CBI MARKET SURVEY

THE TOYS AND GAMES MARKET IN FRANCE

Publication date: August 2007

Report summary

This CBI market survey discusses the following highlights for the toys and games market in France:

- Consumption of traditional toys and games reached € 2.6 billion in 2005, an upturn compared to 2004, bringing consumption back to 2001 levels.
- France is the second-largest market in the EU, with a share of 19.6%.
- Production reached over € 1 billion, but experienced a decline for the third year in a row.
- Imports totalled € 1.3 billion, increasing by an annual average of 1.5% since 2001.
- Exports reached € 464 million, an average annual change of 2.4% between 2001 and 2005.
- The share of developing countries (DC) was just 40%, i.e. less than the EU average. DC imports fell 2.6% annually during the period covered. China is the most important DC supplier, however it saw its share in imports fall from 41% to 37%. The only other DC country showing growth was Morocco, with 381.3% growth.
- Infant and pre-school, early-learning and electronic toys are offering good opportunities.

This survey provides exporters of toys and games with sector-specific market information related to gaining access to France. By focusing on a specific country, this survey provides additional information, complementary to the more general information and data provided in the CBI market survey 'The toys and games market in the EU', which covers the EU market in general. That survey also contains an overview and explanation of the selected products dealt with, some general remarks on the statistics used, as well as information on other available documents for this sector. It can be downloaded from http://www.cbi.eu/marketinfo.

1 Market description: consumption and production

Consumption

After a drop in 2004 to € 2.5 billion, down from € 2.6 billion in 2003, sales climbed again in 2005 to € 2.6 billion. It was a good year with an increase of 2.9% on the previous year, and just above 2003 consumption. Average annual growth for 2005 and 2006 was 0.1%. In 2006, sales are expected to have improved further, with 0.5% growth on 2005. Because of an increasing population of kids as a result of climbing birth rates, market growth is expected, but will be dependent on the development of general economic trends and trends in toy consumption. Examples are the cannibalisation of market share by video games and kids buying more adult-like products as cell phones. France is the second largest market for toys and games in the EU after the United Kingdom. Consumption equals 19.6% of total EU consumption.

Table 1.1 Consumption of toys and games at retail prices, 2003-2005, € million

	2003	2005	Average annual change	French share 2005	EU share 2005
Infant and pre-school	496	576	7.7%	22.1%	19.6%
Games and puzzles	377	386	1.1%	14.8%	14.5%
Dolls	314	302	-1.9%	11.6%	12.5%
Outdoor toys and sports	322	292	-4.8%	11.2%	10.6%
Vehicles	249	208	-8.5%	8.0%	9.4%
Arts and crafts	164	164	0.0%	6.3%	5.8%

	2003	2005	Average annual change	French share 2005	EU share 2005
Plush	143	151	2.8%	5.8%	5.7%
Construction sets	119	146	10.7%	5.6%	7.2%
Action figures and accessories	109	128	8.2%	4.9%	4.7%
Learning and exploration	42	34	-10.2%	1.3%	1.7%
All other toys	262	219	-8.6%	8.4%	8.3%
Total traditional toys	**2,598**	**2,606**	**0.1%**		

Source: FJP (2005/6)
Note: As no data on product group level for 2001 is available, only figures for 2003 and 2005 are given.

The most important product category was infant and pre-school. Apart from being the largest category, it achieved significant growth during the past two years. This was mostly due to a growth in birth rate which started in 2000, reversing the trend of lower birth rates. Its share of the total market is higher than the EU average. Most of the other large categories experienced a decline, limited for games and puzzles to 0.8%, strong for outdoor toys and vehicles with 6.6% and 10.2% respectively. Growth was registered for construction sets and action figures.

Video games
Though not present in the above table, sales of video games continued to grow in 2005, totalling almost € 1.2 billion, an increase of 8.8%. Sales are expected to have risen again in 2006 after the introduction of the new games consoles by the leading manufacturers. This trend will continue in 2007.

Market segments
The most important segmentation in the toy market is by age and gender. Kids play with different toys in different age groups, and there is a clear distinction between toys for girls and toys for boys. On average, 27% of toys and games is given to 0-3 year olds; 61% to kids in the ages 4 to 11; and 12% to kids of 12 years and older.

