



3.6 Market study: Uncovering International opportunities

United States, South Korea & Chile

Developed by:

Consortia

KIDS Project Consortium is formed by:



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Market study: United States

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1. COUNTRY DESCRIPTION AND SOCIO-ECONOMIC TRENDS

The United States, sometimes known as the United States of America, commonly referred to as America, is a federal republic with 50 states in North America. The 48 contiguous states that are in the central latitudes of the continent are joined by Hawaii, an island state in the centre of the Pacific Ocean, and Alaska, a state at the far western end of North America. The conterminous states are encircled by Canada to the north, the Atlantic Ocean to the east, the Gulf of Mexico and Mexico to the south, and the Pacific Ocean to the west. The United States is the world's fourth-largest country by area (after Russia, Canada, and China).

Washington, which includes the District of Columbia, the federal capital region established in 1790, serves as the nation's capital.

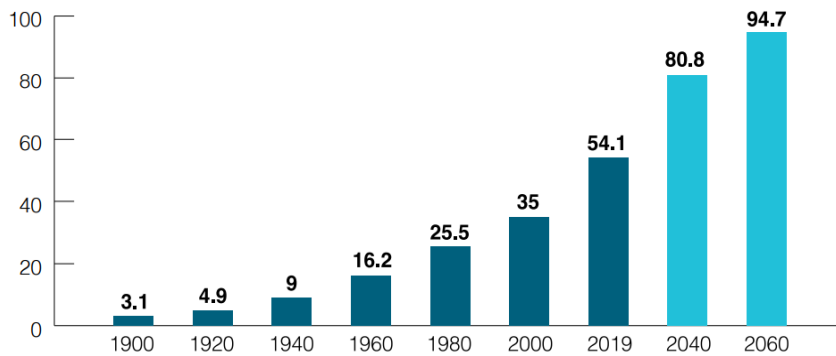
By gross domestic product, the United States is the world's most powerful economy (GDP).

The country's wealth can be attributed in part to its abundant natural resources and massive agricultural output, but it owes more to its highly developed industry. The United States is the most significant individual element in international trade due to the sheer size of its economy, despite its relative economic self-sufficiency in many areas. Major sections of the global total are represented by its imports and exports.¹

As described in the graph below **(number of people aged 65 and older, in millions)**². There is a continuous increase of the number of people 65 and older (note: lighter bars in 2040 and 2060 indicate projections):

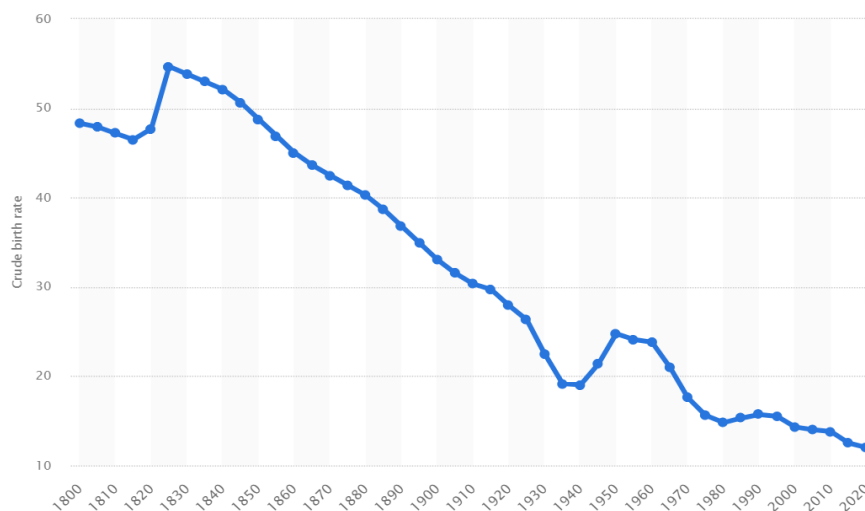
¹ <https://www.britannica.com/place/United-States>

² U.S. Census Bureau, Population Estimates and Projections



The forecast shows that for the period 2019-2060, the number is expected to grow by more than 40 million people, reaching 94.7 million people aged 65 and older.³

As it can be observed in the graph (**“Crude birth rate in the United States from 1800 to 2020”**), a continuous decline of birth rate in the U.S. is a fact since 1950 onwards. A couple of years after the end of WWII, the birth rate marked around 26 live births per thousand people, meaning that 2.6% of the population had been born in 1950. Looking at 2020, this percentage has decreased significantly, resulting in 12 live births per thousand people,



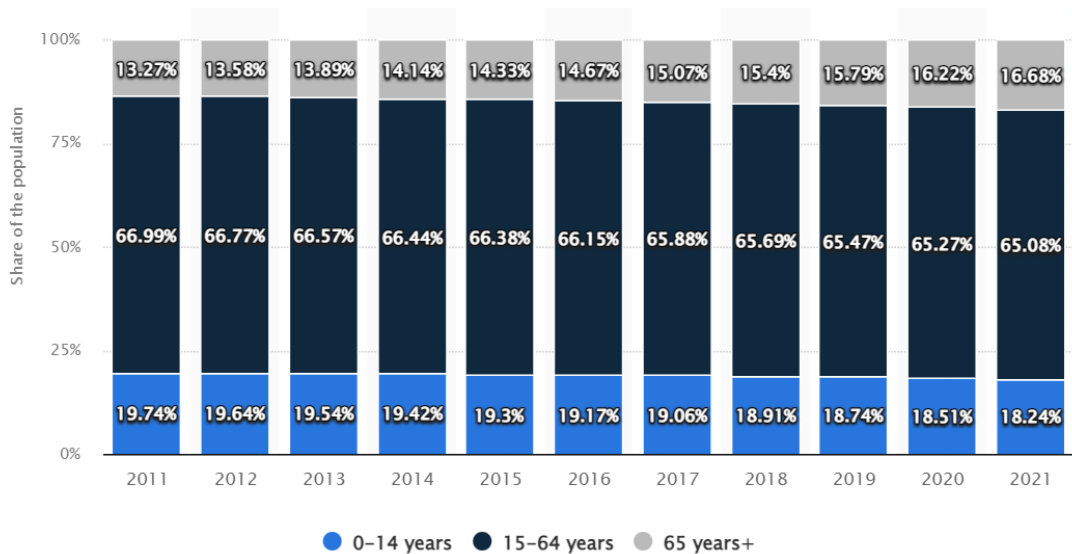
meaning that in 2020 only 1.2% of the population had been born.⁴

Age distribution vertical bar chart (**“Age distribution in the United States from 2011 to 2021”**) provides information about the proportion of people,

³https://acl.gov/sites/default/files/aging%20and%20Disability%20In%20America/2020Profileolderamericans.final_.pdf

⁴<https://www.statista.com/statistics/1037156/crude-birth-rate-us-1800-2020/>

based on defined age categories. The data during the period 2011-2021 set a trend of increasing population of people over 65 years old from 13,27% (2011) to 16.68% (2021) of the population, while the other two categories marked a continuous decline, as follows: 15-64 years old has declined with almost 2%, resulting in 65.08%, while 0-14 years old has declined with 1,5%, ending up with 18.24% of the total population.⁵



Fast facts about the U.S. economy⁶

- Gross Domestic Product (GDP): **\$25.66 trillion** (nominal, third quarter of 2022)
- GDP growth rate: **2.6%** (annualised rate, third quarter of 2022)
- Real GDP per capita: \$60,082 (third quarter of 2022), \$70,480 PPA (2021).
- Gross national income \$23.4 trillion (2021)
- Unemployment rate: 3.7% (November, 2022)
- Federal minimum wage: \$7.25 per hour
- Currency: United States Dollar (USD)
- Euro-to-dollar conversion: Average of \$1,06 (March 1, 2023)

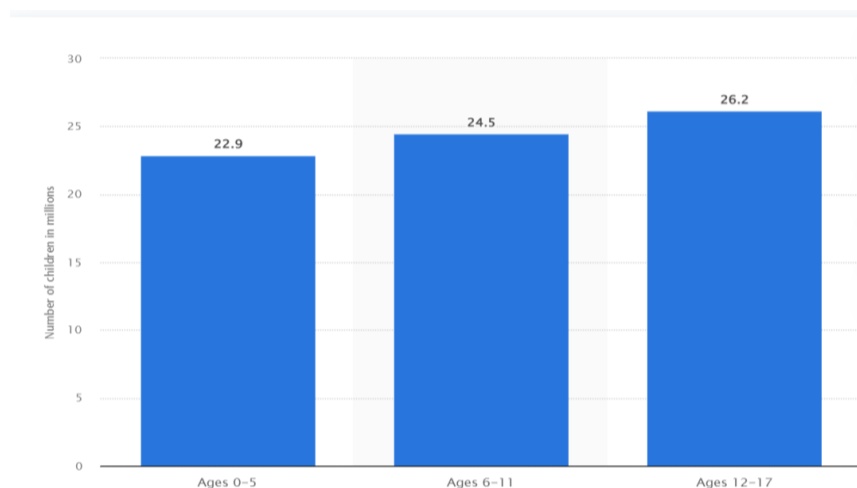
⁵<https://www.statista.com/statistics/270000/age-distribution-in-the-united-states/#:~:text=In%202021%2C%20about%2018.24%20percent,over%2065%20years%20of%20age.>

⁶<https://www.thebalancemoney.com/us-economy-facts-4067797>

2. SECTOR TRENDS

When observing the proportion of the child population in the total US population from 1950 to 2021, it can be concluded that there is a downward trend, since currently the child population contributes 22.2% of the total. Additionally, for the purpose of better representation, the distribution per children's age (ages 0-5 [22.9 mill.], ages 6-11 [24.5 mill.] and ages 12-17 [26.2 mill.]) is described in the graph.

The graph represents the number of children in the United States per age group in 2021 (in millions).⁷

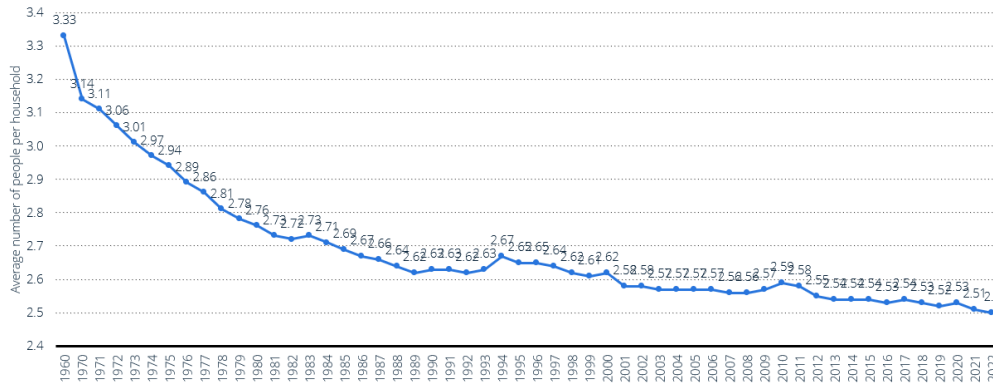


As for the population per household, around one fifth of the researched population (21%) does not fall into the category of interest being both “single household” or “two-person household”. The remaining 79% which could be of interest for the ongoing research include “small families (up to 2 children)”, taking the lead with 46% and one third (33%) of participants falling into the category of either “large families (more than 2 children)” or “Other”.

Contributing to this information, findings about “Average number of people per household in the U.S from 1960 and 2022” take place. The

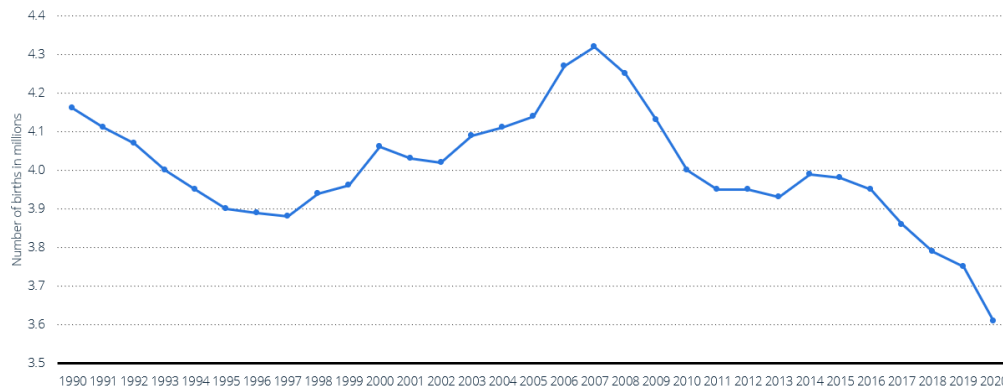
⁷<https://www.statista.com/statistics/457786/number-of-children-in-the-us-by-age/#:~:text=In%202021%2C%20there%20were%20about,years%20old%20in%20the%20country.>

following chart represents the average number of people per household in the United States from 1960 to 2022⁸.



There is an ongoing decreasing trend, with current figures showing **the average size of households in the U.S.** in 2022 is 2,5 people, which is a visible downgrade compared to the beginning of the 60s with around 3,33 people.

Additionally, looking at the next graph, a crucial information about “Number of births in the United States (1990-2020)” is provided⁹:



A continuous fluctuating trend is observed from 1990 to 2007, when there was a peak in number of births in the U.S. Since 2007 onwards, there is a plunging trend of new-borns until reach a number of approximately 3.6 million births, compared to more than 4.3 million births just 13 years ago (2007).

⁸ [Average size of households in the U.S. 2022 | Statista](#)

⁹ [Births in the U.S. 2020 | Statista](#)

Additionally, according to the United States Census Bureau (2018), older adults (65+) are projected to outnumber children (under 18), contributing to the opinion the United States is becoming an ageing country.¹⁰

In terms of fertility rates (according to data from the National Centre for Health Statistics) there has been a sharp decline in fertility rates in recent years, with most women having an average of 1.3 babies and an increasing percentage of giving birth after the age of 35.

2.1. TOY MARKET

Based on the 12 global markets tracked by The NPD Group, toy industry sales have increased 2%, reaching 36,7 billion USD as of September 2022 in comparison to the same period one year ago. The sales revenues have increased 30% in comparison to 28,300 billion USD generated in 2019 after the pandemic. **Plush toys experienced the biggest growth of 32%, followed by action figures, construction sets and accessories with 12%, exploratory toys and other toys at 10%.**

On the other hand, outdoor and sports toys and dolls had the biggest decrease in sales, falling to 7% and 8%, respectively.

Regarding **the five best selling toy brands last year**, considering the data until September 2022, Pokémon was the one that achieved most sales, followed by Star Wars, Barbie, Marvel Universe and Hot Wheels.

Moreover, based on the research implemented by World Atlas (2017), U.S. was ranked 2nd (av.\$371) in terms of most expenditures for children's toys, one position behind the UK (av. \$438) (as shown in the graph).¹¹

¹⁰<https://www.statista.com/statistics/457786/number-of-children-in-the-us-by-age/#:~:text=In%202021%2C%20there%20were%20about,years%20old%20in%20the%20country>
<https://www.census.gov/library/stories/2018/03/graying-america.html>

¹¹<https://www.worldatlas.com/articles/countries-that-spend-most-on-toys-how-much-should-you-spend-on-your-kids.html>

This way, the following graph shows the 7 countries, in order, that spend the most on toys (in USD).

Rank	Country	Amount spent (USD)
1	United Kingdom	438
2	United States	371
3	France	358
4	Germany	336
5	Russia	300
6	Italy	187
7	Spain	176



Nevertheless, more recent research by SWNS Digital (2021) suggests **that the average American family spends around \$581 a year on toys.** Having that in mind, it could be concluded that the U.S. are tending to spend more money on toys year after year.¹²

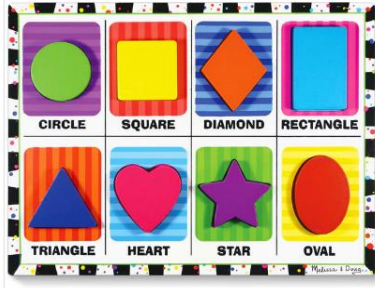

According to Parents (2022), **the type of toys children plays with vary a lot based on their age.** Further description of this statement is provided on the following graph:¹³


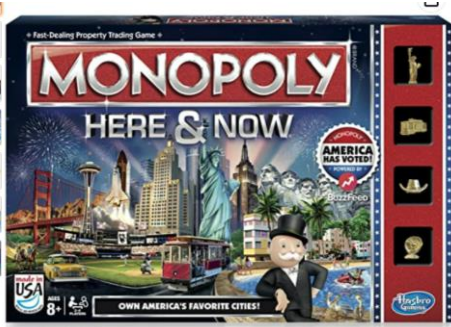
Age Group	Type of Toys
0-12 months	<ul style="list-style-type: none"> - Brightly coloured, multi-patterned mobiles - Rattles - Unbreakable mirrors - Floor gyms - Activity boards - Soft, washable, colourful stuffed animals or dolls with a smiling face - Small stuffed fabric balls

¹² <https://swnsdigital.com/us/2016/11/average-child-gets-6500-worth-of-toys-in-their-lifetime/>

¹³ <https://www.parents.com/fun/toys/kid-toys/toys-for-all-ages/>

	 <p><i>Tiny Love Gymini Deluxe - Magical Tales Black</i></p>
<p>1-2 years</p>	<ul style="list-style-type: none"> - Stacking rings - Nesting cups or boxes - Push-or pull-toys that make noise or have pieces that pop up or move - Hammering sets that led kids pound pegs or balls through holes - Simple, sturdy musical instruments such as tambourines, drums or maracas - Shape sorters - Play vehicles such as a school bus or a fire engine, and plastic people that ride in them - Puzzles with four or five pieces - Rubber ducks or toy boats  <p><i>GO Tots Roll & Ride Bus.</i></p>
<p>2-3 years</p>	<ul style="list-style-type: none"> - Dolls and stuffed animals - A toy telephone, a tea-party set, a doll stroller, a play kitchen - Ride-on toys, tricycles, and balance bikes - Musical instruments (e.g., toy pianos) - Large transportation toys with buttons that make a horn honk or a siren whistle - Puzzles - Construction toys that snap together

	 <p><i>Shapes Chunky Puzzle</i></p>
<p>4-5 years</p>	<ul style="list-style-type: none"> - Art supplies, craft kits, Play-Doh - Blocks of different shapes - Computerised toys that teach phonics, reading or maths - Construction sets with large pieces, such as Magna-Tiles, Legos, or fort-building kits - Puzzles of greater complexity - Action figures - Barbies and other dolls - Costumes - Transportation toys, such as parking garages, airports, and train stations - Board games that do not require reading, such as Hungry Hungry Hippos, Chutes and Ladders, Candy Land - Soccer balls and basketballs - Active games such as Jenga or The Floor is Lava - Bicycles (with training wheels)  <p><i>Hungry Hungry Hippos</i></p>
<p>6-7 years</p>	<ul style="list-style-type: none"> - Basic science kits - Slimes - Magnets, telescopes - Art supplies and craft kits - Nintendo, PlayStation, Xbox games - Computer tablets - Legos, Magna-Tiles, and other building sets - Sports equipment

	<ul style="list-style-type: none"> - Remote-control cars - Barbies and similar dolls - Games that require strategies, such as chess, checkers or jenga  <p>Nintendo</p>
<p>8 years and beyond</p>	<ul style="list-style-type: none"> - More elaborate science kits - Tablet or computer for online games - Nintendo, PlayStation, Xbox games - Craft kits - Slimes - Outdoor sporting equipment - Intricate construction sets - Board games such as Scrabble, Monopoly and Trivial Pursuit Junior - Strategy games such as chess, checkers, or Jenga - Bananagrams - Model kits  <p>Monopoly</p>

2.2. APPAREL MARKET

The children's clothing market in the United States is an important and constantly evolving market. According to a Statista report, the children's clothing market in the United States generated revenues of more than \$3 billion in 2020.

The market is dominated by major clothing brands such as Carter's, Gap Kids and The Children's Place, but there are also many other brands and manufacturers that are popular with American parents.

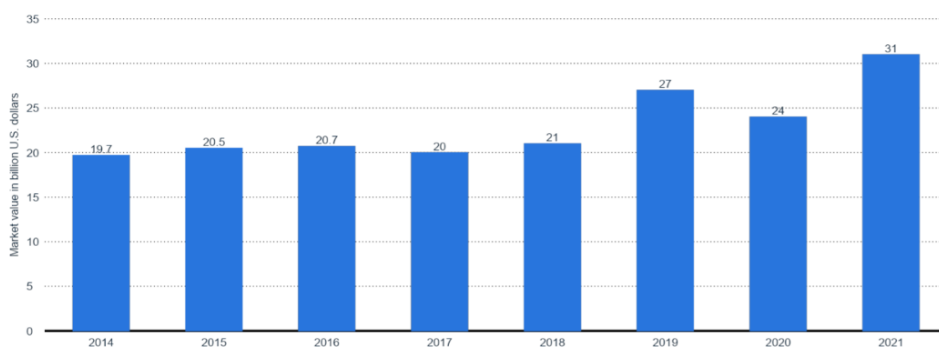
The United States kids apparel industry is being driven by the influence of social media and new emerging apparel trends. Matching outfits and miniature, age-appropriate variants of adult clothing for kids are witnessing heightened demand.

Market trends include a preference for comfortable clothing such as t-shirt and leggings, as well as for products that emphasise sustainable and environmentally friendly materials. Finally, unisex clothing is also gaining in popularity, as it recorded a 27% increase in 2020.

Finally, e-commerce plays an important role in the US children's clothing market, with many stores and retailers offering online purchases and convenient delivery options for busy parents. This way, online sales increased by more than 20% in 2020. This topic will be further discussed in its corresponding section.

Baby clothing accounts for the largest share of the market followed by children's clothing aged 2-5.

The following graph gives information about "Value of the baby and young children's apparel market in the United States from 2014 to 2021 (in billions U.S. dollars)"¹⁴.



¹⁴ [Baby and young children's apparel market value U.S. 2021 | Statista](#)

For the period 2014-2016, the market experienced continuous growth from 19.7 bill. USD to 20.7 bill. USD. Since 2017, this apparel market generated growth except for 2020 (falling from 27 bill. USD to 24 bill. USD), but in the following 2021, the value has improved to a 7-years highest of 31 bill. USD.¹⁵

REVENUE in billion USD (US\$)															
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	
Baby Clothes	36.99	35.26	35.72	37.52	38.82	39.07	34.00	37.32	37.60	42.51	43.71	44.84	45.99	47.15	
Blazers (children)	9.15	8.69	8.43	8.58	8.95	8.84	7.83	8.77	8.42	9.35	9.55	9.73	9.95	10.21	
Clothing Accessories	20.40	19.34	19.25	20.02	21.01	21.14	18.57	20.48	20.49	23.09	23.76	24.39	25.06	25.78	
Coats & Jackets (chil)	13.93	13.14	13.33	13.79	13.90	13.52	11.65	12.75	12.50	14.11	14.37	14.59	14.88	15.23	
Dresses & Skirts (chi)	13.81	13.16	13.26	13.70	13.90	13.80	11.97	13.19	13.15	14.75	15.09	15.39	15.73	16.13	
Jerseys, Sweatshirts	28.08	26.30	26.23	27.20	27.79	27.67	23.81	25.82	25.81	28.69	29.16	29.57	30.10	30.75	
Night & Underwear	14.48	13.92	14.05	14.57	15.11	15.09	13.19	14.49	14.46	16.20	16.57	16.91	17.30	17.75	
Shirts & Blouses (chi)	23.89	21.77	21.51	22.12	22.49	22.46	19.13	20.56	20.79	23.17	23.57	23.91	24.30	24.77	
Socks (children)	5.05	4.81	4.86	5.08	5.30	5.28	4.60	5.05	4.97	5.63	5.77	5.90	6.04	6.21	
Sports & Swimwear	18.00	17.93	18.71	19.82	21.31	22.00	20.30	22.80	23.12	26.46	27.73	28.95	30.17	31.36	
Suits & Ensembles (c	4.76	4.27	4.05	4.07	4.06	3.98	3.35	3.60	3.54	3.93	3.96	3.98	4.01	4.03	
Tights & Leggings (ch	1.95	1.69	1.66	1.73	1.80	1.81	1.56	1.70	1.62	1.89	1.94	1.98	2.02	2.07	
Trousers (children)	36.56	34.52	34.63	35.95	37.03	36.89	32.22	35.21	34.79	38.97	39.78	40.50	41.37	42.40	
T-Shirts (children)	15.84	15.10	15.41	16.21	16.83	17.00	14.77	16.25	16.55	18.74	19.29	19.81	20.37	20.98	
Total	242.90	229.90	231.10	240.40	248.30	248.50	216.90	238.00	237.80	267.50	274.30	280.40	287.30	294.80	

The table shows the revenue in billion USD for the children's apparel market, divided by categories. It can be seen a continuous increasing trend for the period 2014-2024 (e.g., the category of baby clothes generated and is yet to generate more than 6.5 bill. USD increase for a 10-year period).

REVENUE CHANGE in percent														
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	
Baby Clothes	-4.7	1.3	5.0	3.5	0.6	-13.0	9.8	0.8	13.1	2.8	2.6	2.6	2.5	
Blazers (children)	-5.1	-3.0	1.9	4.2	-1.2	-11.4	11.9	-4.0	11.1	2.1	1.9	2.2	2.6	
Clothing Accessories	-5.2	-0.5	4.0	4.9	0.6	-12.2	10.3	0.0	12.7	2.9	2.7	2.7	2.9	
Coats & Jackets (chil)	-5.7	1.4	3.5	0.8	-2.7	-13.8	9.4	-2.0	12.9	1.8	1.5	2.0	2.4	
Dresses & Skirts (chi)	-4.7	0.8	3.3	1.5	-0.7	-13.3	10.2	-0.3	12.2	2.3	2.0	2.2	2.5	
Jerseys, Sweatshirts	-6.3	-0.3	3.7	2.2	-0.4	-14.0	8.4	0.0	11.2	1.6	1.4	1.8	2.2	
Night & Underwear	-3.9	0.9	3.7	3.7	-0.1	-12.6	9.9	-0.2	12.0	2.3	2.1	2.3	2.6	
Shirts & Blouses (chi)	-8.9	-1.2	2.8	1.7	-0.1	-14.8	7.5	1.1	11.4	1.7	1.4	1.6	1.9	
Socks (children)	-4.8	1.2	4.5	4.3	-0.3	-13.0	9.8	-1.5	13.2	2.5	2.2	2.5	2.8	
Sports & Swimwear	-0.4	4.4	5.9	7.5	3.2	-7.7	12.3	1.4	14.4	4.8	4.4	4.2	3.9	
Suits & Ensembles (c	-10.3	-5.1	0.5	-0.2	-1.9	-16.0	7.5	-1.6	10.9	0.9	0.6	0.6	0.5	
Tights & Leggings (ch	-13.5	-1.4	4.3	4.0	0.4	-13.7	8.8	-4.5	16.4	2.5	2.2	2.3	2.5	
Trousers (children)	-5.6	0.3	3.8	3.0	-0.4	-12.7	9.3	-1.2	12.0	2.1	1.8	2.1	2.5	
T-Shirts (children)	-4.7	2.1	5.2	3.8	1.0	-13.1	10.0	1.8	13.2	2.9	2.7	2.8	3.0	
Total	-5.4	0.5	4.0	3.3	0.1	-12.7	9.7	-0.1	12.5	2.5	2.2	2.5	2.6	

The following graph presents the revenue change in percentage, giving a better outlook of moments of decrease, fluctuation and increase of revenue throughout the years.

¹⁵ Statista: all tables

AVERAGE REVENUE PER CAPITA in USD (US\$)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Baby Clothes	5.28	4.98	4.99	5.18	5.31	5.28	4.55	4.95	4.94	5.53	5.64	5.74	5.83	5.93
Blazers (children)	1.31	1.23	1.18	1.19	1.22	1.20	1.05	1.16	1.11	1.22	1.23	1.25	1.26	1.28
Clothing Accessories	2.91	2.73	2.69	2.77	2.87	2.86	2.49	2.72	2.69	3.01	3.07	3.12	3.18	3.24
Coats & Jackets (child)	1.99	1.86	1.86	1.90	1.90	1.83	1.56	1.69	1.64	1.84	1.85	1.87	1.89	1.92
Dresses & Skirts (child)	1.97	1.86	1.85	1.89	1.90	1.87	1.60	1.75	1.73	1.92	1.95	1.97	2.00	2.03
Jerseys, Sweatshirts	4.01	3.71	3.66	3.76	3.80	3.74	3.19	3.42	3.39	3.74	3.76	3.78	3.82	3.87
Night & Underwear	2.07	1.97	1.96	2.01	2.06	2.04	1.77	1.92	1.90	2.11	2.14	2.16	2.20	2.23
Shirts & Blouses (child)	3.41	3.07	3.00	3.06	3.07	3.04	2.56	2.73	2.73	3.02	3.04	3.06	3.08	3.12
Socks (children)	0.72	0.68	0.68	0.70	0.72	0.71	0.62	0.67	0.65	0.73	0.74	0.75	0.77	0.78
Sports & Swimwear	2.57	2.53	2.61	2.74	2.91	2.98	2.72	3.02	3.04	3.45	3.58	3.70	3.83	3.95
Suits & Ensembles (child)	0.68	0.60	0.57	0.56	0.56	0.54	0.45	0.48	0.47	0.51	0.51	0.51	0.51	0.51
Tights & Leggings (child)	0.28	0.24	0.23	0.24	0.25	0.25	0.21	0.23	0.21	0.25	0.25	0.25	0.26	0.26
Trousers (children)	5.22	4.87	4.84	4.97	5.06	4.99	4.31	4.67	4.57	5.07	5.13	5.18	5.25	5.34
T-Shirts (children)	2.26	2.13	2.15	2.24	2.30	2.30	1.98	2.16	2.17	2.44	2.49	2.53	2.58	2.64
Total	34.68	32.45	32.27	33.20	33.93	33.61	29.04	31.55	31.24	34.82	35.39	35.88	36.44	37.09

This table aims to give more insights about the average revenue per capita in USD, showing the economic contributions of each category of products.

