

INDIA'S TOY INDUSTRY: ECONOMY

NEWS: 153 countries importing toys from India: Union Minister of Commerce and Industry, Shri Piyush Goyal

WHAT'S IN THE NEWS?

India's toy industry has transformed from being import-dependent to a major global exporter, driven by policy support, cultural heritage, and innovation. Exports have risen by 40% (FY19–24), while imports have declined by 79%, with strong global demand and government-led quality reforms.

India's Toy Industry – Transformation and Global Emergence

India's toy industry has experienced a significant transformation, shifting from an import-reliant sector to a global exporter. Between FY19 and FY24:

- Toy exports increased by 40%.
- Toy imports declined by 79%.
- Indian toys are now exported to 153 countries, with major markets including the USA, UK, Germany, Netherlands, Denmark, and Australia accounting for over 70% of total exports.

Historical and Cultural Linkages

- India's toy-making history dates back to the Indus Valley Civilization (~2500 BCE), with evidence of terracotta animal figurines, carts, and dolls.
- Traditional toys were made from locally available, eco-friendly materials such as wood, clay, metal, and cloth.
- Regional styles include:
 - **Channapatna toys** (Karnataka): Lacquer-coated wooden toys using vegetable dyes.
 - **Kondapalli toys** (Andhra Pradesh): Handcrafted from light softwood (Tella Poniki), reflecting rural life and mythology.
 - **Thanjavur dolls** (Tamil Nadu): Bobble-head style dolls with religious and cultural themes.
 - **Varnam toys** (South India): Eco-friendly and heritage-inspired designs.
- These toys are reflections of folk stories, local festivals, and traditional art forms.

Industrial Evolution

- **Colonial Period:** Introduction of Western toys and mechanical production.
- **Post-Independence:** Small-scale units started producing metal and wooden toys.
- **1980s:** Introduction of plastic toys and domestic brands like Funskool.
- **1990s:** Liberalisation opened doors for global toy giants, leading to intense competition.

- **2000s onwards:** Rise of organised retail, online platforms, and demand for educational and STEM-based toys.
- **Recent Trends:** Rise in eco-friendly and skill-based toy startups like Shumee, Ariro, and Smartivity.

Current Market Status

- The Indian toy industry is valued at USD 1.9 billion (2024).
- Expected to grow at a **CAGR of 10%**, reaching USD 4.7 billion by 2033.
- **Unorganised sector** accounts for 90% of the market: dominated by artisans and small manufacturers.
- **Organised sector** is expanding due to:
 - Growing urban middle-class
 - E-commerce growth
 - Awareness of international quality standards

Government Initiatives to Promote Domestic Toy Manufacturing

- **Make in India & Atmanirbhar Bharat:** Aimed at reducing dependency on imported toys and promoting indigenous designs.
- **Import Duty Hike:** Increased from 20% to 60% to discourage low-cost Chinese imports and protect local industries.
- **Quality Control Orders (QCOs):**
 - BIS (Bureau of Indian Standards) certification made mandatory.
 - Ensures safety, non-toxicity, and quality of Indian toys.
- **Production Linked Incentive (PLI) Scheme:**
 - Supports large-scale, high-quality, export-oriented toy manufacturing.
 - Incentivizes automation, innovation, and eco-friendliness.
- **Toycathon:** A national hackathon for developing innovative toys based on Indian culture, heritage, and learning tools.
- **Toy Clusters and SEZs:** Dedicated clusters in Karnataka, Uttar Pradesh, and Tamil Nadu are being promoted for toy manufacturing.

Challenges Faced by the Sector

- **Fragmentation:** Dominance of the informal sector with limited standardisation and innovation.

- **Technological Backwardness:** Traditional manufacturers lack access to modern machinery, design tools, and packaging solutions.
- **Sustainability Issues:** Artisanal communities struggle against the influx of cheap plastic toys.
- **Market Access:** Poor access to global markets and branding tools hampers exports of traditional toys.
- **Regulatory Burdens:** High compliance costs and procedural delays for BIS certification can deter small units.

Opportunities and Way Forward

- **Innovation in Edutainment:** Growing demand for STEM, AI-based, and educational toys presents a unique opportunity.
- **Global Niche Markets:** Traditional and handmade Indian toys can appeal to eco-conscious consumers abroad.
- **Cultural Storytelling:** Infusing toys with Indian mythology, festivals, and regional diversity can create a distinct global brand.
- **Digital Platforms:** Leveraging e-commerce for sales and storytelling.
- **Collaboration:** Encourage tie-ups between artisans and toy tech startups to modernise designs while retaining heritage.
- **Research and Skill Development:** Establishing toy research and design institutes, curriculum integration, and artisan training.

Conclusion

India's toy industry is witnessing a revival through a combination of cultural resurgence, policy support, and innovation. By aligning traditional strengths with global trends in sustainability and ed-tech, India is poised to become a leading player in the global toy market.

Source: <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2142336>