As mentioned above, birth rates in France are improving, latest data show an average of 2 children per woman, this is the highest ratio in the entire EU. In 2005, the total number of children in France was 11.7 million, an average annual increase of 0.2% since 2001. As it has 11% of the EU youth, France is one of the large member states. The number of youth will grow during the next five to ten years, the number of kids between 0-5 year is 104% of the number of kids between 10-14 years. This is better than the EU average of 89%. During 2005, girls accounted for 48.9% of the child population.

Table 1.2 Age groups 0 - 14 years, 2001 - 2005, thousands of kids

Age group:	2001	2003	2005	Average annual change	2005 share	EU 2004 average share
0 - 4 years	3,845	3,944	3,992	0.9%	34.2%	32.1%
5 - 9 years	3,754	3,750	3,843	0.6%	32.9%	32.6%
10 - 14 years	4,000	3,947	3,846	-1.0%	32.9%	35.4%
Total 0 - 14 years	**11,600**	**11,641**	**11,681**	**0.2%**		

Source: Eurostat (2007)

Trends in consumption

- Sales of early-learning products are growing strongly.
- Babies' toys are experiencing growth, due to a higher birth rate in recent years.
- Licensed toys, with popular characters from kids' movies and cartoons, are continuing to increase their share.
- All different kinds of toys and games, existing or newly developed, see an increased electronic content.
- The average expenditure on toys and games per child in the age group of 0-14 years was € 223 in 2005. This is about a third higher than the EU average of € 168.
- Parents are the principal buyers of toys answering for 46% of all purchases, followed by grandparents who are responsible for 19%.
- The fourth quarter is still the principal season with 59% of annual sales in 2006. Christmas alone accounts for 53% of purchases.
- Birthdays are another important moment, with 20.6% of sales.
- Important aspects when making purchasing decisions are the desires of the children (88%); the quality of the toy (66%) and the price of the toy (63%).
- "Kids growing older younger": kids become pre-adolescents earlier and want mobile phones, electronic products and clothes, instead of regular toys.

Production

French production reached over € 1 billion in 2005 but, according to the French national agency for statistics INSEE, production of toys and games moved downwards in 2005 for the third year in a row. Production was down 2.2% on 2004 and 1.9% on average since 2001. However, preliminary data for 2006 show an increase in production values, though it is not sure this trend will continue to manifest itself. Production consists mainly of imitation articles, outdoor, infant and pre-school, and construction toys. France is one of the largest producers of toys in the EU.

Around 120 manufacturers are active within the sector. Of these, only 25 manufacturers have sales over € 7.5 million, but their market share is 40% of the total market. The sector employs about 20,000 people. Only ten companies have over 100 employees. The regions Franche-Comté and Rhône-Alpes harbour most of the companies active in the manufacture of toys.

Just like other European countries, French manufacturers face tough competition. Japanese companies have a technological surplus in developing electric and video games, the Americans are efficient in terms of marketing, while Chinese and Asian countries produce huge volumes at low costs. French companies will have to innovate and be creative. International companies with production facilities include Mattel, Sony, Hasbro and Nintendo.

According to Prodcom, figures for the product categories were as follows: other toys (64.7% share in 2005, -1% average annual change since 2001); outdoor (15.1%, +0.3%); plush (7%, -8.5%); learning (5.5%, 0%); games and puzzles (4.2%, +58.9%); dolls (1.8%, +100.1%); construction sets (0.7%, -8.8%); animal and fantasy figures (0.6%, +11.3%); models and trains (0.4%, -41.1%).

Production of wooden toys constituted 1.5% of total production in 2005, decreasing 6.7% during the past four years. The various plastic toys groups made up 37.6%, an annual decrease of 4.3%.

Individual product groups with strong growth in production were wooden figures (0.6% share in 2005, +11.3% average annual change since 2001); other toys i.e. (27.6%, +6.2%); ride-ons (15.1%, +0.3%); plastic figures (0%, 0%).