Additionally, some tables, regarding the volume, volume growth, average volume per capita will take place:

VOLUME BY SEGMENT in million pieces

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Baby Clothes	9794.9	10031.2	10229.2	10382.6	10632.2	10788.8	9052.6	9610.2	9898.7	10856.8	11028.0	11190.6	11349.7	11510.0
Blazers (children)	612.2	599.1	583.8	575.2	580.9	584.5	505.9	547.3	513.7	555.6	556.6	556.8	556.7	556.8
Clothing Accessories	8693.5	8672.5	8618.8	8652.5	8892.2	9104.8	7878.3	8400.0	8468.0	9261.0	9387.5	9502.0	9613.8	9726.8
Coats & Jackets (child)	862.5	880.7	889.7	886.7	876.3	868.1	752.1	793.6	763.9	846.6	853.1	858.4	863.3	868.3
Dresses & Skirts (child)	1921.8	1925.6	1944.3	1950.1	1957.6	1970.4	1685.5	1791.3	1805.7	1984.6	2008.8	2031.0	2052.5	2074.1
Jerseys, Sweatshirts	6653.9	6661.1	6664.2	6690.2	6765.1	6800.6	5843.2	6153.3	6145.0	6699.3	6736.3	6766.5	6794.0	6822.5
Night & Underwear	12188.6	12320.9	12335.6	12282.9	12294.0	12214.8	10404.1	10961.3	10880.2	11883.0	11962.7	12030.5	12093.3	12157.8
Shirts & Blouses (child)	5329.4	5226.6	5173.8	5113.8	5150.6	5178.3	4381.3	4568.0	4663.9	5089.4	5120.6	5147.5	5172.5	5198.1
Socks (children)	4375.4	4393.1	4392.4	4447.8	4573.3	4676.5	4091.3	4281.9	4227.6	4634.0	4663.7	4687.6	4709.5	4732.1
Sports & Swimwear	1317.9	1349.6	1387.4	1424.7	1487.8	1533.3	1374.2	1488.1	1495.4	1671.9	1719.3	1762.6	1805.5	1848.6
Suits & Ensembles (child)	427.4	417.8	391.9	377.6	369.5	373.7	318.4	340.0	348.7	381.0	386.0	390.8	395.5	400.2
Tights & Leggings (child)	2898.9	2741.7	2673.2	2685.9	2721.5	2752.3	2364.2	2451.8	2318.0	2637.7	2672.7	2704.0	2733.7	2763.9
Trousers (children)	6673.9	6838.7	6972.6	7105.7	7266.5	7370.5	6448.2	6845.8	6730.1	7414.4	7501.9	7580.8	7656.5	7733.4
T-Shirts (children)	3612.6	3693.2	3755.9	3800.3	3902.7	3983.2	3397.1	3586.0	3732.6	4085.1	4138.4	4186.3	4233.2	4280.6
Total	65362.9	65752.0	66012.9	66375.9	67470.3	68199.8	58496.4	61818.7	61991.4	68000.5	68735.4	69395.2	70029.6	70673.1

VOLUME GROWTH BY SEGMENT in percent

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Baby Clothes	2.4	2.0	1.5	2.4	1.5	-16.1	6.2	3.0	9.7	1.6	1.5	1.4	1.4
Blazers (children)	-2.1	-2.6	-1.5	1.0	0.6	-13.4	8.2	-6.1	8.2	0.2	0.0	0.0	0.0
Clothing Accessories	-0.2	-0.6	0.4	2.8	2.4	-13.5	6.6	0.8	9.4	1.4	1.2	1.2	1.2
Coats & Jackets (child)	2.1	1.0	-0.3	-1.2	-0.9	-13.4	5.5	-3.7	10.8	0.8	0.6	0.6	0.6
Dresses & Skirts (child)	0.2	1.0	0.3	0.4	0.7	-14.5	6.3	0.8	9.9	1.2	1.1	1.1	1.1
Jerseys, Sweatshirts	0.1	0.0	0.4	1.1	0.5	-14.1	5.3	-0.1	9.0	0.6	0.4	0.4	0.4
Night & Underwear	1.1	0.1	-0.4	0.1	-0.6	-14.8	5.4	-0.7	9.2	0.7	0.6	0.5	0.5
Shirts & Blouses (child)	-1.9	-1.0	-1.2	0.7	0.5	-15.4	4.3	2.1	9.1	0.6	0.5	0.5	0.5
Socks (children)	0.4	0.0	1.3	2.8	2.3	-12.5	4.7	-1.3	9.6	0.6	0.5	0.5	0.5
Sports & Swimwear	2.4	2.8	2.7	4.4	3.1	-10.4	8.3	0.5	11.8	2.8	2.5	2.4	2.4
Suits & Ensembles (child)	-2.2	-6.2	-3.7	-2.1	1.1	-14.8	6.8	2.6	9.3	1.3	1.2	1.2	1.2
Tights & Leggings (child)	-5.4	-2.5	0.5	1.3	1.1	-14.1	3.7	-5.5	13.8	1.3	1.2	1.1	1.1
Trousers (children)	2.5	2.0	1.9	2.3	1.4	-12.5	6.2	-1.7	10.2	1.2	1.1	1.0	1.0
T-Shirts (children)	2.2	1.7	1.2	2.7	2.1	-14.7	5.6	4.1	9.4	1.3	1.2	1.1	1.1
Total	0.6	0.4	0.5	1.6	1.1	-14.2	5.7	0.3	9.7	1.1	1.0	0.9	0.9

AVERAGE VOLUME PER CAPITA in pieces

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Baby Clothes	1.4	1.4	1.4	1.4	1.5	1.5	1.2	1.3	1.3	1.4	1.4	1.4	1.4	1.4
Blazers (children)	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Clothing Accessories	1.2	1.2	1.2	1.2	1.2	1.2	1.1	1.1	1.1	1.2	1.2	1.2	1.2	1.2
Coats & Jackets (chil	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Dresses & Skirts (chi	0.3	0.3	0.3	0.3	0.3	0.3	0.2	0.2	0.2	0.3	0.3	0.3	0.3	0.3
Jerseys, Sweatshirts	1.0	0.9	0.9	0.9	0.9	0.9	0.8	0.8	0.8	0.9	0.9	0.9	0.9	0.9
Night & Underwear	1.7	1.7	1.7	1.7	1.7	1.7	1.4	1.5	1.4	1.5	1.5	1.5	1.5	1.5
Shirts & Blouses (chi	0.8	0.7	0.7	0.7	0.7	0.7	0.6	0.6	0.6	0.7	0.7	0.7	0.7	0.7
Socks (children)	0.6	0.6	0.6	0.6	0.6	0.6	0.5	0.6	0.6	0.6	0.6	0.6	0.6	0.6
Sports & Swimwear	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Suits & Ensembles (c	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1
Tights & Leggings (ch	0.4	0.4	0.4	0.4	0.4	0.4	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Trousers (children)	1.0	1.0	1.0	1.0	1.0	1.0	0.9	0.9	0.9	1.0	1.0	1.0	1.0	1.0
T-Shirts (children)	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Total	9.3	9.3	9.2	9.2	9.2	9.2	7.8	8.2	8.1	8.9	8.9	8.9	8.9	8.9

2.3. CHILDREN'S FOOTWEAR

The children's footwear market in the US is a large and growing industry, with a market size of around \$10 billion in 2021. This market is led by major brands such as Nike, Adidas, Skechers, Crocs, and New Balance, which have established strong brand recognition and a loyal customer base. However, there are also many smaller players in the market, which compete on factors such as price, style, and quality. For example, popular niche brands in the US include Livie & Luca, See Kai Run, and Pediped, which offer fashionable and high-quality footwear for children.

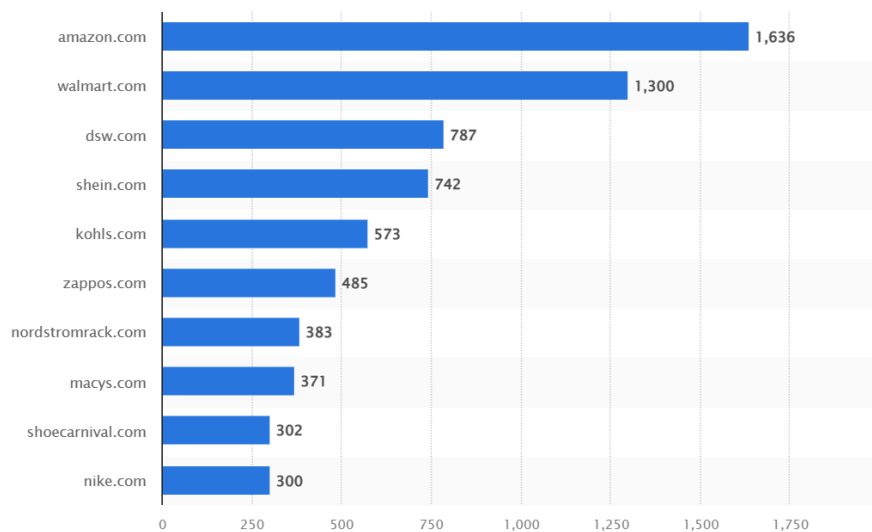
Consumer behaviour in the US children's footwear market is driven by several factors, including brand loyalty, price, quality, and style. Parents are often willing to spend more on high-quality footwear that provides good support and comfort for their children's feet. However, price remains a significant consideration for many consumers, particularly in the current economic climate. For example, parents may look for sales and discounts on popular brands or opt for lower-priced options from smaller or private-label brands.

Trends in the US children's footwear market are driven by fashion, popular culture, and technological advancements. For example, athleisure wear is becoming increasingly popular, with brands offering sporty and comfortable footwear options for children. Sustainable fashion is also growing

in popularity, with brands such as Plae and Bobux offering eco-friendly and durable footwear made from recycled materials. In addition, technological advancements in materials and design are leading to more innovative and comfortable footwear options for children, such as shoes with adjustable straps, anti-slip soles, and breathable fabrics.

The US children's footwear market faces several **challenges**, including increasing competition, changing consumer preferences, and rising costs of production and materials. Regulatory requirements, such as safety standards, can also pose a challenge for smaller brands looking to enter the market. For example, brands must comply with strict safety regulations in the US, such as those set by the Consumer Product Safety Commission (CPSC), to ensure that their products do not pose any harm to children. Therefore, smaller brands must ensure that their products meet these standards, which can be costly and time-consuming.

The next graph shows "Top online stores in the Footwear segment in the U.S. in 2021, by e-commerce net sales (in million USD)" in 2021.¹⁶



¹⁶ [Top Footwear online stores United States 2021 | Statista](#)

2.4. FOOD

The children's food market includes a range of food products specifically designed for children, including baby food, children's cereal, ready-to-eat meals for children, children's snacks, and beverages.

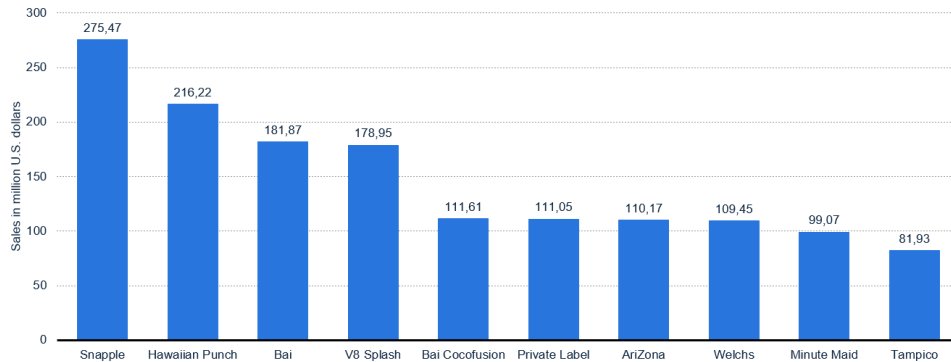
The children's food market in the United States is an important sector of the food industry. According to a study by Zion Market Research, the US child food market was valued at around \$70 billion in 2020 and is expected to reach nearly \$90 billion by 2026.

The most popular brands of children's food in the United States are Gerber, Beech-Nut, Ella's Kitchen or Happy baby. These brands focus on healthy, organic products for children, as well as gluten-free vegetarian options.

However, there have also been growing concerns about the sugar, salt, and fat content of children's foods, as well as the use of artificial food colours and additives. Children's snacks are the largest segment of the children's food market accounting for about 30% of total sales. Cereals are also an important segment of the market, accounting for 20% of total sales in this sector.

Organic food is gaining market share as it accounts for about 50% of total baby food sales in the US.

Regarding favourite brands, in the juice industry, for example, the next graph¹⁷ shows the top sales (in USD) of bottled fruit drink brands in the US in 2020.



As we can see, the most demanded brand was Snapple, followed by Hawaiian Punch and Bai. Snapple, clearly the most popular brand, sells fruit juice, ice teas, etc. with a variety of flavours such as raspberry, honey, lemonade, etc. It's also interesting to point out they make their packages out of 100% recycled material, something we will talk about more in depth in sustainability.

2.5. FURNITURE & LINENS

The US Furniture & Linens market is a large and diverse industry, with a market size of around \$272 billion in 2021 and a projected compound annual growth rate (CAGR) of around 6% from 2021 to 2026. The market is led by several major brands such as Ashley HomeStore, IKEA, Rooms To Go, and Berkshire Hathaway Furniture, who have a significant market share due to their strong brand recognition, wide product range, and competitive pricing strategies. However, there are also many smaller players who are competing on factors such as price, quality, design, and sustainability.

¹⁷ [Children's food and beverages | Statista](#)

Consumer behaviour is driven by a variety of factors such as brand reputation, product quality, price, convenience, and sustainability. Increasingly, consumers are looking for eco-friendly and sustainable products, with a growing preference for organic materials, recycled materials, and products made in an environmentally friendly way. This has led to an increase in demand for sustainable furniture and bedding products, as well as greater transparency in the supply chain.

The furniture and linens market in the US is also heavily influenced by **trends** in technology, with the adoption of smart home technology leading to increased demand for connected furniture and bedding products. For example, smart beds that can adjust to a person's sleep position and temperature preferences are becoming increasingly popular.

Despite the growth potential, the Furniture & Linens market in the US also faces a number of **challenges**. These include rising costs of production and materials, increasing competition, and changing consumer preferences. Regulatory requirements, such as safety and environmental standards, also pose a challenge for companies operating in this market.

To succeed in the US Furniture & Linens market, it is critical to have a deep understanding of consumer behaviour, competitive landscape, and industry trends. Developing a strong brand identity, building a sustainable supply chain, and providing high-quality products at competitive prices are key factors for success in this industry.

2.6. CHILDREN'S BOOKS

The US children's book market is a highly competitive industry with a lot of established players. According to data from the Association of American Publishers, the children's and young adult book market in the US generated \$3.5 billion in revenue in 2020, up 7.6% from the previous year.

Leading the market are publishers like Scholastic, Penguin Random House, HarperCollins, and Hachette Book Group. These companies have a strong presence in the market and have a wide range of books that cater to different age groups, interests, and genres.

In recent years, there has been a growing trend in the children's book market towards **diversity and representation**. Publishers are actively seeking out books that feature diverse characters and authors, and there is a greater emphasis on the inclusion of books that represent different cultures, identities, and experiences.

The COVID-19 pandemic has also had an impact on the children's book market, with a significant increase in online sales as brick-and-mortar bookstores were forced to close or operate at limited capacity. This has resulted in a greater emphasis on digital marketing and virtual events, such as online author visits and virtual book clubs.

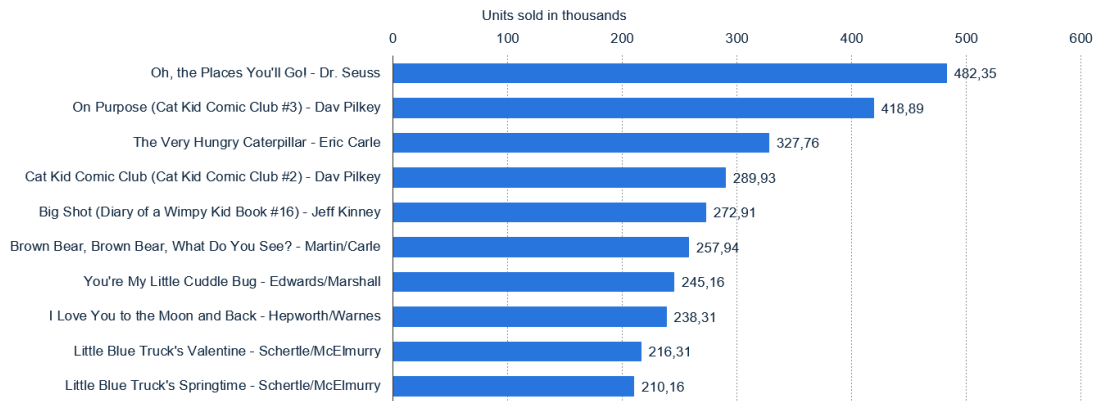
In terms of competition, the children's book market is facing increasing pressure from other forms of media, such as streaming services and video games, which are competing for children's attention and entertainment. However, books still play an important role in children's development and education, and many parents and educators continue to prioritise reading as an essential activity for children.

As of July 2022, compared to the same period in 2019, sales of kids' books were up 14% (for paperback and hardcover). The top growth kids' licenses were (in order) for Bluey, Cocomelo, Spider-Man, Encanto and Marvel.

In conclusion, the children's book market in the US is a competitive industry with established players and a growing emphasis on diversity and representation. While the COVID-19 pandemic has presented some challenges, the market has shown resilience and adaptability in the face of these challenges. With continued innovation and a focus on meeting the

needs of young readers, the children's book market is poised for continued growth in the coming years.

Finally, the following graph¹⁸ shows the best-selling frontlist children's books in the United States in 1st half 2022 (in 1,000s).



In the first half of 2022, the best selling frontlist children's book was 'Oh, the Places You'll Go!' by Dr. Seuss, with 482,35 thousand copies sold. Also in the top ten were two books by Dav Pilkey: 'On Purpose (Cat Kid Comic Club #3)' and 'Cat Kid Comic Club #2', which sold 418,89 and 289,93 thousand copies respectively.

3. CONSUMER BEHAVIOUR

Consumer behaviour applied to online commerce and sustainability will be treated in their respective sectors.

3.1. CONSUMER PROFILE

People over the age of 18 accounted for 14% of US toy industry sales, which accounted for \$5.7 billion in revenues. The beginning of this trend came with licensing, with sheets, sweatshirts, mugs... with faces of superheroes or movie stars.

¹⁸ [Children and media in the U.S. | Statista](#)

The increase in sales was also initially due to adults trying to fill the free time they had due to confinement, but it is a trend that is here to stay. This means the toy industry can find a niche among adults, who are nostalgic for their childhood. This group is known as "**kidults**"¹⁹. For the toy industry, a consumer becomes part of this group when she/he is over 12 years old. They are particularly attracted to board games such as virus, risk or dixit, as well as cartoons, Star Wars and Lego.

As of December 2022, these consumers were responsible for one fourth of all toys sales (which equals approximately 9 billion USD), but represented 60% of the industry's growth.²⁰ Brands are working on marketing strategies in relation to this trend. For example, Lego launched an "adults welcome" campaign in 2020 and created products that appeal to adults, such as a Van Gogh painting or a Ferrari Daytona. Other examples are Hasbro's Black Series for action figures and Hattel creating lines from Barbie and Hot Wheels specifically designed for this group of buyers; whilst other companies such as Funko have majorly catered towards adult collectors. Another trend in which adults are also involved is called "Disney Adults", consisting in a massive interest in Disney. In any case, kidults are a coveted consumer group due, not only to the rise in interest, but also to the fact that they are often willing to spend more money.

Morning Consult (2022) suggests that **price growth is most likely to result in monthly budget cuts for major expenditures as well as for discretionary goods and services**, although demand for basic commodities like groceries and gas is still strong even as these products' prices rise.

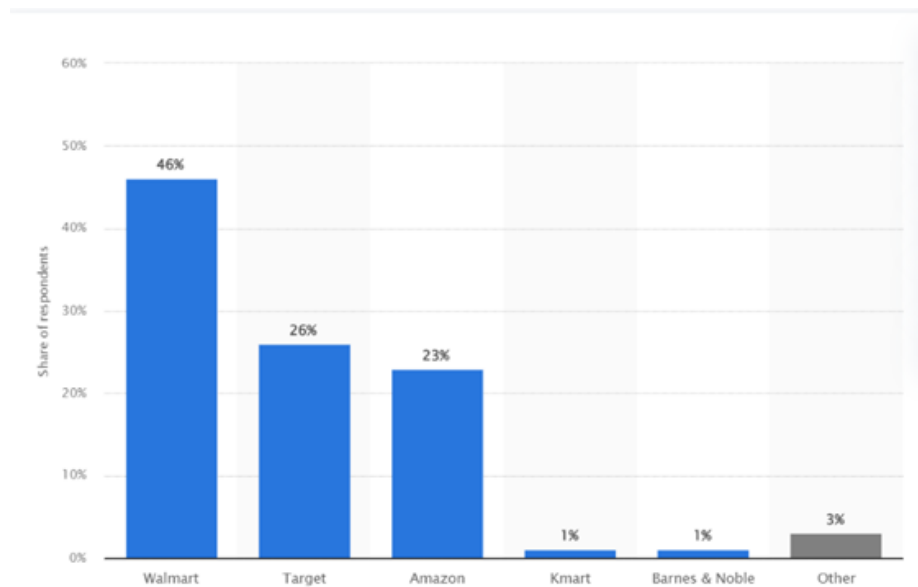
Geopolitical uncertainties add upside risk to prices and weaken consumer confidence, thus the rate of price growth shows little sign of slowing. It can be expected that consumers in the U.S may not be prone to large expenditures for goods which are not classified as "basic necessities".

¹⁹ <https://www.euromonitor.com/world-market-for-toys-and-games/report>

²⁰ <https://www.cnbc.com/2022/12/19/kidults-biggest-sales-driver-toy-industry.html>

The global supply crisis, which has been driven by pandemic delays, a lack of raw materials and soaring container costs, is one of the biggest problems facing the US toy industry. Toy manufacturers try to mitigate costs for the consumer.

As mentioned, online behaviour will be discussed in the corresponding section, but the following chart analyses the proportion of customers ordering offline.



As presented, “Walmart” is the leader in this ranking (46% of parents chose Walmart as their preferred retailer when shopping for and buying toys for their children in the United States in 2018), followed by Target - online and in-store chain, operating in the U.S. and Canada (26%)²¹.

In conclusion, it can be further argued that habits of American parents buying toys and games exclusively offline include shopping in the already established U.S.-based retail chains which customers perceive as familiar and trustworthy.

In any case, the target profile addressed for the products of this research are usually parents, grandparents, guardians, and carers. American parents often work long hours, which can limit the time they have to shop in

²¹ <https://www.statista.com/statistics/949103/favorite-retailer-of-parents-for-toy-shopping-us/>

shops. As a result, online shopping is becoming increasingly popular. US children's product consumers are very price sensitive: US parents are often very budget conscious, especially in tough economic times. As a result, affordable products are very popular.

Consumers of children's products in the US are very concerned about the quality of education, as well as their child's safety. In the US, education is a major concern for parents, and children's products that are designed to stimulate learning are very popular. Children's books, educational games and toys that promote cognitive development are in high demand, just as products that are labelled as safe and secure are very popular.

Thus, consumers seek for products that educate children far away from build biases or stereotypes, altering their consuming habits into more sustainable ones (not buy-and-throw) and are very interested in digitised toys and games.

On the one hand, these tendencies not only are seen in the toy market. For the apparel sector there are also concerns, especially around environmental issues. Therefore, consumers are tending to buy in businesses where their interests, ideas and beliefs are considered, more than in traditional fast fashion establishments.

Lately, the data has shown the following interesting results²²:

- Men aged 25-34 are the most likely population segment to buy sustainable fashion.
- 73% of millennials are willing to pay more for sustainable brands.
- 46% of fast fashion retailers reported a drop in sales since 2020.
- 55% of US consumers are interested in buying sustainable fashion.
- 33% of US consumers would buy all their clothes at a sustainable clothing store if they knew where to find one.

²² <https://theroundup.org/sustainable-fashion-statistics/>

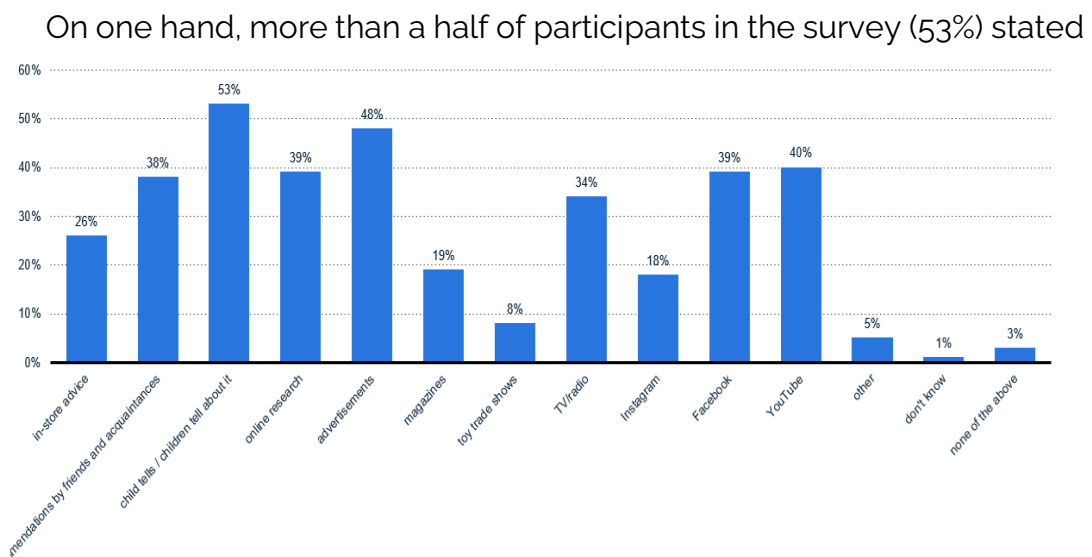
- 69% of the worldwide known magazine Vogue confess to consider sustainability as an important matter when deciding on a new fashion purchase.

On the other hand, there are still big demographic groups attached to traditional business model (fast fashion), this data reveals:

- Women under 35 are the largest target demographic for fast fashion.
- 54% of people believe that social media influencers are partly responsible for in-mass production clothing (73% of people aged 18-24).
- 17% of people rely on *Instagram* when making a fashion choice, doubling the figure shown five years ago.
- When buying online, the average purchase is around 3 items at a time.

3.2. MARKETING

Additional information on how customers become aware of new toys would be beneficial for the research. The following chart analyses how U.S. customers become aware of a new toy (out of a multi choice survey)²³:



that they become aware of new toys mainly through “word-of-mouth”.

²³ Statista

Another major source of new information about trends in the toy industry are advertisements (48%), which could be linked to the increasing number of children possessing electronic devices, sources of new information (smartphones, where children can reach certain advertisements, or to see recommended toys by YouTubers for example). On the other hand, means of awareness such as toy trade shows mark barely 8%, validating the opinion of how powerful digitalization has become.

Even if children become aware of various toy offerings, there are certain occasions during which there is a greater chance for them to receive the goods they crave for.

In a survey conducted in 2022, 32% of parents spent up to 50 USD on their child's birthday gift, followed by 28% who spend up to 100 USD and 27% who spend more than 100 USD; whilst only 13% of the sample tested spend less than \$20 per child for a birthday occasion.

The last point for discussion in this paragraph has an aim to cover **marketing strategies** implemented by companies operating in the toy industry to influence parents/children's decisions of buying their product. Therefore, four concepts will be presented and named: working with online influencers, collaboration with the entertainment industry, hit parents with nostalgia and collaboration with the video game industry.

Firstly, **working with online influencers** appears to be both an obvious and beneficial form of collaboration. In accordance with a 2018 Pew Research Center report, 81% of parents of kids under the age of eleven allow them to watch YouTube, and all these kids are only interested in watching influencers. To gain attention, influencer marketing is effective across industries, and toy and baby enterprises are no different. Ryan's World, a well-known kids' YouTube channel, is just one illustration of the tremendous possibility influencers present for toy companies. The channel's host, eight-year-old Ryan Kaji, has almost 23 million members. Kaji is best known for his toy unwrapping videos on his YouTube channel, but he has since transitioned into hosting a Nickelodeon program. He also produces his own brands of apparel

and toys. Each of Kaji's YouTube videos receives an average of 1 million views, and he earned \$26 million in 2019 alone.

Family-oriented channels can be found in great numbers on Instagram and YouTube channels. At the age of just 5, Anastasia Radzinskaya hosted her own YouTube channel and has agreements with Dannon and Legoland. The eco-friendly baby, home, and health product manufacturer Honest Company, owned by actress Jessica Alba, has enlisted the aid of brand ambassadors on Instagram to highlight the advantages of its goods.

Toy and infant firms may be able to engage with important consumers and grow their followings inside well-known online communities by collaborating with influencers.

Secondly, **collaboration with the entertainment industry** takes place. The market share of toy companies that collaborate with the entertainment sector has also increased. One of the most convincing examples of a toy brand that has flourished in this market is the LEGO toy corporation. The Lego Movie's \$400 million-plus in box office earnings might be used as an example. Along with many other popular franchises, LEGO has teamed with characters from Frozen, Star Wars, Harry Potter, Spider-Man, and Batman. Even though not every brand has the resources of LEGO, toy companies with smaller budgets can nevertheless pursue chances in the entertainment sector. Brands may benefit from other strategies like in-movie product placements or cinema commercials. For example, companies have started creating their own television content to support their brand; in July 2023 Mattel will launch the movie "Barbie" whilst Hasbro will launch "Dungeons & Dragons: Honor Among Thieves" in March 2023. In any case, this content is not designed for young kids, but rather towards kidults, described earlier.

Hitting parents with nostalgia should be further clarified. What's old is new again is an important trend to keep an eye on. Many vintage toys are making a comeback, and toy and infant companies are profiting in this wave of nostalgia. Classic children's toys like the View-Master, Lincoln Logs, Etch A

Sketch, and other favourites come up when one quickly searches "classic toys for kids" on Amazon.

The top search results for "classic baby toys" are dominated by Fisher-Classic Price's Xylophone, Chatter Telephone, and Rock-a-Stack toys. Baby brands are no different. Baby clothing is another item where shopping with nostalgia in mind is acceptable.

Companies like Feltman Brothers have found success with their collections of traditional infant clothing.

Lastly, **collaboration with the video game industry** is especially important because many children nowadays love playing video games online, especially ones like Minecraft (age 7 and up), Fortnite (age 12 and up), and Super Smash Bros. Ultimate (age 12 and up). It's getting more and more common to collaborate with these game companies to create different products. This is taken a step further by some companies, like LEGO, who create their own game lines. The selection of LEGO video games is huge, with games like LEGO Batman: The Video Game (for ages 10 and up), LEGO City Undercover (for ages 7 and up), and LEGO Pirates of the Caribbean: The Video Game, among many more (age 9 and up).

This also applies to gamers, whether on YouTube or Twitch, as some online gamers are popular with many children.

Regarding children's books, marketing strategies can vary depending on the target age of the children, the literary genre, and the objective of the author or publisher. However, here are some of the most common marketing strategies for children's books:

- Use of social media. Social media such as Facebook, Instagram and Twitter are popular platforms for promoting children's books. Publishers and authors can create accounts for their business and post content that engages parents, such as book excerpts, images, and videos.

- Promotion in bookshops: Bookstores are often the place where parents look for books for their children. Publishers can work with bookstores to showcase new children's books and organise author signing events.
- Book reviews: Book reviews are an excellent way to promote children's books. Publishers can send free copies to book reviewers, bloggers, influencers, and journalists to get positive reviews and publicise their books.
- Influencer marketing: Publishers can work with influencers such as children's literature bloggers and librarians to promote their books to a wider audience. Influencers can run competitions, write reviews, and recommend books to their followers.
- Book launch events: Book launch events are an excellent opportunity to promote new children's books. Publishers can hold book launches in bookstores, schools, or community centres to introduce new titles.
- E-mail marketing: Publishers can also use e-mail marketing to promote their children's books. They can send regular newsletters to their mailing list to inform parents of new titles, launch events and special offers.

For the **children's furniture** market in the US, promotion is done through specialized shops or trade shows where the different products can be displayed so that the salesmen can answer the customers' questions. In addition, various tools such as social networks are very important.

With regards to **the clothing industry**, it is a highly competitive sector with a diverse range of brands and companies that cater to different target markets. To stand out in this crowded marketplace and attract and retain customers, clothing companies employ a variety of marketing strategies. Here are some examples of these strategies:

- Building a strong brand identity: Clothing companies invest heavily in building a strong brand identity that reflects their values, personality, and target audience. For example, Nike's "Just Do It" campaign and

logo have become iconic in the sports apparel industry, reflecting the brand's values of athleticism, determination, and innovation.

