

# Toy Manufacturing



**Real Sector Division - Economic Research Department**  
**Central Bank of Sri Lanka**

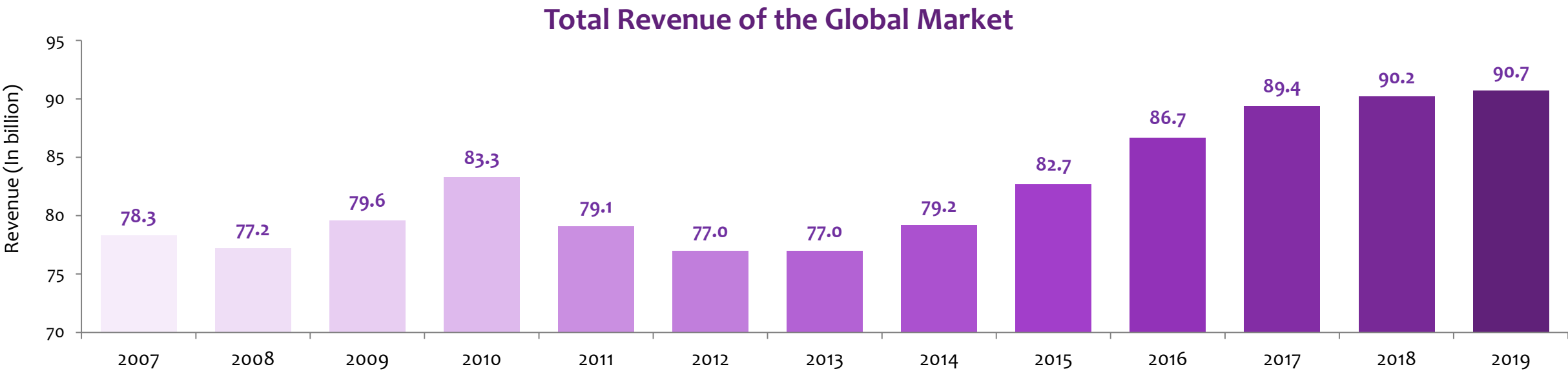
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# Industry Background