Table 1.3 Production of toys and games (manufacturers' prices) 2001-2005, € million

	2001	2003	2005	Average annual change	Share 2005
Outdoor	55	62	55	0.3%	15.1%
Plush	37	41	26	-8.5%	7.0%
Learning	-	0	20	-	5.5%
Games and puzzles	2	30	15	58.9%	4.2%
Dolls	0	23	7	-	1.8%
Construction sets	4	27	3	-8.8%	0.7%
Animal and fantasy	1	1	2	11.3%	0.6%
Models and trains	13	2	2	-41.1%	0.4%
Motorised toys	-	5	-	-	0.0%
Mechanical toys	-	-	-	-	0.0%
Other toys	247	269	237	-1.0%	64.7%
Total traditional toys	**359**	**460**	**366**	**0.5%**	

Source: Eurostat Prodcom (2007)

Trends in production

- Production figures continue to fall.
- Outsourcing is still important for most French toy companies.
- The licensing of characters and themes continues to grow in importance.

Interesting players

In recent years Smoby-Majorette, the largest French manufacturer, has bought up many independent manufacturers liker Berchet, Monneret and Clairbois, thus consolidating the French market. Smoby-Majorette went into bankruptcy protection in March 2007 after years of aggressive expansion and will be taken over by USA MGA Entertainment.

- Smoby-Majorette - http://www.smobymajorette.fr - Brands include Smoby, Majorette, Ecoiffier, and Solido. Its product range totals 2,000 individual products and is specifically aimed at children from 0 to 10 years old.
- Gigamic - http://www.gigamic.com - games.
- Nounours - http://www.nounours.fr - plush.
- Corolle - http://www.corolle.com - dolls.

Jouets et Jeux Annuaire - http://www.jouetsetjeux.com - offers a database with a list of manufacturers, importers, distributors, wholesalers and retailers, listed by product group. The cost is € 100.

Opportunities and threats

Trends and market developments offer opportunities and threats to exporters. A given trend can be a threat to some and an opportunity to others at the same time, e.g. the increasing popularity of electronic toys can offer opportunities for manufacturers in that field, but be a threat to producers of plush toys. The following trends should therefore always be analyzed in relation to your specific circumstances. Refer to chapter 7 of the CBI market survey covering the EU for further information.

+ Thanks to improved birth rates, the mature French market is receiving new inputs and is expected to increase.
+ Product groups which offer opportunities are infant and pre-school, early learning and construction sets.
+ Individual product groups with strong growth in consumption were motorised toys not of plastic (+46.4% average annual change between 2001 and 2005, 0.9% share in 2005); other puzzles (+44.2%, 1.4%); toys in sets (+17.8%, 9.8%); toys of rubber (+9.3%, 0.2%); other toys n.e.s. (+8.4%, 10.6%).

+ Green consumerism and Fair Trade is still on the rise, offering possibilities for products within that category and fulfilling the requirements posed. For more information, see the CBI market survey covering the EU.
+ French manufacturers could offer opportunities for contract manufacturing, though competition from China is strong.
- Prices have been falling in the past two years.
- Video games remain the most important competitor of traditional toys.

Useful sources
- Federation Française des Industries Jouet-Puériculture - French Toy Industry Federation - http://www.fjp.fr - offers market information on its website.
- INSEE - http://www.indices.insee.fr - search for 'jouets' for toy industry statistics.

2 Trade channels for market entry

Trade channels
The most likely partner is an importing distributor or an importer. Especially in a large country like France there are many of these. Typically they can be differentiated in three groups: the top-level importer dealing with recognized international brands; the smaller professional importer/distributor who takes his business very seriously, loves high-quality toys, has many contacts and aims for long-lasting relationships; the small, more opportunity-oriented importers, who take chances as they come and who will only put in an effort if they see a expect a quick profit. Of course, it is dependent on your product characteristics which of these will suit you. The first category will not be of interest. The second category can be of interest if you have a well-defined and well-designed line of products which offers opportunities once established in a market. The last category is the least secure, but will work for you as long as you remain competitive. However, this type of importer is often the one making an initial market entrance possible.

Importers, distributors and wholesale channel
The distribution of toys and games is in a consolidation phase with large companies increasing their dominance of the market. This could make it more difficult for small developing country exporters to enter the French market. Large purchasing organisations have a lower market share in France than Germany
- La Groupe King Jouet - http://www.groupe-king-jouet.com - importers, distributors of toys and games with wholesale and retail activities.
- Partner Jouet - http://www.partnerjouet.com - importer, distributor with offices in Hong Kong and Shanghai.