- Developing innovative products: Clothing companies continuously innovate and develop new products to meet the evolving needs and preferences of their target audience. For example, Zara has built its brand around its fast-fashion model, which involves quickly identifying and responding to emerging fashion trends and introducing new products to its stores every week.
- Pricing and promotions: Clothing companies use various pricing and promotional strategies to attract and retain customers. For example, H&M frequently offers discounts and promotions to its customers, while luxury brands like Louis Vuitton and Gucci focus on exclusivity and premium pricing to maintain their brand image.
- Distribution channels: Clothing companies distribute their products through various channels, including physical stores, e-commerce websites, social media platforms, and third-party retailers. For example, online retailers like ASOS and Boohoo have built their brands around their e-commerce platforms, offering a wide range of products and a seamless shopping experience to their customers.
- Customer engagement and feedback: Clothing companies engage with their customers through various communication channels, such as social media, email, chatbots, and customer service centres. For example, American Eagle Outfitters has a strong social media presence, engaging with its customers through Instagram, Facebook, and Twitter to promote its products and build brand loyalty.
- Sustainability and social responsibility: Clothing companies increasingly incorporate sustainability and social responsibility into their marketing strategies, responding to growing consumer demand for ethical and eco-friendly products. For example, Patagonia has built its brand around its commitment to sustainability, using its marketing

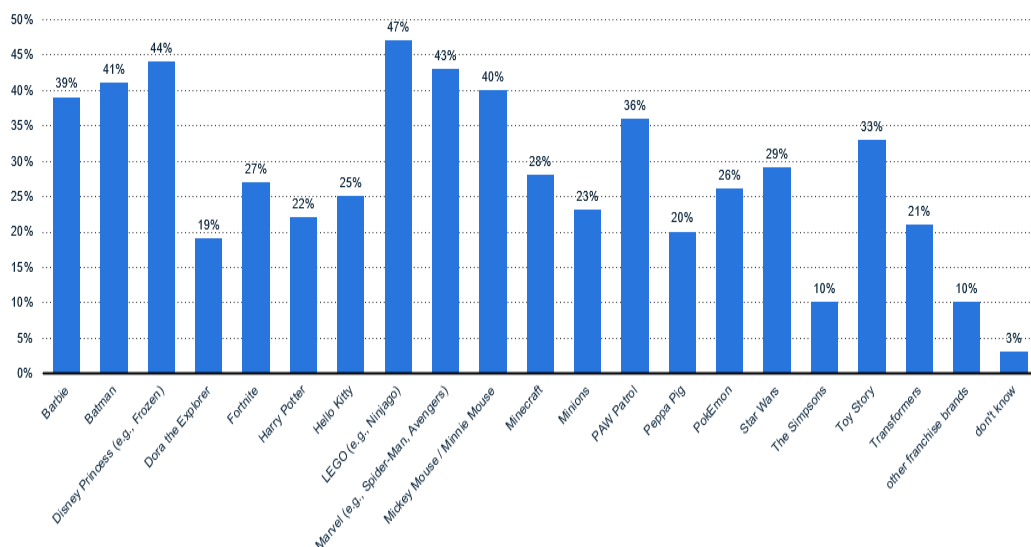
campaigns and messaging to promote environmental activism and responsibility.

Overall, the marketing strategy of the clothing industry involves building a strong brand identity, developing innovative products, pricing, and promoting them effectively, distributing them efficiently, engaging and listening to customers, and promoting sustainability and social responsibility.

3.3. BRAND IMPORTANCE

A general trend is observed for customers to **change brands at a more rapid pace** compared to pre-Covid period. According to McKinsey&Company (2020), around 36% of consumers have tried different brands and 73% out of them intend to continue to incorporate the new brands into their daily routine.²⁴

For further analysis, a series of detailed graphs are made. Firstly, the following information concerns **"Trend/franchise" ownership by brand** (see the bar chart)²⁵:



²⁴ <https://morningconsult.com/2022/03/07/ukraine-conflict-heightens-inflation-risk-threatening-outlook-for-u-s-consumers/>

²⁵ [Statista Consumer Insights | Statista](#)

Lego (e.g., Ninjago) marks the highest score of 47% (47% of children's parents which took the survey possessed a LEGO toy). Slightly behind it are brands such as: Disney Princess (e.g. Frozen) (44%), Marvel (e.g. Spider-Man, Avengers)(43%). At the bottom of the ranking are positioned brands like Dora the Explorer (19%) and The Simpsons (10%). **All the mentioned toy brands are associated with certain films/series.** Taking into consideration the time frame at which these films/series were broadcasted, it can be concluded that the best perceived toys by children are related to the trendiest films in the industry, such as Avengers and Lego.

The children's footwear and apparel market in the US is led by major brands such as Nike, Adidas, Skechers, Crocs, and New Balance (footwear); as well as Arter's, Gap Kids and The Children's Place (clothing). Regarding toys, the **five best selling toy brands last year**, taking into account the data until September 2022, Pokémon was the one that achieved most sales, followed by Star Wars, Barbie, Marvel Universe and Hot Wheels.

4- CORRUPTION INDEX

Corruption is a complex issue and measuring it accurately is not easy. There are different indices that attempt to measure corruption, but they use different methodologies, criteria, and sources of data.

One of the most widely used corruption indices is the Corruption Perceptions Index (CPI) published by Transparency International. The CPI ranks countries on a scale of 0 to 100, where 0 represents a highly corrupt country and 100 represents a very clean country.

As for the Corruption Perception Index of the public sector in the United States corresponding to the year 2022, it has scored **69 points**, that is to say, that citizens had a low level of perception of government corruption, and this has not changed with respect to the year 2020. However, concerning corruption ranking, the United States has worsened its position compared to

2020, occupying position 27 in 2021, when in 2020 it occupied 25th position, but improved its position in 2022 to reach 24th position in the ranking. Nevertheless, in recent years, there has been an increase in public perception of corruption and mistrust of institutions.

According to the CPI report (2021), here are the key figures and rankings of the United States, Chile, and South Korea:

-United States: **scored 69 points out of 100**, ranked **24th** out of 180 countries

-Chile: **scored 67 points out of 100**, ranked **16th** out of 180 countries

-South Korea: **scored 63 points out of 100**, ranked **37th** out of 180 countries

It's important to note that the CPI is not the only measure of corruption, and it has limitations. For example, it focuses on perceptions of corruption rather than actual cases of corruption, and it may be influenced by factors such as media freedom and civil society participation.

5. IMPORTS AND EXPORTS: VOLUMES AND TRENDS

In terms of export and import, the US ranks first in exports and second in imports in the world (Biden's administration has recently removed certain tariffs).

5.1. TOY MARKET

Regarding the importations for products under tariff code (T.C.) 95: "Toys, games and sports requisites; parts and accessories thereof":

Exporters	Value imported in 2021 (USD thousand) ▼	Trade balance 2021 (USD thousand) ↓	Share in United States of America's imports (%) ↓	Growth in imported value between 2017-2021 (%. p.a.) ↓	Growth in imported value between 2020-2021 (%. p.a.) ↓	Ranking of partner countries in world exports ↓	Share of partner countries in world exports (%) ↓
World	51,860,688	-45,089,756	100	10	43		100
China	40,420,476	-40,308,768	77.9	9	45	1	58.7
Taipei_Chinese	2,983,677	-2,946,841	5.8	30	67	8	2.4
Viet Nam	2,496,019	-2,487,657	4.8	46	12	10	1.7
Mexico	1,234,756	-287,797	2.4	1	40	15	1.1
Japan	504,524	-213,665	1	24	25	6	2.6
Indonesia	496,241	-493,006	1	16	46	25	0.4
Canada	427,289	2,290,584	0.8	2	29	18	0.6

Sources: ITC calculations based on customs statistics.

Its largest exporter is China (77,9% of imports), followed by Chinese Taipei (5.8%). In total, products worth USD 51.860.688.0000 were imported in 2021.

As for European products, we find that the first provider is Germany in 12th position, with only 0,40 % of imports. Denmark and Spain, on the other hand, are in the 26th and 27th position of exporters to United States for products under this category.

Regarding world exports from the US for products under this code, its world position is 2 and its main destination is Canada with 40,1 % of total exports. The data is shown below.

Importers	Value exported in 2021 (USD thousand) ▼	Trade balance 2021 (USD thousand) ↓	Share in United States of America's exports (%) ↓	Growth in exported value between 2017-2021 (%. p.a.) ↓	Growth in exported value between 2020-2021 (%. p.a.) ↓	Ranking of partner countries in world imports ↓	Share of partner countries in world imports (%) ↓
World	6,770,932	-45,089,756	100	-3	26		100
Canada	2,717,873	2,290,584	40.1	3	24	6	3.5
Mexico	946,959	-287,797	14	3	35	16	1.7
United Kingdom	317,330	131,551	4.7	-5	22	3	5.1
Japan	290,859	-213,665	4.3	-2	19	5	4.3
Australia	278,896	249,826	4.1	3	44	11	2.1
Germany	202,241	-5,001	3	7	45	2	6.7
Korea_Republic of	173,153	-42,397	2.6	6	10	13	1.9
Netherlands	160,071	76,460	2.4	-11	23	7	3.2

Sources: ITC calculations based on customs statistics.

As for the products under tariff code: 9503 "Tricycles, scooters, pedal cars and similar wheeled toys; dolls' carriages; dolls; other toys; reduced-size "scale" recreational models, working or not; puzzles of all kinds", the importation data for the U.S. is reflected in the chart below

Exporters	Value imported in 2021 (USD thousand) ▼	Trade balance 2021 (USD thousand) ⚡	Share in United States of America's imports (%) ⚡	Quantity imported in 2021	Quantity unit	Unit value (USD/unit) ⚡	Growth in imported value between 2017-2021 (%. p.a.) ⚡	Growth in imported quantity between 2017-2021 (%. p.a.) ⚡	Growth in imported value between 2020-2021 (%. p.a.) ⚡
World	19,680,481	-18,321,846	100	9,675,422,070	Units	2.03	5	62	37
China	15,945,501	-15,934,237	81	6,992,742,476	Units	2.28	4	76	36
Viet Nam	1,252,326	-1,252,131	6.4	449,981,320	Units	2.78	27	1,467	47
Mexico	738,853	-511,809	3.8	1,162,887,169	Units	0.64	5	37	39
Indonesia	439,463	-439,092	2.2	177,927,863	Units	2.47	20	131	47
Taipei_Chinese	258,536	-254,649	1.3	50,276,880	Units	5.14	11	389	37

Sources: ITC calculations based on customs statistics.

China is the main provider with more than 80% of total imports. On the other hand, Denmark ranks 15th in total imported value in the United States, Spain ranks 21st and France 22nd, however, the share of total imports is still less than 1% due to the large Chinese participation in this market.

Regarding exports, data is shown below:

Importers	Value exported in 2021 (USD thousand) ▼	Trade balance 2021 (USD thousand) ⚡	Share in United States of America's exports (%) ⚡	Quantity exported in 2021	Quantity unit	Unit value (USD/unit) ⚡	Growth in exported value between 2017-2021 (%. p.a.) ⚡	Growth in exported quantity between 2017-2021 (%. p.a.) ⚡	Growth in exported value between 2020-2021 (%. p.a.) ⚡
World	1,365,046	-18,249,671	100	444,206,551	Units	3.07	1		22
Canada	815,731	766,979	59.8	1,332,987	Units	612	4		23
Mexico	227,049	-511,597	16.6	75,830,854	Units	2.99	19		53
United Kingdom	46,696	-71,017	3.4	85,990,512	Units	0.54	-15		-28
Australia	28,985	27,348	2.1	31,474,849	Units	0.92	-1		4
Chile	21,601	21,593	1.6	2,828,872	Units	7.64	-5		53
Germany	17,594	-49,321	1.3	1,003,345	Units	18	1		21
Brazil	17,018	16,855	1.2	16,343,511	Units	1.04	4		51
Netherlands	13,172	8,753	1	1,068,118	Units	12	-3		19

Sources: ITC calculations based on customs statistics.

Compared to total imports, USA only exported 1.365.046 thousand USD worth of products and its main destinations were Canada, Mexico and the UK.

Following on from T.C. 9504, corresponding to "Video game consoles and machines, articles for games of chance, table or parlour games, including those with motor or mechanism, billiards, special tables for casino games and automatic bowling alley games".

Exporters	Value imported in 2021 (USD thousand) ▼	Trade balance 2021 (USD thousand) ↓	Share in United States of America's imports (%) ↓	Quantity imported in 2021	Quantity unit	Unit value (USD/unit) ↓	Growth in imported value between 2017-2021 (%. p.a.) ↓	Growth in imported quantity between 2017-2021 (%. p.a.) ↓	Growth in imported value between 2020-2021 (%. p.a.) ↓	Ranking of partner countries in world exports ↓	Share of partner countries in world exports (%) ↓
World	12,461,378	-9,887,494	100	0	Mixed		14		52		100
China	10,652,227	-10,639,224	85.5	0	Mixed		12		67	1	47.3
Viet Nam	658,261	-656,878	5.3	11,011,595	Units	60	222		-30	9	1.7
Japan	257,115	-207,452	2.1	0	Mixed		33		6	2	8.6
Mexico	211,916	305,236	1.7	0	Mixed		-9		83	15	0.9
Taipei_Chinese	84,960	-76,228	0.7	0	No quantity		6		30	24	0.4
Malaysia	78,091	-74,220	0.6	0	Mixed		110		2	20	0.6
Korea_Republic of	76,774	-43,139	0.6	1,459,337	Units	53	-18		5	29	0.2
Slovenia	59,302	-54,494	0.5	2,388,518	Units	25	12		164	27	0.3
Germany	49,675	35,606	0.4	0	Mixed		20		56	5	4.9
Philippines	37,286	-33,331	0.3	1,894,285	Units	20	7		30	43	0.04

Sources: ITC calculations based on customs statistics.

Imports of this product come mainly from China. Exports from China represent more than 85% of total imports made by the United States, with a value of around US \$10.6 billion. Imports from France, Denmark and Spain were minimum, with data recording less than 0,1% share in the US market.

Importers	Value exported in 2021 (USD thousand) ▼	Trade balance 2021 (USD thousand) ↓	Share in United States of America's exports (%) ↓	Quantity exported in 2021	Quantity unit	Unit value (USD/unit) ↓	Growth in exported value between 2017-2021 (%. p.a.) ↓	Growth in exported quantity between 2017-2021 (%. p.a.) ↓	Growth in exported value between 2020-2021 (%. p.a.) ↓	Ranking of partner countries in world imports ↓	Share of partner countries in world imports (%) ↓
World	2,573,884	-9,887,494	100	0	Mixed		-7		27		100
Canada	886,817	852,692	34.5	0	Mixed		0		15	9	3.1
Mexico	517,152	305,236	20.1	15,987,550	Units	32	-3		24	13	1.7
Australia	124,444	113,604	4.8	0	Mixed		3		106	12	1.9
United Kingdom	110,259	76,883	4.3	0	Mixed		-1		62	3	6.5
Germany	85,281	35,606	3.3	0	Mixed		25		89	2	8.7
Chile	84,900	84,798	3.3	0	Mixed		-20		83	30	0.4
Hong Kong_China	59,399	41,627	2.3	0	Mixed		8		-2	7	3.7
Belgium	54,423	31,578	2.1	0	Mixed		39		87	14	1.4

Sources: ITC calculations based on customs statistics.

Regarding US exports for the product under this category, its main importer is Canada, which represents 34,5% of the total goods exported, which represents 886.817 thousand USD. Neither France, Spain nor Denmark have notable figures in this area.

Following with products under the code 3503: Gelatin, whether or not in square or rectangular sheets, whether or not surface-worked or coloured,

and gelatin derivatives; isinglass; other glues of animal origin (excluding those packaged as glue for retail sale and weighing net <= 1 kg, and casein glues of heading 3501), imports are as follows:

Exporters	Value imported in 2021 (USD thousand)	Trade balance 2021 (USD thousand)	Share in United States of America's imports (%)	Quantity imported in 2021	Quantity unit	Unit value (USD/unit)	Growth in imported value between 2017-2021 (% p.a.)	Growth in imported quantity between 2017-2021 (% p.a.)	Growth in imported value between 2020-2021 (% p.a.)
World	334,713	-196,271	100	53,667	Tons	6,237	8	6	5
Brazil	107,574	-105,578	32.1	17,294	Tons	6,220	11	7	-1
Canada	34,896	13,108	10.4	6,212	Tons	5,618	3	6	0
Argentina	24,036	-21,790	7.2	3,641	Tons	6,601	-1	1	36
Germany	21,015	-15,563	6.3	2,574	Tons	8,164	13	13	-11
China	18,716	-11,313	5.6	3,486	Tons	5,369	0	-4	-29
United Kingdom	18,363	-18,049	5.5	2,646	Tons	6,940	10	7	-7
Belgium	17,893	-17,893	5.3	3,171	Tons	5,643	1	0	-4
Korea, Republic of	13,067	-7,290	3.9	1,763	Tons	7,412	2	-1	3
Japan	11,333	-6,621	3.4	1,382	Tons	8,200	4	2	12
Netherlands	11,199	-11,194	3.3	2,659	Tons	4,212	21	12	14
India	10,438	-6,534	3.1	1,240	Tons	8,418	0	-2	44
France	8,787	-8,459	2.6	1,166	Tons	7,536	1	0	30

Sources: ITC calculations based on customs statistics.

USA's main provider is Brazil, followed by Canada and Argentina. In terms of European products, Germany is the fourth main exporter and first European country, with 6,3% share in USA's total imports for these products. Other important European providers are Belgium (5,3%), Netherlands (3,3%) and France (2,6%). Spain exported 271 tons of products, with a share of 0,6% in the US market and Denmark 192 tons (0,1% share).

Whilst exports:

Importers	Value exported in 2021 (USD thousand)	Trade balance 2021 (USD thousand)	Share in United States of America's exports (%)	Quantity exported in 2021	Quantity unit	Unit value (USD/unit)	Growth in exported value between 2017-2021 (% p.a.)	Growth in exported quantity between 2017-2021 (% p.a.)	Growth in exported value between 2020-2021 (% p.a.)
World	138,442	-196,271	100	19,275	Tons	7,182	5	1	-5
Canada	48,004	13,108	34.7	7,142	Tons	6,721	0	-4	-12
Mexico	38,099	36,905	27.5	4,816	Tons	7,911	6	0	23
China	7,403	-11,313	5.3	1,352	Tons	5,476	2	7	-4
Korea, Republic of	5,777	-7,290	4.2	1,248	Tons	4,629	10	23	7
Germany	5,452	-15,563	3.9	605	Tons	9,012	30	22	-44
Indonesia	5,023	5,023	3.6	619	Tons	8,115	17	18	52
Japan	4,712	-6,621	3.4	670	Tons	7,033	5	2	-27
Viet Nam	4,625	4,603	3.3	601	Tons	7,696	25	19	36
India	3,904	-6,534	2.8	485	Tons	8,049	7	4	-47
Dominican Republic	3,329	3,329	2.4	372	Tons	8,949	-4	-6	-5
Argentina	2,246	-21,790	1.6	269	Tons	8,349	1	-3	33
Brazil	1,996	-105,578	1.4	241	Tons	8,282	38	58	-40

Sources: ITC calculations based on customs statistics.

As we can see, the main destinations are Canada (34,7% of USA's exports) and Mexico (27,5%). The products are also exported to Asia, as China is the third main importer, followed by South Korea. Indonesia, Japan, Vietnam and India are also Asian importers for these US products.

As for the information concerning products under the code 3407: "Modelling pastes, incl. those put up for children's amusement; preparations known as "dental wax" or as "dental impression compounds", put up in sets, in packings for retail sale or in plates, horseshoe shapes, sticks or similar forms; other preparations for use in dentistry, with a basis of plaster "of calcined gypsum or calcium sulphate".

Exporters	Value imported in 2021 (USD thousand)	Trade balance 2021 (USD thousand)	Share in United States of America's imports (%)	Quantity imported in 2021	Quantity unit	Unit value (USD/unit)	Growth in imported value between 2017-2021 (% p.a.)	Growth in imported quantity between 2017-2021 (% p.a.)	Growth in imported value between 2020-2021 (% p.a.)
World	333,708	-253,341	100	66,729	Tons	5,001	6	15	26
China	187,009	-181,922	56	42,770	Tons	4,372	6	8	30
Germany	42,691	-36,232	12.8	8,537	Tons	5,001	-7	48	17
Japan	30,673	-26,708	9.2	429	Tons	71,499	3	-1	72
Sweden	17,616	-17,152	5.3	5,032	Tons	3,501	23	29	17
Italy	9,070	-9,012	2.7	1,869	Tons	4,853	9	16	21
France	9,022	-8,867	2.7	2,265	Tons	3,983	108	116	14
Romania	6,528	-6,528	2	161	Tons	40,547	3	11	-18
Mexico	4,489	2,509	1.3	1,020	Tons	4,401	30	44	-38
Greece	4,273	-4,248	1.3	164	Tons	26,055	92	97	78
Thailand	4,253	-3,930	1.3	2,315	Tons	1,837	21	18	13

Sources: ITC calculations based on customs statistics.

USA's main providers for these products are China (56% share), Germany (12,8%) and Japan (9,2%). For these products, we can appreciate a great number of European providers, such as Sweden, Italy, France (2.265 tons), Romania and Greece. Regarding Spain and Denmark, they exported 230 and 0 tons, respectively.

On the other hand, exports are shown below:

Importers	Value exported in 2021 (USD thousand)	Trade balance 2021 (USD thousand)	Share in United States of America's exports (%)	Quantity exported in 2021	Quantity unit	Unit value (USD/unit)	Growth in exported value between 2017-2021 (% p.a.)	Growth in exported quantity between 2017-2021 (% p.a.)	Growth in exported value between 2020-2021 (% p.a.)
World	80,367	-253,341	100	8,973	Tons	8,957	0	7	32
Canada	23,837	23,165	29.7	3,045	Tons	7,828	-1	8	28
Belgium	7,390	6,922	9.2	207	Tons	35,700	2	13	50
Mexico	6,998	2,509	8.7	1,394	Tons	5,020	7	9	198
Australia	6,967	6,922	8.7	307	Tons	22,694	7	23	-11
Germany	6,459	-36,232	8	1,755	Tons	3,680	-11	17	22
China	5,087	-181,922	6.3	503	Tons	10,113	15	38	48
United Kingdom	3,991	3,497	5	178	Tons	22,421	4	1	42
Japan	3,965	-26,708	4.9	357	Tons	11,106	-1	8	7
Korea, Republic of	1,745	427	2.2	64	Tons	27,266	-9	-20	-8
Netherlands	1,558	-655	1.9	69	Tons	22,580	49	43	15
Chile	1,006	1,006	1.3	131	Tons	7,679	11	65	215

Sources: ITC calculations based on customs statistics.

Once again, the main destination is Canada (29,7% of total exports). As we can see, the products are sold worldwide in Europe (Belgium, Germany), Asia (China, Japan), South America (Mexico, Chile) and Australia.

Finally, for products under the code 3213: Artist's, student's or signboard painter's colours, modifying tints, amusement colours and the like, in tablets, tubes, jars, bottles, pans or similar packages, imports are shown as follow:

Exporters	Value imported in 2021 (USD thousand)	Trade balance 2021 (USD thousand)	Share in United States of America's imports (%)	Quantity imported in 2021	Quantity unit	Unit value (USD/unit)	Growth in imported value between 2017-2021 (% p.a.)	Growth in imported quantity between 2017-2021 (% p.a.)	Growth in imported value between 2020-2021 (% p.a.)
World	208,788	-145,900	100	514,187,678	Units	0.41	10		21
China	125,269	-123,180	60	424,814,181	Units	0.29	6		15
France	24,108	-23,777	11.5	23,319,573	Units	1.03	12		30
United Kingdom	16,418	-12,046	7.9	10,075,401	Units	1.63	23		8
Mexico	7,039	-5,968	3.4	14,937,609	Units	0.47	52		42
Spain	5,224	-5,011	2.5	3,301,515	Units	1.58	28		45
Netherlands	4,026	-3,008	1.9	2,369,786	Units	1.70	24		45
Germany	3,758	-2,567	1.8	2,388,438	Units	1.57	26		73
Denmark	3,547	-3,186	1.7	1,916,248	Units	1.85	109		10
Japan	3,239	-2,681	1.6	2,961,928	Units	1.09	8		7
Mauritius	3,221	-3,221	1.5	1,245,999	Units	2.59	30		190
Viet Nam	2,867	-2,504	1.4	4,981,174	Units	0.58	20		19
Taipei, Chinese	2,607	-2,285	1.2	1,508,585	Units	1.73	18		51

Sources: ITC calculations based on customs statistics.

The main providers are China (60% share in USA's total imports), France (11,5%) and the UK (7,9%). Other important European providers were Spain (2,5% of total shares, which is equal to 5.224 thousand USD), Netherlands, Germany and Denmark (3.547 thousand USD).

Whilst exports are shown below:

Importers	Value exported in 2021 (USD thousand)	Trade balance 2021 (USD thousand)	Share in United States of America's exports (%)	Quantity exported in 2021	Quantity unit	Unit value (USD/unit)	Growth in exported value between 2017-2021 (% p.a.)	Growth in exported quantity between 2017-2021 (% p.a.)	Growth in exported value between 2020-2021 (% p.a.)
World	62,888	-145,900	100	34,541,062	Units	1.82	5		14
Canada	34,004	33,815	54.1	18,369,737	Units	1.85	7		8
United Kingdom	4,372	-12,046	7	1,827,485	Units	2.39	18		16
China	2,089	-123,180	3.3	905,377	Units	2.31	-14		1
Aruba	1,766	1,766	2.8	1,743,356	Units	1.01	95		2,826
Curaçao	1,325	1,325	2.1	1,204,566	Units	1.10	108		100
Barbados	1,303	1,303	2.1	1,190,835	Units	1.09	76		44
Australia	1,245	1,130	2	420,660	Units	2.96	-16		-34
Germany	1,191	-2,567	1.9	378,527	Units	3.15	11		55
Mexico	1,071	-5,968	1.7	782,884	Units	1.37	9		46
Bahamas	1,031	1,031	1.6	609,404	Units	1.69	3		-2
Netherlands	1,018	-3,008	1.6	383,061	Units	2.66	62		-12
Korea, Republic of	923	14	1.5	352,781	Units	2.62	-8		45

Sources: ITC calculations based on customs statistics.

Canada continues being the first destination, followed by the UK and China. In any case, 62.888 thousand USD worth of products were exported in 2021.

5.2. APPAREL MARKET

As for the products under tariff code 61 Articles of apparel and clothing accessories, knitted or crocheted, the importation data for the U.S. is reflected in the chart below:

Exporters	Value imported in 2021 (USD thousand) ▼	Trade balance 2021 (USD thousand) ⚡	Share in United States of America's imports (%) ⚡	Growth in imported value between 2017-2021 (%. p.a.) ⚡	Growth in imported value between 2020-2021 (%. p.a.) ⚡
World	52,283,428	-49,268,485	100	0	37
China	13,078,431	-13,019,237	25	-7	40
Viet Nam	9,138,970	-9,136,895	17.5	6	23
Cambodia	2,740,789	-2,740,756	5.2	12	25
Bangladesh	2,735,271	-2,735,133	5.2	15	63
Indonesia	2,520,831	-2,520,535	4.8	-2	29
Honduras	2,383,189	-2,304,252	4.6	-1	48
India	2,347,456	-2,346,295	4.5	4	52
El Salvador	1,684,888	-1,627,430	3.2	-4	40
Nicaragua	1,548,569	-1,291,862	3	6	47
Guatemala	1,534,229	-1,471,842	2.9	6	42

Sources: ITC calculations based on customs statistics.

According to Trade Map information, almost 50% of imports of these products come from China and Vietnam. Evaluating France, Spain and Denmark, imports from these countries represent less than 1% of total U.S. imports, with France being the country with the largest participation in these imports.

Regarding exports, data is shown below:

Importers	Value exported in 2021 (USD thousand) ▼	Trade balance 2021 (USD thousand) ⚡	Share in United States of America's exports (%) ⚡	Growth in exported value between 2017-2021 (%. p.a.) ⚡	Growth in exported value between 2020-2021 (%. p.a.) ⚡
World	3,030,769	-49,218,899	100	0	31
Canada	925,755	777,025	30.5	-2	16
Mexico	878,570	-194,907	29	12	51
Nicaragua	257,144	-1,291,177	8.5	10	78
United Kingdom	90,236	42,316	3	-13	-15
Japan	82,503	44,577	2.7	-5	-9
Honduras	78,937	-2,303,951	2.6	-6	140
Australia	62,536	53,059	2.1	1	21
Guatemala	62,387	-1,471,606	2.1	18	221
China	59,194	-13,012,594	2	6	11

Sources: ITC calculations based on customs statistics.

The main destination is Canada (30,5% of total exports), followed by Mexico (29%) and Nicaragua (8,5%). In total, 3,030.769 thousand USD worth of products were exported in 2021.

As for the products under tariff code 62 Articles of apparel and clothing accessories, not knitted or crocheted, the importation data for the U.S. is reflected in the chart below:

Exporters	Value imported in 2021 (USD thousand) ▼	Trade balance 2021 (USD thousand) ⚡	Share in United States of America's imports (%) ⚡	Growth in imported value between 2017-2021 (% p.a.) ⚡	Growth in imported value between 2020-2021 (% p.a.) ⚡
World	35,064,056	-32,918,467	100	-3	7
China	8,924,112	-8,834,370	25.5	-10	-13
Viet Nam	5,967,490	-5,963,711	17	5	4
Bangladesh	4,553,871	-4,553,323	13	4	26
India	2,149,805	-2,146,048	6.1	-2	30
Mexico	1,929,290	-1,460,622	5.5	-5	19
Indonesia	1,863,912	-1,862,485	5.3	-7	9
Italy	999,161	-938,432	2.8	-2	28
Cambodia	978,546	-975,474	2.8	14	13
Pakistan	953,336	-953,008	2.7	10	49
Sri Lanka	772,010	-771,777	2.2	-6	18

Sources: ITC calculations based on customs statistics.

Almost 50% of imports of this product come from China and Vietnam, closely followed by Bangladesh. Evaluating France, Spain and Denmark, imports from these countries represent less than 1% of total U.S. imports, with France being the country with the largest participation in these imports.

On the other hand, exports are shown below:

Importers	Value exported in 2021 (USD thousand) ▼	Trade balance 2021 (USD thousand) ⚡	Share in United States of America's exports (%) ⚡	Growth in exported value between 2017-2021 (% p.a.) ⚡	Growth in exported value between 2020-2021 (% p.a.) ⚡
World	2,163,568	-32,874,123	100	-4	21
Canada	790,098	444,306	36.5	-6	8
Mexico	468,660	-1,460,491	21.7	4	61
United Kingdom	99,615	34,821	4.6	-13	-4
China	89,712	-8,824,435	4.1	13	48
Italy	60,891	-937,876	2.8	3	33
Japan	60,889	6,688	2.8	-9	0
Australia	56,601	46,507	2.6	2	21
Korea, Republic of	32,961	12,200	1.5	4	-7
Chile	31,726	25,457	1.5	10	24

Sources: ITC calculations based on customs statistics.

As we can see, main destinations were Canada (36,5%), Mexico (21,7%) and UK (4,6%). In total, 2.163.568 thousand USD worth of products were exported in 2021.

Regarding the imports of products under the tariff code (6111): Babies' garments and clothing accessories, knitted or crocheted (excluding hats)

Exporters	Value imported in 2021 (USD thousand) ↓	Trade balance 2021 (USD thousand) ↓	Share in United States of America's imports (%) ↓	Quantity imported in 2021	Quantity unit	Unit value (USD/unit) ↓	Growth in imported value between 2017-2021 (% p.a.) ↓	Growth in imported quantity between 2017-2021 (% p.a.) ↓	Growth in imported value between 2020-2021 (% p.a.) ↓	Ranking of partner countries in world exports ↓	Share of partner countries in world exports (%) ↓
World	2,169,019	-2,121,291	100	116,112	Tons	18,680	1	2	37		100
China	585,095	-584,984	27	41,658	Tons	14,045	-15	-9	44	1	25.2
Cambodia	350,554	-350,554	16.2	17,122	Tons	20,474	12	11	15	5	4.7
India	348,655	-348,655	16.1	14,489	Tons	24,063	22	17	56	3	11.4
Viet Nam	314,662	-314,662	14.5	14,489	Tons	21,717	13	11	36	4	4.9
Bangladesh	148,722	-148,722	6.9	9,442	Tons	15,751	15	16	39	2	13.8
Indonesia	59,378	-59,378	2.7	2,121	Tons	27,995	-6	-7	37	12	2.3
Thailand	52,765	-52,765	2.4	2,282	Tons	23,122	-5	-3	3	17	1

Sources: ITC calculations based on customs statistics.

China appears to be the main exporter for the U.S. in 2021 generating 585,095,000 USD and quantity of 41,658 tons. Secondly, Cambodia takes place with 350,554,000 USD and 17,122 tons. Lastly, Thailand is ranked at the 7th position contributing with 52,765,000 USD and 2,282 tons. France exported 3 tons (worth 445 thousand USD), Spain 32 tons (worth 2.581 thousand USD) and Denmark 1 ton (worth 120 thousand USD).

