



# TOYS AND GAMES MARKET IN ROMANIA

a DEMO sector brief by  
FRD Center

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*Sources consulted for this report: business mass media, the companies, official sources*

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THEATRE FESTIVAL

## 1. Demand: value, preferences of the consumer

The sales of toys and games in Romania are estimated at approximately 160 million EUR in 2013, up by some 10% compared to 2012. The sales of the traditional toys and games have represented approximately 66% of the market in 2013 while the video games around 34%.

The toys and games market is one of the most dynamic sectors in Romania. The main factors that have contributed to the increase of the toys and games sales in the recent years are:

- economic recovery - Romania has recorded a real GDP growth rate of 2.9% in 2014 and of 3.4% in 2013
- higher expenditure per child
- growing offer of toys and games
- improved access to distribution channels
- focus of the specialised stores on expansion, special offers and advertising campaigns
- the growth and expansion of the private Play Locations where also kids' parties are organised

The Romanians prefer both modern, hi-tech toys and games and traditional toys and games (such as “Nu te supara frate”, “Pacalici”, toys and games in the Romanian language or that incorporate elements of the national culture). Furthermore, the Romanians prefer to buy licensed toys (such as Disney, Batman or Spiderman).

The sales of the educational toys and games have increased in the last years in Romania, due to the fact that the parents are more and more attracted by the products that enhance the creativity and skills of the children.





## 2. Offer: brands, value

There is a strong competition on the Romanian market of toys and games. The market is characterised by the presence of big international brands (such as Lego, Chicco, Disney, Hasbro etc), cheap products coming from Asia and domestically manufactured brands (such as D-Toys, Burak, Noriel etc).

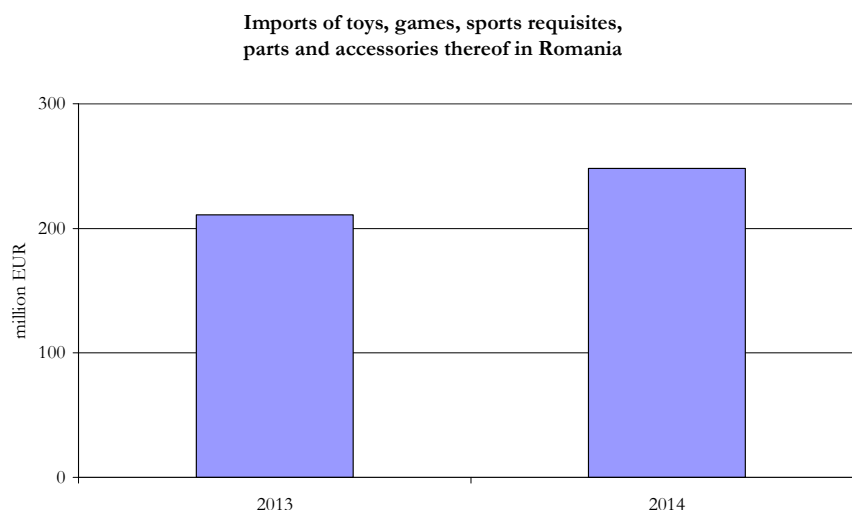
According to a GfK brand awareness study published in October 2013, the best known brand of toys and games in Romania is Lego, followed by Noriel. Other brands known by the Romanians are Chicco and Disney.

According to Nielsen, in the period April 2012 - March 2013, Lego has been ranked first among the brands of toy and games on the Romanian market, by sales value.

## 3. Imports: value, main 5 countries

According to the FRD Center research, the Romanian market of toys and games is dominated by imports. Over 90% of the toys and games sold in Romania are imported.