Retail
Toys specialist stores are expanding their market share, and the large stores of chains are particularly gaining ground. Hypermarkets like Carrefour are still very important, though, with 43% of sales. Babies' toys are predominantly sold by hypermarkets. Toy specialists only supply 26%. Internet sales, however, are only recently starting to pick up, although do not appear to make great inroads.

- King Jouet - http://www.king-jouet.com - specialist chain, part of the King Jouet Groupe, which owns other store concepts like Joupi, Jouet Discount and Logitoys.
- La Grande Récré - 84 shops - http://www.la-grande-recre.com - specialist chain, part of Ludendo Groupe which owns more store concepts like Jouetland, Starjouet et Bébéland.
- Toys 'R' Us - 32 shops - http://www.toysrus.fr - specialist chain.
- Auchan - http://www.auchan.fr - hypermarket for durable consumer goods.
- Carrefour - http://www.carrefour.fr - hypermarket.
- Galeries Lafayette - http://www.galerieslafayette.fr - department store.
- La Redoute - http://www.laredoute.fr - mail order.

Table 2.1 Retail distribution of toys, share in % per channel

	2001	2003	2005	Average annual change
Toy specialists	41.1%	41.6%	44.3%	1.9%
Hyper markets & supermarkets	43.9%	42.2%	42.9%	-0.6%
General merchandise	3.1%	3.3%	3.3%	1.6%
Department stores	2.6%	2.7%	1.9%	-7.5%
Mail order / Internet	4.4%	4.7%	3.5%	-5.6%
Other	5.1%	5.5%	4.1%	-5.3%

Source: NPD (2007 and earlier)

Contract manufacturing and outsourcing

France has an important toy manufacturing industry with several large, but many small, toy companies. It is particularly difficult, especially for the latter, to compete on the extremely competitive international market. Companies are being squeezed between the heavily marketed products of multinationals and the cheap imports from China. These companies could offer opportunities for outsourcing. The buying organisations, purchasing departments of retail chains and large distributors and wholesalers, furthermore, offer opportunities for contract manufacturing of private label products and unbranded toys. See 'production' in section 1 for links or use the useful sources mentioned below.

Price structure

Margins vary widely. Discount products have lower margins than branded products and retailers aiming at large volumes have lower margins than specialist shops, still the following are some general indications. The total mark-up from manufacturer's price to final consumer price including VAT can easily reach 400%, especially when taking into account costs of logistics. Margins in the distribution chain have been under pressure during the past five years.

	Average margin
o Agent	2-5%
o Importer / distributor	15-25%
o Wholesaler	30-40%
o Retail	50-100%

Selecting a suitable trading partner

Sources mentioned below offer leads to companies active in the trade of toys and games. Trade fairs are the most common way to get in contact with possible customers and offer the ability to showcase your company and get informed about the competition. The type of organisation which suits your company best is dependent on your product range and target group. For more information, refer to Chapter 3 of the CBI market survey 'Toys and games market in the EU'. It is advisable to make an analysis of the type of trade partners your competitors use and find whether they are suitable for you.

It can be difficult for a small exporter to get into direct contact with one of the larger retail chains or buying groups without have established an export reputation. It is therefore recommended that you focus your initial attention on finding an importing distributor or agent. The higher the quality of your product the better the quality of an interested distributor will be. Be careful in your selection though, for instance, do not commit yourself to exclusivity without being sure about the reputation of the distributor and agreed commitment to the promotion of your products.

Useful sources

- Jouets et Jeux Annuaire - http://www.jouetsetjeux.com - database, see under section 1.
- Union National des Entreprises de Gros (UNEJ) - Union of Importers, Distributors and Wholesalers - http://fcjt.org/unej.htm
- HotFrog - http://www.hotfrog.fr/Produits/Commerce-de-gros-de-jouets - online directory.
- Association of commercial agents France - http://www.apac.asso.fr
- Commercial agents in France - http://www.acojur.com
- CDAF - Provisioning and Purchasing in France - http://www.cdaf.asso.fr

3 Trade: imports and exports

Imports

Imports of traditional toys reached € 1.3 billion in 2005, an average annual increase of 1.5% between 2001 and 2005. This makes France one of the large EU importers, with 14% of total EU imports. The most important suppliers were China, Belgium and Germany. Imports from Belgium are likely to be mostly re-exports of Chinese products coming through the port of Antwerp. As such, it is unclear whether the trend visible in table 3.1, growing imports from EU countries, is influenced by these re-exports; the apparent decrease in DC and Chinese imports would be an increase if those re-exports were taken into account.