Regarding the exports of such products under the same tariff code:

Importers	Value exported in 2021 (USD thousand) ↓	Trade balance 2021 (USD thousand) ↓	Share in United States of America's exports (%) ↓	Quantity exported in 2021	Quantity unit	Unit value (USD/unit) ↓	Growth in exported value between 2017-2021 (% p.a.) ↓	Growth in exported quantity between 2017-2021 (% p.a.) ↓	Growth in exported value between 2020-2021 (% p.a.) ↓	Ranking of partner countries in world imports ↓	Share of partner countries in world imports (%) ↓
World	47,728	-2,121,291	100	2,953	Tons	16,163	-4	-10	11		100
Canada	23,569	23,346	49.4	734	Tons	32,110	10	-6	17	10	2.3
United Arab Emirates	7,833	7,833	16.4	1,082	Tons	7,239	-4	-1	-2	12	2.1
Mexico	5,547	1,156	11.6	575	Tons	9,647	0	-15	3	29	0.7
Panama	1,140	1,136	2.4	73	Tons	15,616	-14	1	70	60	0.1
Venezuela, Bolivarian Republic of	982	982	2.1	105	Tons	9,352	344	220	347	107	0.02
Guatemala	858	-23,221	1.8	33	Tons	26,000	-2	-4	139	83	0.05
United Kingdom	618	327	1.3	25	Tons	24,720	-36	-39	-40	4	6.6

Sources: ITC calculations based on customs statistics.

Canada is the most major importer for the U.S. generating 23,569,000 USD and 734 tons of production in 2021. Secondly, UAE takes place with

7,833,000 USD and 1,082 tons. On the 7th position, United Kingdom contributes with 618,000 USD and 25 tons of production.

5.3. FOOTWEAR MARKET

As for the products under tariff code 64 Footwear, gaiters and the like; parts of such articles the importation data for the U.S. is reflected in the chart below:

Exporters	Value imported in 2021 (USD thousand) ▼	Trade balance 2021 (USD thousand) ⚡	Share in United States of America's imports (%) ⚡	Growth in imported value between 2017-2021 (% p.a.) ⚡	Growth in imported value between 2020-2021 (% p.a.) ⚡
World	28,644,841	-27,497,550	100	-1	33
China	12,292,908	-12,162,272	42.9	-8	34
Viet Nam	7,829,334	-7,651,315	27.3	7	16
Italy	2,176,075	-2,162,967	7.6	8	59
Indonesia	2,077,896	-2,006,408	7.3	5	45
Cambodia	748,807	-748,795	2.6	27	44
Mexico	578,600	-482,610	2	2	74
India	485,969	-483,918	1.7	-3	53
Germany	411,870	-404,961	1.4	22	124
Bangladesh	277,664	-277,630	1	23	85
Brazil	251,103	-249,640	0.9	1	62
Spain	201,068	-198,172	0.7	-8	32

Sources: ITC calculations based on customs statistics.

According to Trade Map, more than 50% of imports of this product come from China and Vietnam. Looking at the table we can see that the biggest European exporter is Italy with 2.176.075 thousand USD. Evaluating imports from France, Spain, and Denmark, we see that Spain ranks 11th in footwear imports into the United States, with a 0,7% share in United States of America's imports. France and Denmark, on the other hand, have a smaller share of imports to the United States.

Evaluating the exports, U.S. exports of this product were mainly directed to Canada, Vietnam, and China.

To be more precise, for products under the code 6402: Footwear with outer soles and uppers of rubber or plastics (excluding waterproof footwear

of heading 6401, orthopaedic footwear, skating boots with ice or roller skates attached, and toy footwear), imports are shown below:

Exporters	Value imported in 2021 (USD thousand)	Trade balance 2021 (USD thousand)	Share in United States of America's imports (%)	Quantity imported in 2021	Quantity unit	Unit value (USD/unit)	Growth in imported value between 2017-2021 (% p.a.)	Growth in imported quantity between 2017-2021 (% p.a.)	Growth in imported value between 2020-2021 (% p.a.)
World	6,315,343	-6,168,842	100	879,342,324	Pairs	7.18	-2		36
China	3,698,936	-3,694,061	58.6	658,473,803	Pairs	5.62	-5		39
Viet Nam	1,326,385	-1,326,385	21	125,036,849	Pairs	11	2		11
Indonesia	319,041	-318,979	5.1	25,984,916	Pairs	12	-6		42
Italy	260,024	-259,818	4.1	7,237,668	Pairs	36	26	14	87
Germany	196,153	-193,573	3.1	9,651,793	Pairs	20	16	18	112
Cambodia	172,876	-172,876	2.7	20,712,180	Pairs	8.35	23		25
India	53,083	-52,984	0.8	6,350,097	Pairs	8.36	29		35
Brazil	51,672	-51,412	0.8	7,596,542	Pairs	6.80	3		115
Mexico	41,362	-23,316	0.7	6,755,401	Pairs	6.12	8		94
Romania	37,714	-37,707	0.6	433,256	Pairs	87	2	-2	39

Sources: ITC calculations based on customs statistics.

USA's main providers for these products are China (58,6% of the total), Vietnam (21%) and Indonesia (5,1%). Important European providers are Italy (4,1% of total imports), Germany (3,1%) and Romania (0,6%). Regarding imports from Spain, they only represented 5.395 thousand USD (2.693 thousand for France and 10 thousand for Denmark).

Whilst data regarding exports:

Importers	Value exported in 2021 (USD thousand)	Trade balance 2021 (USD thousand)	Share in United States of America's exports (%)	Quantity exported in 2021	Quantity unit	Unit value (USD/unit)	Growth in exported value between 2017-2021 (% p.a.)	Growth in exported quantity between 2017-2021 (% p.a.)	Growth in exported value between 2020-2021 (% p.a.)
World	146,501	-6,168,842	100	14,754,644	Pairs	9.93	-9	-7	14
Canada	71,027	69,396	48.5	6,179,381	Pairs	11	-6	-9	9
Mexico	18,046	-23,316	12.3	3,692,947	Pairs	4.89	-15	-2	-17
Chile	6,395	6,393	4.4	546,202	Pairs	12	-6	-23	116
China	4,875	-3,694,061	3.3	391,653	Pairs	12	21	21	67
El Salvador	4,262	4,261	2.9	651,339	Pairs	6.54	4	23	125
United Kingdom	3,909	992	2.7	174,339	Pairs	22	9	-1	99
Japan	3,216	2,932	2.2	204,814	Pairs	16	-14	-14	-20
United Arab Emirates	2,732	2,165	1.9	222,987	Pairs	12	21	14	150
Germany	2,580	-193,573	1.8	156,795	Pairs	16	6	6	107
Australia	2,516	2,424	1.7	199,514	Pairs	13	-20	-12	-14

Sources: ITC calculations based on customs statistics.

The main destination is Canada, followed by Mexico and Chile. As we can see, products are sold worldwide: in South America (El Salvador), Europe (UK, Germany), Asia (China, Japan) and Australia.

Finally, products under the code 6403: Footwear with outer soles of rubber, plastics, leather or composition leather and uppers of leather (excluding orthopaedic footwear, skating boots with ice or roller skates attached, and toy footwear). Imports are as follows:

Exporters	Value imported in 2021 (USD thousand)	Trade balance 2021 (USD thousand)	Share in United States of America's imports (%)	Quantity imported in 2021	Quantity unit	Unit value (USD/unit)	Growth in imported value between 2017-2021 (% p.a.)	Growth in imported quantity between 2017-2021 (% p.a.)	Growth in imported value between 2020-2021 (% p.a.)
World	10,793,292	-10,506,416	100	459,919,346	Pairs	23	-2	-3	27
China	3,139,871	-3,124,874	29.1	159,217,048	Pairs	20	-15	-15	16
Viet Nam	2,707,667	-2,707,581	25.1	141,029,487	Pairs	19	9	9	12
Italy	1,311,269	-1,302,785	12.1	10,947,875	Pairs	120	2	-3	41
Indonesia	967,229	-967,110	9	56,922,622	Pairs	17	12	11	48
Mexico	476,591	-464,514	4.4	11,390,044	Pairs	42	9	8	80
India	380,282	-380,034	3.5	20,588,469	Pairs	18	-4	0	55
Cambodia	327,398	-327,386	3	14,930,813	Pairs	22	26	19	56
Bangladesh	250,338	-250,304	2.3	9,299,701	Pairs	27	21	24	84
Germany	182,620	-180,555	1.7	4,407,732	Pairs	41	27	22	124
Brazil	175,797	-175,312	1.6	7,210,555	Pairs	24	-1	4	51
Portugal	157,451	-157,328	1.5	2,996,110	Pairs	53	5	1	41
Spain	155,393	-153,104	1.4	2,779,132	Pairs	56	-10	-8	27

Sources: ITC calculations based on customs statistics.

Main providers are China (29,1% share in the US market), Vietnam (25,1% and Italy (12,1%). Spain also appears as one of the main providers (12th) with a share of 1,4%, which is equal to 155.393 thousand USD and 2.779.132 pairs. Denmark exported 22.596 pairs, which is equal to 1.002 thousand USD, whilst France exported 143.602 pairs, worth 14.976 thousand USD.

Whilst data regarding exports is shown below:

Importers	Value exported in 2021 (USD thousand) ▼	Trade balance 2021 (USD thousand) ↓	Share in United States of America's exports (%) ↑	Quantity exported in 2021	Quantity unit	Unit value (USD/unit) ↓	Growth in exported value between 2017-2021 (% p.a.) ↑	Growth in exported quantity between 2017-2021 (% p.a.) ↑	Growth in exported value between 2020-2021 (% p.a.) ↓
World	286,876	-10,506,416	100	8,003,221	Pairs	36	-13	-16	7
Canada	116,200	103,873	40.5	2,693,636	Pairs	43	-16	-24	3
Japan	21,192	19,649	7.4	476,484	Pairs	44	-11	-11	16
China	14,997	-3,124,874	5.2	376,815	Pairs	40	-2	6	90
United Kingdom	13,373	-5,206	4.7	312,346	Pairs	43	1	-1	11
Netherlands	13,046	10,407	4.5	216,803	Pairs	60	-7	-5	28
Mexico	12,077	-464,514	4.2	427,162	Pairs	28	-12	-7	-7
Korea, Republic of	11,359	7,754	4	273,470	Pairs	42	-12	-8	12
Italy	8,484	-1,302,785	3	258,241	Pairs	33	-6	10	15
Hong Kong, China	6,374	1,407	2.2	205,977	Pairs	31	-11	-8	-1
Australia	5,870	-651	2	127,865	Pairs	46	-17	-13	3
Singapore	5,075	2,036	1.8	68,844	Pairs	74	-14	-15	17
France	4,955	-10,021	1.7	281,021	Pairs	18	3	24	12

Sources: ITC calculations based on customs statistics.

Main destinations are Canada, Japan and China. In total, 286.876 thousand USD worth of products were exported in 2021, with is equal to 8.003.221 pairs.

5.4. FOOD

Since there are so many HS codes that could be analysed in this category, we will study two of them, significant to the aimed market, that will be the following:

Regarding the importations for products under tariff code (T.C.) 19: "Preparations of cereals, flour, starch or milk; pastrycooks' products"

Exporters	Value imported in 2021 (USD thousand) ▼	Trade balance 2021 (USD thousand) ↓	Share in United States of America's imports (%) ↑	Growth in imported value between 2017-2021 (% p.a.) ↓	Growth in imported value between 2020-2021 (% p.a.) ↓	Ranking of partner countries in world exports ↓	Share of partner countries in world exports (%) ↓
World	11,043,384	-6,778,769	100	10	16		100
Canada	4,740,039	-2,153,078	42.9	9	18	5	5.7
Mexico	1,989,089	-1,544,481	18	10	20	9	3
Italy	885,377	-884,067	8	15	7	2	8.4
Korea, Republic of	338,656	-253,917	3.1	20	15	16	1.9
France	322,919	-317,993	2.9	8	30	4	6.3
Thailand	255,113	-249,187	2.3	13	12	15	2.1
China	249,190	-207,877	2.3	1	10	11	2.7
Germany	195,039	-190,364	1.8	3	11	1	9
India	193,591	-190,440	1.8	11	12	32	0.7

Sources: ITC calculations based on customs statistics.

The United States of America's imports represent 12,5% of world imports for this product, its main exporter is Canada with nearly 43% of the US's imports followed by Mexico and Italy. France has a good position in the exporters of this product to the US, being the 5th largest exporter with 2,9% of the US's imports, Spain exported only 0,8% of total U.S. imports and Denmark 0,5%.

Importers	Value exported in 2021 (USD thousand) ▼	Trade balance 2021 (USD thousand) ⚡	Share in United States of America's exports (%) ⚡	Growth in exported value between 2017-2021 (%. p.a.) ⚡	Growth in exported value between 2020-2021 (%. p.a.) ⚡	Ranking of partner countries in world imports ⚡	Share of partner countries in world imports (%) ⚡
World	4,264,615	-6,778,769	100	1	0		100
Canada	2,586,961	-2,153,078	60.7	2	-2	6	3.9
Mexico	444,608	-1,544,481	10.4	6	22	26	0.9
Japan	93,574	-37,655	2.2	0	6	13	1.6
Korea, Republic of	84,739	-253,917	2	2	2	22	1.1
United Kingdom	51,167	-64,232	1.2	-1	-14	4	5.4
Saudi Arabia	49,453	48,074	1.2	3	-7	11	1.8
Dominican Republic	48,428	8,658	1.1	1	3	56	0.3
Australia	48,355	30,076	1.1	1	-6	12	1.7
United Arab Emirates	42,473	32,028	1	2	4	18	1.1
Panama	41,423	41,341	1	2	6	67	0.2
China	41,313	-207,877	1	-16	-47	2	7.7

Sources: ITC calculations based on customs statistics.

When talking about exports, Canada is the country where most American products are exported to (60,7%), followed by Mexico (10,4%).

Regarding the importations for products under tariff code (T.C.) 21: "Miscellaneous edible preparations":

Exporters	Value imported in 2021 (USD thousand) ▼	Trade balance 2021 (USD thousand) ⚡	Share in United States of America's imports (%) ⚡	Growth in imported value between 2017-2021 (%. p.a.) ⚡	Growth in imported value between 2020-2021 (%. p.a.) ⚡	Ranking of partner countries in world exports ⚡	Share of partner countries in world exports (%) ⚡
World	11,123,905	-683,372	100	21	14		100
Singapore	3,465,762	-3,360,606	31.2	239	8	3	7.1
Canada	1,855,788	783,503	16.7	8	17	13	2.5
Mexico	712,336	703,951	6.4	10	10	18	1.4
China	635,324	-241,651	5.7	15	9	5	6
Italy	558,947	-537,209	5	20	39	6	4
Thailand	364,008	-143,379	3.3	7	1	11	2.8
Germany	249,273	-185,171	2.2	8	3	2	8.1
Taipei, Chinese	232,962	36,045	2.1	27	65	28	1.1
Korea, Republic of	229,993	437,619	2.1	22	12	16	1.5

Sources: ITC calculations based on customs statistics.

Its largest provider is Singapore (31,2% of total imports), followed by Canada (16,7%). In total, products worth 11.123.905 thousand USD were imported in 2021. As for European products, we find Italy in 5th position, with

only 5% of imports. France, Spain, and Denmark each have a 1,2% of share in United States of America's imports of this product.

Importers	Value exported in 2021 (USD thousand) ▼	Trade balance 2021 (USD thousand) ⚡	Share in United States of America's exports (%) ⚡	Growth in exported value between 2017-2021 (% p.a.) ⚡	Growth in exported value between 2020-2021 (% p.a.) ⚡	Ranking of partner countries in world imports ⚡	Share of partner countries in world imports (%) ⚡
World	10,440,533	-683,372	100	5	12		100
Canada	2,639,291	783,503	25.3	3	2	7	3.4
Mexico	1,416,287	703,951	13.6	5	26	16	1.7
Korea, Republic of	667,612	437,619	6.4	16	8	8	2.9
Netherlands	400,385	274,228	3.8	7	12	4	3.9
China	393,673	-241,651	3.8	17	24	2	5.1
Japan	322,918	104,938	3.1	-2	8	15	1.8
Taipei, Chinese	269,007	36,045	2.6	5	37	24	1.2
Malaysia	242,192	216,005	2.3	16	49	20	1.5

Sources: ITC calculations based on customs statistics..

When talking about exports, Canada is the country where more American products falling under the studied category were exported to (25,3% of total US exports), ahead of Mexico (13,60%) and Korea (6,40%).

5.5. FURNITURE AND LINENS

Regarding the imports of products under the tariff code (6302): "Bedlinen, table linen, toilet linen and kitchen linen of all types of textile materials (excluding floorcloths, polishing cloths, dishcloths and dusters)":

Exporters	Value imported in 2021 (USD thousand) ▼	Trade balance 2021 (USD thousand) ⚡	Share in United States of America's imports (%) ⚡	Quantity imported in 2021	Quantity unit	Unit value (USD/unit) ⚡	Growth in imported value between 2017-2021 (% p.a.) ⚡	Growth in imported quantity between 2017-2021 (% p.a.) ⚡	Growth in imported value between 2020-2021 (% p.a.) ⚡	Ranking of partner countries in world exports ⚡	Share of partner countries in world exports (%) ⚡
World	7,553,109	-7,352,117	100	1,028,432	Tons	7,344	4	5	37		100
India	2,707,222	-2,706,300	35.8	315,957	Tons	8,568	6	7	50	3	9.2
China	2,596,337	-2,595,237	34.4	401,349	Tons	6,469	3	6	27	1	39.9
Pakistan	1,331,303	-1,331,131	17.6	227,479	Tons	5,852	5	5	35	2	17.2
Türkiye	299,688	-299,670	4	30,531	Tons	9,816	8	6	40	4	5.9
Portugal	155,923	-155,806	2.1	8,140	Tons	19,155	11	5	52	6	2.9
Bangladesh	87,966	-87,940	1.2	16,814	Tons	5,232	5	0	38	7	2.6
Mexico	57,768	-40,114	0.8	3,738	Tons	15,454	-4	-12	148	18	0.6

Sources: ITC calculations based on customs statistics.S.

India is positioned as the biggest source for such products for the U.S. in 2021 generating value of 2,707,222,000 USD and 315,957 tons. Secondly, China takes place contributing with 2,596,337,000 USD and 401,349 tons.

Mexico takes the 7th position and the bottom on the graph with 57.768,000 USD and 3,738 tons. Regarding exports from Spain, they were worth 2.235 thousand USD, 94 thousand for Denmark and 11.228 thousand for France.

Whilst that regarding exports:

Importers	Value exported in 2021 (USD thousand)	Trade balance 2021 (USD thousand)	Share in United States of America's exports (%)	Quantity exported in 2021	Quantity unit	Unit value (USD/unit)	Growth in exported value between 2017-2021 (% p.a.)	Growth in exported quantity between 2017-2021 (% p.a.)	Growth in exported value between 2020-2021 (% p.a.)
World	200,992	-7,352,117	100	20,920	Tons	9,608	-2	1	20
Canada	139,227	127,854	69.3	13,854	Tons	10,050	0	2	20
Mexico	17,654	-40,114	8.8	2,362	Tons	7,474	5	22	-9
Dominican Republic	3,349	720	1.7	375	Tons	8,931	2	1	53
Bahamas	2,873	2,872	1.4	224	Tons	12,826	-17	-22	74
Panama	2,253	2,252	1.1	254	Tons	8,870	-20	-20	44
Aruba	2,158	2,158	1.1	176	Tons	12,261	-7	-7	101
Costa Rica	1,802	1,802	0.9	344	Tons	5,238	-18	-16	62
Jamaica	1,774	1,774	0.9	215	Tons	8,251	-15	-12	26
United Kingdom	1,701	-151	0.8	102	Tons	16,676	0	-1	69

Sources: ITC calculations based on customs statistics.

We can appreciate how the main destinations are Canada, Mexico and Dominican Republic. In total, exports were worth 200.992 thousand USD in 2021.

Regarding the imports of goods under the tariff code (6301): "Blankets and travelling rugs of all types of textile materials (excluding table covers, bedspreads and articles of bedding and similar furnishing of heading 9404)":

Exporters	Value imported in 2021 (USD thousand)	Trade balance 2021 (USD thousand)	Share in United States of America's imports (%)	Quantity imported in 2021	Quantity unit	Unit value (USD/unit)	Growth in imported value between 2017-2021 (% p.a.)	Growth in imported quantity between 2017-2021 (% p.a.)	Growth in imported value between 2020-2021 (% p.a.)	Ranking of partner countries in world exports	Share of partner countries in world exports (%)
World	2,029,525	-1,986,597	100	367,342	Tons	5,525	12	14	44		100
China	1,688,721	-1,688,160	83.2	313,082	Tons	5,394	12	15	41	1	75.2
India	145,856	-145,730	7.2	28,528	Tons	5,113	-1	-4	55	2	3.5
Viet Nam	55,596	-55,591	2.7	9,950	Tons	5,588	163	145	174	5	1.1
Pakistan	31,983	-31,962	1.6	6,699	Tons	4,774	10	8	15	14	0.7
Portugal	20,222	-20,218	1	1,538	Tons	13,148	20	19	65	15	0.7
Mexico	15,347	-12,445	0.8	3,488	Tons	4,400	5	9	2	21	0.4
Italy	12,924	-12,736	0.6	383	Tons	33,744	12	13	107	4	1.2

Sources: ITC calculations based on customs statistics.

China is the country importing the most for this product type, resulting in 1,688,721,000 USD and 313,082 tons. India takes the second place

generating 145,856,000 USD and 28,528 tons. Italy is positioned at the bottom of this graph with 12,924,000 USD and quantity imported of 383 tons. Denmark only exported 1 ton, whilst France exported 92 tons and Spain 105 tons.

Regarding the exports of such products under the same tariff code:

Importers	Value exported in 2021 (USD thousand)	Trade balance 2021 (USD thousand)	Share in United States of America's exports (%)	Quantity exported in 2021	Quantity unit	Unit value (USD/unit)	Growth in exported value between 2017-2021 (% p.a.)	Growth in exported quantity between 2017-2021 (% p.a.)	Growth in exported value between 2020-2021 (% p.a.)	Ranking of partner countries in world imports	Share of partner countries in world imports (%)
World	42,928	-1,986,597	100	4,552	Tons	9,431	2	12	10		100
Canada	27,174	26,676	63.3	2,759	Tons	9,849	5	24	13	5	3
Mexico	2,902	-12,445	6.8	540	Tons	5,374	22	10	-23	27	0.6
United Kingdom	2,002	-4,332	4.7	143	Tons	14,000	1	-7	149	4	3.5
Japan	1,509	1,328	3.5	146	Tons	10,336	-9	2	-14	2	4.8
United Arab Emirates	924	882	2.2	108	Tons	8,556	29	69	169	10	1.7
Korea, Republic of	583	-748	1.4	59	Tons	9,881	-5	29	39	19	0.8
Netherlands	571	495	1.3	34	Tons	16,794	4	-10	191	8	1.9

Sources: ITC calculations based on customs statistics.

Canada imports most from the U.S. in this category, resulting in 27,174,000 USD and 2,759 tons. Secondly, Mexico takes place, contributing with 2,902,000 USD and quantity of 540 tons. Lastly, the value exported regarding the Netherlands in 2021 was 571,000 USD and 34 tons.

Regarding the imports of products under the tariff code (6307): "Made-up articles of textile materials, incl. dress patterns":

Exporters	Value imported in 2021 (USD thousand)	Trade balance 2021 (USD thousand)	Share in United States of America's imports (%)	Quantity imported in 2021	Quantity unit	Unit value (USD/unit)	Growth in imported value between 2017-2021 (% p.a.)	Growth in imported quantity between 2017-2021 (% p.a.)	Growth in imported value between 2020-2021 (% p.a.)	Ranking of partner countries in world exports	Share of partner countries in world exports (%)
World	7,496,722	-6,295,965	100	1,094,762	Tons	6,848	26	13	-64		100
China	5,241,438	-5,181,618	69.9	802,783	Tons	6,529	28	15	-70	1	53.3
Mexico	596,017	-274,202	8	67,617	Tons	8,815	11	6	-16	5	2.6
Viet Nam	317,272	-301,341	4.2	32,058	Tons	9,897	69	46	-62	6	2.5
Pakistan	282,048	-269,889	3.8	86,627	Tons	3,256	5	4	19	8	1.9
India	203,294	-142,571	2.7	27,956	Tons	7,272	15	6	49	10	1.7
Dominican Republic	101,252	-74,532	1.4	15,701	Tons	6,449	6	14	1	41	0.2
Cambodia	100,629	-100,360	1.3	9,743	Tons	10,328	96	97	94	29	0.3

Sources: ITC calculations based on customs statistics.

China generated most value imported in 2021 for the U.S., resulting in 5,241,438,000 USD and 802,783 tons. Then, Mexico takes place with

596,017,000 USD and 67,617 tons. Regarding European countries, France's exports were worth 13.593 thousand USD (186 tons), Spain's products were worth 1.582 thousand USD (142 tons) and Denmark exported for the value of 800 thousand USD (27 tons).

Regarding the exports of such products under the same tariff code:

Importers	Value exported in 2021 (USD thousand)	Trade balance 2021 (USD thousand)	Share in United States of America's exports (%)	Quantity exported in 2021	Quantity unit	Unit value (USD/unit)	Growth in exported value between 2017-2021 (% p.a.)	Growth in exported quantity between 2017-2021 (% p.a.)	Growth in exported value between 2020-2021 (% p.a.)	Ranking of partner countries in world imports	Share of partner countries in world imports (%)
World	1,200,757	-6,295,965	100	107,455	Tons	11,175	14	9	4		100
Mexico	321,815	-274,202	26.8	41,022	Tons	7,845	7	14	-4	11	2
Canada	309,333	247,642	25.8	31,921	Tons	9,691	20	10	-26	8	2.8
India	60,723	-142,571	5.1	5,258	Tons	11,549	95	83	2,254	42	0.4
China	59,820	-5,181,618	5	2,373	Tons	25,209	51	28	62	18	1
Australia	44,312	37,002	3.7	2,678	Tons	16,547	14	-5	42	10	2.1
Germany	31,559	11,103	2.6	1,749	Tons	18,044	-11	-16	7	2	10
Dominican Republic	26,720	-74,532	2.2	2,142	Tons	12,474	32	42	55	60	0.2

Sources: ITC calculations based on customs statistics.

Mexico is the main importer of U.S. goods in this category resulting in 321,815,000 USD and 41,022 tons. Canada takes the second position with 309,333,000 USD and 31,921 tons. At the bottom of the graph, Dominican Republic generated 26,720,000 USD and 2,142 tons.

Regarding the imports of products under the tariff code (9403): "Furniture and parts thereof, n.e.s. (excluding seats and medical, surgical, dental or veterinary furniture)":

Exporters	Value imported in 2021 (USD thousand)	Trade balance 2021 (USD thousand)	Share in United States of America's imports (%)	Quantity imported in 2021	Quantity unit	Unit value (USD/unit)	Growth in imported value between 2017-2021 (% p.a.)	Growth in imported quantity between 2017-2021 (% p.a.)	Growth in imported value between 2020-2021 (% p.a.)	Ranking of partner countries in world exports	Share of partner countries in world exports (%)
World	31,961,324	-29,161,803	100	0	No quantity		4		24		100
China	9,460,406	-9,440,885	29.6	0	No quantity		-11		23	1	33.4
Viet Nam	8,209,431	-8,206,448	25.7	0	No quantity		23		20	4	6.6
Canada	2,511,256	-732,245	7.9	0	No quantity		0		13	7	2.4
Mexico	2,079,288	-1,826,048	6.5	0	No quantity		15		38	12	1.7
Malaysia	1,750,976	-1,740,844	5.5	0	No quantity		24		5	8	2.2
Taipei_Chinese	1,142,126	-1,134,222	3.6	0	No quantity		16		13	18	1.3
Italy	1,138,516	-1,130,068	3.6	0	No quantity		9		32	3	7.3

Sources: ITC calculations based on customs statistics.

China takes the first place with value imported of 9,460,406,000 USD. Then, Vietnam is positioned second, generating 8,209,431,000 USD. At the bottom of the graph, Italy contributes with 1,138,516,000 USD. Imports from France were worth 93,825 thousand USD (followed by Spain with 86.841 thousand and Denmark with 85.543 thousand).

Regarding the exports of goods under the same tariff code:

Importers	Value exported in 2021 (USD thousand)	Trade balance 2021 (USD thousand)	Share in United States of America's exports (%)	Quantity exported in 2021	Quantity unit	Unit value (USD/unit)	Growth in exported value between 2017-2021 (% p.a.)	Growth in exported quantity between 2017-2021 (% p.a.)	Growth in exported value between 2020-2021 (% p.a.)	Ranking of partner countries in world imports	Share of partner countries in world imports (%)
World	2,799,521	-29,161,803	100	1,144	No quantity	2,447,134	-3		14		100
Canada	1,779,011	-732,245	63.5	0	No quantity		2		20	6	3.3
Mexico	253,240	-1,826,048	9	0	No quantity		-4		-1	24	0.8
United Kingdom	68,065	-99,684	2.4	0	No quantity		-10		12	3	5.8
Japan	43,029	14,165	1.5	0	No quantity		-1		2	7	3
Netherlands	39,427	8,666	1.4	0	No quantity		8		5	5	3.9
Germany	37,074	-303,949	1.3	0	No quantity		-3		12	2	7.8
Bahamas	34,851	34,655	1.2	0	No quantity		-6		13	87	0.05

Sources: ITC calculations based on customs statistics.

Canada is a main importer of U.S. goods in this category, resulting in 1,779,011,000 USD, while Mexico takes the second place with 253,240,000 USD. Lastly, Bahamas contributes with 34,851,000 USD.

Regarding the imports of products under the tariff code (9404): "Mattress supports (excluding spring interiors for seats); articles of bedding and similar furnishing, e.g. mattresses, quilts, eiderdowns, cushions, pouffes and pillows, fitted with springs or stuffed or internally filled with any material or of cellular rubber or plastics, whether or not covered (excluding pneumatic or water mattresses and pillows, blankets and covers)":

Exporters	Value imported in 2021 (USD thousand) ▼	Trade balance 2021 (USD thousand) ⚡	Share in United States of America's imports (%) ⚡	Quantity imported in 2021	Quantity unit	Unit value (USD/unit) ⚡	Growth in imported value between 2017-2021 (% p.a.) ⚡	Growth in imported quantity between 2017-2021 (% p.a.) ⚡	Growth in imported value between 2020-2021 (% p.a.) ⚡	Ranking of partner countries in world exports ⚡	Share of partner countries in world exports (%) ⚡
World	6,040,293	-5,530,260	100	0	No quantity		10		22		100
China	3,348,214	-3,343,754	55.4	0	No quantity		-2		28	1	47.6
Mexico	508,156	-452,488	8.4	0	No quantity		14		112	5	2.3
India	504,109	-503,978	8.3	0	No quantity		23		66	3	3.5
Indonesia	406,783	-406,751	6.7	0	No quantity		334		-1	11	1.8
Taipei_Chinese	205,925	-200,353	3.4	0	No quantity		59		330	21	0.8
Pakistan	137,684	-137,493	2.3	0	No quantity		30		66	22	0.8
Serbia	123,792	-123,784	2	0	No quantity				52	41	0.2

Sources: ITC calculations based on customs statistics.

China is the main exporter in this category which generated 3,348,214,000 USD in 2021, while Mexico, the second on the list, resulted in value imported of 508,156,000 USD. This being said, we do not possess the data for the imported quantities in 2021. Regarding France, their imports were worth 3,548 thousand USD, whilst Denmark exported for 1,911 thousand and Spain for 64,672 thousand.

