

INJUSA

A FAMILY PASSION FOR WHEELS

A GLIMPSE INTO THE LIFE OF A TOY SME



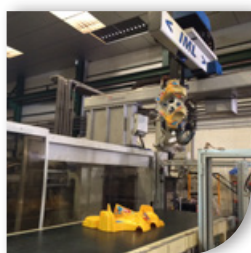
RIDE-ON TOYS AS INJUSA'S WAY OF LIFE

INJUSA sold 680,000 toys in 2013 and achieved a turnover of €19 million.

INJUSA (originally Industrial Juguetera S.A.) was founded in 1947 in Ibi, Alicante, in a cluster of toy companies. Before the plastic revolution at the end of the 1960s, INJUSA used wood to produce its first toy trucks as this material was easily transformed by hand using simple tools. The company has remained within the family fold and current CEO Luis Berbegal is the grandchild of INJUSA's founder. His father, brothers and even some of his cousins have contributed to the company's expansion and continued success. INJUSA has become a worldwide leading manufacturer of ride-on toys such as large battery operated vehicles, pedal cars and bikes. Today, these toys are produced by 120 employees in Ibi. Despite the recent economic downturn, INJUSA has remained profitable by investing heavily in production processes, for example innovative molding systems.



LOCAL PRODUCTION



INJUSA's production has always taken place in Ibi, 40km north of Alicante, even though some processes were briefly delocalised. For example, in 2002, INJUSA partnered with a Chinese operator to produce toys in China. However, eight years later, the company launched a multiannual investment plan of €4 million to bring the entire Chinese production back to Spain as part of a modernisation and reorganisation effort. This decision was based on increased wages and energy costs in China and exchange rate volatility. A Mexican plant that opened in 2004 ceased production four years later because the cost of controlling production from another country was greater than the cost savings of manufacturing close to the North-American market.

INJUSA contributes indirectly to around 200 jobs in local companies.

ADDED VALUE OF LICENCED PRODUCTS

Innovation is fundamental for INJUSA: each year, new toys account for about 60% of its product range.

In a highly competitive sector like the toy sector, companies need to be innovative and dynamic. INJUSA renews around 60% of its product range each year, a substantial part of which are licenced products. Licences provide important added value for its own toys as their popularity – whether from a film or a motorcycle brand – raises the awareness of the company's brand, thus contributing to INJUSA's international competitiveness.



SUCCESSFUL EXPORTS

INJUSA is a globalised company with exports accounting for over 80% of its turnover. Such an internationalisation strategy is crucial for a company, whether big or small, in order to reduce the risk of relying on only one market. By removing barriers to trade, the European Union's (EU) Single Market boosts the competitiveness and expansion of toy companies, particularly small companies like INJUSA. It is also important for INJUSA that there is a level playing field for all companies active on the European market, so that dishonest companies do not profit from the efforts of reputable companies and substandard toys do not end up in children's hands. Mexico is the most important non-EU market for INJUSA mainly due to the use of the same language. The company's expansion into other markets, such as Brazil, is hindered by heavy import duties or other protectionist measures like in China. Reducing such barriers to trade would allow INJUSA to continue to expand its business globally.



Nowadays, INJUSA is present in over 120 countries worldwide.

COMMITTED TO PLAY FOR ALL

INJUSA makes great efforts to ensure that all children can play as it recognises that playing enriches their lives and supports their development and well-being. For example, the company adapted one of its ride-on toys for Laia, a child whose arms and legs do not grow properly due to a genetic disease. INJUSA also partners with local sport organisations and participates in charity actions with hospitals and other organisations in order to promote the importance of play. The company is also member of the Spanish *Grow Though Play Foundation*.

'We would like to see barriers to trade such as in Brazil or China removed so that we can continue to expand internationally.'

Luis Berbegal, CEO



Spain is the fifth largest toy market in the EU with annual sales of €954 million. This represents around 60 million toys. With around 220 toy companies based in Spain, production is mainly concentrated in Valencia, Cataluña and Alicante. Around 18,000 people work in the Spanish toy sector. The Spanish toy market is highly seasonal with almost seven in ten toys bought during the Christmas period.

The **European Union (EU)** is the largest toy market in the world (27% of global sales), meeting the diverse and evolving demands of its 79 million children. Over 99% of the almost 5,000 toy companies operating in Europe are small and medium-sized enterprises (SMEs). With over 220,000 people working in the sector in the EU, toy companies play a key role in Europe's economic fabric. The toy industry is highly international and is one of the most dynamic business sectors in Europe: around 60% of toys on the market each year are newly developed. The sector is also highly seasonal, with consumers making the majority of purchases during the Christmas period.

The **Asociación Española de Fabricantes de Juguetes (AEFJ)** is the association representing the Spanish toy industry sector. Founded in 1967, its mission is to represent and collectively defend the interests of the toy industry. AEFJ is a founding member of the Spanish standardisation body AENOR, the toy technological institute AIJU and the Crecer Jugando Foundation (*Grow Though Play Foundation*). INJUSA is a member of the AEFJ.

Toy Industries of Europe (TIE) is the trade association for the European toy industry. Members include companies and national associations from across Europe, including the AEFJ.

