CBI MARKET SURVEY

THE TOYS AND GAMES MARKET IN GREECE

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Introduction

This CBI market survey gives exporters in developing countries information on some main developments in the toys and games market in Greece. The information is complementary to the information provided in the CBI market survey 'The toys and games market in the EU', which covers the EU 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

Consumption of traditional toys and games in 2005 was € 186 million at retail prices as estimated by industry sources. There was an average annual decrease of 2.5% between 2001 and 2005. Greece is one of the medium-sized EU markets with a share of 1.4%. Consumption is expected to rise during the next three years. Birth rates have seen a small increase in recent years and the economy is growing strongly.

In 2005, the average expenditure on toys and games per child in the age group of 0-14 years was € 117. This is lower than the EU average of € 168. Seasonal influence is lower than in most EU countries, only 40% of turnover is realised by Christmas sales; Easter is important with 10% of sales.

The main trends in the EU market for toys and games, like the popularity of learning toys, toys with electronics and licensed toys, also apply to Greece. Refer to the CBI survey covering the EU market for a detailed description of trends in the traditional toy market.

Based on Prodcom data, figures for the product categories were as follows: other toys (32% share in 2005, +1.8% average annual change between 2001 and 2005); motorized toys (12%, +6.4%); models and trains (9.9%, +16%); dolls (9.6%, -5%); outdoor (8.2%, -0.4%); learning (5%, +38%); games and puzzles (4.2%, +14%); construction sets (3.8%, +83%); and animal and fantasy figures (3.3%, +12%). Wooden toys made up 0.3% of the market in 2005, decreasing 0% during the past four years. The various plastic toys made up 53%, an annual change of 5.4%.

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. In 2005, the total number of children in Greece was 1.6 million, an average annual decrease of 0.7% since 2001. As it has 1.4% of the EU youth, Greece is one of the smaller member states. The number of kids will decrease during the next five years, as the number of kids between 0-5 years is 93% of the number of kids between 10-14 years. This is better than the EU average of 89%, indicating a lower drop in the number of kids than generally in the EU.
During 2005, girls accounted for 48.4% of the child population.

Production

Greece does not have significant production of toys and games, and Prodcom does not show any registered production of toys and games in Greece.

Opportunities and threats

+ The market in Greece showed healthy growth for the past four years, as the economy is growing strongly.
+ No competition exists from local manufacturers.
+ Cheap imported products enjoy increasing popularity.
+ Individual product groups with strong growth in consumption were other scale models (+71% average annual change between 2001 and 2005, 1.4% share in 2005); electric trains on scale (+59%, 2.2%); electric car racing games (+30%, 0.3%); toys of textile materials (+26%, 0.5%); and toys of rubber (+22%, 0.4%).

Refer to chapter 7 of the CBI market survey covering the EU for more information on opportunities and threats.

2 Trade channels for market entry

For an overview of the trade structure and important trends in the distribution chain, please refer to Chapter 3 'Trade channels for market entry', of the CBI market survey covering the EU. Distributors, importers and agents are the most common trade channels for developing country exporters.

Toy specialists still hold a dominant position in the sales of traditional toys, with chains gaining ground quickly. The largest chains import directly, thus eliminating importers and distributors. As a result, unbranded toys and private labels are taking a larger share of the market. However, in total the Greek retail market is still heavily fragmented and features many small players.

Interesting importers and distributors

- AS Company - http://www.ascompany.gr - production and distribution
- Giochi Preziosi - http://www.giochipreziosi.it - major Italian company, growing in Greece
- Jumbo - http://www.jumbo.gr - retail and wholesale
- Kou Kou - http://www.koukou.gr - wholesale and retail

Interesting retailers

- Jumbo - 41 shops - http://www.jumbo.gr - largest chain of toy super-stores, expanding to Bulgaria and Romania
- Moustakas - telephone: +30-210-5021021 - wholesaler, import and important retailer
- Toys Academy - http://www.toysacademy.gr - toy specialists
- Zaharias - http://www.zaharias.gr - specialty stores
- Comfuzio - 18 shops - telephone: +30-210 2801220- toy specialist chain and distributor
- Atlantic - http://www.atlantic.gr - hypermarket
- Carrefour Maringoulos - http://www.carrefour.gr - hypermarket
- Elmec Sport - http://www.elmec.gr - sports and toy retail
- Sato - http://www.satogroup.gr - department store
- NotosCom Holding - http://www.notoscom.gr - department store

Contract manufacturing and outsourcing

Greece does not have an indigenous toy manufacturing industry. Some possibilities for contract manufacturing could be present with distributors, wholesalers and retail chains as unbranded products have increased their share of the market. Jumbo, the dominant toy retail chain, realises 80% of their turnover in Greece. Please see above for links.

Margins

Margins vary widely. Imports from China often have higher margins than branded products from multinational companies. 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.

