THE TOY SECTOR IN EUROPE

The success of the toy sector depends heavily on its capacity to **innovate** and introduce new products that meet changing consumer needs and wishes. The toy industry dedicates an important part of its investment to market analysis, research and development (R&D) and the protection of intellectual property.

The toy sector is one of the most **dynamic** business sectors in Europe: approximately 60% of toys on the market each year are newly developed products.

Around 80% of the sector is composed of **SMEs** which have less than 50 employees.

Even within the **main EU producer countries**, France, Germany, Italy and Spain, toy production is concentrated in some regions which depend on the activity of these SMEs as an important source of economic activity and employment.

Main EU regions of toy production	
France	Franche-Comté, Jura, Rhône-Alpes
Germany	Bavaria, Baden-Württemberg
Italy	Lombardy, Piemonte, Marche, Veneto
Spain	Valencia, Cataluña, Alicante

Other **regions** where toys are economically important are Waterford in Ireland; Billund in Denmark; Malta; South Bohemia and Brno in the Czech Republic; Silesia in Poland; and the North West, East Midlands, Kent and the Thames Valley/Heathrow Airport area in the UK.

The **new Toy Safety Directive** 2009/48/EC will come into force on 20 July 2011 and substantially strengthens EU provisions on toy safety, ensuring children continue to benefit from the highest levels of protection.

A special thanks to the national toy associations, Ubifrance, the NPD Group, Eurostat and TIE's Membership Committee for providing the statistics used in this brochure.

TIE AND ITS MEMBERS

Affiliate Members

Toy Industries of Europe (TIE) is the trade association for the European toy industry, which comprises over 25% of the total world toy market. The toy industry is highly international and is one of the most dynamic business sectors in Europe. The European toy industry is also unique as approximately 80% of the sector is composed of small and medium sized enterprises (SMEs), which have less than 50 employees. Members of TIE include corporate companies and national associations from Bulgaria, France, Germany, Italy, the Netherlands, Spain, Sweden, the UK and the Nordic region. TIE membership is open to both corporate companies with a presence in Europe and EU national associations (including candidate countries).

2010

FACTS AND FIGURES

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GENERAL TRENDS

Consumption

The overall retail market for traditional toys (video games are not included) in the European Union (EU) totalled €15.5 billion in 2010. This is a 2% decrease from 2009, partly due to exchange rate variations.

The toy business is highly seasonal with consumers making the majority of toy purchases (approximately 60%) during the Christmas period (November-December). However, Christmas 2010 was one of the most difficult seasons ever experienced by the European toy industry due to severe weather conditions during the biggest trading weeks of the year.

Despite the difficult economic conditions and the severe weather in December, the toy sector did better than expected in the 27 EU Member States.

In terms of market share, the majority of EU toy sales (73%) took place in the industry's five largest European countries, that is France, Germany, Italy, Spain and the UK. Traditional toy sales in the top five markets were up by 4% in value year on year in 2010 at €11.4 billion.

In terms of revenue (turnover at retail including tax), the European toy market was the second largest in the world in 2010 with the US as the largest market for traditional toys. Total world toy sales in 2010 were approximately €62 billion in 2010, which means that the European market constituted around one quarter of the global toy market.

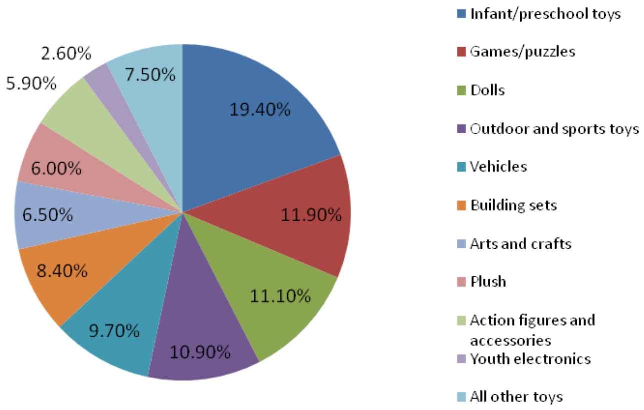
Our children

In 2010, there were approximately 78.3 million children under the age of 14 in the EU.

Main toy categories

Infant/preschool toys remained the leading toy category in the industry's five largest European markets in 2010 with almost 20% market share. This category was followed by games/puzzles (11.9%), dolls (11.1%) and outdoor and sports toys (10.9%).

As in previous years, these categories combined comprised over half of all toy sales in the top five markets in 2010.



Distribution channels by country in 2010

In 2010, toy shops remained the leading distribution channel with over one third of the total market share in France, Germany, Italy, Spain and the UK (G5). This was followed by super/hypermarkets and other types of retailers.

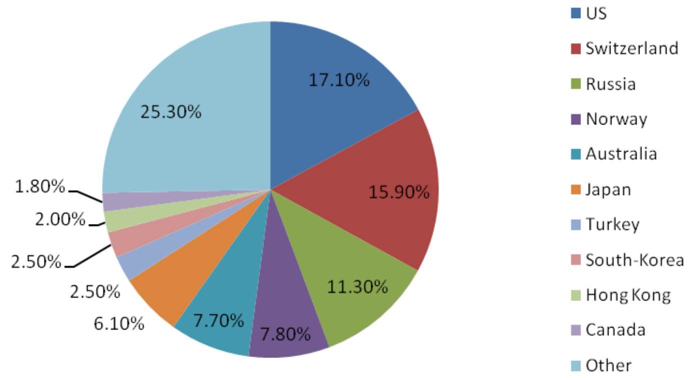
Regional variations are evident in the development of the toy retail sector. For example, in Germany, online/internet sales counted for 13.3% of toys sold in 2010, whereas in Spain only 0.3% of all toys sold were purchased online in 2010.

	FR	DE	IT	ES	UK	G5
Department stores[1]	1.2%	12.0%	4.5%	17.5%	5.6%	6.9%
Discount/variety stores[2]	2.2%	5.2%	4.3%	2.6%	5.5%	4.1%
Mail order catalogues	1.1%	2.2%	0.1%	0.0%	2.6%	1.6%
Online/internet[3]	5.6%	13.3%	1.3%	0.3%	5.1%	6.1%
Super/hypermarkets[4]	39.9%	14.7%	38.6%	32.7%	20%	27.6%
Toy shops[5]	45.0%	41.3%	34.2%	43.0%	33.8%	39.5%
Video/computer games shop	0.1%	0.0%	0.3%	0.1%	0.5%	0.2%
Other types of retailers[6]	4.9%	11.3%	16.7%	3.6%	26.9%	14.0%
Total	100%	100%	100%	100%	100%	100%

[1] Includes departments stores such as El Corte Ingles, Kaufhof, Galeries Lafayette
[2] Urban non-toy specialists (book shops, CD shops, generalists)
[3] Includes companies like Quelle and La Redoute
[4] Mass merchant stores such as Carrefour, Tesco, Auchan
[5] Toy chains and toy shops, e.g. Toys'R'Us, La Grande Récré, Toys Center
[6] Non-toy specialists shops (catalogue show rooms, market, others e.g. Argos)

EXPORTS

Total exports of traditional toys from EU27 countries to non EU countries in 2010 were €1.05 billion (+10.2% compared to 2009).



IMPORTS

Total imports of traditional toys from non EU countries to EU27 in 2010 were €6.96 billion (+20.3% compared to 2009). China was the leading supplier of toys and accounted for 86.2% of total imports.