**Toy manufacturing industry covers the manufacturing and sales of all types of toys excluding gaming items**

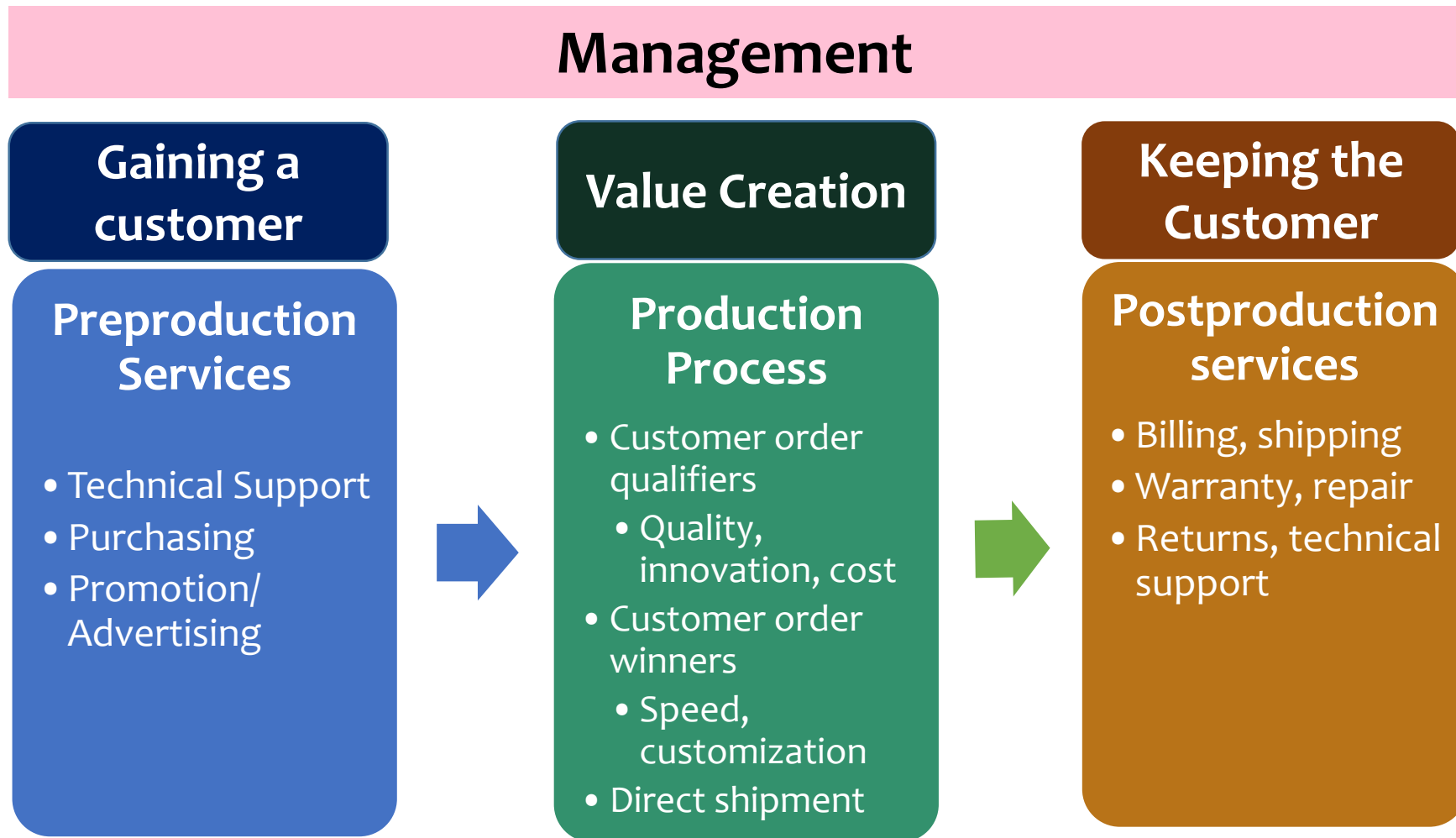


Performance of Toy manufacturing industry - 2018

World Trade	\$ 47.4 Bn	
Share of World Trade	0.26%	
Top Exporter	\$ 29.6 Bn	China
Top Importer	\$ 11.9 Bn	USA