	Average margin
o Agent	2-5%
o Importer / distributor	15-25%
o Wholesaler	30-40%
o Retail	75-100%

Useful sources

- FICAA, Federation of Independent Commercial Agents Association - http://www.iucab.nl/nl/page10.asp
- Toy Traders Association - telephone: +30-210-5021021

3 Trade: imports and exports

Imports

Imports of traditional toys reached € 135 million in 2005, an increase of 6.6% between 2001 and 2005. This makes Greece one of the medium-sized EU importers, with 1.5% of total EU imports.

In 2005, imports for the various product categories were: other toys (share of 30% of total imports, +4.2% average annual change between 2001 and 2005); motorized toys (11%, +6.7%); plush (11%, +3.2%); models and trains (9.3%, +16%). dolls (9.2%, -5.1%); mechanical toys (7.7%, +35%); outdoor (6.1%, -2.4%); learning (4.7%, +26%); construction sets (4.1%, +17%); games and puzzles (4.1%, +12%); and animal and fantasy figures (3.4%, +13%). The imports of all wooden toys increased by 14% on average during period covered. At € 1 million, the share of total imports is 0.8%. The imports of plastic toys increased by 8.9% on average during period covered. Total imports of plastic toys were € 76 million (56%) in 2005.

The share of developing countries in total imports was 54% (€ 73 million) in 2005. This is higher than the EU average, which was 52% in 2005. The growth of DC imports, at an average annual increase of 6.3% during the period covered, was higher than the EU average increase of 3%.

The main supplying developing countries were China (51%); Pakistan (1%); Thailand (0.9%); Indonesia (0.2%); Mexico (0.2%); Brazil (0.1%); Malaysia (0.1%); India (0.1%); and Turkey (0.1%). Imports from China were therefore higher than average in the EU (48%). The share of Chinese imports shows a downward trend, moving from 52% in 2001 to 51% in 2005.

DC countries showing growth were Indonesia (53% growth); India (17%); Malaysia (9%); Mexico (8.7%); Turkey (7.3%).

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

Exports

- Exports of traditional toys reached € 16 million in 2005, a decrease of 2.8% between 2001 and 2005.

- The exports of the various product categories were other toys (70% share in 2005, +0% average annual change between 2001 and 2005); construction sets (6.1%, -49%); dolls (5.4%, -5.3%); animal and fantasy figures (3.6%, -0.6%); models and trains (3.2%, +5.8%); games and puzzles (2.5%, -9.4%); mechanical toys (2.4%, +40%); outdoor (2.2%, +36%); learning (1.8%, +17%); plush (1.7%, +14%); motorised toys (1.6%, +54%).

Opportunities and threats

+ Greece is dependent on imports for fulfilling its market demand; national production is minimal.
+ Total imports increased substantially during the period reviewed.
+ The share of DC imports increased strongly, while imports from China decreased.
+ The individual product groups showing strongest import growth were: other scale models (+70% annual growth, share of 1.4%); electric trains on scale (+57%, 0.6%); picture and drawing books (+47%, 2.9%); electric trains not on scale (+43%, 1.5%); mechanical toys of plastic (+35%, 7.7%).

Refer to chapter 7 of the CBI market survey covering the EU for more information on opportunities and threats.

Useful sources

- EU Expanding Exports Helpdesk - http://export-help.cec.eu.int/
- Eurostat - http://epp.eurostat.cec.eu.int - official statistical office of the EU
- Eurostat Prodcom and trade data - http://fd.comext.eurostat.cec.eu.int/xtweb - data can be accessed through the Internet directly using the Prodcom or HS category numbers as detailed in the CBI market survey covering the EU.

4 Price developments

The change in harmonised consumer prices for games, toys and hobbies in Greece was 1% in 2006 (EU average: -2.7%). The average annual price changes between 2001 and 2005, for traditional toys based on the costs of import volumes in tonnes, were 7.7% for imports sourced in the EU, -7.6% for DC imports.

Due to the large number of different products, it is not possible to give an overview of prices which offers a general insight into pricing. It is advisable to search the Internet or directly call wholesalers and retailers for individual prices.

Online stores for checking prices:

- Toys Academy - http://www.toysacademy.gr
- Jumbo - http://www.jumbo.gr

5 Market access requirements

As a manufacturer in a developing country preparing to access Greece, you should be aware of the market access requirements of your trading partners and the Greek government.
For information on legislative and non-legislative requirements, go to ‘Search CBI database’ at http://www.cbi.eu/marketinfo, select toys and games and Greece in the category search, click on the search button and click on market access requirements.

Detailed 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 Business practices

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) and cultural differences can be found in CBI's export manuals 'Export Planner', 'Your image builder' and 'Exporting to the EU'. These can be downloaded from http://www.cbi.eu/marketinfo - go to search publications.

Other sources
For more information, on doing business in Greece, visit the following websites:
- Kwintessential - business culture - http://www.kwintessential.co.uk/resources/global-etiquette/greece-country-profile.html
- BuyUSA - doing business in Greece http://www.buyusa.gov/greece/en/
- Athens Chamber of Commerce - http://www.acci.gr/trade/index.htm - magazine devoted to trade with Greece.

This survey was compiled for CBI by VLI

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