The share of developing countries of total imports was 40% (€ 513 million) in 2005. This is lower than the EU average, which was 52% in 2005. The change of DC imports was, at an average annual decrease of 2.6% during the past four years, lower than the EU average of 3%.

The main supplying developing countries were China (37%); Thailand (0.9%); Indonesia (0.8%); Malaysia (0.4%); Sri Lanka (0.2%); Pakistan (0.2%); Morocco (0.2%); India (0.1%); Vietnam (0.1%); and Mauritius (0.1%). Imports from China were therefore lower than average in the EU (48%). The share of Chinese imports shows a downward trend, moving from 40% in 2001 to 37% in 2005. The only DC country showing growth was Morocco (381.3% growth).

Imports by product group

In 2005, the most important product categories were other toys (share of 36%, +8% average annual growth); construction sets (11%, +20%); plush (9.2%, -0.6%); models and trains (8.4%, +2.6%).

The imports of all wooden toys increased by 4.8% on average during period covered. At € 18 million, wooden toys imports are now as high as 1.4% of all traditional toys sold. The imports of plastic toys increased by 3.5% on average during period covered. Total imports of plastic toys were € 552 million (42.8%) in 2005.

The imports of video games decreased by a yearly average of 9.7% for the past 4 years. Imports in 2005 equalled € 239 million.

Table 3.1 Imports of toys and games per product group and leading suppliers 2001-2005, € thousand

	2001	2003	2005	Leading suppliers in 2005	Share 2005
Total traditional toys and games	588.0	746.5	745.9	Intra-EU: Belgium (20%); Germany (17%); Netherlands (6.5%); Spain (4.4%); Italy (4.4%)	58%
	57.2	58.7	29.6	Extra-EU, ex DC*: Switzerland (0.7%); Taiwan (0.5%); Israel (0.2%); USA (0.2%); Japan (0.2%)	2%

	2001	2003	2005	Leading suppliers in 2005	Share 2005
	569.5	473.9	513.2	DC: China (37%); Thailand (0.9%); Indonesia (0.8%); Malaysia (0.4%); Sri Lanka (0.2%); Pakistan (0.2%); Morocco (0.2%); India (0.1%); Vietnam (0.1%); Mauritius (0.1%)	40%
10-Games and puzzles	51.2	37.5	35.7	Intra-EU: Germany (26%); Belgium (24%); Netherlands (21%); Italy (4.2%); Spain (3.2%)	84%
	2.9	5.2	1.8	Extra-EU, ex DC*: USA (2.6%); Taiwan (1%); Canada (0.3%); Hong Kong (0.2%)	4%
	3.8	3.6	5.1	DC: China (12%); Thailand (0.1%); Tunisia (0.1%); Indonesia (0.1%); Sri Lanka (0.1%)	12%
11-Learning	31.4	27.1	25.7	Intra-EU: Belgium (34%); Netherlands (13%); Italy (9.6%); Spain (3.8%); Germany (2.8%)	65%
	0.7	0.6	0.3	Extra-EU, ex DC*: Singapore (0.2%); Hong Kong (0.2%); Canada (0.1%); USA (0.1%); Taiwan (0.1%)	1%
	19.8	18.6	13.6	DC: China (32%); Sri Lanka (1.1%); India (0.4%); Thailand (0.3%); Malaysia (0.1%); Mexico (0.1%)	34%
1-Other toys	155.8	216.5	256.8	Intra-EU: Belgium (17%); Germany (16%); Netherlands (9.1%); Spain (5.5%); Italy (3.5%)	56%
	5.1	4.9	5.7	Extra-EU, ex DC*: Israel (0.5%); Taiwan (0.4%); Hong Kong (0.1%); USA (0.1%)	1%
	178.2	167.5	198.9	DC: China (41%); Thailand (0.7%); Indonesia (0.6%); Sri Lanka (0.2%); India (0.1%)	43%
2-Construction sets	30.5	84.2	127.9	Intra-EU: Germany (53%); Belgium (17%); Denmark (11%); Italy (2.1%); Spain (1.2%)	88%
	34.8	37.0	9.9	Extra-EU, ex DC*: Switzerland (6.1%); Israel (0.2%); Taiwan (0.2%); USA (0.1%); Canada (0.1%)	7%
	4.2	6.1	8.3	DC: China (3.7%); Morocco (1.6%); Thailand (0.1%); Indonesia (0.1%); Tunisia (0.1%)	6%
3-Plush	51.0	60.3	58.6	Intra-EU: Belgium (33%); Germany (8.4%); Netherlands (3.5%); Italy (2.1%); Utd. Kingdom (1.4%)	50%
	0.2	0.2	0.1	Extra-EU, ex DC*:	0%
	69.8	64.6	59.3	DC: China (46%); Sri Lanka (1.1%); Vietnam (0.9%); Mauritius (0.9%); Thailand (0.7%); Indonesia (0.3%)	50%
4-Models and trains	46.8	59.5	49.8	Intra-EU: Germany (16%); Belgium (9.2%); Italy (7.2%); Utd. Kingdom (3.5%); Netherlands (2.8%)	46%
	8.1	6.7	5.4	Extra-EU, ex DC*: Taiwan (2.6%); Japan (0.6%); USA (0.6%); South Korea (0.5%); Hong Kong (0.4%)	5%
	42.5	39.4	52.7	DC: China (43%); Thailand (4%); Malaysia (0.7%); Mauritius (0.4%); Tunisia (0.1%); Argentina (0.1%)	49%
5-Outdoor	86.6	92.0	69.7	Intra-EU: Italy (15%); Belgium (14%); Spain (11%); Netherlands (8.9%); Germany (8.3%)	65%
	3.7	1.1	1.2	Extra-EU, ex DC*: Taiwan (0.7%); Israel (0.2%); Hong Kong (0.1%); USA (0.1%)	1%
	54.9	22.1	36.1	DC: China (29%); Pakistan (2.2%); Thailand	34%