# Industry Value Chain

## The Toy Industry – Value Chain Model



Source: Toy industry by Lorelay Corona, Angela Van Strander and Matthew Vital

# Industry Status – Global (2018)

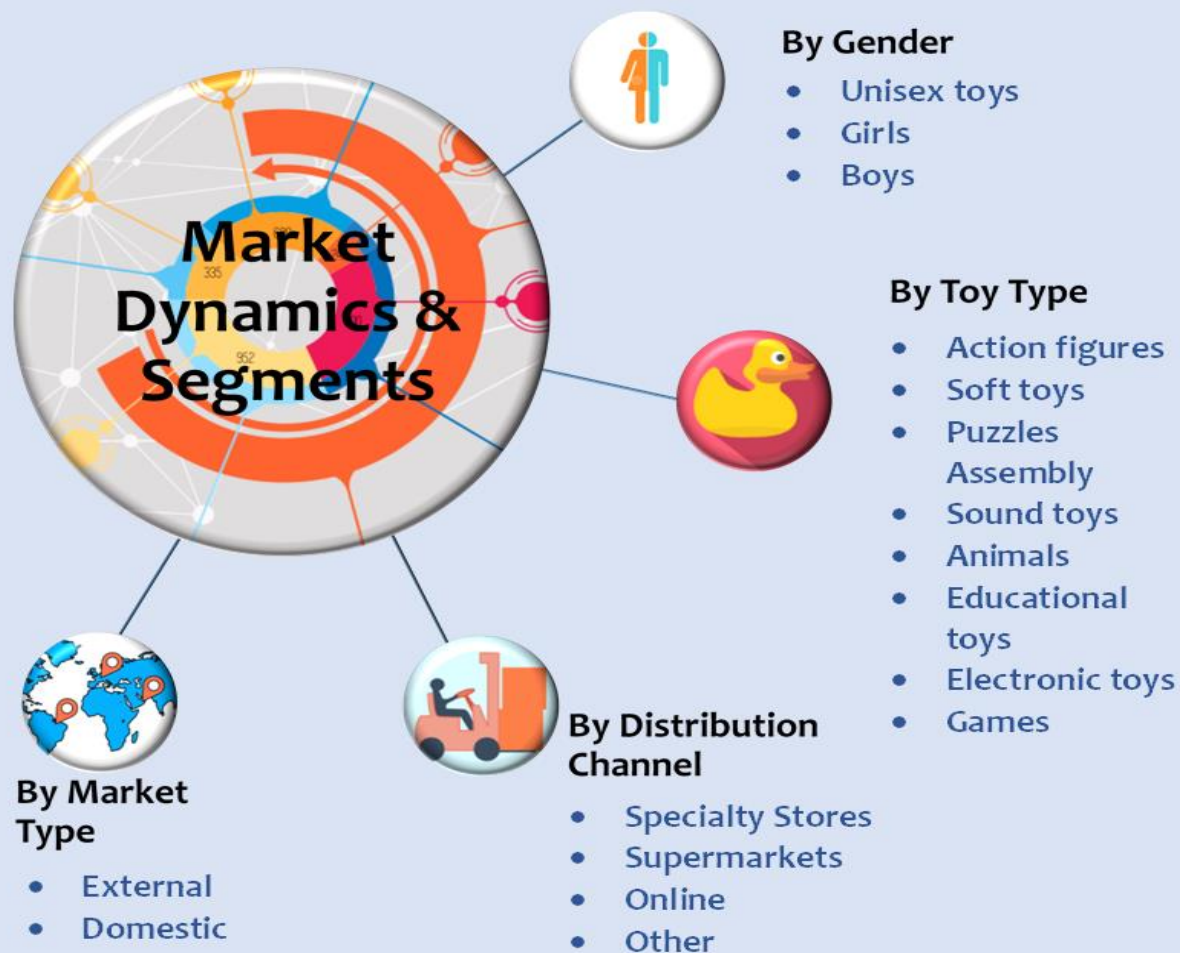




# Why is China leading?

- Raw material availability
- Automated production process
- Larger product portfolio with different segmentation
- Innovative product designs
- Increasing efforts in sales and marketing and product development
- China implements zero tariffs on toys from countries and regions
- Increase in rules and regulations based on quality and safety

