

# Toy with the idea

India has to engage with China if it wants to curb the entry of toxic toys

**Ashok Ashta**

**W**HAT IS the most dangerous non-edible consumer product in Europe today? Look in your child's playroom. According to a 2007 European Commission report, the number of notifications for 'toys' were more than double that for 'motor vehicles' or 'electrical appliances'.

Toys can be risky because some of them contain toxic chemicals like lead and have unsafe design and bad finishing, like sharp edges. Most of these come from China — the largest global producer of toys. In January, *Newsweek* reported China and India as the world's leading economies. However, both countries face compelling systemic problems when it comes to product quality. China was also involved in a contaminated milk case.

Around the same time, the US Food and Drug Administration decided to ban import of over 30 medicines produced by Ranbaxy India. The reason: unsafe manufacturing conditions. How is it that Indian inspectors can never find any fault with such products?

Perhaps we need to accept that emerging economies like China and India cannot adopt the standards of advanced economies overnight.

So, while Japan could refuse Chinese food imports and the

US could reject drugs manufactured in India, what can India do about Chinese toy imports? Ban them? India did exactly that on January 23. But the six-month ban wilted under China's threat to drag India to the World Trade Organisation. As a countermeasure, India has put in place international safeguards. Now toys entering India will require certification from accredited laboratories.

As a macroeconomic measure, this is fine. This will help China to conform to international standards. However, this tactic is of limited strategic use.

China's true competitive advantage lies in producing toys cheap (it has 70 per cent share of the global toy market). India must consider microeconomic countermeasures, firm by firm. A positive engagement with

Chinese toy manufacturers will be the most mutually beneficial.

Indian businessmen should start diversifying their toys suppliers within China. Competition among them will generate better quality. Then, an association of Indian toy importers could take charge of the supply chain by forming joint ventures or starting toy factories in China. This way, India could help China grow and also ensure the health of our children.

Ashok Ashta works for Hitachi India. These are his personal views

**India and China, two emerging economies, are fast becoming the world's cheap manufacturing base. But a spike in manufacturing is not translating into better quality of goods**