



Indian Economy

India's Toy Industry

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- Industrial Growth

For Prelims: India's Toy Industry, Success Story of Made in India Toys, Department for Promotion of Industry and Internal Trade (DPIIT), National Action Plan for Toys (NAPT), Directorate General of Foreign Trade (DGFT).

For Mains: India's Toy Industry, Government policies and interventions for development in various sectors and issues arising out of their design and implementation.

Why in News?

Recently, the Indian Institute of Management (IIM) Lucknow at the behest of Department for Promotion of Industry and Internal Trade (DPIIT) under the Ministry of Commerce & Industry, has conducted a Case Study on “**Success Story of Made in India Toys**”, highlighting a significant rise in Toy Exports in in FY 2022-23 in comparison to FY 2014-15.

What is the Status of Indian Toy Industry as per the Study?

- **Significant Growth Trends:**
 - The Indian toy industry exhibited **remarkable growth between FY 2014-15 and FY 2022-23**, marked by a

substantial decline in imports by 52% and a significant rise in exports by 239%.

- This growth indicates a shift towards self-sufficiency and global competitiveness.

- **Quality Improvement:**

- There's been an overall enhancement in the quality of toys available in the domestic market. **This emphasizes the importance of meeting international** standards and ensuring consumer satisfaction and safety.

- **Growth Drivers:**

- **Enhanced Manufacturing Ecosystem:** Government efforts have **facilitated the creation of a more conducive** manufacturing ecosystem. Doubling the number of manufacturing units in six years, reducing dependence on imported inputs from 33% to 12%, increasing in gross sales value by a **CAGR of 10%** and improving labor productivity are noteworthy achievements.
- **Global Integration and Export Focus:** India's emergence as a top exporting nation in the toy industry indicates **successful integration into the global toy value chain**. Zero-duty market access in key countries like the UAE and Australia has contributed to this growth trajectory.

What are the Government Initiatives to Foster the Growth in the Toy Industry?

- **National Action Plan for Toys (NAPT):**

- A comprehensive plan comprising 21 specific action points, coordinated by DPIIT and implemented by multiple Central Ministries/Departments. This plan addresses various aspects like design, quality control, promotion of indigenous toy clusters, etc.

- **Increase in Basic Customs Duty (BCD):**

- A substantial **increase in BCD on toys (from 20% to 60% in February 2020, and subsequently to 70% in March 2023)** aims to protect the domestic toy industry from cheaper imports and encourage local manufacturing.
- **Mandated Sample Testing:**
 - The **Directorate General of Foreign Trade (DGFT)**, under the Ministry of Commerce and Industry mandated sample testing for each import consignment to prevent the import of substandard toys, ensuring better quality control.
- **Quality Control Order (QCO) for Toys:**
 - Issued in 2020, this **order emphasizes quality standards for toys**, effective from January 2021, to enhance the overall quality of toys manufactured and sold in the country.
- **Provisions for Toy Manufacturers:**
 - Special provisions by BIS (Bureau of Indian Standards) have been made, including granting licenses to small units without testing facilities for a specified period, facilitating compliance with quality standards.
- **BIS Standard Marks:**
 - Over 1200 licenses have **been granted to domestic manufacturers** and over 30 to foreign manufacturers, ensuring adherence to quality standards through BIS marks.
- **Cluster-based Approach:**
 - Supporting the domestic toy industry through schemes like SFURTI (Scheme of Funds for the Regeneration of Traditional Industries) by the Ministry of MSME and providing support for designing and tooling to various toy clusters by the Ministry of Textiles.
- **Promotional Initiatives:**

- Events like The **Indian Toy Fair 2021** and Toycathon aim to promote indigenous toys, encourage innovation, and create a platform for showcasing and ideation in the toy industry.

Way Forward

- To position India as a competitive alternative to **major toy manufacturing hubs like China and Vietnam**, consistent collaborative efforts between the toy industry and the Government are deemed essential.
- Embracing technology, focusing on e-commerce, encouraging partnerships and exports, investing in brand-building, and engaging with educators and parents for effective communication with children are key aspects identified.