## SRI LANKAN TOY MARKET

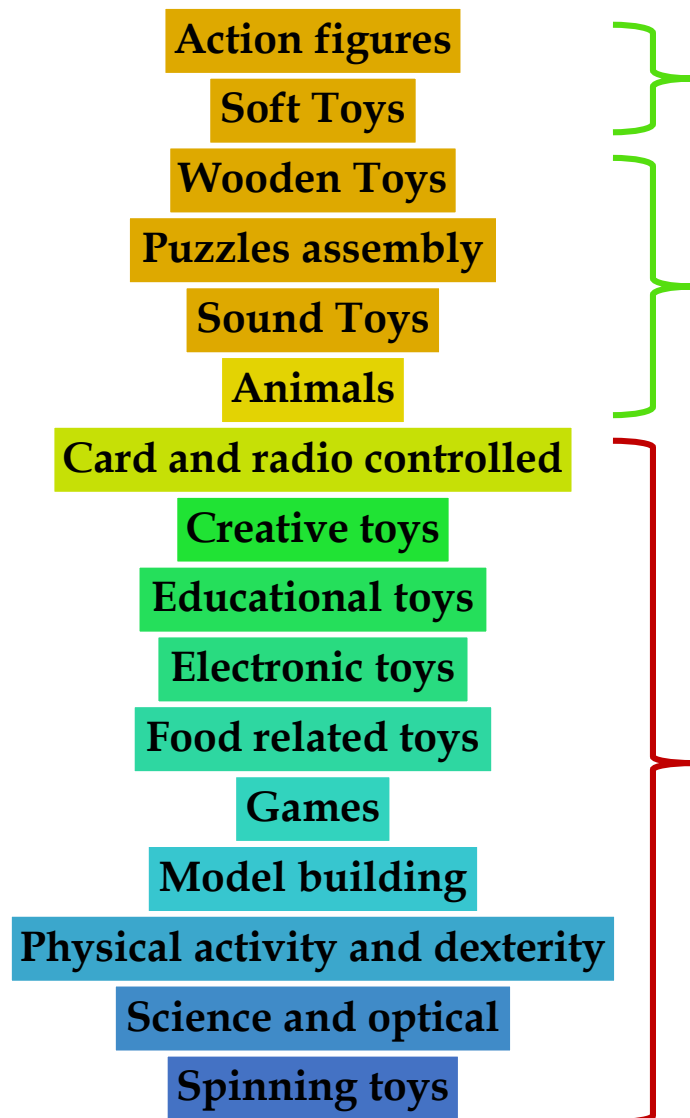


Toy industry has been recognized as a **winning industry** in Sri Lanka



# Areas of Potential for Sri Lanka

## Type of Toys



Large Scale  
manufacturing

Small Scale  
manufacturing

Types of toys  
which have a great  
potential to be  
manufactured in SL





# Leading Toy Manufacturers in Sri Lanka

- **BUSAN DIPPING KO LANKA PVT LTD – Rubber based toys**



