

**Research Paper on Toy ????**

**Empowerment of Indian domestic toy retail ecosystem**

*Ensuring access of global and high-quality toys for Indian children*

ast 18 months have been very eventful for the Toy Industry with many regulatory changes that aim at increasing the quality and safety of toys in the country and at the same time to ramp up local production to fulfil a growing local demand. In this new regulatory context and due to COVID-19 pandemic international travel limitations and impacts on global supply chains, local retailers have very little /no inventory of toys for the festive season in India: this is because the stock keeping units (SKUs) manufactured outside of India are not available in the Indian Market. This has had a significant adverse impact on the businesses and livelihood of small retail traders and MSMEs. The manufacturers are wary that policy uncertainty in the light of recent regulatory amendments might create a long-term vacuum for availability of toys and the Indian children might be deprived of the latest innovation and wholistic basket of quality toys. Moreover, lack of a transition plan and implementation of alternative solutions to overseas physical audits (as mandated under current regulations of BIS, FMCS) are creating supply gaps, shortages of inventory & permanent job losses in MSMEs and retail traders.

To meet the demand supply gap, parallel grey market of cheap/counterfeit products (primarily from China) is also on the rise recently. Such a market is not only creating immense revenue losses for the Government but is also antithetical to the ethos of 'Atmanirbhar Bharat' initiative. Thus, despite the intent of the regulations is appreciated, lack of implementation of immediate alternative solutions to physical audits is not only putting the children in jeopardy but is also harmful for the environment and economy at large. Such parallel can be effectively curtailed only if alternative solutions to physical audits such as virtual audits/ self-certification mechanism or issuance of provisional certificates of conformity for the imports are immediately implemented for overseas manufacturers. With this backdrop, this event will delve on the right to access of global and quality toys for Indian children, raising toy sector's global competitiveness and building the roadmap to ensure business continuity for MSMEs in the sector.

	Home Address	Raveen Khandelwal, Secretary General, CAIT
	List of Honour	Anurag Goyal, Hon'ble Minister for Commerce & Industries, Textiles, Consumer Affairs, Food and Public Distribution Nirmala Sitharaman, Minister of Women & Child Development Anand Nandan, Secretary, Consumer Affairs B. K. Shiv Kumar Tiwari, Director General, Bureau of Indian Standards
	Key Remarks	Representative, Hasbro India and local manufacturing partner
	Discussion moderated by Ms Shilpa Gupta Right of Play- Right of Access to Quality toys for children Highlighting need for safe and quality toys for children Development of toy industry on growth of Indian Market Retail Sector Issues impacting the supply of toys in the market Impact of recent regulatory amendments Recommendations to ensure retail business continuity and growth Access to global and high-quality toys to Indian kids	<b>Panelists:</b> Consumer Organization representatives (TBD) Retail traders/importers/retailers (that were present at the BIS meet couple of days back) Manufacturers (TBD) Retailer Bodies Government member(s)? Overseas manufacturer Industry representative
	<b>Agenda list of Questions for Panelists (Govt)</b> How newly introduced Quality Control Order (QCO) in India requires all toy manufacturers to obtain a Toy Certification from the Bureau of Indian Standard (BIS), What steps is BIS and Govt. of India taking to ensure timely grant of license to overseas manufacturers to ensure business continuity in India?	Q&A

losses of revenue of approximately INR 6 to 12 Crores per day. **These global toy manufacturers were invited to do business in the country since India's FDI liberalization and have done significant investments in India. As a country, is India really willing to jeopardize these global investments in the toy sector?**

Moreover, to meet the demand supply gap, the menace of the parallel grey market of cheap/counterfeit products is also on the rise recently and is being fostered by the growing e-commerce market. This results not only in immense revenue losses for the Government but also proliferation of bad quality products in the market without any control of the authorities. Thus, while the intent of the regulations with respect to quality control orders is appreciated, if the alternate solutions to implement the policy change are not acted upon immediately, CAIT is of the strong opinion that this can potentially destabilize the supply chain of locally engaged distributors, retailers, manufacturers as well as adversely impact the interests and development of young consumers.

We reiterate that it is of utmost importance now that high quality manufacturers are able to bring products into market and guarantee access to safe and high-quality toys for Indian Children. With this backdrop, this event will deliberate on the right to access of global and high-quality toys for Indian children, improving toy sector's global competitiveness and building the roadmap to ensure business continuity for all stakeholders in the value chain.