Regarding the exports of goods under the same tariff code:

Importers	Value exported in 2021 (USD thousand) ▼	Trade balance 2021 (USD thousand) ⚡	Share in United States of America's exports (%) ⚡	Quantity exported in 2021	Quantity unit	Unit value (USD/unit) ⚡	Growth in exported value between 2017-2021 (% p.a.) ⚡	Growth in exported quantity between 2017-2021 (% p.a.) ⚡	Growth in exported value between 2020-2021 (% p.a.) ⚡	Ranking of partner countries in world imports ⚡	Share of partner countries in world imports (%) ⚡
World	510,033	-5,530,260	100	16,182,720	Units	32	1		17		100
Canada	359,652	249,868	70.5	9,452,537	Units	38	4		19	7	3.3
Mexico	55,668	-452,488	10.9	4,109,928	Units	14	6		15	23	0.9
Korea_Republic of	15,082	-4,574	3	174,700	Units	86	-7		-13	9	2.5
Japan	7,700	4,985	1.5	179,838	Units	43	-11		11	3	7.1
Taipei_Chinese	5,572	-200,353	1.1	181,275	Units	31	3		14	24	0.8
China	4,460	-3,343,754	0.9	82,323	Units	54	-17		5	20	1
France	4,164	616	0.8	58,629	Units	71	34		10	4	4.6

Sources: ITC calculations based on customs statistics.

Canada is the main importer of U.S. goods in this category, resulting in 359,652,000 USD and 9,452,537 units. Secondly, Mexico takes place with 55,668,000 USD and 4,109,928. At the bottom of the graph, on the 7th position, France contributes with 4,164,000 USD and 58,629 units.

5.6. BOOKS FOR CHILDREN

Regarding importations for products under tariff code (T.C.) 49: "Printed books, newspapers, pictures and other products of the printing industry; manuscripts, typescripts and plans":

Exporters	Value imported in 2021 (USD thousand) ▼	Trade balance 2021 (USD thousand) ⚡	Share in United States of America's imports (%) ⚡	Growth in imported value between 2017-2021 (%. p.a.) ⚡	Growth in imported value between 2020-2021 (%. p.a.) ⚡	Ranking of partner countries in world exports ⚡	Share of partner countries in world exports (%) ⚡
World	5,088,014	-887,380	100	0	27		100
China	2,532,184	-2,406,885	49.8	0	28	1	11.6
Canada	607,008	1,217,285	11.9	1	27	11	2.2
United Kingdom	375,858	32,688	7.4	-5	22	4	7.8
Mexico	284,821	159,082	5.6	0	18	19	1
Italy	143,868	-105,571	2.8	9	58	9	3.4
Malaysia	134,431	-123,491	2.6	27	36	29	0.6
Germany	129,472	2,827	2.5	-7	16	2	11.5
Korea, Republic of	122,021	-58,558	2.4	7	20	18	1.1
India	95,789	-35,244	1.9	12	45	23	0.9
France	66,842	3,605	1.3	-9	37	7	4.3

Sources: ITC calculations based on customs statistics.

Its largest exporter is China (49,8% of imports), followed by Canada (11,9%) and the United Kingdom (11,9%). In total, products worth USD 5 billion were imported in 2021. Language is relevant in these types of products and there are no countries with minority spoken languages in the category. France has a participation in 1,3% of total US's imports of this product, whilst Spain's participation is of 0,6% and Denmark's of 0,1%.

Importers	Value exported in 2021 (USD thousand) ▼	Trade balance 2021 (USD thousand) ⚡	Share in United States of America's exports (%) ⚡	Growth in exported value between 2017-2021 (%. p.a.) ⚡	Growth in exported value between 2020-2021 (%. p.a.) ⚡	Ranking of partner countries in world imports ⚡	Share of partner countries in world imports (%) ⚡
World	4,200,634	-887,380	100	-3	15		100
Canada	1,824,293	1,217,285	43.4	-3	14	4	5.6
Mexico	443,903	159,082	10.6	1	21	16	1.7
United Kingdom	408,546	32,688	9.7	-7	-18	6	4.7
Japan	178,269	117,644	4.2	8	52	13	2.2
Germany	132,299	2,827	3.1	6	101	2	8.2
China	125,299	-2,406,885	3	-6	3	3	6
Australia	116,914	102,037	2.8	-4	13	15	1.8
France	70,447	3,605	1.7	10	141	5	5.3

Sources: ITC calculations based on customs statistics.

When talking about exports, Canada is the country where most American products are exported to (43,4% of the total amount), ahead of Mexico (10,6%) and the United Kingdom (9,7%).

5.7. OTHERS

Regarding imports of products under the tariff code (3304): “Beauty or make-up preparations and preparations for the care of the skin, incl. sunscreen or suntan preparations (excluding medicaments); manicure or pedicure preparations”:

Exporters	Value imported in 2021 (USD thousand)	Trade balance 2021 (USD thousand)	Share in United States of America's imports (%)	Quantity imported in 2021	Quantity unit	Unit value (USD/unit)	Growth in imported value between 2017-2021 (% p.a.)	Growth in imported quantity between 2017-2021 (% p.a.)	Growth in imported value between 2020-2021 (% p.a.)	Ranking of partner countries in world exports	Share of partner countries in world exports (%)
World	5,555,889	-49,357	100	327,181	Tons	16,981	1		24		100
France	889,171	-620,391	16	24,485	Tons	36,315	-1		11	1	15.1
Canada	800,181	381,979	14.4	60,603	Tons	13,204	1		25	15	1.9
Korea, Republic of	740,799	-549,178	13.3	31,573	Tons	23,463	12		34	2	10.7
China	607,600	9,315	10.9	72,175	Tons	8,418	-16		16	8	3.5
Italy	551,162	-529,591	9.9	13,040	Tons	42,267	1		32	10	3.2
Sweden	276,530	-244,491	5	168	Tons	1,646,012	31		74	22	0.5
United Kingdom	272,124	137,653	4.9	14,404	Tons	18,892	-1		4	9	3.3

Sources: ITC calculations based on customs statistics.

The biggest provider for the United States in 2021 was France, generating 889,171,000 USD and 24,485 tons of quantity imported. Canada is positioned second with 800,181,000 USD value imported and 60,603 quantity imported. Lastly, United Kingdom takes the 7th position, contributing with 272,124,000 USD and 14,404 tons. Regarding Denmark's position, the country exported 1.834 thousand USD worth of product, whilst Spain exported for 56.145 thousand USD.

Regarding the exports of products under the same tariff code:

Importers	Value exported in 2021 (USD thousand)	Trade balance 2021 (USD thousand)	Share in United States of America's exports (%)	Quantity exported in 2021	Quantity unit	Unit value (USD/unit)	Growth in exported value between 2017-2021 (% p.a.)	Growth in exported quantity between 2017-2021 (% p.a.)	Growth in exported value between 2020-2021 (% p.a.)	Ranking of partner countries in world imports	Share of partner countries in world imports (%)
World	5,506,532	-49,357	100	177,146	Tons	31,085	-1		8		100
Canada	1,182,160	381,979	21.5	21,755	Tons	54,340	-3		9	9	2.1
China	616,915	9,315	11.2	17,404	Tons	35,447	24		2	1	27.1
United Kingdom	409,777	137,653	7.4	19,254	Tons	21,283	-6		11	7	2.8
Hong Kong, China	305,204	299,381	5.5	6,340	Tons	48,139	0		-9	2	9.7
Australia	289,893	247,655	5.3	8,304	Tons	34,910	-4		3	20	1.2
France	268,780	-620,391	4.9	5,501	Tons	48,860	0		-4	8	2.6
Switzerland	217,917	135,922	4	4,357	Tons	50,015	23		52	24	0.8

Sources: ITC calculations based on customs statistics.

Talking about exporting activities, Canada is a major partner and takes the lead with 1,182,160,000 USD and 21,755 tons. China is on the second place, generating 616,915,000 USD and 17,404 tons of these products. At the bottom of the graph, Switzerland contributes with 217,917,000 USD and quantity exported in 2021 of 4,357 tons.

6. IMPORT POTENTIAL

The United States, being the world's leading economic power, has a great capacity to import goods from abroad. The United States of America's imports represent 13,1% of world imports and its ranking in world imports is 1. **The most in-demand goods for final consumption are cars, clothing, medicaments, furniture, and toys.** The main providers are China, Germany, Hong Kong, Taiwan, and Italy. **In the toy market, the countries from which most toys are imported are China and Vietnam.**

Due to the global disruption of supply chains, the number of products that are manufactured within U.S. borders is increasing, to avoid shipping delays and cargo problems. The United States of America's exports represent 3,9% of world exports for toys, games and sports requisites and its ranking in world exports is 2.

U.S. retail sales of toys generated \$29.2 billion in 2022, a decrease of 0.2% according to The NPD Group's U.S. Retail Tracking Services that covers 76% of the U.S. Toys Market. While the sales remained relatively flat in 2022, the market grew 33% in 2022 compared to 2019. U.S. market size for the total toy industry for 2022, projected to 100% of the market, was approximately \$40 billion, according to The NPD Group Checkout. Revenue in the Toys & Games segment amounts to US\$31.26bn in 2023. The market is expected to grow annually by 4.51% (CAGR 2023-2027).

The following chart represents **the volume and trends, per category, and its evolution (in billions of USD):** ²⁶

Traditional Toy Categories	2019	2020	2021	2022	2019 vs 2020 % change	2020 vs 2021 % change	2021 vs 2022 % change
Grand Total (76% of US Toys Market)	\$22.0	\$25.7	\$29.2	\$29.2	16.9%	13.7%	-0.2%
Action Figures & Accessories	\$1.7	\$1.7	\$2.1	\$2.2	-1.6%	24.5%	4.4%
Arts & Crafts	\$1.1	\$1.2	\$1.2	\$1.2	12.8%	3.7%	0.0%
Building Sets	\$1.8	\$2.3	\$2.7	\$2.9	25.6%	16.3%	8.2%
Dolls	\$3.3	\$3.7	\$3.8	\$3.4	10.8%	3.7%	-11.9%
Explorative & Other Toys	\$1.4	\$1.6	\$2.2	\$2.6	14.1%	37.3%	15.5%
Games/Puzzles	\$2.2	\$3.0	\$3.5	\$3.5	33.0%	16.9%	-0.3%
Infant/Toddler/Preschool Toys	\$3.1	\$3.4	\$3.8	\$3.7	8.8%	11.7%	-1.8%
Outdoor & Sports Toys	\$4.2	\$5.4	\$5.8	\$5.2	29.2%	8.5%	-11.1%
Plush	\$1.2	\$1.3	\$1.8	\$2.3	8.3%	31.2%	31.1%
Vehicles	\$1.4	\$1.6	\$1.7	\$1.7	16.4%	8.9%	-0.6%
Youth Electronics	\$0.5	\$0.5	\$0.5	\$0.5	2.9%	7.7%	-11.5%

For clothing (TC 61, 62, 64) the main exporters to the USA are China and Vietnam. Concerning European countries, providers are very few and with small shares in the country's imports; for example for products under the code 62 Italy is the first European provider, having exported 999.161 thousand USD worth of products. Concerning products under the three tariff codes (which encompasses clothing and footwear), the total value imported in 2021 was worth 115.695.272 thousand USD.

For children's toys (TC 3213, 3407, 95) main providers appears to be China for all the studied codes, whilst the rest of the list of providers varies. Other important providers are Vietnam, Japan and Mexico. Concerning European products, the main providers seem to be France (for TC 3213 France is the second main provider, just after China) and Germany (second provider after China for products under the code 3407). Concerning the economic value of imported products, we took as reference products under the code

²⁶ Chart Source: The NPD Group/Retail Tracking Service/US/Jan-Dec.2022

95, as it is the most general. For these, 51.736.985 thousand USD worth of products were imported in the US in 2021.

For children's books including colouring books (TC 49) the main providers were China and Canada, whilst important European countries are the UK, Italy, Germany and France. The total value imported in 2021 was worth 5.062.492 thousand USD.

For bedlinen, table linen, kitchen linen (TC 6301, 6302, 6307, 9403) the main providers are China, India, Pakistan and Mexico (for products under the code 9403 Canada is also an important provider). Concerning European countries, the main provider is Portugal (although for products under the code 9403 Italy is also an important provider). The economic value of US imports for products under the general codes 63 and 94 was over 103.335.931 thousand USD.

Finally, regarding **food importations (TC 19, 21)**, the main providers were Canada, Mexico, Singapore and Italy. Important European providers, apart from Italy, were France and Germany. Total imports for the products under those codes were worth 22.167.289 thousand USD. This being said, we remind that those codes are very general due to the amount of potential tariff codes applicable to food products.

7. DISTRIBUTION CHANNELS

For goods which are US export licensed and/or with a value exceeding US\$ 2,500: formal clearance is required (goods from Canada are exempt from this limit) and an Electronic Export Information (EEI) must be filed with US Customs.

Textiles, foodstuffs, and drugs require formal clearance if the value exceeds US\$ 250. If DHL is completing EEI filing and the shipment is moving on an Import Express account, the receiver must provide Power of Attorney (POA). US Customs levies a Merchandise Processing Fee (MPF) whenever

formal clearance is completed. The MPF is levied at 0.34364%, a minimum of US\$ 24 and a maximum of US\$ 485. Goods may be subject to inspection by government agencies including the Food and Drug Administration (FDA). When shipping to a business: provide the receiver's tax identification number (IRS number). When shipping to a private importer: provide the receiver's Social Security Number (SSN).

The distribution channel can have a significant impact on consumers' purchasing decisions based on their age. In general, younger consumers tend to prefer online distribution channels, such as e-commerce sites and mobile applications, while older consumers tend to prefer physical distribution channels such as retail stores.

Younger consumers tend to be more comfortable with technology, so they can enjoy customising the online shopping experience, like recommending products based on their previous purchases or browsing history.

For the older customer, the physical channels are to be preferred since the opportunity to touch and even try the products before purchasing is very important. Social interaction with sellers to exchange on products and get immediate answers is also a very important factor.

It should be noted that these general trends do not apply to all consumers and that individual preferences may vary.

Products for children, from toys to food and clothing are sold through different distribution channels in the USA. Indeed, a large part of the products are sold through large areas such as Walmart, Target, and Costco (online and in physical shops). As we will further see in the e-commerce section, the main online distribution channel is Amazon, followed by Walmart and Apple. This being said, those stores offer a large variety of products, from different brands of toys and childcare products. There are also specialized stores such as Babies «R» US, Green Toys, Step2 or Buy Buy Baby that offer a more targeted selection of products for baby and children and sell online and offline.

Regarding the largest commercial districts in the US, we find New York City's CBD in lower Manhattan, The Loop (Chicago), Financial District, Historic Core and Old Bank District (Los Angeles). Directories can also be found online to redirect to specified stores; for example LA Fashion District (<https://fashiondistrict.org/shop/directory/kids>) lists all the children's clothing shops in the area of LA.

Finally, some producers sell live in their own sales outlets, such as Hanna Andersson brand children's clothing or Melissa & Doug brand toys.

8. COST OF ESTABLISHMENT

As establishment costs vary depending on the location, as a guide we've included some areas located in different geographical locations²⁷.

State	Corporate Tax	Personal Income Tax	Price to Incorporate a Company €	Min. Capital €	Time Limit (days)	Legal Advice €
New York	21%	0-37%	192,93	0	10	2894, 07
California	22,5%-32%	11,5-51,6%	96,46	0	6	3472,89
Florida	26,5%	10,37%	84,41	0	7	2411,73

Concerning the visa, US visa fees vary depending on the type of visa and the length of stay. Here are the average visa fees for some of the most commonly requested visas:

- **Temporary Work Visa (H-1B):** USD 190 to USD 750 depending on the size of the company.
- **Permanent work visa (EB-3):** USD 345 to USD 1,140 depending on the category of employment.

²⁷ Own creation based on the data provided by Icxex

It is important to note that the visa fee is non-refundable, even if the visa application is denied.

In addition to the visa fee, it is important to consider the other costs associated with obtaining a visa to the US. These may include travel costs, accommodation costs, medical costs, and visa application fees for family members.

It is also important to prepare carefully for the visa interview. It is advisable to gather all relevant documents, such as proof of income and identity documents, and to be prepared to answer any questions the consular officer may ask during the interview.

Finally, it is important to understand the restrictions and conditions of the visa once it is granted. Visas have a limited duration and may have restrictions on employment, travel, and study. It is important to respect these conditions to avoid any infringement or cancellation of the visa.

9. TARIFFS AND OTHER BARRIERS FOR THE ENTRY OF FOREIGN PRODUCTS

9.1. ENTRY RATE AND REQUIREMENTS, PER PRODUCT

The following chart represents the general and MFN rates necessary for a good to enter U.S. territory.

Because tariff codes 61, 62 and 64 are very general, rates may vary. That is why we have included a series of products that would fit under those tariff codes, as examples.

The custom rates applicable per product, necessary to enter the country can be found in the following table. Because of the large amount of

tariff codes used by the companies, we have applied a few which encompass a wide number of products.²⁸

Tariff Code	Product	General Tariff***	MFN Tariff
321310	Sets of artist's, student's or signboard painter's colours, modifying tints, amusement colours and the like, in tablets, tubes, jars, bottles, pans or similar packages	70% on the value of the entire set	6,5% on the value of the entire set
392410	Tableware and kitchenware, of plastics	80% of FOB value	3,4% of FOB value
4420	Wood marquetry and inlaid wood; caskets and cases for jewellery or cutlery, and similar articles of wood; statuettes and other ornaments of wood; wooden articles of furniture not falling in chapter 94	33,33% of FOB value	3,2% of FOB value
610452	610452 Women's or girls' skirts and divided skirts of cotton, knitted or crocheted (excluding petticoats)	54,5% of FOB value	14,9% of FOB value
610610	Women's or girls' blouses, shirts and shirt-blouses of cotton, knitted or crocheted (excluding T-shirts and vests)	45% of FOB value	19,7% of FOB value
611120	Babies' garments and clothing accessories of cotton, knitted or crocheted (excluding hats)	90% of FOB value	19,7% of FOB value
620442	Women's or girls' dresses of cotton (excluding knitted or crocheted and petticoats)	90% of FOB value	11,8% of FOB value
630210	Bedlinen, knitted or crocheted	25% of FOB value	6% of FOB value

²⁸ Own creation based on the data provided by Acces2Markets (European Commission)

640220	Footwear with upper straps or thongs assembled to the sole by means of plugs	35% of FOB value	0% of FOB value
640391	Footwear with outer soles of rubber, plastics or composition leather, with uppers of leather, covering the ankle (excluding incorporating a protective metal toecap, sports footwear, orthopaedic footwear and toy footwear)	33,33% of FOB value	0% of FOB value
940360	Wooden furniture (excluding for offices, kitchens and bedrooms, and seats)	42,5% of FOB value	0% of FOB value
95030090	Tricycles, scooters, pedal cars and similar wheeled toys; dolls' carriages; dolls; other toys; reduced-size scale"" recreational models, working or not; puzzles of all kinds	70% of FOB value	0% of FOB value
95049080	Tables for casino games, automatic bowling alley equipment, and other funfair, table or parlour games, incl. pinball machines (excluding operated by any means of payment, billiards, video game consoles and machines, and playing cards)	40% of FOB value	0% of FOB value

*** (Belarus, Cuba, North Korea, Russian Federation)

Due to the large amount of tariff codes to analyse and, in case of wanting to research a specific code not included in the table, further information can be found at: <https://trade.ec.europa.eu/access-to-markets/en/home>, provided by the European Commission.

9.2. IMPORT PROCEDURE. GENERAL INSIGHT²⁹

²⁹ Own creation based on the data provided by Acces2Markets (European Commission)

Certain **procedures and formalities** are also necessary when importing products in Chile. These can be divided as general procedures (applicable to every product) and specific (depending on the product).

Starting with the **general procedures** and formalities, necessary to enter the United States market:

- Import security filing and additional carrier requirements.

Importers and carriers must comply with the Importer Security Filing and Additional Carrier Requirements, commonly referred to as 10+2 initiative, and submit the relevant data elements to the officials of the Customs and Border Protection (CBP). Required for customs surveillance. The initiative only applies to cargo imported by ocean vessels.

- Manifest for aircraft

A document providing the U.S. Customs and Border Protection (CBP) with details of an aircraft arriving in the United States. Required for risk assessment at the customs office of entry. The responsible authority is the regional CBP office.

- Manifest for vessels

A document providing the U.S. Customs and Border Protection (CBP) with details of a vessel arriving in the United States. Required for risk assessment at the customs office of entry.

- Customs import declaration

Official form for the customs clearance of goods. It also contains all information required for the assessment of the dutiable value of the shipment. This document is also referred to as entry summary. Required for the customs clearance of merchandise with a value greater than 2,500 USD, or in cases where informal entry is not possible, e.g., due to quota or visa restrictions. To be completed by the importer or his agent in English.

- Commercial invoice

A document containing the details of the shipment and serving as a basis for the customs treatment of goods. Required for customs clearance. No specific form required. The invoice should be prepared in English or, alternatively, with an accurate translation into English.

- Pro Forma invoice

A document containing the details of the transaction made out prior to the proper invoicing and in addition to the Commercial Invoice. May be accepted in specific cases, e.g., if the importer is not able to produce the Commercial Invoice at the time of entry. No specific form required, but the Pro Forma Invoice must contain all details listed in Title 19 of the Code of Federal Regulations (19 C.F.R. 141.85).

- Packing list

A document containing the details of the shipment and serving as a basis for the customs treatment of goods. Required for customs clearance if appropriate; the CBP highly recommends to always include a Packing List. No specific form required. The Packing List is to be prepared by the exporter in English according to standard business practice, including details of the content of the packages, description of the goods, marks, and numbers.

- Certificate of non-preferential origin

A document certifying the non-preferential origin of the goods to be imported. Only required in case of particular kinds of goods (e.g., in case of wine imports if mandated by the exporting country such as Canada, France, Ireland, Jamaica, Mexico, Portugal, Spain or the United Kingdom). It may furthermore be required if specifically requested by the importer, by the customs authorities or by other authorities involved in import procedures. In particular, the customs authorities may demand the provision of the certificate if they have any doubt as to the origin of the goods. The certificate is to be submitted by the exporter.

- Proof of preferential origin

A document confirming the preferential origin of the goods to be imported. Only required if preferential treatment under a free trade agreement or arrangement is claimed. Goods may be eligible for preferential treatment if they have been either wholly obtained or preferential origin has been conferred by sufficient working or processing as per the product-specific rules of origin. The Proof of Preferential Origin is to be submitted by the exporter.

- Air waybill

A document containing the details of the international transportation of goods by air and proving the transport contract between the consignor and the carrier's company. Required for customs clearance. To be prepared by the carrier or his agent.

- Bill of lading

A document containing the details of the international transportation of goods by sea. It serves as proof of receipt of goods by the carrier. Furthermore, it serves as a transportation contract obliging the carrier to deliver the goods to the consignee. The Bill of Lading is a document of title to goods; thus its bearer is the owner of the goods. If goods are shipped by sea without a document of title to goods, a Sea Waybill is used instead. Required for customs clearance. To be prepared by the carrier or his agent as a clean or unclean Bill of Lading.

- Customs bond

A document proving that a bond has been posted with the customs authorities to cover any potential duties, taxes and charges that may accrue. It enables the importer to take possession of the goods before the payment of customs duties. Required for customs clearance. To be issued by the responsible surety company in the United States.

- Transportation entry

A document required if the merchandise is transported in a bonded status from the port of arrival to the intended port of entry. To be completed by the carrier or his agent in English.

Also, **depending on the nature of each product, specific requirements** are applied, as follows:³⁰

Product Code	Specific Documents Required
61 and 62 (they share the same requisits)	<ul style="list-style-type: none"> - Import licence for wildlife (only required if containing products of endangered animals or plants) - Import permit for protected plants and products thereof (only required if containing products of protected plants) - Import permit for endangered animals and products thereof (only required if containing products of endangered animals) - Manufacturer Identification (MID) code - CITES document (only required for 6102.10 if subject to CITES)
64	<ul style="list-style-type: none"> - Import licence for wildlife (only required if containing products of endangered animals or plants) - Import permit for endangered animals and products thereof (only required if containing products of endangered animals) - Declaration for the importation of wildlife and fish (if applicable) - Manufacturer Identification (MID) code - CITES document (only required for 6406.10, 6406.90 if subject to CITES)
1503	<ul style="list-style-type: none"> - Registration of food facility - Prior notice of food imports - Declaration for the importation of wildlife and fish - Import inspection - Manufacturer Identification (MID) code - Notification of transfrontier movement of waste (only required if hazardous waste) - Hazardous waste manifest (only required if hazardous waste) - Veterinary health certificate for animal products - Accompanying document for transfrontier movement of waste (only required if hazardous waste)

³⁰ Own creation based on the data provided by Acces2Markets (European Commission)

	- Notice of FDA action
3924	- Manufacturer Identification (MID) code - Notice of FDA action (only required for 3924.90.05, 3924.90.56.10, 3924.90.56.50)
94033040	- Import licence for wildlife (only required if containing products of endangered animals or plants) - Import permit for protected plants and products thereof (only required if containing products of protected plants) - Import permit for endangered animals and products thereof (only required if containing products of endangered animals) - Notice of commencement of manufacture or import for new chemical substances (if applicable) - Declaration of chemicals (if applicable) - Plant and plant product declaration (Only required for 9403.30.40, 9403.40.40, 9403.50.40, 9403.60.40) - Certification of conformity for consumer products (only required if painted with lead-containing paint) - CITES document (only required for 9403.91 if subject to CITES) - Premanufacture notice for new chemical substances (if applicable)

9.3. COMMERCIAL OBSTACLES

Some commercial obstacles a foreign company might be submitted to when entering the US market are the following:

The Customs Modernization Act: The CMA (Customs Modernization Act), a component of NAFTA (North American Free Trade Agreement) mandates that importers notify the CBP (Customs and Border Protection) Agency of any characteristics of imported goods. The CBP will examine the items and assess estimated tariffs based on their worth. In general, the inspection aims to determine the worth of the goods, the accuracy of the marks and labelling, the absence of any prohibited materials, and the proper documentation of the commodities.

Additional taxes may also be imposed by the CBP on imported items sold at unusually low prices. This is referred to as countervailing and anti-dumping duties. This authority's main goal is to safeguard markets from the consequences of selling goods at a loss or for less on domestic markets just to reduce inventory or drive rival retailers out of business. Importers have the right to contest the imposed duties or ask for an administrative review. Countervailing duty-eligible goods must show that the pricing strategy does not harm the consumer market.

The Trademark Act of 1946: The Trademark Act of 1946 forbids the importation of goods that deceive consumers about their manufacturer, brand, or place of origin. This includes bringing in products with a trademark that is protected but not the importer's or the buyer's. Any such goods are subject to forfeiture or may be given to the importer after receiving sufficient assurance that the false markings will be removed, or the items will be destroyed.³¹

Enforcing contracts: According to the World Bank 2018 study, the US ranks 16th in contract enforcement since it can take 370 days to file and serve documents, conduct a trial and reach a decision (240 days), and then enforce the decision (100 days), as opposed to the world's best of 164 days.³²

Certificate for importing toys: As part of the Consumer Product Safety Commission, the CPSIA (Consumer Product Safety Improvement Act) governs toys and children's products sold in the USA (CPSC). To be lawfully imported and sold in America, this organisation specifies that toys and children's products have a Children's Product Certificate, or CPC.³³

Obstacle for importing food items: The U.S. Federal Food, Drug, and Cosmetic Act contains parts of U.S. law that require importers of food items

³¹https://thebusinessprofessor.com/en_US/global-international-law-relations/what-are-limitations-on-importing-goods-into-the-us-for-resale

³²<https://www.mondaq.com/unitedstates/corporate-governance/752934/top-10-challenges-of-doing-business-in-the-us>

³³<https://www.unicargo.com/everything-you-need-to-know-about-importing-toys-into-the-usa/#:~:text=CPSIA%20>

intended for introduction into U.S. interstate commerce to guarantee the products' safety, hygienic conditions, and compliance with U.S. regulations. When offered for import at U.S. ports of entry, imported foods are inspected by the FDA. If shipments of products proposed for import are shown to not be in accordance with US requirements, FDA may hold the shipments. Foods manufactured in the United States must adhere to the same legal standards, whether they are imported or domestically produced.³⁴

Apart from all these regulations and procedures that are essential for foreign companies to export to the USA, there are less formal barriers. Indeed, the US market is a very competitive one, so it is essential to offer a product that stands out by its price or originality. In addition, the entrepreneurial culture in the US is very different from that in many other countries, and foreign companies may find it difficult to adapt. The United States has a very protectionist market and policies which can create difficulties for companies wishing to join. Finally, from a more economic point of view, the numerous taxes mentioned above can work against foreign companies, but not only. Indeed, the costs of operating in the USA are very high, particularly with regard to salaries and the rental of premises. It is therefore important for foreign companies to understand the challenges and potential obstacles before seeking to enter the US market and to put in place a solid strategy to overcome these various obstacles

9.4. STRATEGIES TO OVERCOME THE BARRIERS IN THE US MARKET

The U.S. market for children's toys, clothing, and furniture is highly competitive, with local players such as Walmart, Target, Toys "R" Us, Amazon, and well-known brands like Fisher-Price, Mattel, Disney, and Hasbro. In 2021,

³⁴<https://www.fda.gov/food/food-imports-exports/importing-food-products-united-states#:~:text=Importers%20can%20import%20foods%20into,shipments%20is%20provided%20to%20FDA.>

Walmart accounted for 21.1% of U.S. toy sales, showing the dominance of local players.

The U.S. market is also steadily growing, with a population of 331 million people, including approximately 73 million children under the age of 18. U.S. toy sales reached \$25.1 billion in 2020, up 16.4% from 2019, largely due to the COVID-19 pandemic. The most popular toys in the United States are often associated with popular movie, video game, and television franchises, such as Star Wars, Avengers, Minecraft, Frozen, and Barbie.

However, foreign companies face barriers to entering the U.S. market, such as regulations, intellectual property rights, competition, high import costs, inventory management and logistics. Foreign companies also face cultural and language barriers.

To succeed in the U.S. children's toys, clothing, and furniture market, it is important to have a clear and differentiated positioning from local players. For example, the Danish toy brand LEGO has differentiated itself by focusing on creativity and imagination rather than movie and television franchises. Spanish children's clothing brand Zara has succeeded by focusing on fashion and trends rather than durability and low prices.

In any case, European companies need to stand out in a certain way to compete with low costs of other exports, popular in the US. Some ways are through quality, safety, SDG...

10. INDEX OF ECONOMIC FREEDOM

The Index of Economic Freedom is published annually by The Heritage Foundation and measures the degree of economic freedom in countries based on factors such as rule of law, government size, regulatory efficiency, and open markets. The index ranks countries on a scale of 0 to 100, where a higher score indicates greater economic freedom.

The United States' economy scores **70,6 points** in terms of economic freedom, positioning the country on the **25th place** in the 2022 Index. The United States is ranked 3rd among 32 countries in the Americas region, and its overall score is above the regional and world averages. The U.S. economy, with its moderate growth before the COVID-19 pandemic experienced a sharp decrease in 2020. Nevertheless, the increasing trend was recovered in 2021.

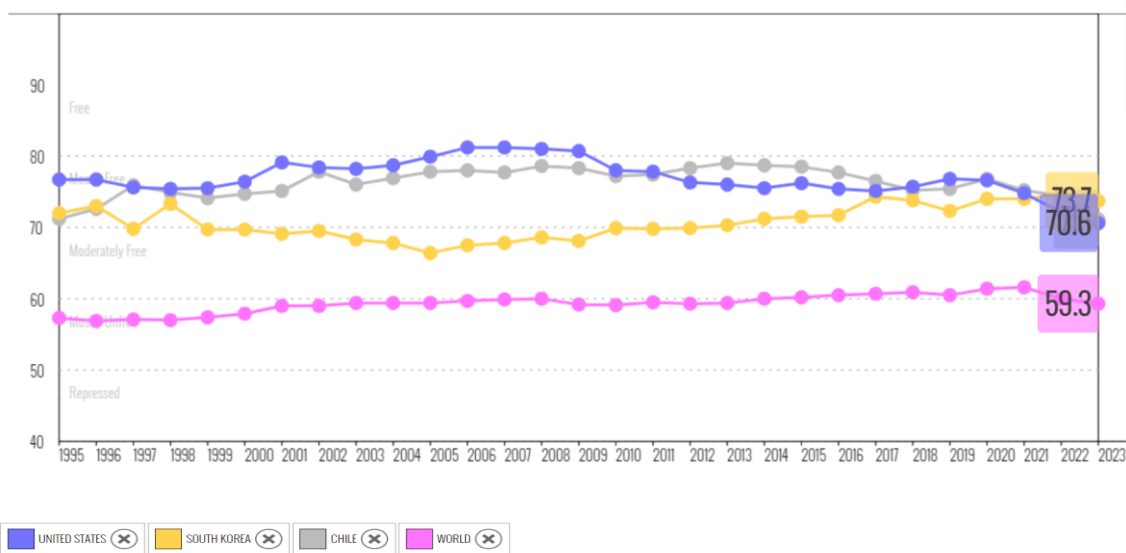
Furthermore, U.S. economic freedom could be divided into four different sub-categories. Firstly, "Rule of law" takes place. Contracts, secured interests, and private property rights are upheld and enforced. Despite the politicisation of the judge nomination process, the judiciary is reliable and independent. Public faith in the rule of law has been weakened by a worrying and growing trend of the federal government by the unaccountable administrative state empowered by presidential decrees. Then, "Government size" takes place. The top rate for business taxes is 21%, while the top rate for individuals is 37%. Over the past three years, government spending has totalled 38.9% of total output (GDP), and budget deficits have averaged 9.0% of GDP. 127.1% of GDP is the equivalent of public debt.

