it is technically far advanced country. Japanese per capita income is high and their purchasing power parity is also high. Japanese people like domestic and artistic handicrafts. Every year large quantity of domestic and industrial handicrafts is exported in Japanese market. They love foreign culture, tradition and they pay interest on studying its archaeological history. They develop and produce high technological goods but they love small domestic handicrafts goods. The main purpose of such goods is for decoration, for archaeological study, for religion and for aesthetic as well as for domestic purpose. Therefore this business has good market in Japan.

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On the other hand, Nepalese handicrafts have been attracting in US market. These goods have been ideal in the American market too. Leading country of the world, America is practicing the free market economy. According to Country wise Export of Handicraft goods, Fiscal Year 2008/09 (Nepal), USA remains in the top rank to import handicrafts goods from Nepal. Including textiles (468567834) and non-textiles goods (403233845), America imported 871801679 goods from Nepal (Federation of Handicrafts Association of Nepal, (http://www.nepalhandicraft.org.np/handicraft_prof.php#t3). Nepalese handicrafts including bags and accessories, basketry products, glazed and non glazed earthenware ceramics, Christmas decorations are

very famous in American market. Japan remained at the fourth rank to import handicraft goods from Nepal after USA, Germany and UK.

Cultural Significance

Culturally Nepal has remained as one of the multicultural, multi religious country where the country experiences the diversified geographic and ethnic community. Every tribe has their own custom, culture and they celebrate their special festivals. Different ethnic community produces different types of products which are collected in the market and exported in the foreign market. Though large number of population follows Hinduism, the people of Buddhist family is not low. Similarly Muslims and Christianity are also practised here. Comparing the overseas market, Japan and America with Nepal, Japan shares some of the Buddhism with Nepalese culture and the political situation is also somehow similar as both accept the parliamentary system. " By virtue of their common Asian heritage, there is a strong cultural link between the people of Japan and Nepal. Asian values are deeply rooted in the society and people in both countries."([http://www. np. emb-japan. go. jp/relation. pdf](http://www.np.emb-japan.go.jp/relation.pdf))

Similarly Japan widely follows western culture, tradition and values and it is happy to embrace Nepalese culture, custom and products. The huge success of Tokyo Disneyland is an example of Japanese acceptance of western culture. In the globalised era, countries are frequently moving each other country, set up their business in international market. So, culturally also Japan is the good overseas market to establish handicraft business.

Likewise, USA practises democracy, human rights, and globalisation. As it is the top ranked country to accept handicraft goods from Nepal, religiously Americans are Christians and they enjoy with domestic handicraft goods along with Christmas decorations.

Strategic Analysis

Developing the business into overseas is a challenging task that covers the long legal, political, economic, cultural, social, strategical and ethical process. It includes the study of international market and product dimensions. In an answer, why it is challenging, John H Dunning writes, " it is dominated by rapid and far reaching changes in technology and by environmental turbulence, this is no less true of successful practitioner" (John H Dunning). Therefore it needs to examine outer forces as well as its strategic forces. As a response to these complications , Prof Dunning writes, " a holistic and integrated approach to the creation and organisation of business wealth- the success of modern international co-operation is increasingly determined by the ability to organise natural resources, information, money and people across national boundaries, both within and between organisations."

Geographically as well as culturally handicraft business has good market in Japan as both countries are located in the same continent and share somehow similar culture and religion. On the other hand, America represents the top rated market for Nepalese handicrafts goods. As America, a democratic country securing consumers basic rights has adopted free market economy and welcomes the free market economy. For example,

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Dixon Ticonderoga was an American reputed oldest public company produced pencils that became victim of globalisation. As it is exercising free market global economy, it is ready to face loss in the global competitive business world. Therefore globalising business is challenging task as the products are new to the market. " The real concern for the global manager is how to design organisation to achieve effective global integration of business operations". (Kim, K, et, al The global integration of business functions: A study of multinational business in integrated global industries, PP. 32

Business Entry strategy

As a leading industrial nation, starting business in Japan is not difficult. " If you have a unique and good quality product or service then by carefully controlling your starting costs you will be profitable in your first year in the Japanese market. It's that simple. The trick is understanding Japanese business and the mentality of Japanese businesspeople well enough to be able to control your costs." (<http://www.venturejapan.com/starting-business-in-japan.htm>)

Japanese market is also free market competitive market; consumer's purchasing power parity is also highly standard. Moreover they interest foreign culture, custom and tradition. The huge success of Tokyo Disneyland is an example of Japanese people following western culture. Government policies for international business market and company are flexible. The licensing and franchising, business registration, company registration process resemble Japan's interest to attract international business.

On the other hand, American market is big, the size of the country, the opportunities, and the sheer geographical size are fascinating factor to expand business in America. Every country has its unique culture, social system, economic, cultural, geographical, demographic factor which affect the business and the market economy of such country. " Different business practices, business values, accepted ways of doing business, communication and varied legal structures must be taken into account. In addition, for geographically large countries like the US, cultural business differences must also be considered as what is said on the East Coast may mean something entirely different than the West Coast." (<http://www.internationalmarketentry.com/>).

Conclusion

Globalising business and expanding it into overseas market culminates good result if done carefully and with lots of study and investigation. There are some cultural, social, geographical, moral, legal and ethical aspects. Though handicrafts business in America has been more profitable than any other countries because of its consumption and distribution in American market. Yet it is a vast country with some cultural, social and geographical diversities. Large companies also face crisis in American market. Enron represents as one of the most failure company in the history of America. Therefore it is more challenging to expand it to America even though it has highest sells.

On the contrary, handicraft business in japan

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