DRAGON VS ELEPHANT: A COMPARATIVE STUDY OF COMPETIVENESS IN TOY INDUSTRY OF CHINA AND INDIA

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ABSTRACT

This report focuses on competitiveness of Indian toy industry with respect to world and china. The data for estimation has been taken for 10 years since 2003-04 to 2013-14. Toys are classified into 2 parts- HS code 95 which consists of Toys, Games and Sports requisites, Parts and Accessories and HS code 9503 which contains Other Toys; Reduced Size (“SCALE”) Models and Similar Recreational Models, Working/NT; Puzzles of All Kinds, on the basis of NIC classification. (NIC classification 2008, CSO, MOSPI)

There has been dual digit growth in the toy industry but still the Indian industry is far behind the Chinese toy industry as our exports to china is only 0.34% of the total toy exports to the world while our imports from china are 77.14% of the total toy imports from the world. Moreover, there is a big difference between the CAGR of the export and imports from china. The competitiveness of Indian toy industry has been calculated by trade ratio i.e. the ratio of exports to the imports and it has been found that this trade ratio with respect to the world and china has declined year by year, which shows that the competitiveness of India in toy industry is getting worsen year by year. Therefore, some policy measures are being suggested so that India can recuperate its competitiveness.

KEY WORDS: Competitiveness, Trade Ratio, Compound Annual Growth Rate (CAGR), Policy measures, growth rate.

RECOMMENDATIONS

In order to improve its competitiveness in the world toy market, Indian toy industry should adopt some policy measures, which are as follows:

- There should be Quality check & control on all imported Toys & Games as it will lessen the dumping of toxic/ rejected toys from around the world into India.
- Trade meets & exhibitions need to be structured. This would expose the Indian manufacturers & their products to the international consumer & help increase bilateral trade.
- The use of way forms for transport of goods into various states is very tedious. The system could also be made simple and online, so that interaction between the government body and manufacturer is eliminated.
- Toy industry in India is still in its nascent stage, so it would be booster for it if government provides a tax holiday to the manufacturers.
- Moreover, educating the manufacturers on the procedures of payment through interactive meets, etc would also be beneficial.
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