- **D S L LANKA PVT LTD – Soft Toys**



- **MONA PLASTICS PVT LTD – Plastic toys**



- **PARADISE TOYS PVT LTD – Soft Toys**



- **ARTIWOOD CREATIONS PVT LTD – Wooden toys**

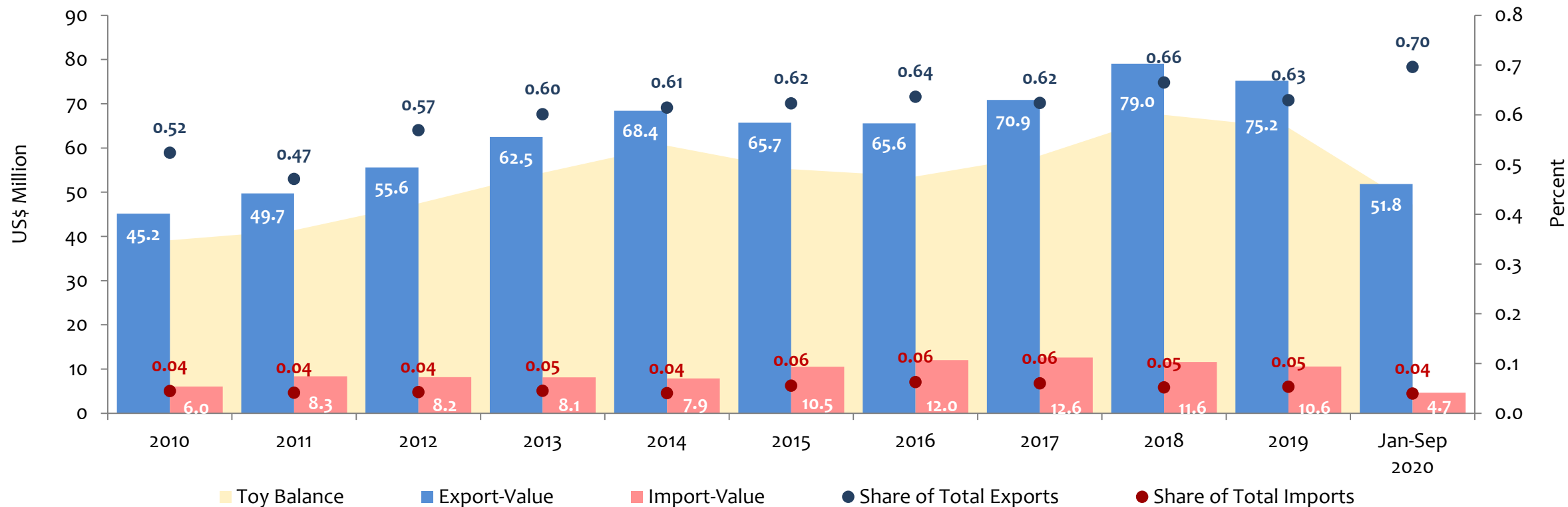


- **Sri Toys - Wooden toys**



# Sri Lanka's Export Performance

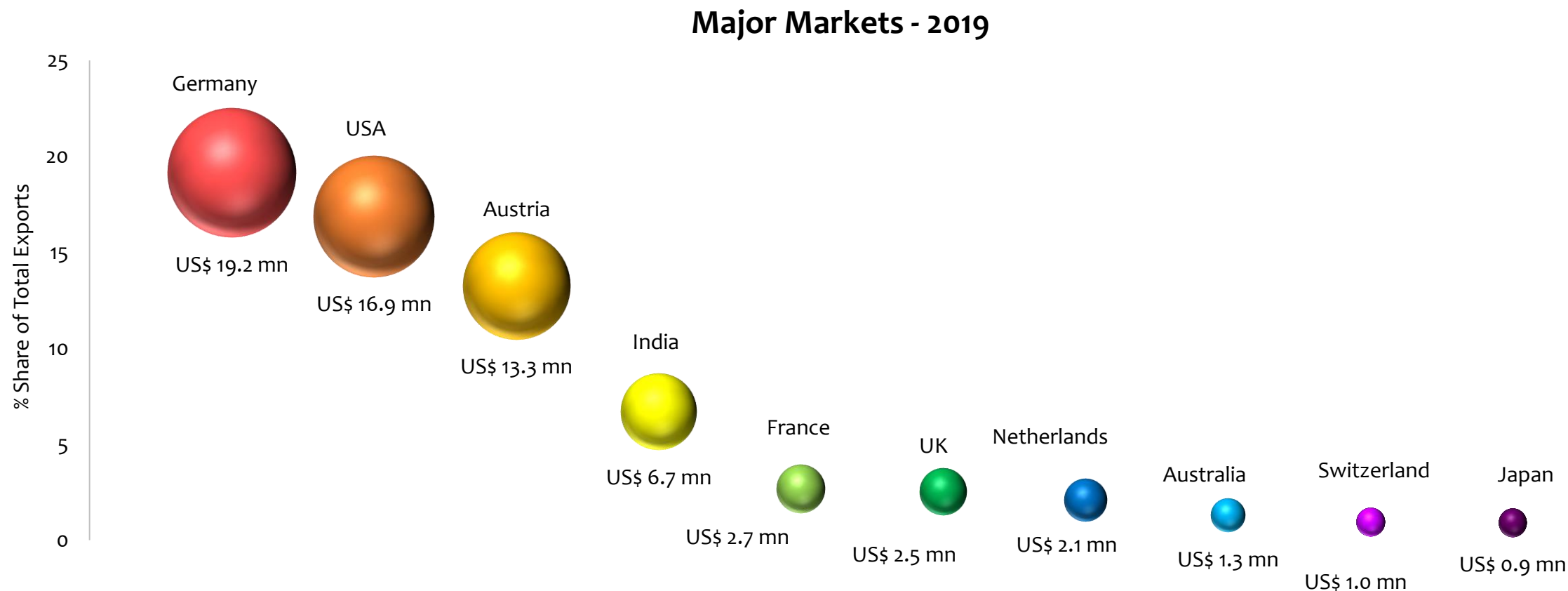
Export, Import and Trade Balance - Giftware & Toys Sector : 2010 - 2020 (Jan-Sep)