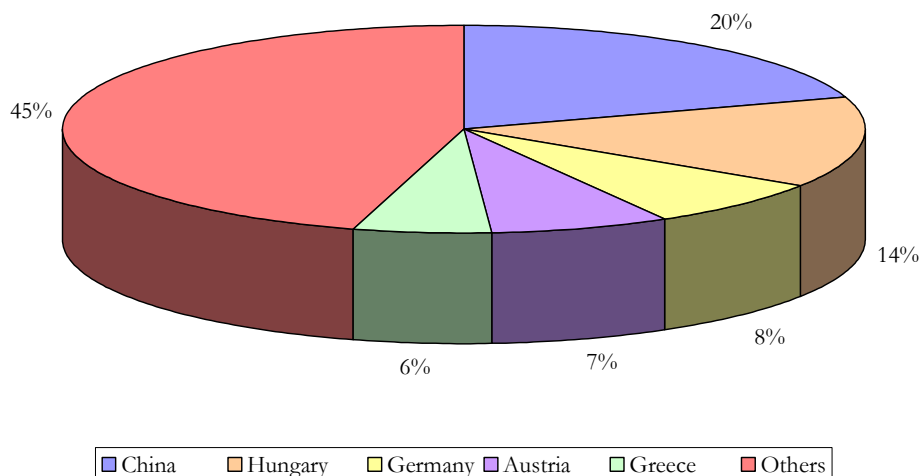
The imports of toys, games, sports requisites, parts and accessories have recorded almost 250 million EUR in 2014 in Romania, up by approximately 18% compared to 2013.



In 2014, Romania has imported toys, games, sports requisites, parts and accessories mainly from:

- China: approx. 50 million EUR
- Hungary: approx. 35 million EUR
- Germany: approx. 19 million EUR
- Austria: approx. 17 million EUR
- Greece: approx. 14 million EUR

Imports of toys, games, sports requisites, parts and accessories thereof in Romania in 2014, by origin countries



#### 4. Local production: what, brands, value

The Romanian production of toys and games is estimated at 30 million EUR per year.

The players in Romania manufacture a wide range of toys and games: educational games, strategy games, puzzles, plastic toys or wooden toys.

Some significant brands of toys and games manufactured in Romania are: Noriel, D-Toys, Burak etc.



#### 5. Players

##### 5.1 Retailers – entry year, no. of stores, franchise or not

5.1.1. The **Noriel Group**, controlled by Romanian individuals and Axxess Capital, includes:

- a) Toys and Games Industry: manufacturer of toys and games
- b) Noriel Impex: importer-distributor of toys and games
- c) Intertoy Zone: retailer of toys and games

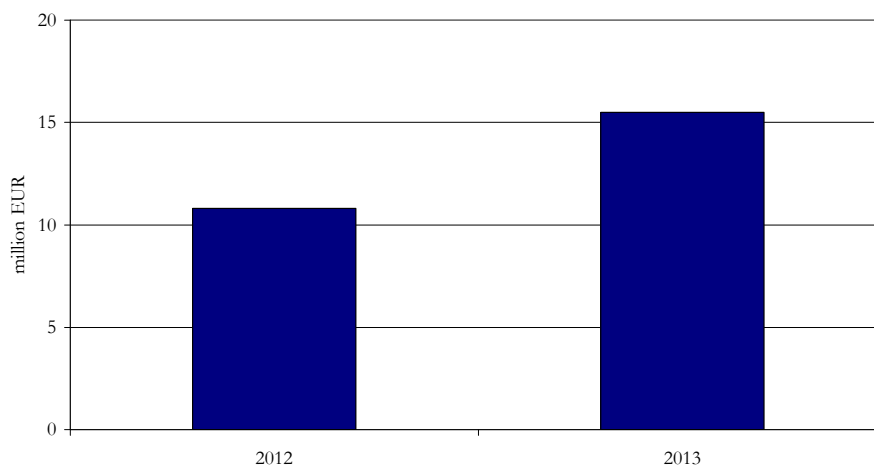


**Noriel** has opened its first store in 2009, reaching at present a network of 45 stores, located all over the country. The stores sell own products (Noriel brand) and also other brands of toys and games imported by the group.

With the opening of the new megastore in Mega Mall, Noriel network reaches a total of 45 stores across the country, three of which are the type megastore, with an area of over 600 sqm.

Intertoy Zone, the retailer part of the Noriel Group, has recorded sales of almost 16 million EUR in 2013, up by approximately 43% compared to 2012.

Intertoy Zone (retailer part of Noriel Group) - Sales dynamics



**5.1.2.** The Greek toys and games retailer **Jumbo** has opened its first store on the Romanian market in 2013 in Timisoara. At present, Jumbo has five stores in Romania, located in Bucharest, Timisoara, Arad and Oradea. In nine months since its entry on the



Romanian market, during the period October 2013 - June 2014, Jumbo has recorded net sales of 8.8 million EUR in Romania.



