

Toy Manufacturing Clusters

January 14, 2021

The Prime Minister has appealed to the youth of India to start working towards the direction of developing toys that are based on the backdrop of the rich Indian culture and history. In this context, UPSC may ask questions relating to the toy industry, its present scenario and opportunities available.

In news: India's first toy manufacturing cluster to come up in Koppala, Karnataka.

Placing it in syllabus: Economy

Dimensions

1. Karnataka toy cluster
2. Import of toys in India
3. Traditional toys and handicrafts in India
4. Relevance and impact

Content:

Karnataka Toy Cluster:

- **India's first toy manufacturing cluster** coming up on a 400-acre plot at **Koppala** in North Karnataka.
- Koppala is also home to the famous **Kinhala toys**.
- It has received investment proposals worth \$ 211 million (Rs 1540 crore) from six firms.
- The toy cluster is being developed by **Aequis Group**.
- Aequis is **developing the toy facility** in a bid to attract big ticket investments from global toy makers and win over a chunk of global toy business, dominated by Chinese manufacturers
- It expected the cluster to get about Rs 5000 crore investments in near future as many **toymakers and suppliers have shown interest to source from the facility for global markets**
- A complete **end-to-end ecosystem** specific to the

- requirements of the toy industry is being planned
- The cluster will have state-of-the-art and ready-to-use infrastructure – **an SEZ for exports and a domestic tariff area** for companies to tap the Indian market
 - The cluster will include raw material suppliers, shared infrastructure such as plug and play industrial sheds, CETP, research and development, design and prototyping, testing, training, quality certification, customs, ancillary industries and service providers etc
 - **Karnataka is the third-largest market for toys in India.** It constitutes 9.1 per cent of the national market valued at (USD 159 million).

Global Toy Market and India:

- Global toy market generates **\$80 billion in annual revenue**
- The market for **toys in India is estimated at \$1 billion** annually
- India's share is relatively very small in the global toy market.
- **China is the market leader** and major supplier of toys across the world.
- Due to the rising demand for toys across India and abroad, the industry is all **set to grow at a 25 percent CAGR.**

Import of Toys in India:

- The market for toys in India is estimated at \$1 billion annually, almost **60 % of this demand is met by imports.**
- Most of the toys are imported from China.

These are some of the concerns about the chinese imports:

Child Safety

- Inferior and cheap Chinese-made toys have been found to be harmful to children

- Tests revealed **illegal levels of toxic chemicals** such as **phthalates** (a harmful plastic additive) and **heavy metals** from synthetic paints.
- Phthalates can cause serious health complications including **reproductive disorders**, **delayed puberty** and numerous **behavioural disorders**.
- Many toys were blocked because of **risk of choking**

Destruction of local toy industry

- Cheap Chinese imports also have flooded the Indian market and made it **difficult for Indian rivals to compete** with them.
- **Small and very small producers** scattered across India presently produce 90% of the toys. Only about 10 per cent toy producers are of the organised sector.
- Many **traditional toy industries have been destroyed** by the onslaught of the Chinese toys in the last decade

Traditional toys and handicrafts in India:

- History of Indian toys dates back to the **Indus Valley civilization**.
- Today, each Indian region boasts its own genre of traditional toys made with diverse materials.
- Traditional toys also give kids a bite of the **Indian history and cultural heritage**
- A deep dive into mythology and Indian history is helping several Startups to attract young and enthusiastic minds to buy their products.

Indian Traditional Toys:

The following are some of the traditional toys crafts provided with **Geographical Indication** tag:

Channapatna Toys – Karnataka

- Channapatna has a special identity of 'Toy Town' or locally known as 'Gombegala Ooru'

- Toys are made of wood

Tanjore Dolls – Tamil Nadu

- Dolls are made of Terracotta materials
- They are locally known as 'Tanjavur Thalaiyatti Bommai'
- Also known as 'Tanjore Head Shaking Dolls' or dancing dolls of tanjore as the heads of these dolls keep shaking when they are touched or disturbed from outside.

Kondapalli Toys (Kondapalli Bommallu) – Andhra Pradesh

- makers of these toys are known as 'Aryakshatriyas' who are said to have migrated from the western state of Rajasthan many generations ago.
- Kondapalli Toys are made with bright and vibrant colors which portray the diversity of the village lives and the themes connect the spirituality.
- In earlier times, these toys were actually used during the festivals of Navarathri and Sankriti.

Kinhala Toys – Karnataka

- Kinhala is a combination of specially carved and painted wooden sculptures and toys.
- The uniqueness of these toys is in the usage of light-weight shallow wood.
- Kinhala includes folk festival idols and figurines, colourful miniature models of birds, animals, vegetables and fruits as well.
- It is practiced by a few families who are known as "chitragars."

Rajsthani Puppet Dolls – Rajasthan

- They have strong connection with the traditional theatres 'Kathputhli' practiced in Rajasthan
- The puppet dolls are made of wood and usually attached with single cotton or metal string which is controlled by human fingers.

- These dolls are praised in the foreign toy markets also for their traditional beauty and vibrant colors.

Etikoppaka toys (Etikoppaka Bommalu) – Andhra Pradesh

- They are made of wood and painted with natural dyes.
- The wood used is from 'Ankudi Karra' (Wrightia tinctoria) tree that is soft in nature.
- The natural dyes are prepared from seeds, lacquer, bark, roots and leaves.

Relevance and Impact:

Incentives for local manufacture

- The production-linked incentive and phased manufacturing programme for the toy sector **could attract many global toy makers to shift base to India from China.**

Employment Generation

- Toy industry is very **labour-intensive manufacturing sector**
- Karnataka toy cluster alone plans to create 40,000 jobs in five years.

Indian heritage platter for kids to explore

- **Indian startups can compete with established brands** with some unique ideas.
- Reviving traditional games and using mythological figures can replace Barbie sets, GI Joes, toy trains, and games like Jenga, Uno, Monopoly, and Battleship rule the market place

Import substitution of Chinese Toys

- Indian government has issued a **Quality Control Order (QCO)** specifying strict quality controls for toy imports.
- This will discourage the indiscriminate import of

inferior and cheap Chinese-made toys

Mould your thought:

1. Revival of the toy industry has the potential to boost the manufacturing sector. Examine with respect to recent initiatives of the Government.

Approach to the answer:

- Introduction
- Opportunities in toy industry globally
- India's unique advantages
- Recent initiatives by the government
- Conclusion