In terms of "Regulatory efficiency", the United States has very loose restrictions, but business freedom is considerable there. Although it varies from locality to locality, labour freedom is typically high. With big deficits continuing and public debt rising, massive government borrowing, and money printing have been increasing inflation.

Lastly, "Open markets" need to be taken into consideration. With 20 nations, the US has 14 preferential trade agreements in force (e.g., Mexico, Korea, Canada, Israel, etc.). More than 2,300 non-tariff measures are in place, and the trade-weighted average tariff rate is 2.4 percent (total tariff revenue/total value of imports). The Foreign Investment Risk Review Modernization Act, which went into effect in February 2020, expanded the Committee on Foreign Investment in the United States' authority. The banking

industry, one of the most advanced and competitive in the world, has remained robust.³⁵

According to the Index of Economic Freedom report (2023), here are the key figures and rankings of the United States, Chile, and South Korea³⁶.



As we can see on the chart, the US ranked as being mostly free, closely followed by Chile. Meanwhile, South Korea varies between being considered mostly free and moderately free. In any case, the three countries ranked above world average.

It's important to note that the Index of Economic Freedom is not a comprehensive measure of a country's economic health or social well-being, and it has its own limitations and critiques. For example, it may not capture the distributional effects of economic policies or the impact of external factors such as global trade or climate change. Additionally, different countries may have different priorities or interpretations of economic freedom.

Overall, the Index of Economic Freedom can provide a useful perspective on the economic policies and institutions of different countries, but it should be complemented by other indicators and assessments to gain

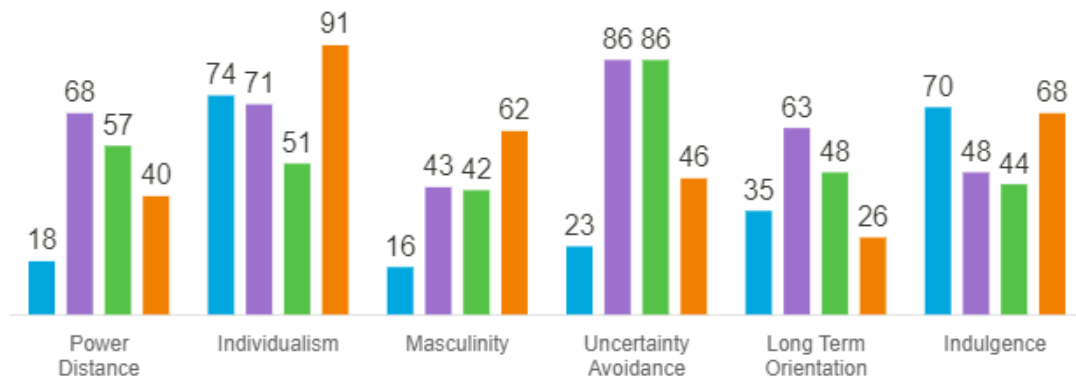
³⁵The Heritage Foundation (2022). <https://www.heritage.org/index/country/unitedstates#government-size>
³⁶ <https://indexdotnet.azurewebsites.net/index/visualize>

a more holistic understanding of a country's economic performance and challenges.

11. CULTURAL DISTANCE ANALYSIS

For the purpose of further analysis of cultural distance between Denmark, France, Spain and the United States, the "Hofstede Insights" are taken into consideration. There are six dimensions presented, as follows: "Power distance", "Individualism", "Masculinity", "Uncertainty avoidance", "Long-term orientation", "Indulgence".

The six different dimensions are shown in this graph, as each country is associated with a different colour as follows: Denmark (blue), France (purple), Spain (green) and the US are shown in orange.³⁷



The degree to which the less powerful members of institutions and organizations within a nation assume and accept that power is allocated unequally is known as "**Power distance**". It has to do with the reality that inequality in a society is supported by both the leaders and the following. Denmark scores 18, showing itself as the most egalitarian country in this comparison, France scores 68, having the largest distance, while Spain and the USA score 57 and 40 respectively.

³⁷ <https://www.hofstede-insights.com/>

Then, **“Individualism”** takes place. The degree of interdependence a society maintains among its members is the key issue this dimension attempts to solve. Whether or not people define themselves in terms of "I" or "We" is relevant. Individualist cultures generally expect people to take care of themselves and their immediate family. People in collective societies are members of "in groups" that look out for them in return for everlasting loyalty. Denmark and France are on the individualistic side of this dimension with similar scores of 74 and 71 respectively. Spain is the most collectivistic country on the graph with 51 while the USA is one of the most individualistic societies (91).

Thirdly, **“Masculinity”** takes place. A high score (Masculine) on this dimension indicates that rivalry, success, and achievement will be the driving forces in society, with success being defined by the "winner" or "best-in-field." This value system begins in childhood and affects all aspects of a person's life, including both job and leisure activities. If the dimension has a low score (Feminine), then quality of life and compassion for others are the dominating social ideals. Living a high-quality life is a sign of success in a feminine society, and standing out from the crowd is not admired. The essential question is: What drives people—desire to excel (Masculine) or satisfaction of one's work? (Feminine). In this example, Denmark proves itself as having the lowest score in this dimension (16), France and Spain have similar scores of 43 and 42, positioning the two countries on the low side of it, while the United States scores 62, being the only country in this comparison on the higher spectrum.

Furthermore, the component of **“Uncertainty avoidance”** is concerned with how a society responds to the reality that the future is always uncertain: should people strive to influence it or should they just let it happen? This ambiguity causes uneasiness, and different societies have discovered various strategies to cope with this discomfort. The score for uncertainty avoidance reflects how much a culture's citizens feel threatened by ambiguous or unknown events and how much they have developed structures and beliefs to try to avoid them. Denmark scores 23, proving it is the least uncertainty

avoidance country, while France and Spain both are presented by a really high score of 86, while the USA is positioned slightly below the middle (46).

"Long-term orientation" is another dimension which has to be further clarified. This dimension shows how, despite dealing with the challenges of the present and the future, every society must keep some ties to its own past. However, cultures prioritise these two existential aims differently. Normative societies, which rank low on this metric, favour upholding time-honoured customs and norms while being hesitant of societal change. On the other hand, high-scoring cultures adopt a more practical approach: they promote thrift and efforts in modern education as a means of future preparation. Denmark is positioned on the lower side (35), together with the United States (26) (this score is supported by the U.S. point of view of measuring performance on a short-term basis e.g. P&L statements issued on a quarterly basis). Spain got a medium score of 48, while France is the most long-term oriented country in this comparison (63).

Lastly, **"Indulgence"** takes place. This dimension is described as the degree to which people attempt to control their impulses and desires. "Indulgence" refers to a tendency for a relatively poor control over one's urges, while "Restraint" refers to a relatively strong control over one's urges. France and Spain score relatively medium scores of 48 and 44 respectively, while the U.S. (68) and Denmark (70) have similar scores showing their willingness to realise impulses and desires with regard to enjoying life and having fun.³⁸

12. BEST LOCATIONS FOR MARKETING^{39,40}

Since the US territory encompasses many states, all of which might be more or less advantageous, depending on the items studied, we will be carrying out a political, economic, social, technological, legal and

³⁸ <https://www.hofstede-insights.com/fi/product/compare-countries/>

³⁹ <https://worldpopulationreview.com/state-rankings/birth-rate-by-state>

⁴⁰ <https://www.usnews.com/news/best-states/rankings/economy>

environmental (PESTLE) analysis to offer a better explanation of the conditions defining the United States as a market of interest to import the goods that are the object of this research and to define the best-performed states in each category.

Political: The best state for financial stability is **Alaska**. South Dakota, Tennessee, Idaho, and Utah make out the top five, in that order. The top 10 Best States overall include half of the 10 states with the strongest fiscal stability.

Economic: Before the coronavirus interrupted it, the country had an economic expansion that lasted almost 11 years. Before the pandemic, unemployment dropped to a record 3.5%. In terms of gross domestic product, this has improved in 2021, but it might take a few years for the labour market to fully recover, and the COVID-19 pandemic has revealed significant gaps in the nation's economic equality. **Utah** is the top state for economy. It's followed by Colorado, Idaho, Washington and Massachusetts to round out the top five.

Social: The Centres for Disease Control and Prevention (CDC) reported that in 2018, the birth rate in the United States was at its lowest level in 32 years. According to the CDC's data, there were 2% fewer births overall in 2018 than there were in 2017. After the Great Depression, these figures were lower. The drop in the birth rate is attributed to several factors. Because more Americans are pursuing higher education and prioritising their jobs above starting families, more people are delaying marriage and having children. In addition, there are fewer teen pregnancies, more people are educated, and contraception is more readily available.

In any case, birth rate varies from state to state. The National Vital Statistics System report from the CDC lays out each state's birth rate, along with the fertility rate, total fertility rate, and fertility rate by age group of the mother. According to World Population Review (2023), the top five states which have the highest birth rates are as follows:

Utah	14.9
North Dakota	14.0
Alaska	13.7
South Dakota	13.5
Texas	13.2

The above graph gives information about “**Number of live births per 1,000 population**”. At 14.9 births per 1,000 people, **Utah** has the highest birth rate in the nation. This is probably due to Utah's sizable Mormon population, which also accounts for the state's highest average household size and lowest median age of 29.2 in the nation.⁴¹

Additionally, talking about social factors, education plays a major role in defining which states have advantage over the others. **New Jersey** is the top state for education. It's followed by Massachusetts, Florida, Washington and Colorado to round out the top five.

Lastly, social factors also include health care. Few things have as much of an impact on a state's residents' well-being as their general state of health. Access to preventative medical and dental care for both children and adults is a crucial factor in determining the best states for health care.

The best state for healthcare is **Hawaii**. Massachusetts, Connecticut, New Jersey, and California make out the top five, in that order.⁴²

Technological: According to the information provided by Business Insider (2019), the following table has an aim to present the top 5 technologically innovative states in the U.S, assessed on three factors

⁴¹ <https://worldpopulationreview.com/state-rankings/birth-rate-by-state>

⁴² <https://www.usnews.com/news/best-states/rankings/economy>

(WalletHub State Innovation Index, Human Capital rank and Innovation Environment rank):

	WalletHub State Innovation Index (X/100p.)	Human Capital rank (Rank out of 51 states)	Innovation Environment rank (Rank out of 51 states)
Massachusetts	72.31	2	1
Washington	68.03	4	3
District of Columbia (Washington D.C.)	67.47	1	17
Maryland	64.06	5	7
Colorado	63.35	6	4

As it can be observed, **Massachusetts** is a leader in the ranking, followed by Washington, District of Columbia (Washington D.C.), Maryland and Colorado in that order.⁴³

Legal: According to CEO Today Magazine (2022), **Delaware** is positioned as the best state in terms of legal requirements. There are more than a million businesses in Delaware. In fact, almost 66% of the Fortune 500 corporations are situated in Delaware. It's by far the most popular and best state to register a small business, LLC or big corporation. Delaware has a top-notch legal system for business. It is well known for preserving legal fairness. The state offers quick business startup filing procedures. Delaware offers appealing tax incentives. There is no VAT, no commercial transaction tax, and no capital stock transfer tax. Also, if one's company is registered in Delaware

⁴³ <https://www.businessinsider.com/most-innovative-states-in-united-states-dc-2019-3#5-colorado-6>

but has its headquarters in another state, he/she won't be required to pay state income tax. Inventory won't be subject to tax either.

Secondly, Wyoming takes place. For tax considerations, Wyoming is by far the finest state to launch a business. It imposes neither corporate nor individual income taxes. The 4% sales tax, which is the sixth lowest in the US, is also rather reasonable. The state has the most draconian asset protection rules in all of America thanks to its business-friendly judicial structure. The least amount of corporate red tape is used to accomplish this. One is permitted to handle the registration process entirely online, for instance. This is great since any businessperson can start a business in Wyoming without ever setting foot inside the state.

Thirdly, in some ways, Nevada is the finest state to launch a business in terms of taxes. The state provides extraordinary tax advantages because there are no personal income taxes, business income taxes, or franchise taxes. One is permitted to operate his/her firm in Nevada without holding annual meetings. Even without creating an operating agreement, one can proceed.⁴⁴

Environmental: Over the past 50 years, a variety of laws have been put into place by policymakers to guarantee a secure interaction between people and their environment. The Environmental Protection Agency controls air pollution in accordance with the Clean Air Act. Like this, the Clean Water Act and Safe Drinking Water Act guarantee that public drinking water satisfies federal criteria and that states correctly dispose of pollutants at treatment facilities.

These regulations shield the population from dangerous chemicals and the accompanying health issues while also assisting in the preservation of the nation's natural resources.

Hawaii is the top state for natural environment. It's followed by New Hampshire, South Dakota, Minnesota, and New York to round out the top five.

⁴⁴<https://www.ceotodaymagazine.com/2022/03/the-best-us-state-to-register-a-business-in-and-the-worst/#:~:text=The%20best%20states%20to%20start,laws%20and%20savvy%20court%20systems.>

After the PESTLE analysis took place, it is up to the company's preferences to decide which aspect or aspects of this model are found to be most important for the underlying exporting activities in the United States. Nevertheless, **Utah** gives indications as being a good choice, as it is ranked as the best state in terms of economic situation, it is in the top 5 most financially stable states, and it is expected to have the best score for new births for the upcoming 2023. Namely this last characteristic of the state could "tip the scales" in favour of it because the goods intended to be imported in the U.S. are toys and clothes for children.

Comparing most and best locations for marketing in the USA and Chile, it can be concluded that the opportunities on the Chilean market are limited due to several factors. Chile's territory is more than 10 times smaller than the US, which appears as the first geographical reason. Secondly, the enormous economic capabilities of the United States (GDP of 25.46 trillion USD until Q4/2022) versus Chile (508 billion USD for 2022) doesn't leave any room for comparison about the number and variety of locations within both countries. Another factor is related to the population in both countries, which in general has an influence over the number of employed people, which respectively have a direct impact on the economy (Chile - 19.5 million citizens vs. USA - 332 million citizens). The further consequences include three recommended locations for expansion in Chile (Santiago, Concepción and Valparaíso). On the other hand, concerning the US market, a PESTLE analysis is implemented which ranks the variety of locations, based on six factors as follows: Political, Economic, Social, Technological, Legal and Environmental. Then, a ranking of five best locations for each factor takes place.

13. E-COMMERCE

The United States is the **second largest market for eCommerce** generating revenue of 862.4 billion USD in 2021, positioning the country ahead of Japan and behind China. With its increase of 22%, the US eCommerce

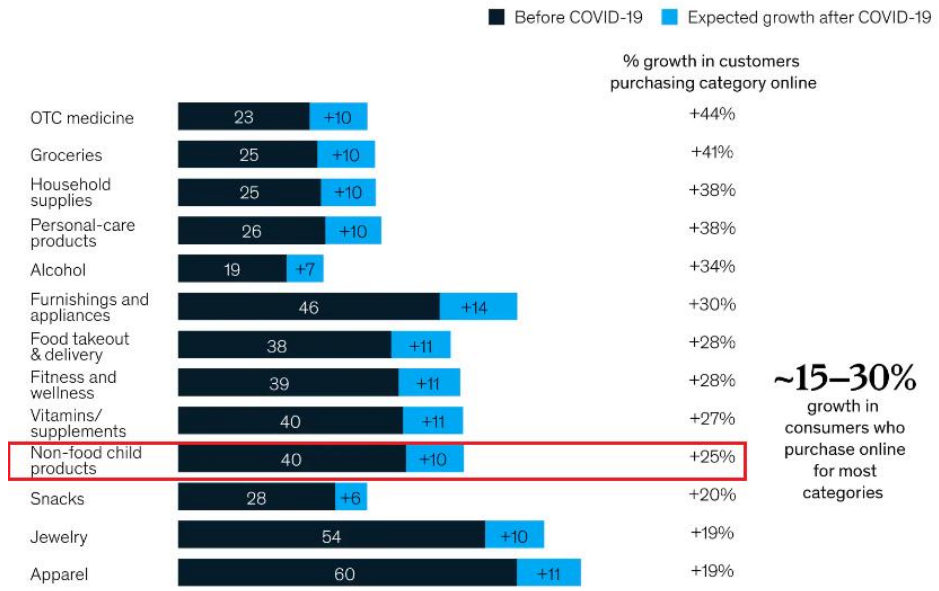
market contributed to the worldwide growth rate of 18% in 2021. With a yearly growth estimation of 14% between 2021 and 2025, the United States is even expected to outperform the global average of 10%.

The undisputed leader in the U.S. eCommerce market is amazon.com. The multinational company generated a revenue of US\$125.8 billion in 2021. Amazon.com is followed by walmart.com and apple.com positioned as the second- and third largest stores with US\$46.4 billion and US\$26.1 billion, respectively. All in all, the top three companies represent 25% of the top 100 online stores' revenue in the United States. Additionally, one of the fastest-growing stores in the U.S. market is thewineclub.com. The store achieved online net sales of about 0,7 million USD in 2021. Its revenue growth amounted to 493% compared to the previous reference period.⁴⁵

Concerning consumer behaviour in relation with online commerce, it can be said that since COVID-19 pandemic took place, certain trends in consumer behaviour appeared which are "here to stay". Firstly, more people are expected to make a portion of their **purchases online** post Covid-19 than before. The number of customers ordering "non-food child products" (such as

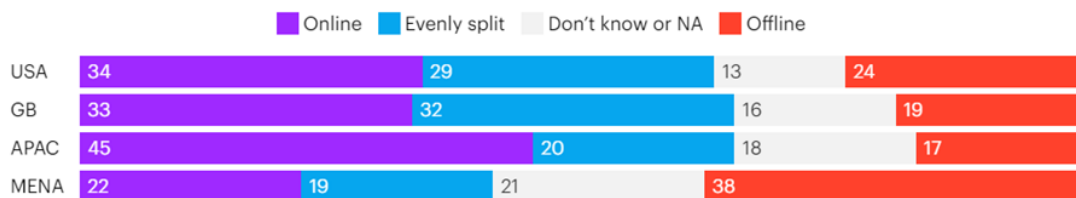
⁴⁵ <https://ecommercedb.com/markets/us/all>

toys, clothes, furniture, etc.) is expected to grow around 25%, as described in the following graph.⁴⁶



Another point for consideration is the habits of customers (parents) regarding buying toys for their children.

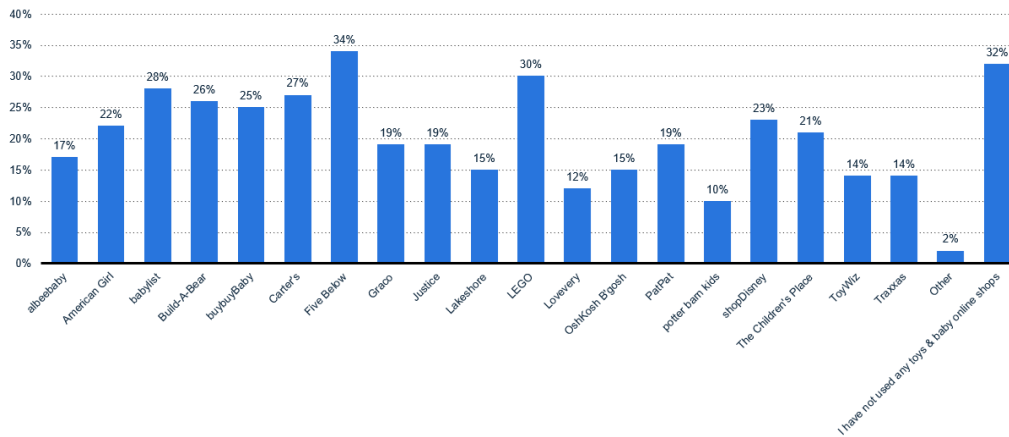
According to YouGov PLC (2022), **a third of American parents (34%) purchase toys and games exclusively online, while the proportion of those, purchasing toys and games exclusively offline is estimated around one fourth of all customers (24%),** as it can be observed on the following horizontal bar chart:⁴⁷



⁴⁶ <https://www.mckinsey.com/capabilities/growth-marketing-and-sales/our-insights/the-great-consumer-shift-ten-charts-that-show-how-us-shopping-behavior-is-changing>

⁴⁷ <https://business.yougov.com/content/43382-online-offline-how-parents-prefer-shop-toys-games>

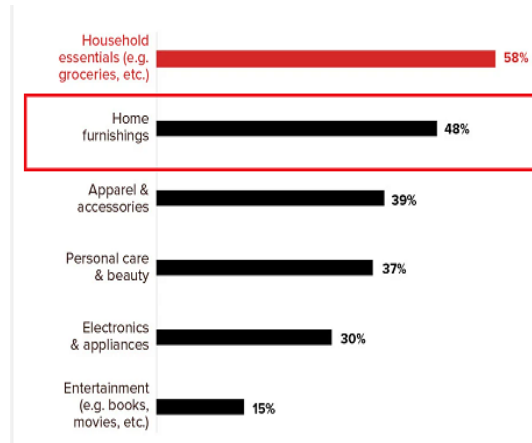
Furthermore, the following graph represents toys and baby online shops usage by brand:



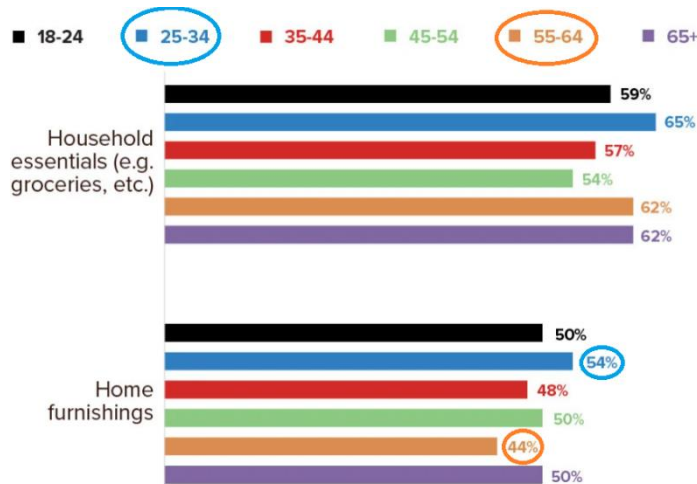
“Five Below”, “Lego” and “Baby list” mark the biggest share of online shoppers respectively with 34%, 30% and 28%. At the same time, “Pottery barn kids” performs worst (10%) and almost one third of the respondents (32%) state that they do not use any toys and baby online shops (32%), which means this share of the sample fall into the category of offline shoppers.

As for products such as **tableware, kitchenware and other household articles**, according to Retail Dive (2017), “Home furnishings” are positioned on the second place (48%) just behind “Household essentials” (58%) as being products which are more likely to be shopped in brick-and-mortar shops than online (See the following bar chart which shows the products US customers are more likely to shop for in brick and mortar stores, rather than online)⁴⁸:

⁴⁸ <https://www.retaildive.com/news/why-most-shoppers-still-choose-brick-and-mortar-stores-over-e-commerce/436068/>



Furthermore, it would be beneficial to define **the age distribution of customers most and least willing to visit physical shops than ordering online**. Based on the data provided by Retail Dive (2017), consumers (25-34 y.) are most prone to buying home furnishings in-person (54%), while customers (55-64 y.) are the least attracted group to brick-and-mortar stores (44%) (See the following bar chart):

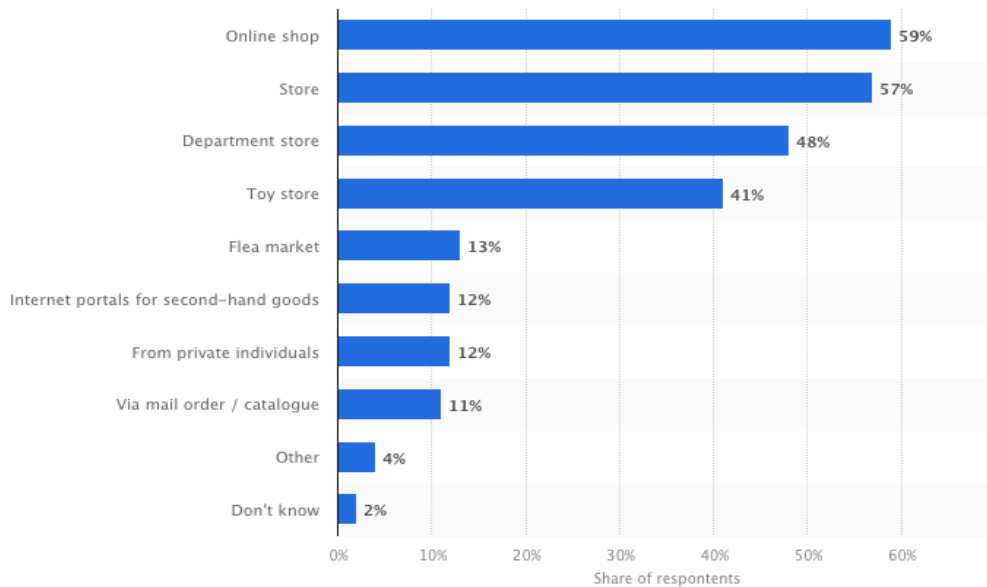


The last variable through which consumer habits could be further researched is by **gender distribution**. It turned out that this distribution of male and female customers is relatively balanced, as male customers slightly prevailed over women ones, 50% vs. 47% respectively (See the following bar chart):⁴⁹

⁴⁹<https://www.retaildive.com/news/why-consumers-prefer-to-shop-for-nearly-all-products-online/437886/>



In any case, the category which lately marks one of the **biggest growths is online shopping**⁵⁰ (before covid-19 – post covid-19 comparison), which represents, more precisely, a growth of 38% as it can be seen on the following graph which represents where the majority of consumers tend to make their purchases:



The survey carried out in 2021 in the USA, among 1000 people aged 18 to 64, shows us our consumers to mainly buy the products. As we can see the majority of purchases are made on the Internet followed very closely by physical stores which obtain respectively the score of 59% and 57%. The least appreciated are purchases by mail or catalogues.

Regarding online sellers of toys and baby products, the most developed companies in this segment are Amazon, Walmart, or Target which

⁵⁰ Statista

realises a revenue between 1.621 million dollars and 6.297 million dollars according to the site ecommerceDB.com.

14. CIRCULAR ECONOMY

Sharing, renting, reusing, maintaining, repairing, and recycling already existing materials and products are all part of the circular economy's production and consumption paradigm. As a result, products' life cycles are prolonged. It implies minimising waste. Every effort is made to keep a product's components inside the economy after it has reached the end of its useful life.

According to Ellen Macarthur Foundation (2021)⁵¹, the worldwide toy market was worth over USD 90 billion in 2019, but as 80% of toys are thrown away and end up in landfills or the ocean, a significant portion of this value is lost; that is why reuse and sharing strategies are essential for the innumerable toys already in existence to avoid waste.

Regarding USA, just one aspect of circular economy, the recycling industry, generates over \$100 billion in economic activity, nearly \$13 billion in federal, state, and local tax revenue and supports over 500,000 jobs annually.⁵² In any case, the country has promoted certain actions at a national level, focusing "on enhancing and advancing the national municipal solid waste (MSW) recycling system and identifies strategic objectives and stakeholder-led actions to create a stronger, more resilient, and cost-effective domestic MSW recycling system"⁵³. However, these actions alone will not build an effective and solid circular economy in the country, as the US government has advanced. Therefore, with the objective to fight the waste in

⁵¹ <https://ellenmacarthurfoundation.org/articles/creating-a-circular-economy-for-toys>

⁵² <https://thehill.com/opinion/energy-environment/551522-circular-economy-infrastructure-will-build-value-for-all-americans/>

⁵³ <https://www.epa.gov/recyclingstrategy/national-recycling-strategy>

the United States and reaching 50% of recycling⁵⁴⁵⁵ rate by 2030, they have organised the strategy in 5 principal bullet points:

- Improve Markets for Recycling Commodities.
- Increase Collection and Improve Materials Management Infrastructure.
- Reduce Contamination in the Recycled Materials Stream.
- Enhance Policies to Support Recycling.
- Standardise Measurement and Increase Data Collection.

Not only due to the rising environmental concern in the US, but also to the economic opportunities the circular economy will bring to the Americans, measures will be introduced in the country. It is predicted that using circular economy, companies involved could obtain up to 4,5 trillion USD, as well as create 6 million jobs by 2030⁵⁶. Circular economy is seen as the future model by both public institutions -as we have explained- and companies.

In the past, advocating that companies take responsibility for the sustainable management of their products was the sole domain of environmentalists. But we are now seeing multiple stakeholders, including CEOs, politicians, customers and shareholders align on the view that when brands invest in local recycling and circular economy infrastructure to protect the environment, it creates value for businesses too. In New York this January, State Sen. Toddy Kaminsky (D) introduced an EPR bill that has gained broad support, and similar legislation has been introduced or is being considered in California, Colorado, Hawaii, Maryland, New Hampshire, New York, Oregon, Vermont and Washington state.

A policy known as Extended Producer Responsibility (EPR), now being introduced at the state and federal level, would create a massive investment in local recycling and circular economy infrastructure. Through a fee paid by

⁵⁴ <https://www.epa.gov/system/files/documents/2021-11/final-national-recycling-strategy.pdf>

⁵⁵ https://www.epa.gov/sites/default/files/2019-11/documents/national_framework.pdf

⁵⁶ <https://www.usaid.gov/energy/sure/circular-economy>

consumer goods companies, thoughtfully-constructed EPR will save billions of dollars spent annually in landfill disposal fees. It would create hundreds of thousands of local jobs and provide consumer goods companies a reliable and cost-effective alternative to their current dependence on limited raw materials, which generate enormous amounts of greenhouse gas (GHG) emissions during extraction.⁵⁷

For example, according to LEGO Group 97% of its bricks are already kept or shared by their owners, with many passed on to generations of friends or family, but the company is aiming to increase this percentage, which is why the **LEGO® Replay campaign** invites owners to give their used bricks to children's organisations. One of the company's initial efforts toward a circular economy, the program is now being tested in the US.⁵⁸

Many start-up companies have investigated reuse and sharing models for toys for similar reasons. "**Toy-Cycle**" has set up an e-commerce platform and consignment system in California that allows outgrown toys to be sent straight to the business to be sorted and resold.

Toys need to be repairable when they get damaged for reuse and sharing to work best, this is why manufacturer of 3D printing technology "Dagoma" has created "**Toy Rescue**", which offers replacement components for damaged toys. "Dagoma" has compiled a collection of 3D-printable files for the most frequently lost or damaged components from the most well-liked toys from the previous 40 years. It includes innumerable different pieces that may be printed using a material suitable for the original toy, such as doll arms, dinosaur tails, vehicle wheels, and so on.