Source: Central Bank of Sri Lanka

Share of toy exports increased during Jan-Sep 2020 compared to 2019, amidst COVID-19 pandemic.

# Key Export Destinations



Source: Export Development Board in Sri Lanka

**Germany, USA and Austria account for more than 66% of Sri Lanka's toys' export market**

# Opportunities for Sri Lanka

- ‘Green purchasing’ is rapidly gaining popularity providing business avenues for sustainably produced toys
- Rapidly growing ‘15 years and below’ population segment the Asian region
- Investors and consumers keen on purchasing from countries which are engaged in responsible production
- Decline in demand for toys manufactured in China due to geopolitical tensions and increased consumer awareness about poor production practices in China

## Winners and losers in lockdown

All figures: value of sales 1 Jan to 23 May 2020, compared with the same period in 2019



**Games and Puzzles**  
+43%



**Outdoor toys**  
+31%



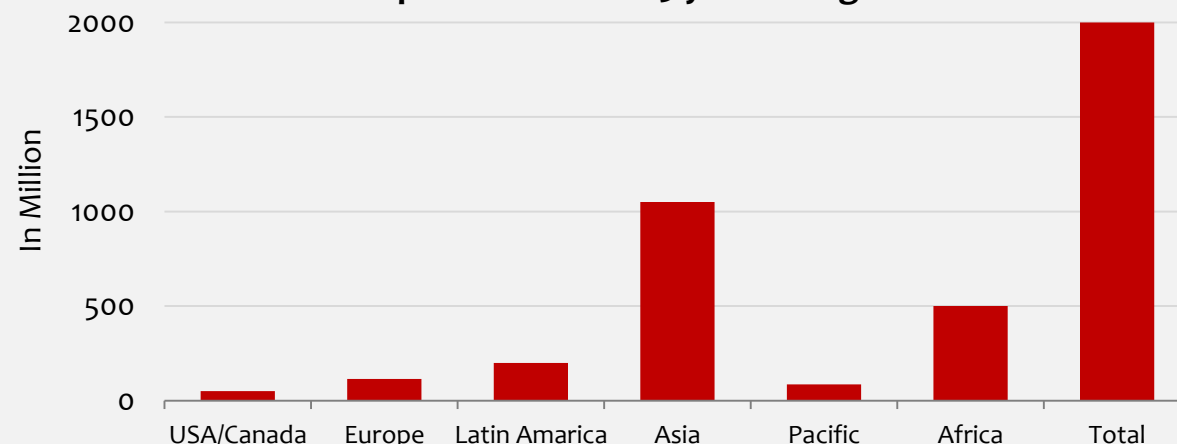
**Building sets**  
+17%



**Collectables**  
-29%

Source: BBC

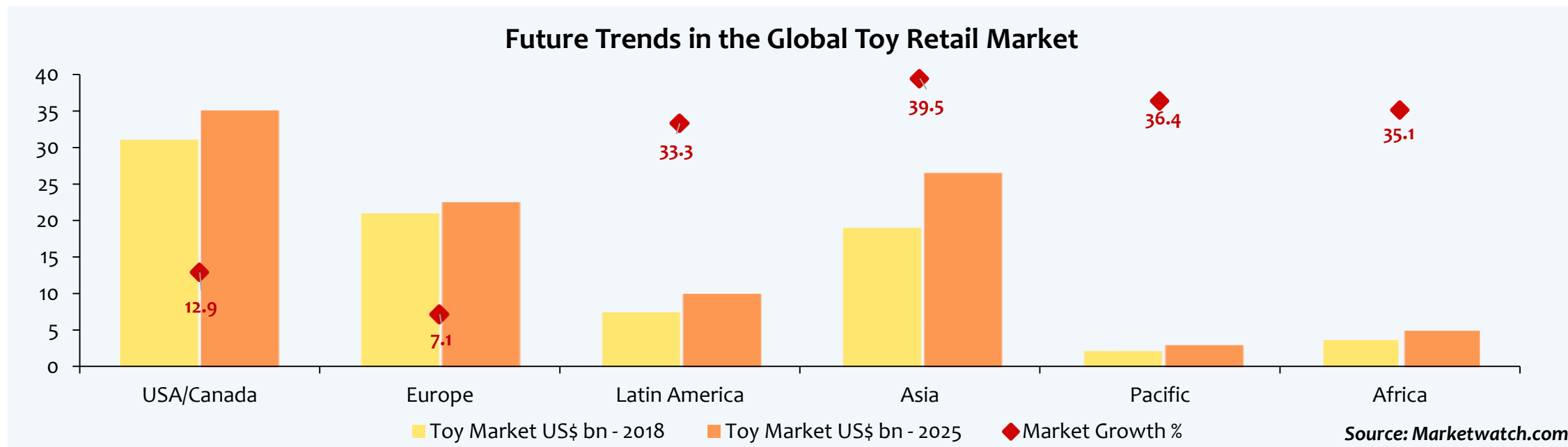
## Population below 15 years of age



Source: eMarketer, Statista 2019

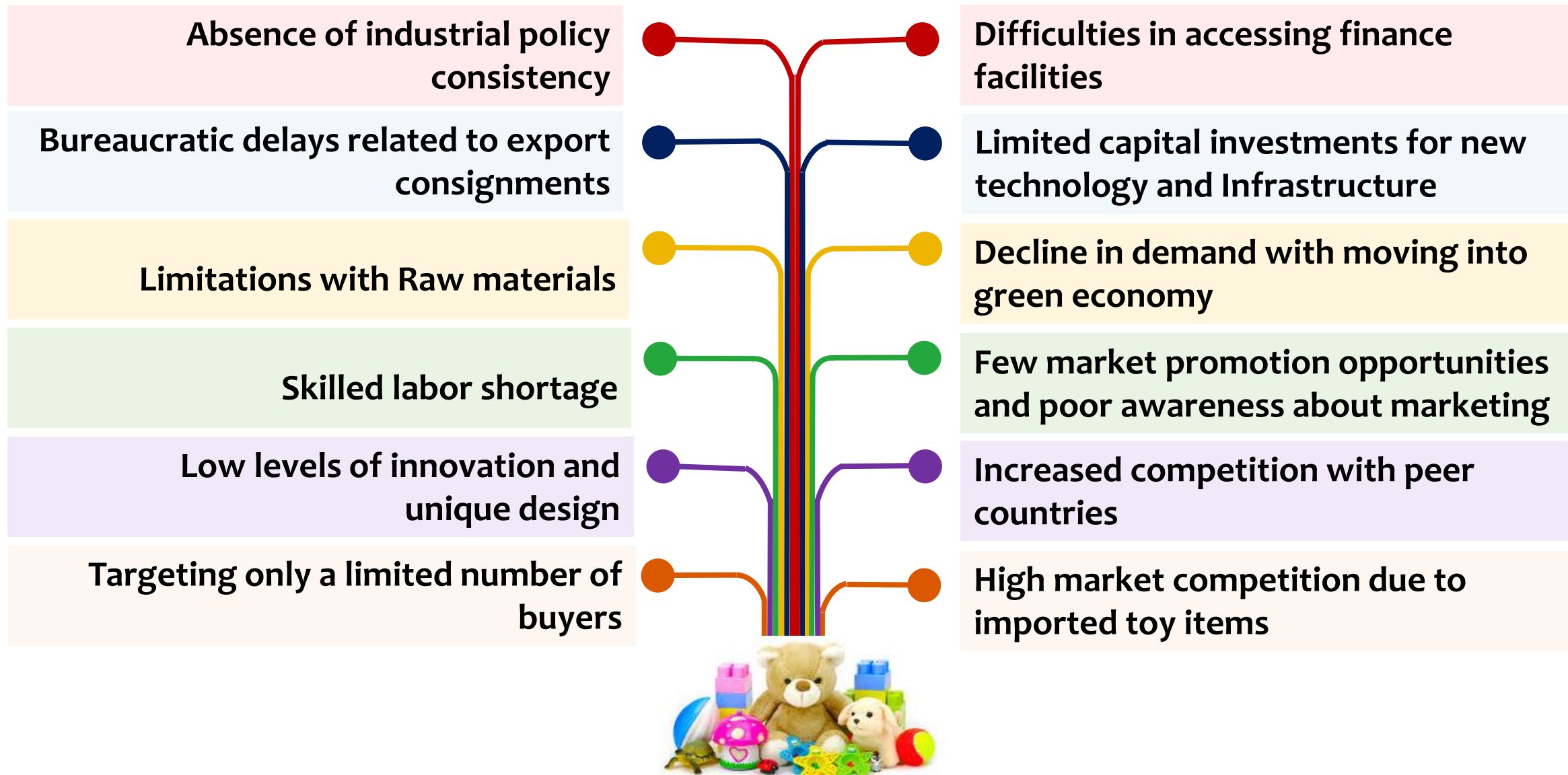
# Strengths to be capitalised

- **The Toy industry has a well established and rapidly growing market**
- Initial capital outlay for the manufacture of certain types of toys in Sri Lanka (e.g. wooden toys) is relatively less when compared to other countries
- **Easily trainable work force with high expertise levels**
- Already adhering to several international safety and quality standards such as EN 71, ASTM and CE
- **Geographical location may be exploited to gain easy access to several growing markets**