	2001	2003	2005	Leading suppliers in 2005	Share 2005
				(1.2%); India (0.8%); Mexico (0.2%); Vietnam (0.1%)	
6-Dolls	46.7	58.1	33.9	Intra-EU: Belgium (15%); Spain (11%); Germany (7.4%); Netherlands (2.5%); Utd. Kingdom (1.1%)	38%
	0.5	0.2	0.6	Extra-EU, ex DC*: Hong Kong (0.3%); Singapore (0.1%); USA (0.1%); Japan (0.1%)	1%
	102.3	70.1	54.8	DC: China (53%); Indonesia (8.2%); Thailand (0.2%); Belize (0.1%)	61%
7-Motorized toys	17.8	26.6	30.2	Intra-EU: Belgium (30%); Germany (5.2%); Netherlands (2%); Italy (1.3%); Spain (0.9%)	40%
	0.5	2.2	3.0	Extra-EU, ex DC*: Japan (1.6%); Taiwan (1.1%); South Korea (0.6%); USA (0.3%); U.A. Emirates (0.1%)	4%
	56.8	37.3	41.4	DC: China (50%); Malaysia (4.9%); Thailand (0.2%); Philippines (0.1%)	55%
8-Animal and fantasy	29.1	34.3	26.6	Intra-EU: Belgium (20%); Utd. Kingdom (8.9%); Germany (8.8%); Netherlands (8.5%); Italy (2.3%)	51%
	0.4	0.2	1.0	Extra-EU, ex DC*: Japan (1.4%); Taiwan (0.2%); Bahamas (0.1%); Hong Kong (0.1%); USA (0.1%)	2%
	26.0	17.4	24.4	DC: China (44%); Thailand (2.9%); Indonesia (0.2%)	47%
9-Mechanical toys	41.0	50.4	30.8	Intra-EU: Belgium (39%); Italy (6.2%); Germany (5.3%); Netherlands (3%); Denmark (2.3%)	61%
	0.2	0.3	0.6	Extra-EU, ex DC*: Israel (0.9%); Taiwan (0.1%); Hong Kong (0.1%); USA (0.1%)	1%
	11.3	27.2	18.8	DC: China (37%); Thailand (0.1%)	37%

Source: Eurostat (2007)

Product categories with an above average supply from developing countries (apart from China) were construction sets; dolls; models and trains; motorised toys; outdoor; plush; and wooden toys.

