

## **Toys industry marches forward with 10% market growth expected**

Toys industry players expect a 10% growth in business this year, according to findings of an industry survey released by the Hong Kong Trade Development Council (TDC) today (January 13).

TDC commissioned Oracle Added Value, an independent market research company, to conduct a survey on market and product trends at the **Hong Kong Toys and Games Fair 2006**. A total of 410 exhibitors and 705 buyers were interviewed face-to-face on January 9 & 10.

Exhibitors and buyers are optimistic about the business outlook this year. Nearly 90% of exhibitors and buyers interviewed expect the overall toy market growth to be similar or even better in 2006. Most of them expect a 6-10% growth, while 10% of the interviewees anticipate an increase of at least 20%.

### **Computer games and electronic toys are best sellers**

Both toys manufacturers and sellers expect the "**computer toys and games**" and "**battery operated and electronic toys and games**" to be the fastest growing segments this year, followed by "**educational toys and games**" as well as "**baby toys and products**".

Buyers believe that the average growth rate of computer games and electronic toys will reach 18% on average. Close to 20% of respondents said that the sector would be able to grow by 16 to 30%.

The survey also shows that different markets have their own preferences:

- Chinese mainland and North America - computer games, electronic toys and educational toys
- Japan - computer games, electronic toys and candy toys
- Europe - electronic toys, educational toys and baby toys
- Asia Pacific - electronic toys, baby toys and educational toys

### **"CARE Process" under the spotlight**

The survey also finds that buyers are more concerned about ethical sourcing. The **CARE Process**, an industry standard formulated by the International Council of Toy Industries (ICTI), is finally developed and accepted as an industry norm by leading buyers such as Hasbro, Mattel, Leapfrog, LEGO and Radica. These buyers had announced that they would only source products from ICTI certified vendors from this year onwards.

The survey finds that the **CARE Process** is more widely known among buyers than exhibitors. 17% of the buyers interviewed said they were likely to follow the **CARE Process** standard in sourcing. Among these buyers, 62% will request their suppliers to be CARE certified and 35% indicate that they prefer suppliers who are able to manufacture toys in a more humane, safe and environmentally friendly way.

However, only 12% of the exhibitors interviewed are planning to implement the CARE process. Among these suppliers, only 28% have already implemented the CARE process, while 37% and 22% are equipping themselves to obtain the seal of compliance this year or next year.

The **32nd Hong Kong Toys and Games Fair** concluded today (January 13). The four-day event attracted about 30,000 buyers from around the world. Over half of them are coming from outside Hong Kong. Top ten visiting countries and regions are Chinese mainland, Japan, USA, Taiwan, Korea, UK, Australia, Thailand, Singapore and Germany.

The Hong Kong Toys and Games Fair is the second largest fair of its kind in the world. The next fair will be staged from January 8-11, 2007 at the Hong Kong Convention and Exhibition Centre.

**Please download survey report below:**

**Hong Kong Toys & Games Fair 2006 - Survey on Market & Product Trends**

[http://www.tdctrade.com/tdcnews/0601/060113\\_eng\\_report.ppt](http://www.tdctrade.com/tdcnews/0601/060113_eng_report.ppt)

**Other references:**

**Hong Kong Toys and Games Fair Press Release**

<http://www.tdctrade.com/tdcnews/0601/06011001.htm>

**Hong Kong Toys and Games Fair website - <http://www.hktoyfair.com>**

**Hong Kong Toys industry profile - [http://www.tdctrade.com/main/industries/t2\\_2\\_39.htm](http://www.tdctrade.com/main/industries/t2_2_39.htm)**

**Statistics on Hong Kong Toys Exports - <http://stat.tdctrade.com/monthly/prodt.htm>**

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