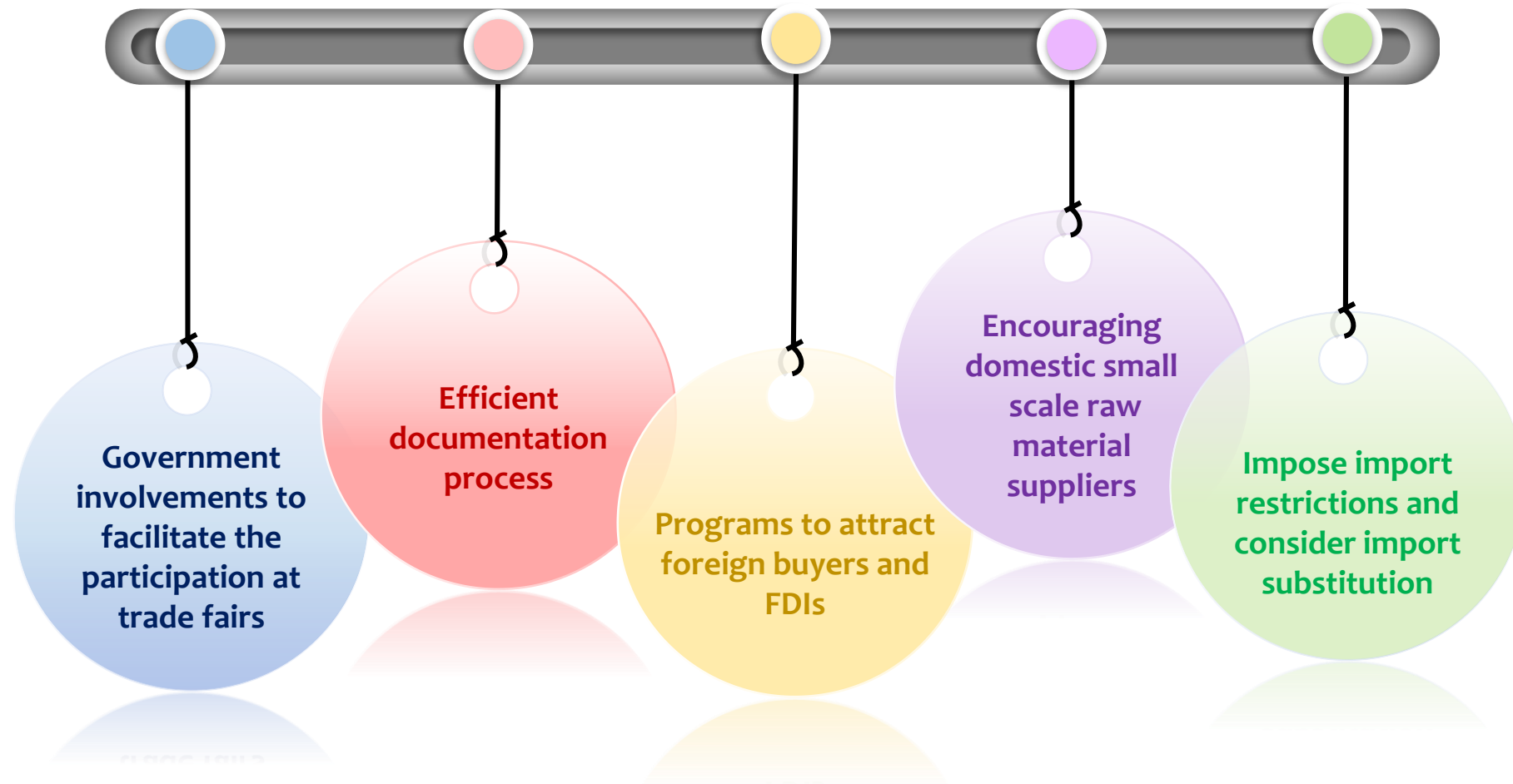




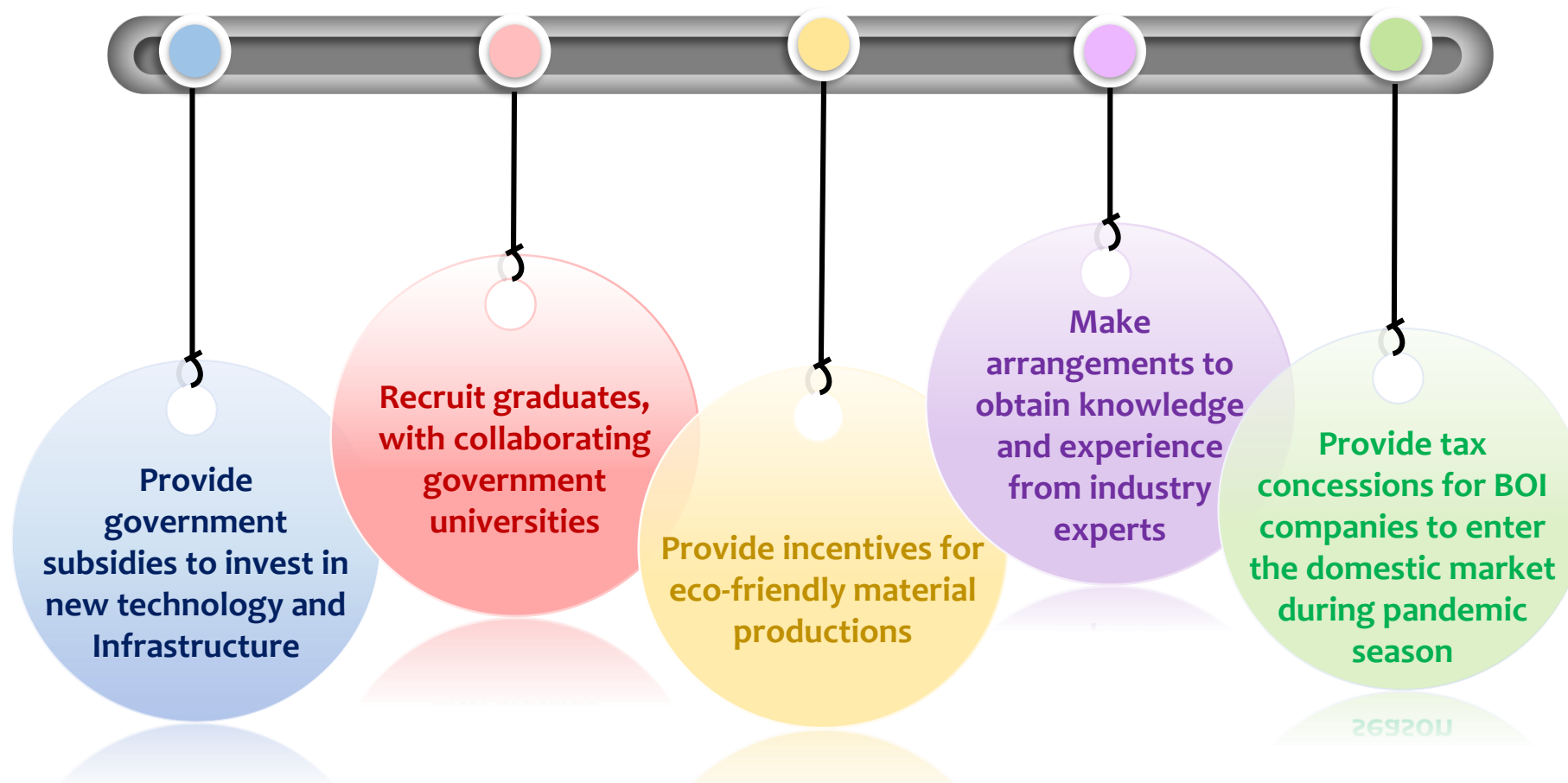
# Barriers to Sri Lanka's Success in Toy Manufacturing



# Way Forward



# Way Forward



***Setting up a Multi-stakeholder platform including all stakeholders of the toy manufacturing industry together with government, EDB, BOI, Manufacturers and Raw material importers ...***

# The Best with Love

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*Child-friendly, eco-friendly, unique designs of toys from Sri Lanka*

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# Thank You

