



India's Toy Industry

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.

[Source: PIB](#)

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.