Exports
Exports of traditional toys reached € 464 million in 2005, an increase of 2.4% between 2001 and 2005. This makes France one of the large EU exporters, with 10.2% of total EU exports.

The exports of the various product categories were other toys (33.7% share in 2005, no average annual change between 2001 and 2005); construction sets (20.4%, +34.2%); outdoor (12.8%, -7%); models and trains (9.4%, +13.1%); dolls (8%, -3.4%); plush (5.1%, +1.4%); animal and fantasy figures (4.5%, +2.4%); motorised toys (2.1%, -4.4%); games and puzzles (1.4%, -18.9%); learning (1.4%, -6.6%); mechanical toys (1.2%, -7.3%).

Exports of wooden toys were € 7 million in 2005, an increase of 2.6% between 2001 and 2005. Exports of the various plastic toys reached € 231 million in 2005, an increase of 9.1% between 2001 and 2005.

The product categories with the strongest growth of exports were construction sets (+34.2% average annual growth between 2001 and 2005, 20.4% share in 2005); models and trains (+13.1%, 9.4%); animal and fantasy figures (+2.4%, 4.5%); and plush (+1.4%, 5.1%).

Opportunities and threats

+ The French market is largely dependent on imports.
+ The individual product groups showing strongest import growth were: motorised toys not of plastic (+32.9% annual growth, share of 0.9%); construction sets of plastic (+22.1%, 10.4%); other construction sets (+16.4%, 0.3%); toys in sets (+11.3%, 14.2%); puzzles of wood (+11.3%, 0.5%).
- Import prices from developing countries are under heavy pressure while imports from the EU see the average price per volume increase.

Useful sources

- EU Expanding Exports Helpdesk
  http://export-help.cec.eu.int → go to: trade statistics
- Eurostat - official statistical office of the EU
  http://epp.eurostat.cec.eu.int → go to 'themes' on the left side of the home page → go to 'external trade' → go to 'data - full view' → go to 'external trade - detailed data'

4 Prices developments

According to the French national agency for statistics, prices for toys and games continue to move downwards. Average prices in 2006 were 1.9% down on 2005, this is a smaller decrease than the EU average of 2.7%. The average annual decrease in prices since 2001 is 2%.

Table 4.1 shows the average import values offset by import volumes. The resulting cost per tonne per category, gives an indication of the average import prices for a category. DC imports tend to be much cheaper than intra-EU imports. It is also clear that the costs of imports from developing countries are decreasing quite strongly, while prices of imports sourced in the EU25 are increasing. There are fundamental differences for price variations and developments for the individual product groups. The price level of French imports is 9% higher than the EU average. A comparison between countries is given in chapter 5 of the CBI market survey 'The toys and games market in the EU'.

Table 4.1 Cost per tonne and change of value of import volumes per product category, 2005: € per tonne, 2001-2005: % change

	Import cost per tonne in 2005			Change of import cost 2001-2005		
Value/Volume	**Total**	**From EU25**	**From DC**	**Total**	**From EU25**	**From DC**
Animal and fantasy figures	6,795	7,745	5,847	-4.9%	-1.9%	-8.1%
Construction sets	10,369	11,289	4,441	2.7%	5.1%	-5.6%
Dolls	6,820	7,851	6,272	-4.6%	2.0%	-8.0%
Games and puzzles	5,982	7,054	2,724	-4.4%	-0.9%	-13.2%
Learning	5,280	5,647	4,742	-5.3%	-2.3%	-10.7%
Mechanical toys	5,285	5,444	5,196	-1.8%	0.1%	-6.8%
Models and trains	9,986	13,339	7,667	-3.1%	-2.0%	-1.8%
Motorised toys	7,018	7,966	6,132	-2.8%	7.6%	-8.3%
Outdoor	5,776	7,000	4,391	-7.3%	-6.3%	-9.6%
Plush	9,373	10,408	8,529	-3.3%	1.2%	-6.9%
Other toys	6,060	7,619	4,854	-2.5%	2.7%	-7.4%
Total traditional toys	**6,868**	**8,179**	**5,526**	**-3.1%**	**1.6%**	**-8.0%**

Source: Eurostat (2007)

Useful sources
- Kelkoo - http://www.kelkoo.fr - check Jeux.
- Pricerunner - http://www.pricerunner.fr - choose Jouets.
- Toys 'R' Us - http://www.toysrus.fr
- INSEE - http://www.indices.insee.fr

The websites of the retailers and wholesalers mentioned in section 2 often offer prices for their product range as well.