**5.1.3.** Established in 2011, **Lego Romania** - the local representative of the Danish toys producer Lego - has recorded a net turnover of 8.7 million EUR in 2013. The first Lego mono-brand store in Romania has been opened in 2013, in Promenada Mall in Bucharest. At present, there are four Lego mono-brand stores on the domestic market. The stores are owned by the companies Brick Depot and Daco Invest, which are the partners of Lego Romania. Lego sells its products also in specialised multi-brand stores and big retailers all over the country.

**5.1.4. Maxi Toys**, one of the biggest retailers of toys and games in Europe, has entered the Romanian market in 2014, through the franchise system, by opening a store in Militari Shopping Mall in Bucharest. At present, there are three Maxi Toys stores in Romania, all located in commercial centres in Bucharest. The Maxi Toys franchise is owned by the importer-distributor Nicoro Trading.

**5.1.6. Other retailers** with large toys and games departments include:

- a) Carrefour: 27 hypermarkets and 92 supermarkets
- b) Auchan: 33 hypermarkets
- c) Cora: 12 hypermarkets

## 5.2 Importers



**5.2.1.** Established in 2002, **Peak Toys** imports toys and games and distributes them in the entire territory of Romania. Its clients include big retailers (Carrefour, Billa, Cora,

Kaufland, Metro, Selgros etc), gas stations (OMV, Petrom, Rompetrol, Agip etc) and specialised stores all over the country. Some examples of brands imported by the company are: Feber, SES, Famosa, Welly, 4M, Cide, Disney, Piatnik, Revell, Lamaze etc. Peak Toys has recorded a net turnover of 8.2 million EUR in 2013.

**5.2.2. Noriel Impex** - the importer of toys and games, part of the Noriel Group - has recorded a net turnover of 5.3 million EUR in 2013. The company has been established in 2003. Noriel Impex distributes various brands of toys and games, such as Lego, Nano, Zoingo Boingo, Winx, Splash Zone etc.



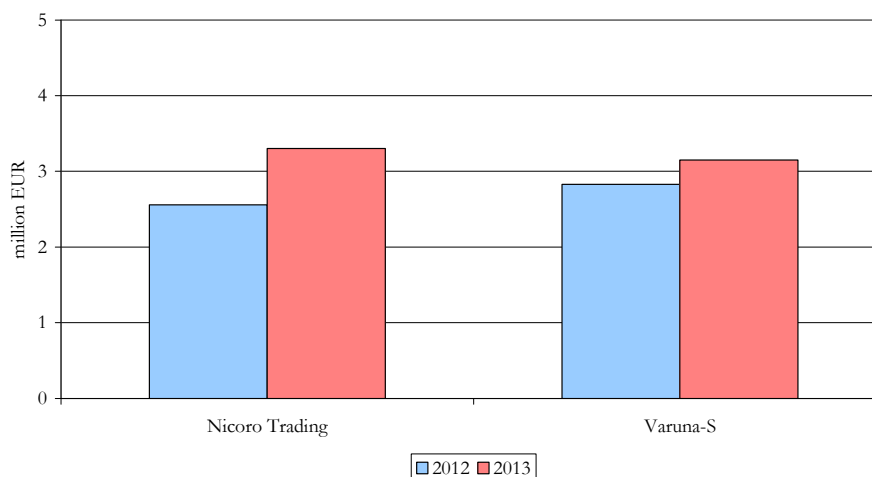
**5.2.3.** Set up in 1994, **Nicoro Trading** is one of the biggest importers of toys and games in Romania. It owns the Maxi Toys franchise for Romania. Nicoro Trading has recorded a net turnover of 3.3 million EUR in 2013, up by approximately 29% compared to 2012. They also sell on-line through their portal.



**5.2.4. Varuna-S** is specialised in the import and distribution of toys and games. Set up in 1997, it distributes brands such as: Lego, Hasbro, Clementoni, Klein, Corolle, Stamp, Schleich, Intek, Gonher, Mattel, Revell, Vtech or Wow. Apart from distributing to other retailers, the company has five Varuna-S stores, located in Brasov, Bucharest, Timisoara, Cluj Napoca and Iasi. Varuna-S has recorded a net turnover of 3.1 million EUR in 2013, up by some 11% compared to the previous year.



