

GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
(DEPARTMENT OF COMMERCE)

RAJYA SABHA
UNSTARRED QUESTION NO. 2118
ANSWERED ON 09/08/2024

DECLINE IN TOY EXPORTS

2118. SHRI YERRAM VENKATA SUBBA REDDY:

Will the Minister of COMMERCE & INDUSTRY be pleased to state:

- (a) the reasons for decline of toy exports from US\$177 million in 2021-22 to US\$ 152 million in 2023-24;
- (b) the reasons for increase of toy imports from US\$17 million in 2021-22 to US\$ 62 million in 2023-24;
- (c) the steps taken/proposed to be taken to encourage toy research and development;
- (d) the lessons to be learnt by Indian Toy Industry from China, which is a global leader in toy manufacturing; and
- (e) whether there are any plan to set up toy hubs in the country, if so, the details thereof?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY
(SHRI JITIN PRASADA)

(a) & (b) The decline in India's exports of Toys (HS 9503) from US\$177 Million in 2021-22 to US\$ 152 Million in 2023-24 is due to overall decline in global demand of Toys (HS 9503). It is observed that India's key export markets including USA, UK and Germany have also registered decline in Toys imports by 16-20% as indicated in following table:

Country	Import Value (US\$ bn)		
	2021-22	2023-24	Decline%
World	58.8	49.5	-16%
USA	21.5	17.2	-20%
UK	3.1	2.6	-16%
Germany	4.2	3.5	-16%

Source: TradeMap (<https://www.trademap.org>)

The various initiatives of the Government together with the endeavours of the domestic manufacturers have resulted in remarkable growth of the Indian Toy industry. The imports of Toys to India have declined from US\$ 276 Million in FY 2014-15 to US\$ 65 Million in FY 2023-24 thereby registering a decline of 76%. For the same period exports of Toys have increased from US\$ 41 Million in FY 2014-15 to US\$ 152 Million in FY 2023-24 thereby registering a growth of 271%

Details	FY 2014-15	FY 2023-24	Growth/Decline %
Imports Value (US\$ Million)	276	65	-76%
Exports Value (US\$ Million)	41	152	+271%

Source: Ministry of Commerce & Industry (<https://commerce.gov.in>)

However, on account of international headwinds, geo-political tension, red sea crisis and overall decline in global demand of Toys, the exports have declined marginally in FY 2023-24 as compared to FY 2022-23 from US\$ 153.89 Million to US\$ 152.34 Million. The import of toys which is mainly of components to support domestic industry have slightly increased in FY 2023-24 to US\$ 64.92 Million from US\$ 62.36 Million in FY 2022-23.

(c) to (e) The Government has undertaken a series of steps for development of the Indian Toys Industry, including:

- Formulation of a comprehensive National Action Plan for Toys covering twenty-one specific actions points and is being implemented by fourteen Ministries/Departments.
- A Quality Control Order for Toys has been issued on 25.2.2020 by Department for Promotion of Industry and Internal Trade (DPIIT) through which toys have been brought under compulsory certification from Bureau of Indian Standards (BIS) w.e.f. 01.01.2021.
- Basic Custom Duty (BCD) on Toys (HS code 9503) has been increased from 20% to 60% in February 2020 and subsequently increased to 70% in 2023.
- Upto July 2024, BIS has granted 1509 licences to domestic manufacturers of toys and 38 licences to a foreign manufacturer for use of BIS Standard Mark on Toys conforming to the Indian Standards for safety of toys.
- The Ministry of MSME is supporting 19 Toys Clusters under the Scheme of Funds for the Regeneration of Traditional Industries (SFURTI), the Ministry of Textiles is providing designing, and tooling support to 26 Toys Clusters.
- 250 Toy Startups were identified under the Startup India initiative, whereby efforts for the development and growth of startup ecosystem are being undertaken.

- Zero duty market access have been provided for Exports of Toys from India under various Trade Agreements including: India-UAE Comprehensive Economic Partnership Agreement(India-UAE CEPA), India-Australia Economic Cooperation and Trade Agreement(Ind-Aus ECTA), India-European Free Trade Association Trade and Economic Partnership Agreement(India-EFTA EPA).
- Several promotional initiatives have also been undertaken to promote indigenous toys and encourage innovation, including Toycathon, Local Toy Fairs, Swachh Toycathon, supporting Toy Biz Expo etc.
- Workshops with E-Commerce entities to identify opportunities have been organised.