5 Market access requirements

As a manufacturer in a developing country preparing to access France, you should be aware of the market access requirements of your trading partners and the French government. Requirements are demanded through legislation and through labels, codes and management systems. These requirements are based on environmental, consumer health and safety and social concerns. You need to comply with EU legislation and have to be aware of the additional non-legislative requirements that your trading partners in the EU might request.

For information on legislative and non-legislative requirements, go to 'Search CBI database' at http://www.cbi.eu/marketinfo, select *toys and games* and France in the category search, click on the search button and click on market access requirements.

For information on packaging, marking and labelling applicable, please refer to the CBI market survey 'The toys and games market in the EU'. Additional information on packaging can be found at the website of ITC on export packaging:
http://www.intracen.org/ep/packaging/packit.htm

Information on tariffs and quota can be found at http://export-help.cec.eu.int/

6 Doing business

General information on doing business like approaching potential business partners, building up a relationship, drawing up an offer, handling the contract (methods of payment, and terms of delivery) can be found in CBI's export manuals 'Export Planner' and 'Your image builder'.

More specific information regarding the toy industry in CBI's 'From survey to success: Guidelines for exporting toys and games to the EU'. Section 4 of this publication focuses on export marketing tools.

Trade fairs continue to be the most important place for business, in France the most important one is L'Univers d'enfant in Paris, and, secondly, the German Nuremberg Toy Fair. Only in special cases will your first visit be an success. Often it takes several years to establish relations and start serious business. For that reason, it is worthwhile to visit the trade fair a couple of years, building up contacts, before reserving an expensive booth for yourself.

It is necessary to have an update portfolio of products and, if applicable, production skills and possibilities. Without such documents your company will not be considered seriously by EU companies.

It can be worthwhile to try contacting EU companies directly, for instance by mail with your product catalogue and a special offer, though this must be followed by personal communication afterwards, and companies need to be selected carefully on matching product ranges and target groups. Otherwise these efforts will be wasted. Local companies can be found through the websites listed below.

Having made contact with parties in Europe, it is vital to remain in contact with them. Good communications are essential for doing business, this includes the initial stage of building a relationship, as well as later, having established a trade, in order to keep the other partner committed.

Trade organisations
- Federation Française des Industries Jouet-Puériculture - French Toy Industry Federation - http://www.fjp.fr
- Le Jouet et l'Enfant - association for toy professionals - http://www.lejouetetlenfant.com
- Syndicat Français du Jouet et des Produits de l'Enfant (SFJPE) - telephone: +33-3264 77991.
- Association des Ludothèques - http://www.alf-ludotheques.org

Trade fairs
- L'Univers d'enfants - http://www.univers-enfants.com - one of the important EU trade fairs.
- Le Rendez vous des Enfants - http://www.rdv-enfants.com
- The large international trade fairs are also of great importance to the French trade; these include Nuremberg, Hong Kong, Shanghai and, to a lesser degree, New York. See the market survey covering the EU for details.
- Mipcom Junior - Cannes - http://www.mipcomjunior.com - marketplace and conference for children's programming and merchandising.
- Trade Expo - Paris - http://www.tradexpo-paris.com

Trade press
- La Revue du Jouet - mailto:info@forum-editions.com - 18 times per year - 3,000 copies.
- Actu Kids - http://www.actukids.com - newsletter about kid's retailing.
- Jeux pro - mailto:contact@jeuxpro.com - magazine about games.
- French portal for the toy industry - http://www.ludo-pro.com

Useful sources
Cultural awareness is a critical skill in securing success as an exporter.
- Information on cultural differences in the EU can be found in chapter 3 of CBI's export manual 'Exporting to the EU'. This manual can be downloaded from: http://www.cbi.eu/marketinfo → go to search publications.

Websites providing practical tips on business culture and etiquette in France:
- http://www.buyusa.gov/france/en/
- http://www.kwintessential.co.uk/resources/global-etiquette/france-country-profile.html

Babelfish - http://babelfish.altavista.com - online translation of French into English and other languages.

This survey was compiled for CBI by VLI
Disclaimer CBI market information tools: http://www.cbi.eu/disclaimer