Mystery, or blind-box, toys have taken over the toy market in recent years. In 2020, "**MGA Entertainment's**" notorious **LOL toy line** is predicted to bring in USD 500 million for the company. The element of surprise may "spark excitement," but these toys are not made to be aesthetically pleasing or

⁵⁷ <https://thehill.com/opinion/energy-environment/551522-circular-economy-infrastructure-will-build-value-for-all-americans/>

⁵⁸ <https://ellenmacarthurfoundation.org/articles/creating-a-circular-economy-for-toys>

physically durable over an extended period of time, as the industry has been criticised for producing excessive amounts of plastic waste. In order to ensure that both its toys and packaging are recycled, "MGA Entertainment" is looking into new material options and has partnered with recycling firm "Terracycle".

Other companies are looking into the mystery toy concept to prevent plastic waste altogether. This includes the UK-based companies "Eco-Tots" and "Baba Me", both of which offer wooden toy-filled mystery toy boxes.

To enable a youngster to construct their own toy, the Chinese toy company "**Bamloff**" has developed modular wooden robots called "WooBots" that may be assembled in a variety of ways. Like this, Copenhagen-based "Modutoy" has created modular plastic toy blocks with the goal of creating a toy experience that "encourages kids to play actively utilising their whole body" and "fulfils the urge to create and be innovative."

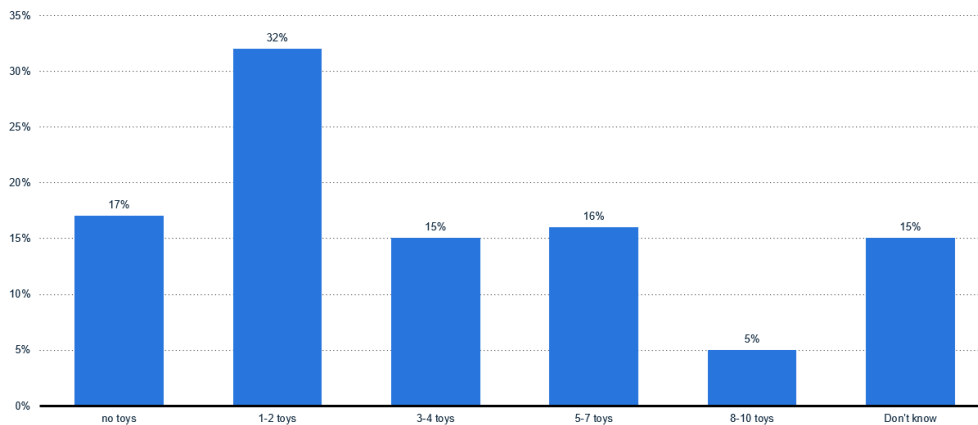
These initiatives are crucial to preventing the disposal of recyclable materials in the environment or in landfills. Together, they represent important steps toward a circular economy where toys are produced from renewable or recycled materials and are used more frequently. These can be productively used again and again, thereby creating further value.⁵⁹⁶⁰

As for the current situation in the U.S., the next chart shows the proportion of second-hand toys purchased.⁶¹

⁵⁹ <https://ellenmacarthurfoundation.org/articles/creating-a-circular-economy-for-toys>

⁶⁰ <https://www.europarl.europa.eu/news/en/headlines/economy/20151201STO05603/circular-economy-definition-importance-and-benefits>
<https://ellenmacarthurfoundation.org/articles/the-trends-and-trailblazers-creating-a-circular-economy-for-fashion>

⁶¹ Statista Global Consumer Survey "Insights Special Toys & Games- United States of America"



The graph analyses how many of the last 10 toys children received were bought second hand. Almost a half of the research sample states their children possessed between 1 and 4 toys which were already used before the purchase (47%). Additionally, one fifth states their children have between 5 and 10 toys (21%), while only 17% of the parents answer by not buying any used toys for their children.

Based on these figures, the future trend for parents would be to continue to adopt the concept of buying used toys for their children.

However, this is not only a trend in the toy market, but also in other important sectors such as apparel. Since fast fashion business model is unsustainable regarding the fact that in the last two decades clothes utilisation has shrunk by more than a third whilst clothes' purchasing has never stopped increasing⁶². Big impact has been revealed lately, also in communities where clothes are manufactured as well as the places where all wastes prevenient of this market end (e.g. Desierto de Atacama, Chile), therefore some changes are to be implemented in the following years throughout the apparel industry:

- Promotion of second-hand clothes and renting different outfits, in order to reduce waste.

⁶²<https://www.weforum.org/agenda/2022/01/5-ways-the-circular-economy-will-transform-your-fashion-habits/>

- Reduction of oversupply in the market.
- Repairing services will be implemented (broken zippers, torn clothes...)
- Recycled materials will be used so as to produce new clothes.
- Clothes already sold in previous seasons will be re-designed.

Moreover, another trend which could be further researched is if the U.S. customers perceive second hand apparel as being part of the circular economy concept. Leading companies in the fast fashion resale and rental business include "US ThredUP". With the ability for users to sell their own items on their website, ThredUP has grown to become the biggest marketplace for used clothing in the world. Every day, over 100,000 products from 35,000 brands are resold, and by 2020, they expect to rank among the top clothing wholesalers in North America.

With more than 1,200 U.S. stores and over 30 million loyalty members, Ulta Beauty is one of the top mainstream retailers for cosmetics, skincare and haircare products. And in 2021, Ulta shoppers got a chance to try some of their favorites in reusable packaging, thanks to the retailer's partnership with Loop.

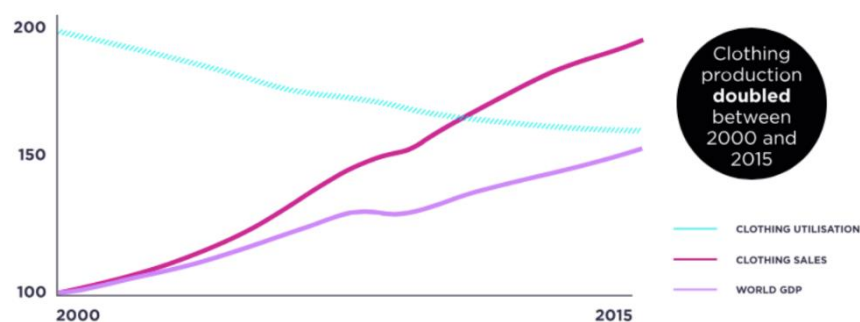
Outdoor gear label The North Face was early to the circular economy party, having launched its re-commerce platform in 2018. The North Face Renewed collection includes refurbished clothing that is available for sale at steep discounts compared to buying new. The California-based brand claims to have already diverted more than 200,000 pounds of used clothing from landfills — and this year it expanded the Renewed program to include an in-house design residency. Another example is promoted by the company Thousand Fell (with headquarters in NY), an environmentally conscious manufacturer with shoes made from sustainable materials such as coconut husk and sugar cane, and even recycled plastic bottles. We also have Adidas which offers a range of footwear (UltraBoost DNA Loop) made from only

thermoplastic polyurethane (TPU) with no glue is used in its manufacture, instead using high temperatures.⁶³

Other smaller disruptive businesses are also making additional efforts to promote the circulation and recycling of clothing. With a subscription-based business strategy, **Vigga sends out shipments of professionally laundered organic cotton baby clothing at regular intervals in the appropriate size to meet infants' rapid growth.** "Vigga" (Denmark) dramatically enhances the frequency of wearing a single item of clothing by doing this.

Nevertheless, the biggest challenge here (and in other sectors) is to convert consumer habits into others more responsible with the environment, related to the circular economy and sincerely aiming to change the current production chain (linear) into a new circular one.

Finally, the following graph shows the growth of clothing sales and decline in clothing utilisation since 2000, which also demonstrates a contradiction with the growing interest population has been showing towards reusing and sustainability.⁶⁴



Regarding furniture, it is interesting to point out IKEA's initiative to start a buy-back scheme for customers that gives vouchers in exchange for the return of unwanted furniture and other items⁶⁵.

⁶³ [Circular economy examples - how IKEA, Burger King, Adidas and more are investing in a circular economy | World Economic Forum \(weforum.org\)](https://www.weforum.org/agenda/2017/05/circular-economy-examples-how-ikea-burger-king-adidas-and-more-are-investing-in-a-circular-economy/)

⁶⁴ Ellen MacArthur Foundation "Growth of clothing sales and decline in clothing utilisation since 2000"

⁶⁵ [Circular economy examples - how IKEA, Burger King, Adidas and more are investing in a circular economy | World Economic Forum \(weforum.org\)](https://www.weforum.org/agenda/2017/05/circular-economy-examples-how-ikea-burger-king-adidas-and-more-are-investing-in-a-circular-economy/)

RELATIVE INTERNATIONAL POSITION

It is difficult to make an accurate comparison between the circular economy in the US and the rest of the world, as there are no standardised measures or universally accepted definitions of circular economy. However, it can be said that the US has a highly developed and diversified economy and as a result the country has policies and programmes in place to promote a circular economy, such as waste reduction, reuse and recycling, as well as promoting energy efficiency and the use of renewable energy. If we compare the circular economy of the US with that of Korea, which is considered one of the leading countries in this field, we realize that economic and social inequalities, sustainable resource management and waste management are issues that the country has not yet addressed. The difference in development between the two countries can be explained by several factors such as the size of the country, but also the political priorities.

15. SUSTAINABILITY

With new toys and designs released every day, the toy industry is a constantly growing sector of the economy. The use of new materials is being investigated with this new production. For instance, LEGO has started producing bricks from sugarcane plastic, a sustainable, biodegradable material that has no long-term effects on the environment. **By 2030, LEGO plans to use sugarcane in the production of all its goods.** While plastic made from sugarcane is becoming more and more popular, other businesses are innovating even further. Another company that is also implementing more sustainable solutions in the toys sector is Green Toys since all their products are made in the USA with recycled materials.

In place of the conventional assembly line, many toy businesses are switching to 3D printing, which is growing in recognition and accessibility.

With the creation of revolutionary bioplastics manufactured from sugar beets, potato starch, and cornflower, 3D printing also enables new material investigation.⁶⁶

These days, smaller niche manufacturers fulfilling orders for premium independent toy retailers are not the only ones in the United States producing sustainable toys. Sustainable product manufacturing has become less expensive, and customer awareness has significantly increased. Environmental issues and global warming have taken centre stage for American consumers.

Nearly two-thirds (64%) of Americans are prepared to pay more for sustainable products, and 78% of individuals are more likely to purchase a product that is explicitly marked as environmentally friendly, according to GreenPrint Corporation's 2021 Business of Sustainability Index survey. Most individuals, however—45% of Americans—say they require a third-party source for validation when businesses claim to be environmentally friendly.⁶⁷

Furthermore, contributing to a diverse outlook of the opportunities on the U.S. market, the market of **second-hand clothes takes place.**

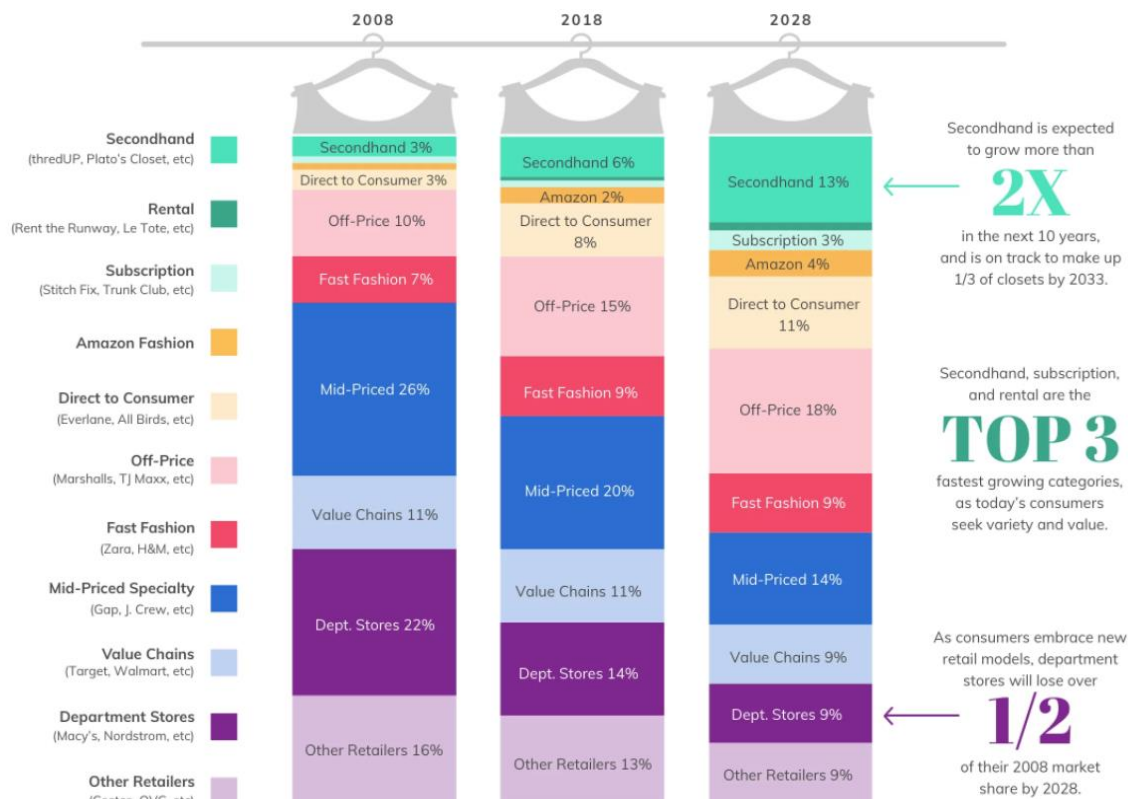
According to the World Economic Forum (2019), over the period (2016-2019), the US market for used apparel has expanded 21 times quicker than that of new goods at retail. **It was valued at around \$24 billion in 2019, and by the middle of the current decade (2025), that value is anticipated to rise to \$51 billion.** Comparing the trend of people attracted to second hand clothes during three different decades (2008, 2018 and 2028) several conclusions could be drawn.

In 2008, second-hand apparel marked barely 3% market share, while in 2018 this number has doubled to 6%. The ongoing trend is still in place, as the projected figures for the upcoming 2028 are 13% and second-hand is on track to make up $\frac{1}{3}$ of closets by 2033. Additionally, second-hand, subscription and

⁶⁶ <https://www.unsustainablemagazine.com/innovation-in-sustainable-toys/>

⁶⁷ <https://www.spielwarenmesse.de/en/mag/sustainability/toys-and-sustainability-in-the-u.s>

rental are top 3 fastest growing categories, as today's consumers seek more flexibility and diversity on the market (See the following graph):⁶⁸



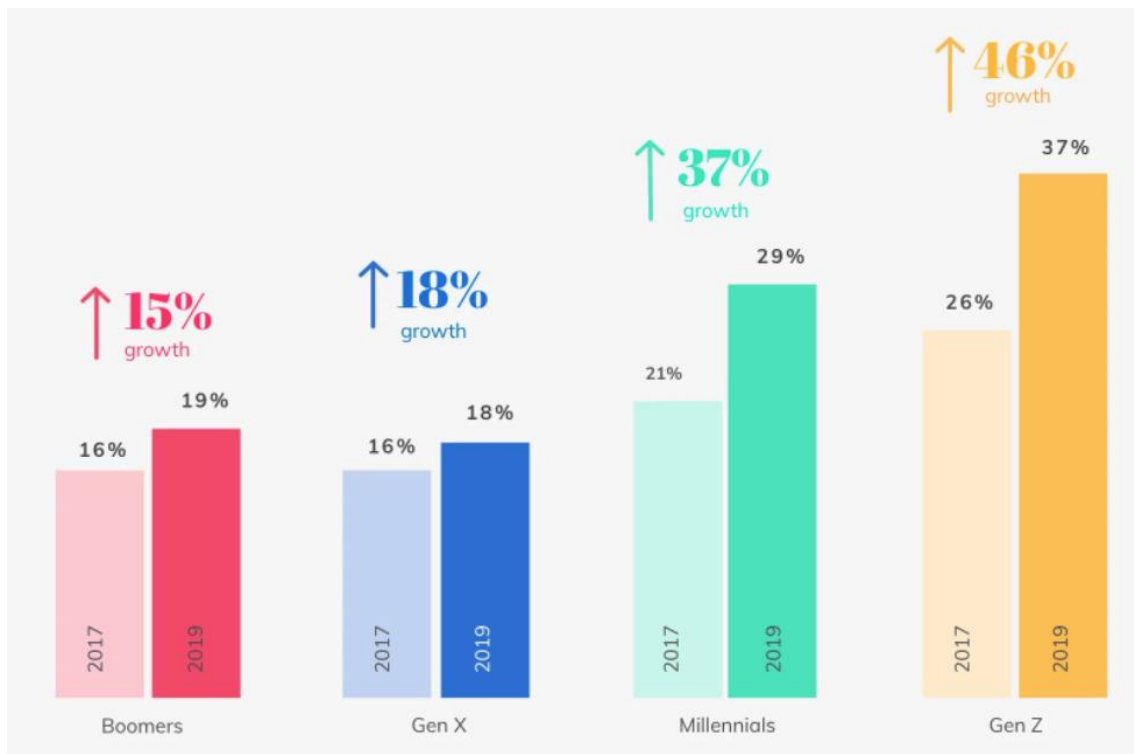
According to Neil Sunders (2019), a constant percentage of consumers in the sector are purchasing used goods at all price points. 26% of shoppers who shop at luxury retailers also purchase used goods. It is 25% in the mid-market and 22% at the cheap end. These findings contribute to rooting out the stereotype of second-hand apparel being only sold at the cheap end.

Boomers (1946-1964) and millennials (1981-1996) are the two age groups most likely to buy used goods, with 33% and 31% of them doing so, respectively. At the same time, Gen Z (1997-2012) marks 16%, while Gen X (1965-1980), the generation trapped between the two, falls far behind at 20%.

A further point of interest could be to see which **age group is most prone to adopt the concept of second-hand clothes** in the foreseeable future. During the period (2017-2019) the age group of Gen Z generated

⁶⁸ <https://www.weforum.org/agenda/2019/04/united-states-loves-secondhand-clothes/>

biggest growth of 46% of consumers buying second-hand apparel, accessories, footwear (from 26% to 37%), while the poorest performer are Boomers - only 15% growth, from 16% to 19% of total consumers (See the bar chart). The following chart represents the % of each age group that bought second hand apparel, footwear, or accessories in 2017 and 2019 and shows how adults aged 18-37 are adopting second hand 2,5x faster than other age groups.⁶⁹



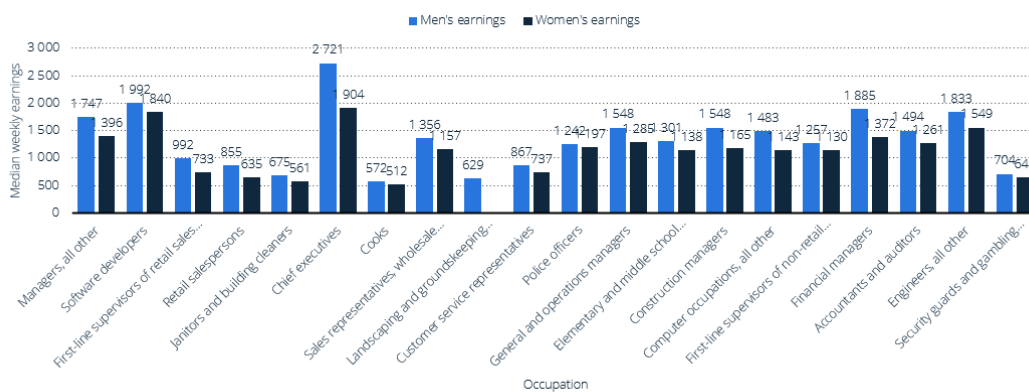
USA dominated the eco-friendly furniture market growth in 2022, with a share of 43.4%. This means consumers are becoming increasingly environmentally aware and it is the largest market in the sector. In any case, sustainable furniture is expected to grow at a CAGR of 5% until 2028, even though it is still an emerging concept. It largely includes furniture made from eco-friendly or recycled materials that are sustainably sourced. Some of the prevalent raw materials used for green furniture include recycled textiles, oak, birch, hemp, wood, and bamboo.

⁶⁹ <https://www.weforum.org/agenda/2019/04/united-states-loves-secondhand-clothes/>

16. GENDER

Gender perspective is a matter that has gained more importance in the late years, including in the United States. Social movements, especially feminism, have exposed certain problems women have to go through in their life because of their gender.

One of them is the wage gap. In the United States, there are still women that earn less for performing the same job as a man. This data⁷⁰ is shown in the following graph which represents the gender wage gap for the 20 most common occupations for men in the United States in 2021, by median weekly earnings (in U.S. dollars).

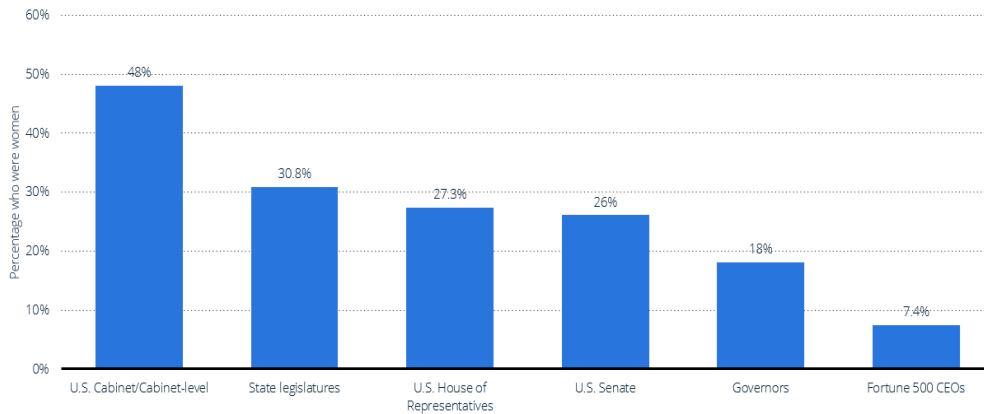


Also, leadership roles⁷¹ where power is held by women are not halving the total amount, and there are only a few in categories like *Fortune 500-CEO*. The following chart shows the percentage of top U.S. leadership roles held by women in 2021 by role.⁷²

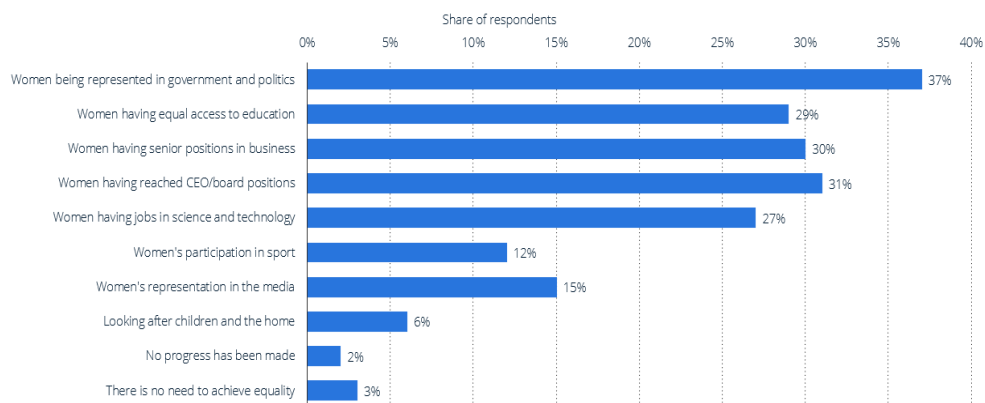
⁷⁰ Statista: Bureau of labour. US.

⁷¹ Statista: Pew Research Center

⁷² [Share of female leaders in the United States, by position 2021 | Statista](#)



Whilst this chart demonstrates the leading areas of progress in achieving gender equality over the past 25 years in the United States in 2019⁷³:



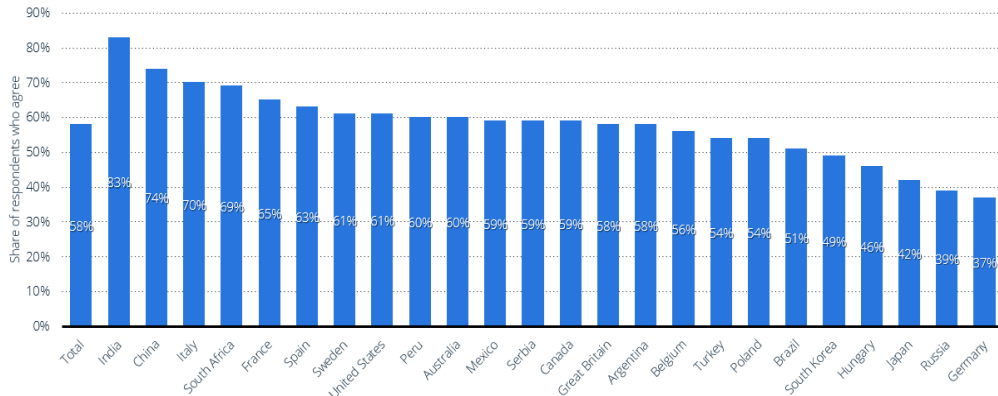
Nonetheless, in 2017 only 61% of people in the United States considered themselves to be a feminist⁷⁴, even though the fact that it was the 48th country in the world in terms of gender equality in 2021⁷⁵, scoring lower than Serbia, Montenegro, or Kazakhstan. The following chart studies the answer to the question “would you define yourself as a feminist - someone who advocates and supports equal opportunities for women?”⁷⁶

⁷³ Statista: Ipsos

⁷⁴ Statista: Ipsos

⁷⁵ Statista; UNDP

⁷⁶ [Identifying as a feminist 2017 | Statista](#)



16.1. APPLICABLE TO THE OBJECT OF STUDY

According to the National Association for the Education of Young Children (NAEYC), toys for boys were more closely associated with violence or aggression (wrestlers, soldiers, guns, etc.), while toys for girls were more closely associated with beauty (Barbie dolls and accessories, ballerina costumes, makeup, jewellery, etc.). Based on these evaluations, the team then categorised the toys into six groups: (1) strongly feminine, (2) moderately feminine, (3) neutral, (5) fairly masculine, and (6) strongly masculine. Then, toys were assessed based on their qualities, such as being easily manipulated, exciting, instructive, aggressive, artistic, etc.

It was discovered that although boys' toys were regarded as violent, competitive, thrilling, and somewhat dangerous, girls' toys were associated with physical attractiveness, nurturing, and domestic skill. Most of the toys that were assessed as being the most likely to be instructive and to help kids develop their physical, cognitive, creative, and other talents were either neutral or fairly masculine in nature. The team came up to the conclusion that strongly gender-typed toys appear to be less supportive of optimal development than neutral or moderately gender-typed toys.⁷⁷

⁷⁷ <https://www.naeyc.org/resources/topics/play/gender-typed-toys>

Gender stereotypes are having a significant impact on the U.S. market for children's toys, clothing, and furniture. According to a study by the University of California, Davis, children begin to conform to gender stereotypes as early as age two. This shows how important it is for brands to offer products that are not limited to traditional gender stereotypes. Fortunately, there is a shift in American consumer attitudes toward gender stereotypes. According to a study conducted by the marketing agency Moosylvania, 60% of American mothers prefer to buy products without gender stereotypes for their children.

Advertisers play a crucial role in promoting children's products. According to a Federal Trade Commission (FTC) report, U.S. children are exposed to approximately 13 advertisements a day, so advertisers must use targeted marketing techniques to effectively reach their audience. In addition, according to a Nielsen study, U.S. consumers are more likely to purchase products from brands that reflect their personal values. Therefore, advertisers can target the values of their audience to promote their products effectively.

The public sector does not directly support advertisers, but there are government regulations that aim to protect children from misleading or inappropriate advertising. For example, the U.S. Federal Children's Advertising Act requires that advertisements directed to children be truthful and not misleading, and that they not be intended to exploit children's gullibility or vulnerability.

When it comes to children's clothing, U.S. parents spend an average of \$341 per child each year, according to a study conducted by Mintel. Advertisers can use this information to target parents with customised promotions and ads for children's clothing. In addition, there are also awareness campaigns to encourage more gender-diverse representation in children's clothing and footwear ads.

17. SDG

The Sustainable Development Goals (SDGs) are a set of seventeen global goals adopted by the United Nations in 2015 as part of the 2030 Agenda for Sustainable Development. The SDGs are meant to serve as a universal call to action to end poverty, protect the planet, and ensure peace and prosperity for all people by 2030.⁷⁸



In the case of the US, the country ranks 41 out of 163 countries in the overall SDG index rank, positioning itself at a good position, but below under countries, including South Korea.

As we can see, for all the goals a certain level of challenge remains. In case of SDG such as partnerships for the goals and responsible consumption, there is still a major challenge in the US; in cases such as gender equality and good health and wellbeing there is still a significant challenge, and in cases like quality education, industry, innovation and infrastructure the challenge has gotten better, but still remains. The only goals on track to maintain their achievement are related to clean water and sanitation and industry, innovation and infrastructure, whilst goals such as life on land are stagnating. It is also important to point out that the goals related to responsible consumption and production, as well as reduced inequalities, aspects important to these products, are decreasing.

⁷⁸ <https://dashboards.sdgindex.org/profiles/united-states/indicators>


Other factors that seem to indicate a poor implication of the government concerning the SDG are facts such as that there has never been an official statement issued from the government endorsing the implementation of the SDG, the government has never completed a voluntary national review and the SDG are not mentioned in the latest central nor federal budget plan, nor being integrated into sectorial action plans.

Looking at the Sustainable Development Goals (SDG's), the toy sector can benefit from working towards the implementation of five SDGs further described in this section




Firstly, "Industry, innovation and infrastructure" takes place. Based on the already mentioned information, the most visible innovation in the manufacturing of toys is the shift from using plastic materials to more durable alternatives, also contributing to a shift in consumers' perception about the industry.


Secondly, "Responsible consumption and production" takes place, as this goal is tightly related to the initial idea of applying a circular economy model, which reduces waste pollution.

Then, the next three SDGs appear to work simultaneously and namely: "Climate action", "Life below water", "Life on land" (See the table below):⁷⁹

<p>According to the UN, infrastructure investments are essential to ensuring sustainable development and empowering communities in many nations. This includes investments in transportation, irrigation, electricity, and information and communication technologies. Infrastructure investment is known to be necessary for productivity and income growth, as well as for gains in health</p>	
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⁷⁹ <https://sdg-tracker.org/>

<p>and educational results.</p>	
<p>· According to the UN, sustainable consumption and production aim to improve everyone's quality of life by encouraging resource and energy efficiency, sustainable infrastructure, access to essential services, and green, well-paying jobs. By reducing future economic, environmental, and social costs, boosting economic competitiveness, and reducing poverty, its implementation aids in the achievement of overall development strategies.</p> <p>· According to the UN, countries may now leapfrog to cleaner, more resilient economies due to scalable, affordable technologies. As more people switch to renewable energy sources and a number of other actions that will lower emissions and step-up adaptation efforts, the rate of change is accelerating.</p>	 
<p>· The UN clarifies: "The climate, circulation, chemistry, and ecosystems of our oceans all contribute significantly to the liveability of the planet. The sea is ultimately responsible for providing and regulating all of human needs, including rainwater, drinking water, weather, climate, coastlines, much of our food, and even the oxygen in the air we breathe. Oceans and seas have played a crucial role in trade and transportation throughout history. A sustainable future must include careful management of this</p>	

<p>vital global resource."</p>	
<ul style="list-style-type: none"> • According to the UN, forests, which make up 30% of the planet's surface, are essential for fighting climate change, preserving biodiversity, and preserving the homes of the indigenous population in addition to offering shelter and food security. The annual loss of forests is 13 million hectares, and the ongoing deterioration of drylands has resulted in the desertification of 3.6 billion hectares. 	

Some actions related to SDGs companies of all sectors could undertake are:

- **Regarding industry, innovation and infrastructure.** US society would benefit from the investment made in I+D related to infrastructures and industry in all sectors. It could also make businesses more rentable to companies.
- **Regarding responsible consumption and production.** In order to reduce the amount of waste produced by its economic activity, companies of all sectors would need to analyse and consider their supply, production and distribution chains. Some redesign there could make a big impact in their environment and would evaluate positively by the American society. Sector by sector, we can see:
 - Toys. Using recycled plastics when avoiding its use is impossible.

