

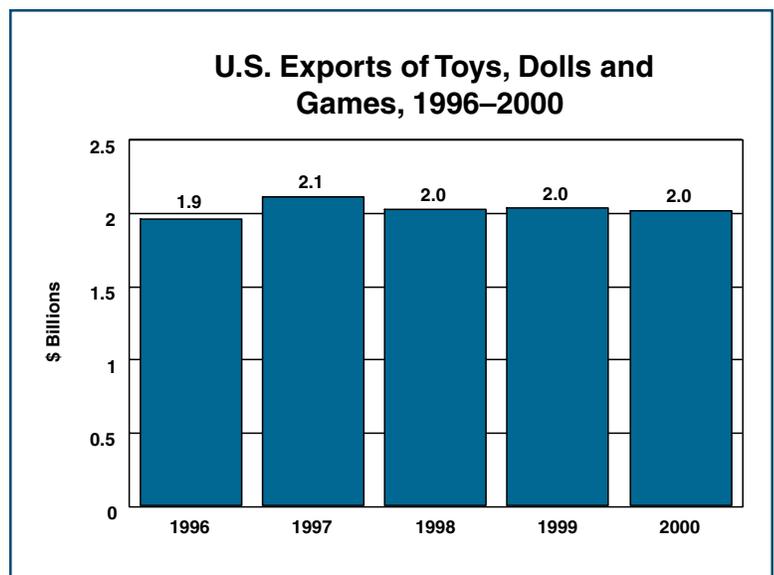


Toys, Dolls, and Games

Why Trade Matters

INDUSTRY SECTOR REPORT

General information on exports. U.S. exports of toys, dolls, and games totaled \$2 billion in 2000, up from \$719 million in 1992. Market access is increasingly important to the toy products industry. The U.S. toy industry remains the world leader in the creation and marketing of children's products.



Market development. The toy, doll, and game industry has the greatest market potential in Latin America, specifically in Brazil, Argentina, Paraguay, and Venezuela.

Tariffs. Some countries continue to maintain substantial tariffs on toys, dolls, and games. Paraguay and Brazil, for instance, have tariffs that surpass 22 percent on some of these items.

Nontariff barriers. Toy, doll, and game standards vary widely and pose problems for manufacturers who must produce in accordance with many varying standards. In 2000, the U.S. toy, doll, and game industry, working through the Asia-Pacific Economic Cooperation (APEC) forum, held a toy safety seminar focused on educating APEC members about the new International Organization for Standardization toy safety standards.



Toys, Dolls, and Games

Small and medium-sized enterprises. The toy, doll, and game industry is characterized by a few large manufacturers and many small producers. In 1997, only 7 percent of the industry comprised establishments with more than 100 employees, 17 percent had between 20 and 99 employees, and 76 percent had fewer than 20 employees.

Employment opportunities. In 2000, total employment in the toys, dolls, and games industry was approximately 29,700.

Key producing states. Illinois, California, New York, Pennsylvania, Texas, Iowa

The sector. This sector covers the products in the Uruguay Round sectoral initiative on toys, including toys, dolls, and games.

BENEFITS AND EFFECTS FROM PREVIOUS TRADE AGREEMENTS:

- ▶ Since the implementation of the Canada Free Trade Agreement in 1989, U.S. exports of toys, dolls, and games to Canada have increased at an annual rate of 12 percent. Since the implementation of NAFTA, Canada and Mexico are now the largest markets for U.S. toy products, with exports of \$711 million and \$231 million, respectively, in 2000. Combined, Canada and Mexico accounted for 47 percent of total U.S. exports in 2000. The U.S. toy industry also benefited from a Uruguay Round initiative to eliminate tariffs on toys in key developed country markets.