Nicoro Trading and Varuna-S - Net turnover dynamics



### 5.3 Romanian producers of toys

Before 1990, eight State-owned manufacturers of toys and games have been active in Romania: Aradeanca, Intreprinderea 9 Mai, Cooperativa Tehno-Metalica, Fabrica de Mase Plastice MAP Oradea, Cooperativa Arta Lemnului, Fabrica Steaua Rosie, Agatex and Metaloglobus. They have exported 80% of their production, being strong competitors for the foreign manufacturers of toys and games.

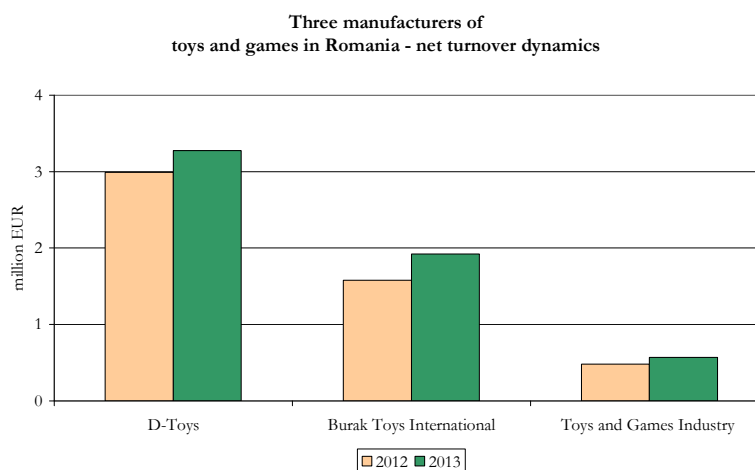
After 1990, cheap toys and games from Asia have entered the Romanian market and the domestic manufacturers have started to face financial difficulties. Subsequently, they have been forced into bankruptcy or transformed into real estate businesses.

Some examples of manufacturers of toys and games that currently operate in Romania are profiled below.

**5.3.1.** Established in 2001, the company **D-Toys** has a manufacturing unit in Covasna (Central Romania). The company manufactures puzzles and educational games and exports them to over 15 countries. Furthermore, the firm imports and distributes various brands of toys: Wader Toys, Totum, Hama, Rubik's, Tree Toys etc. The company's products are sold in retail chains (Metro, Selgros, Carrefour, Cora, Auchan etc) and in specialised multi-brand stores all over Romania. D-Toys has recorded a net turnover of 3.3 million EUR in 2013, up by almost 10% compared to 2012.

**5.3.2. Burak Toys International** manufactures a wide range of plastic toys. It has been set up in 1998. With over 100 employees, the company performs its activity on a surface of approximately 700 sqm in Ilfov (near Bucharest). Burak Toys International has registered a net turnover of almost two million EUR in 2013, up by some 22% compared to 2012.

**5.3.3.** Established in 1993 as a Romanian family business, **Noriel** has started its activity by manufacturing educational and family games such as “Nu te supara, frate”, “Comoara lui Piticot” or “Pacalici” in various production units in Bucharest. Subsequently, it has established in 1999 its own manufacturing unit, located in Prahova (South region of Romania). Toys and Games Industry - the company specialised in the manufacturing of toys and games, part of the Noriel Group - has recorded a net turnover of 0.6 million EUR in 2013, up by approximately 18% compared to 2012.



## 6. Expected market trends

The sales of toys and games in Romania are forecasted to continue the growing trend during the next years.

Some of the factors contributing to the increase of demand for toys and games in Romania are:

- child welfare has been doubled starting with 1st June 2015
- increasing purchasing power of the Romanians
- estimated real GDP growth rate of 2.8% in 2015 and 3.3% in 2016
- parents' increasing desire for developing a creative lifestyle for their children

The Romanian consumers are expected to pay more attention to the quality of the toys and games and to seek products offering both entertainment and education. Therefore, the sales of the scientific and educational toys and games are forecasted to continue to increase in the next period.

The sales of the construction toys and games are estimated to record y/y growths of 5% in the next years.

The retailers of toys and games are expected to continue the expansion process in Romania. One example is **Jumbo**, which plans to have a network of 12 - 18 stores in Romania in the next years, compared to five stores at present.

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