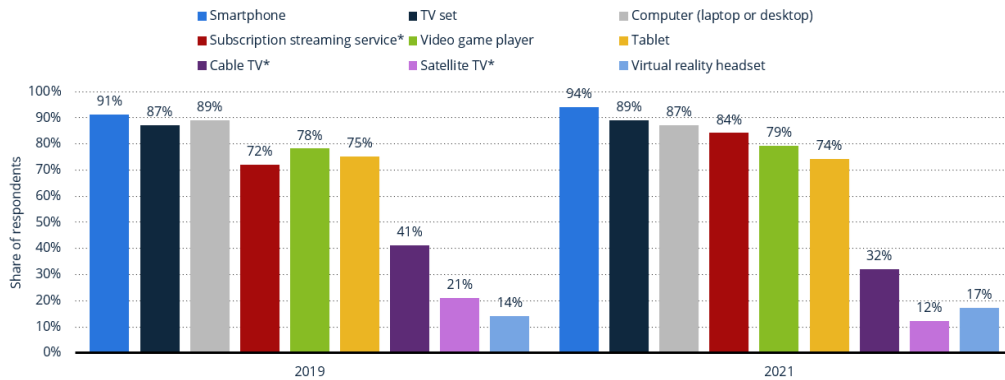
- Apparel and footwear. Water utilisation in the production chain is one key factor in the industry.
 - Food. Many people will prefer food produced with km zero products.
 - Books. Recycled paper could be used, giving another life to old books.
- **Regarding climate action.** Often, plastic, a very contaminant and non-biodegradable material, is utilised to manufacture toys. Therefore, implementing reutilising, recycling and circular economy measures will help companies to deal with climate change. Apparel also has a big impact on the planet due to the fast fashion model and the amount of waste that it is made, and measures can be taken in order to minimise this impact. For other sectors like books, using recycled paper would position companies as committed with facing climate change.

18. DIGITISATION

There is a great chance for children to get to the information of the latest toys, ads, and offerings by themselves without necessarily visiting physical stores with their parents. The following chart represents the share of children with an electronic device in their home in the United States in 2019 and 2021, by type of device.

The next graph shows the share of children with an electronic device in their home in the US, in 2019 and 2021, by type.⁸⁰

⁸⁰ Statista: obtained from Common Sense Media



Looking at the graph, a trend can be outlined that during the period (2019-2021) children possessed three electronic devices to a greatest extent, namely: Smartphone (91%), TV set (87%) and Computer (laptop or desktop) (89%) in 2019. The ongoing trend is mainly seen in the increase of children possessing smartphones (+3% growth) and TV sets (+2% growth). The children population could be easily reached through TV ads all the time and also to reach certain ads of products by themselves while surfing the web.

As more kids are exposed to digital technology at an earlier age and want interactive and engaging experiences from their toys, digitization has grown more prevalent in the toy industry. Interactive stuffed animals that can answer voice instructions, educational games that use augmented reality to boost learning, and smartphone apps that let kids play with virtual replicas of their favourite toys are some examples of popular digitised toys.

Additionally, a few innovative companies will take place, accompanied by particular products, incorporating digitization, as follows:

LEGO has released a lot of toy lines that use technology, including **LEGO Boost** and **LEGO Mindstorms**. Children may create and program their own robots using these toys, and they can even use a smartphone or tablet to operate them.^{81,82}

⁸¹ <https://www.lego.com/en-es/themes/boost>

⁸² <https://www.lego.com/es-es/themes/mindstorms/buildarobot>

LEGO Boost

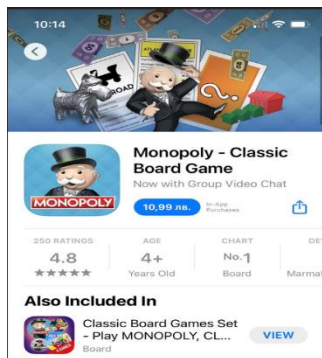


Lego Mindstorms



Monopoly and **Scrabble (Hasbro)** have been transformed into digital versions by Hasbro that can be played on a tablet or smartphone.⁸³⁸⁴

Monopoly



Scrabble



A toy firm called **WowWee** specialises in making interactive robotic toys like **MiP** and **Fingerlings**. These toys have cutting-edge sensors and artificial intelligence technology, and they can be controlled via a smartphone app.⁸⁵⁸⁶

⁸³ <https://apps.apple.com/es/app/monopoly-classic-board-game/id1477966166>

⁸⁴ <https://apps.apple.com/es/app/scrabble-go-new-word-game/id1215933788>

⁸⁵ <https://wowwee.com/mip/>

⁸⁶ <https://www.fingerlings.com/>

MIP

Winner of the TOTY 2015 Innovative Toy of the Year, MIP packs a ton of gameplay into a tiny package. In addition to 7 built-in play modes, download the free iOS or Android™ MIP app to unleash even more!

LEARN MORE



A few digital toys have been released by **Mattel**, including the **Hot Wheels Smart Track Kit** that employs augmented reality to let kids race their cars on a virtual track.⁸⁷



Hatchimals and **Zoomer** are two computerised toys made by **Spin Master** that have interactive features and can be controlled via a smartphone app.^{88,89}

⁸⁷https://www.amazon.es/Mattel-Wheels-Pista-iniciaci%C3%B3n-GFP20/dp/B07MX1XZLT/ref=asc_df_B07MX1XZLT/?tag=googshopes-21&linkCode=df0&hvadid=301465937918&hvpos=&hvnetw=g&hvrnd=14587464037076084156&hvpone=&hvpstwo=&hvqmt=&hvdev=c&hvdvcmdl=&hvlocint=&hvlocphy=1005545&hvtargid=pla-787299749439&psc=1

⁸⁸https://www.amazon.es/Hatchimals-Master-Surprise-Versi%C3%B3n-importada/dp/B06X6BS21T/ref=asc_df_B06X6BS21T/?tag=googshopes-21&linkCode=df0&hvadid=199231207157&hvpos=&hvnetw=g&hvrnd=12078754269306067818&hvpone=&hvpstwo=&hvqmt=&hvdev=c&hvdvcmdl=&hvlocint=&hvlocphy=1005545&hvtargid=pla-374215326679&psc=1

⁸⁹https://www.amazon.es/Inteligente-Programables-Inteligentes-Interactivos-Electronicas/dp/B07WR7D376/ref=asc_df_B07WR7D376/?tag=googshopes-21&linkCode=df0&hvadid=300921219972&hvpos=&hvnetw=g&hvrnd=8028707227355868938&hvpone=&hvpstwo=&hvqmt=&hvdev=c&hvdvcmdl=&hvlocint=&hvlocphy=1005545&hvtargid=pla-815605472045&psc=1

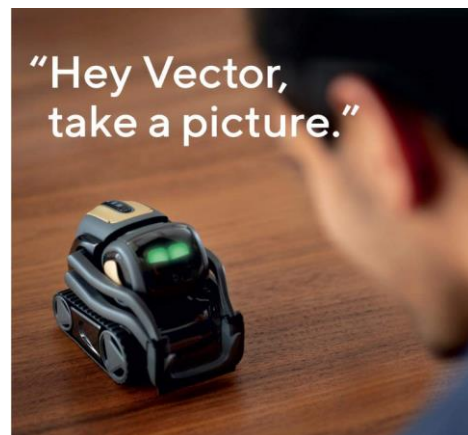


Robotic playthings like **Cozmo** and **Vector** are made by the toy manufacturer **Anki**. These toys have cutting-edge sensors and artificial intelligence technology, and they can be controlled via a smartphone app.⁹⁰⁹¹

Cozmo



Vector



A toy company called **VTech** makes a range of digital learning devices for kids, including tablets, cameras, and smartwatches. The educational games and activities included in these toys are made to help kids learn while they play.⁹²⁹³

⁹⁰ <https://www.amazon.es/Anki-000-0079-Vector/dp/B078T42JCM?th=1>

⁹¹ <https://www.amazon.es/Anki-Juguete-Educativo-Controlado-Aplicaci%C3%B3n/dp/B0747LZTM8>

⁹² https://www.amazon.es/VTech-Kidizoom-Smart-Watch-DX2/dp/B07BQHZXNQ/ref=asc_df_B07BQHZXNQ/?tag=googshopes-21&linkCode=df0&hvadid=199007529735&hvpos=&hvnetw=g&hvrnd=10779999833789699896&hvone=&hvptwo=&hvqmt=&hvdev=c&hvdvcmld=&hvlocint=&hvlocphy=1005545&hvtargid=pla-529090150465&psc=1

⁹³ https://www.miravia.es/p/i1355925908947536-s2068711663927888.html?hybrid=1&data_prefetch=true&prefetch_replace=1&at_iframe=1&trigger_item=1355925908947536&sku_id=2068711663927888&prevent_offline_jump=true&exlaz=d_a:mm_2000

**VTech - Kidizoom Smart Watch
Mobile**



VTech Kidicom Advance



Electronic building blocks made by the toy firm **LittleBits** can be used to make a wide range of innovations and devices. These building bricks can be put together in a variety of ways to build circuits and other electronic devices that can be controlled by apps on smartphones.^{94,95}

littleBits Gizmos & Gadgets Kit



littleBits RVR + Topper Kit



[000043_2000000043_3000000059::google_default:19122325385!145217223338!!{match_type}!pla-325793839564!c!325793839564!2068711663927888!610514794!638897090089!!CjwKCAiAxvGfBhB-EiwAMPakqlbX5eb-iEAini8CCdy0hlsjIuI21-khL2OI341kEAbTkYHnHrEz1hoC1j0QAvD_BwE!0AAAAAo4eJHcUZU_pBVERS84ZHCLF2jMbn&gclid=CjwKCAiAxvGfBhB-EiwAMPakqlbX5eb-iEAini8CCdy0hlsjIuI21-khL2OI341kEAbTkYHnHrEz1hoC1j0QAvD_BwE&spm=euspain.omlp.min-pdp](https://www.magnificos.com/littlebits-gizmos-gadgets-kit-2a-edicion-castellano?utm_source=tradetracker&utm_medium=afiliacion&utm_campaign=tradetracker#sku-LIT0001)

⁹⁴https://www.magnificos.com/littlebits-gizmos-gadgets-kit-2a-edicion-castellano?utm_source=tradetracker&utm_medium=afiliacion&utm_campaign=tradetracker#sku-LIT0001

⁹⁵<https://sphero.com/products/littlebits-rvr-topper>

Sphero is another toy company that creates robotic toys, such as the **Sphero Mini** and **Sphero Bolt**. These toys can be controlled in an identical way using a smartphone app and feature advanced sensors and artificial intelligence technology.⁹⁶⁹⁷

Sphero Mini



Sphero Bolt



⁹⁶https://www.amazon.es/Sphero-Mini-App-Habilitado-Robot/dp/B072B6QVW/ref=asc_df_B072B6QVW/?tag=googshopes-21&linkCode=df0&hvadid=199007529735&hvpos=&hvnetw=g&hvrand=643897627712561180&hvone=&hvptwo=&hvqmt=&hvdev=c&hvdvcmld=&hvlocint=&hvlocphy=1005545&hvtargid=pla-375329122742&psc=1

⁹⁷https://www.amazon.es/Sphero-Robot-controlado-dispositivos-inteligentes/dp/B07DLM5DL7/ref=asc_df_B07DLM5DL7/?tag=googshopes-21&linkCode=df0&hvadid=300879432384&hvpos=&hvnetw=g&hvrand=16203816233500173116&hvone=&hvptwo=&hvqmt=&hvdev=c&hvdvcmld=&hvlocint=&hvlocphy=1005545&hvtargid=pla-562086025667&psc=1

The **Think & Learn Smart Cycle**, a stationary cycling for kids that can be connected to a tablet or smartphone to play educational activities, is one of the digitised toys that **Fisher-Price** has introduced.⁹⁸



19. CLUSTERS. ASSOCIATIONS. ALLIES

In the following chapter, clusters, and associations of certain significance to the topic discussed will take place as follows:⁹⁹100101102103

COMPANY AND COMMENTS	CONTACT DETAILS
GENERAL	
<p>Spanish Chamber of Commerce in the United States. They claim to have the following objectives as their mission:</p> <ul style="list-style-type: none"> • Promote and encourage business between Spain, the United States and Latin America. • Helping companies to achieve their objectives, facilitating their entry and development in the American market. 	<p>Contact Info: 2153 Coral Way Suite #400 Miami, FL 33145 T: +1 (305) 358-5988 F: +1 (305) 358-6844</p>

⁹⁸ <https://www.amazon.com/Fisher-Price-Think-Learn-Smart-Cycle/dp/B01NAS2UED>

⁹⁹ <https://www.toyassociation.org/ta/about-us/toys/about-us/about-us.aspx?hkey=bb3f1cbf-1e1a-4d32-a809-02ba310c1c89>

¹⁰⁰ <https://toy-icti.org/ICTI/about/icti/ICTI/about/about-icti.aspx>

¹⁰¹ <https://www.astratoy.org/>

¹⁰² <https://www.bookweb.org/about-aba>

¹⁰³ <https://www.cpsc.gov/About-CPSC>

<p>Likewise, advice is offered to American companies interested in setting up in Spain.</p> <ul style="list-style-type: none"> • To promote the Spain brand and the image of Spanish companies in the United States while promoting our business network. • To provide useful and updated information concerning trade and investment. <p>To offer a business networking platform.</p>	<p>info@spainchamber.org</p>
<p>Consumer Product Safety Commission (CPSC) works towards</p> <p>lowering the disproportionate risk of injuries and fatalities brought on by</p> <p>consumer products and realizing its objective of becoming the acknowledged</p> <p>world leader in consumer product safety. To achieve this, CPSC adopts practices, such as:</p> <ul style="list-style-type: none"> - establishing and enforcing required standards or, in the absence of any practicable standards, prohibiting consumer products. - obtaining product recalls and setting up repairs, replacements, or refunds for recalled products. - investigating potential product risks. 	<p>Email address: Contact form on the website</p> <p>https://www.cpsc.gov/About-CPSC/Contact-Information/Contact-Specific-Offices-and-Public-Information/Information-Cent</p> <p>Telephone number: (800) 638-2772</p>

<ul style="list-style-type: none"> - collaborating with manufacturers, corporations, and standards groups to develop voluntary standards. - directly informing and educating customers, working with foreign, state, and local governments, private groups, private groups, and conventional, online, and social media. <p>educating producers all around the world about their rules, the integrity of the supply chain, and the creation of safe products.</p>	
<p>Consumer Product Safety Commission (CPSC) works towards</p> <p>lowering the disproportionate risk of injuries and fatalities brought on by</p> <p>consumer products and realizing its objective of becoming the acknowledged.</p> <p>world leader in consumer product safety. To achieve this, CPSC adopts practices, such as:</p> <ul style="list-style-type: none"> - establishing and enforcing required standards or, in the absence of any practicable standards, prohibiting consumer products. - obtaining product recalls and setting up repairs, replacements, or refunds for recalled products. - investigating potential product risks; 	<p>Email address: Contact form on the website</p> <p>https://www.cpsc.gov/About-CPSC/Contact-Information/Contact-Specific-Offices-and-Public-Information/Information-Cent</p> <p>Telephone number: (800) 638-2772</p>

<ul style="list-style-type: none"> - collaborating with manufacturers, corporations, and standards groups to develop voluntary standards. - directly informing and educating customers, working with foreign, state, and local governments, private groups, private groups, and conventional, online, and social media. <p>educating producers all around the world about their rules, the integrity of the supply chain, and the creation of safe products.</p>	
TOY MARKET	
<p>The Toy Association - The Toy AssociationTM, Inc., formerly known as Toy Manufacturers of America, Inc., is a not-for-profit trade organisation that represents hundreds of businesses, including manufacturers, retailers, licensors, and other players in the juvenile entertainment sector. 93% of the \$38.2 billion in US toy and game sales in 2021 were accounted for by its manufacturing members.</p>	<p>Email address: info@toyassociation.org</p> <p>Telephone number: 212.675.1141</p>
<p>International Council of Toy Industries (ICTI) - The International Council of Toy Industries (ICTI), a non-profit membership association of the global toy, play, game, and youth entertainment industries, was founded in 1975. Its members are well-established national toy associations from about 20 different countries (France, US, Germany,</p>	<p>Email address: ICTI@toyassociation.org</p> <p>Contact person: Angela Stanton-Weekes</p>

<p>Italy, etc.); each national association has its own membership made up of brands that are active in that region. The ICTI and its member organisations are dedicated to promoting standards that support factory worker rights and well-being, responsible toy safety standards, lowering or removing trade barriers, and expanding social responsibility throughout the sector.</p>	
<p>American Specialty Toy Retailing Association (ASTRA) - The American Specialty Toy Retailing Association (ASTRA), a non-profit trade association with a global membership of over 1,800 independent retailers, manufacturers, and sales agents in the specialty toy sector, was established in 1992. ASTRA is a committed group of specialists committed to giving kids safe, high-quality playthings with a lot of play value. Specialty toys, which are created with an emphasis on what the child can accomplish rather than what the toy can do, are the foundation of the businesses of ASTRA members. Leaders in their communities, ASTRA members, have a positive impact on the economy, culture, and innovation. Industry leaders and practical product demos are featured at the four-day trade fair and education conference called Marketplace & Academy. More than 450 exhibits and more than 30 hours of educational programming are offered at the conference.</p>	<p>Email address: info@astratoy.org</p> <p>Telephone number: (312) 222-0984</p>
<p>BOOKS MARKET</p>	

<p>American Bookstore Association (ABA) - The American Booksellers Association (ABA) has represented independently owned bookstores for approximately 125 years. ABA is a nationwide, non-profit trade association that promotes the prosperity of independent bookstores. It was established in 1900. Education, information sharing, commercial services, programs, technology, and advocacy all contribute to this achievement. The membership of the ABA has changed over the years, and today's members are more diverse, active in their communities, and serve as leaders in towns and cities across the nation. They represent around 2,500 independent bookshops in total.</p>	<p>Email address: info@bookweb.org</p> <p>Telephone number: 800-637-0037</p>
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20. MAIN ASPECTS RELATED TO ENTERING THE MARKET

The process of setting up a company in the U.S. as a non-resident could be divided into 3 main stages as follows:

a) Determination Stage

- Choice of location to establish the business.
- Choice of location to incorporate the company (it is not compulsory the establishment and the incorporation of the business to take place in the same state)
- Taking actions for protecting intellectual property (e.g., trademarks, logos, patents, trade secrets and other IP)

- Research on whether the business would require any licences or permits for its operating activities in a particular state.
- Need for a business visa (if applicable) - there is a possibility to hire American citizen/s to manage the business, but if the company has an interest in direct leadership as a non-resident, a business visa is required.
- Need for staffing for the business - knowledge about US federal, state, and local employment laws is required.
- Company's need to access the capital markets in the U.S. - self-funded or looking for loans, grants, or direct investment.
- Need for marketing, supply chain and other support services.
- Research on the presence of any tax incentives, and what other options are available to minimise the tax burden¹⁰⁴

b) Planning stage

- Choice of the name of the company
- Whether to be a corporation or a limited liability company

Limited Liability Company (LLC)

Pros:	Cons:
Personal liability protection	More costly to establish than a sole proprietorship or partnership
No double taxation	Must file an annual report, and the fee can cost hundreds of dollars
Easier to establish and operate than a corporation	Cannot attract outside investment other than banks

¹⁰⁴ <https://www.upcounsel.com/how-to-register-company-in-usa>

Flexible structure	-
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The limited liability corporation, or LLC, is a type of firm that is perfect for business owners who want extra protection from personal liability. Since one can serve as his/her own registered agent to fulfil the operating agreement, an LLC is the easiest and least restrictive type of business structure to set up and run. This business structure also guarantees no double taxation.

S corporation

Pros	Cons
Provides personal liability protection	Some states may tax S corporations as corporations; not at the personal level
Doesn't pay taxes at the corporate level, allowing pass through to a personal tax return	S corporations can incur more fees than a LLC
Can boost credibility with suppliers, creditors, and investors	S corporations have more regulations and guidelines that must be followed
Pays dividends to employees	Owner has less control

("S" corp status is not available to non-US residents)

A tax categorization called a S Corporation informs the Internal Revenue Agency that one's company will employ partnership taxation. It's vital to keep in mind that starting a corporation is more challenging than starting an LLC since the owner must first register as a C-corp before meeting more stringent requirements to convert to an S-corporation. Limited liability

protection is offered by this business form, however corporations with 100 shareholders or fewer can elect to be taxed as partnerships.¹⁰⁵¹⁰⁶

- Which state to incorporate in and which state to register in.
- Determine the capitalization of the company (how many shares at what per value, and how much each shareholder will contribute to the company as their capital contribution (if applicable)
- Determine who will be the shareholders, officers and directors.
- Determine the roles and responsibilities of the company's officers and directors.

c) Action stage

- The company needs to provide the necessary documents for due diligence as follows:

Summary of New Company Document Requirements

	Business Corporation	Limited Liability Company (LLC)
Formation	Certificate of Incorporation, or Articles of Incorporation	Articles of Formation or Articles of Organization
Governance	Organizational Minutes and bylaws optional: shareholder agreement	Operating Agreement
Ownership	Share Certificate for each shareholder	Member Certificate for each Member
Tax	IRS Form SS4 – Application for Employer Identification Number	
Due Diligence	Federal Law prohibits certain nationals (Iranians, North Koreans, Cubans, for example, from owning US assets including US companies.	

¹⁰⁵<https://www.investopedia.com/articles/personal-finance/011216/s-corp-vs-llc-which-should-i-choose.asp>

¹⁰⁶<https://www.usa-corporate.com/start-us-company-non-resident/how-to-start-business/>

- Create the company by submitting the necessary paperwork to the state's filing office and completing any other state-specific formation requirements. The requirements vary from state to state.
- Register the company in other states as needed.
- Hold the organisational meeting, appointing the officers and directors, issuing shares to the shareholders and taking such other actions as necessary.
- Then, applying for an "EIN" takes place - the nine-digit Employer Identification Number (EIN) helps tax authorities identify someone's company. Before completing the LLC or corporation company registration process, an EIN is necessary. All candidates are eligible for a free registration service from the IRS, which can be finished online.
- Prepare and file BE-13 Survey with US Bureau of Economic Statistics
- A US firm with more than 10% foreign ownership must submit a Form BE-13 to the US Bureau of Economic Analysis, a branch of the US Department of Commerce, within 45 days after its incorporation or purchase.
- Finally, a separate business bank account should be taken into consideration. With the aid of this data, one may better understand the state of the business's finances and make decisions going forward that will benefit it. The owner can reduce the amount of income owed by having different bank accounts.¹⁰⁷¹⁰⁸

¹⁰⁷ <https://www.usa-corporate.com/start-us-company-non-resident/necessary-documents/>

¹⁰⁸ <https://www.usa-corporate.com/start-us-company-non-resident/be-13-survey/>

	Corporation	Limited Liability Company (LLC)
Liability	Shareholders completely insulated from liability if the corporation stays in compliance	Members are insulated if they are not managing the company as well, and follow proper procedure to separate personal and business matters
Tax	Resident- and non-resident-owned corporations pay the same tax rate, although foreign-controlled corporations have to file extra information on their tax returns	LLCs are fiscally-transparent by default, which can be a problem for non-resident-owned companies. An LLC can choose to be taxed as a corporation, but if they are planning to do this could just form a corporation instead. If the company will not be used to do business in the US, then an LLC is the better entity type.
Tax-treaty	Tax treaties were usually designed with corporations in mind, so many foreign-owned US companies are corporations.	The treatment of distributions from LLCs to foreign owners may be hazy, so be careful of doing business in the US using an LLC
Structure	Shareholders are the owners. The shareholders elect the directors, who govern the corporation and set policies and goals, and review the activities and progress of the company. Directors appoint the officers, who run the corporation on a day to day basis. Only officers can bind the company and sign contracts.	Members own the LLC, and control everything. The Members create an Operating Agreement, which can be as long or short as the Members want, and which sets out all the rules of the company. The Members can appoint Managers to run the company on a day to day basis. If there are many Members, appointing Managers is a wise thing in order to control the structure (and spending) of the LLC.

20.1. SWOT STUDY

In this SWOT we reflect a diagnosis of the starting situation of the products studied in this report in the US market.

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> - Can offer a different experience and atmosphere for American customers who are looking for something new and exciting. - European culture is popular in the U.S., so these products can capitalise on this interest in European products. - Superior product quality, quality materials and great focus on detail. - Innovative and unique design that could stand out from traditional American brands. 	<ul style="list-style-type: none"> - Products may be unknown in the U.S. and will need a significant marketing campaign to gain exposure. - They may face strong competition from established U.S. brands in the children's toy/clothing/furniture industry. - Production costs in Europe may be higher than those of U.S. competitors, which could affect pricing and profitability. - Cultural differences may lead to marketing mistakes and

	misunderstandings with U.S. consumers.
<p style="text-align: center;">OPPORTUNITIES</p> <ul style="list-style-type: none"> - There is a growing demand for quality and design products. -The increased spending on children in the U.S. - Partnerships with U.S. retailers can help increase brand awareness and expand the customer base. - Size of the market, which is one of the largest in the world. -USA is one of the most innovative countries in the world - Events and trade shows can help promote the brand to US consumers and distributors. 	<p style="text-align: center;">THREATS</p> <ul style="list-style-type: none"> - International trade restrictions can increase import costs and affect profitability. - Exchange rate volatility can affect the Spanish brand's costs and profitability.

21. MAIN EVENTS IN THE US

Event	Description	Web	Additional info
Playtime & Kid's Hub New York	Kid's fashion industry From 30 July to 1 August 2023	https://www.iloveplaytime.com/playtime-kids-hub-ny/	The major event for the kid's fashion and lifestyle industry in the United States. In August 2021, the Playtime family grew to include Kid's Hub, a selection of brands targeted to the broader U.S. market. By bringing these two complementary sectors of the children's market together, Playtime &

				Kid's Hub New York has swiftly become the must-attend event for the entire kid's fashion industry.
ABC Kids Expo	Juvenile product trade show. May 03-05, 2023.	https://theabcshow.com/		With nearly 1000 exhibitors utilising 3,300 booths in nearly one million square feet of exhibit space, it is currently the fastest growing trade show in the nation and ranks 47 out of the 100 largest trade shows in North America.
ToyFest West 2023	International fair of Toys, Hobby, Video games, Do it yourself, Leisure, it is annual	toyfestwest.com		Showing the companies news of United States and internationals related to sectors Toys, Hobby, Video games, Do it yourself, Leisure. Offering a wide range of opportunities to promote your company name, brand image and product lines.
Toy Fair New York 2023	Toys, Consumer goods, Educational toys, Children, Board games, Video games, Games, international public, annual. Organizer: TIA-	toyfairny.com		Who attends this fair? The global toy and play industry gather to conduct business at Toy Fair. This includes manufacturers, retailers, the global press, sales representatives, licensors, inventors, designers, financial professionals, and more. Toy Fair is a trade-only event. Absolutely no consumers will be permitted to the Javits Center exhibit halls. Attendees will include retailers,

	<p>Toy Industry Association.</p> <p>From 30 September to 3 October 2023.</p>		<p>wholesalers, importers, buying groups and trade guests from nearly 100 countries.</p>
<p>G2E Global Gaming Expo 2023</p>	<p>Type of product: Toys, Entertainment, Consumers electronics, Multimedia art, Games, Electronics. It is annual and with nacional public.</p> <p>Organizer: Reed Exhibitions USA.</p> <p>Expo Hall: October 10-12) at The Venetian Expo in Las Vegas.</p>	<p>http://www.globalgamingexpo.com/</p>	<p>G2E is the one place to see the people, products, and ideas to drive your business forward and define the future of gaming.</p> <p>Explore the latest gaming technologies and solutions with more than 300 exhibiting companies from around the world, all in one place.</p>
<p>Big Boys Toys 2023</p>	<p>Type of product: Toys, Luxury, Leisure, Technology.</p>	<p>https://bbtvegas.com/</p>	<p>There are appointments with national and international exhibitors Toys, Luxury, Leisure, Technology</p>

	<p>From 20 to 22 October 2023. It is annual and with national public.</p> <p>It is held on World Market Center Las Vegas</p>		
<p>Southeaster n Doll & Toy Shows</p>	<p>Beautiful Antique Dolls, Classic and Vintage Dolls and Toys, Compositions, Modern dolls, Original Art Dolls, Barbies, Hand crafted Dolls, Miniatures, Teddy Bears, Doll furniture, clothes, accessories and much, much more. It is held</p>	<p>https://ashvilledollshow.com/</p>	<p>At each show they feature antique, vintage, and modern doll sales, toy sales, doll accessories, doll clothes, miniatures, bears. This may be directed to little companies.</p>

	every year. Organizer:		
Pax East Boston	The Pax East in Boston is a three-day event that brings together the gamers from different areas in Seattle.	www.reede-xpo.com	Visitors can find in depth and comprehensive information here about the latest developments, trends, products and services in various fields. Product groups: board games, computer games, game consoles, games, games accessories, video games,
KidzCon Anaheim	KidzCon is the unique children's shopping experience for parents and their kids. KidzCon will bring the top kid's fashion brands that will display their collections.	https://www.kidz-con.com/	An intriguing, visual, and educational experience for all kids. It is held irregularly but many times in a year.
High Point Market	It is one of the largest furniture showroom in the United	https://www.highpointmarket.org/	It takes place twice a year and is located in High Point, Northern California. The next edition is celebrated on the 22 nd April. The next

	States that has a section dedicated to children's furniture.		edition will be on the 14 th October. More than 2.000 exhibitors attend the fair, which takes place in 11.5 mil square feet, attracting around 70.000 attendees.
Las Vegas Market	It is once again one of the most important furniture exhibition with a section dedicated to children's furniture.	https://www.lasvegasmarket.com/	Once again, this is a trade fair that takes place twice a year. It is not specialised in children's furniture but dedicates part of its exhibitions to these products. The next edition will take place starting on the 30 th July 2023. In the last edition, 50 states and 68 countries were represented in 1.000 permanent showrooms and temporary exhibits.
International Contemporary Furniture Fair	This showroom normally specialises in contemporary furniture and offers a wide range of products for children.	https://icff.com/	A place to find the latest designs and modern furniture including for the universe of children. The next exhibition will be celebrated on the 21 st May, 2023. The fair brings together architects, interior designers, retailers, distributors, developers and press.
Florida Kids and Family expo	Children's products, play zones, giveaways,	https://mycentralfloridafamily.com/	Since 2015, the Florida Kids and Family Expo has connected thousands of Central Florida families with over 200 exhibitors. It merges exhibitors with fun-filled activities for

		om/orland o-expo/	kids and has space for more than one sector of interest (it is more informal than other fairs that we have mentioned). The next exhibition will be on the 12 th August, 2023.
Kid Quest	Kid Quest is a family-fun event and expo in the Chattanooga, Tennessee area hosted by Magic Lamp Entertainment, LLC. and sponsored by Dressler Orthodontics.	https://www.kidquestexpo.com/	Character meet & greet, Magic & Illusion Show, Family-friendly and children related vendor booths, Raffle and prize give-aways. Next edition will be on the 22nd April.
MAGIC Vegas Fashion Trade Show	Childrenswear, Menswear, Moda Donna, Children's fashion, Fashion	https://www.magicfashionevent.com/en/home.html	Fashion tradeshow in the United States. Held in Las Vegas (7 th August, 2023), New York (19 th September, 2023) and Nashville (26 th April, 2023). It showcases men's, women's and children's apparel, footwear, accessories, and manufacturing resources from around the world. Not exclusive to children.

22. CONCLUSION

Regarding the sectors of interest, and despite a decrease of children per household, toy sales have increased 2% on September 2022, compared to the same period a year ago. Plush toys experienced the biggest growth of 32%, followed by action figures, construction sets and accessories with 12%, exploratory toys and other toys at 10%, whilst outdoor and sports toys have had the biggest decrease.

Regarding children's clothing, in 2020 this market was estimated at 3 billion USD, whilst unisex clothing is gaining popularity. Just as with shoes, these trends are driven by fashion, popular culture and technological advancements. Plus, According to a study, 60% of American mothers prefer to buy products without gender stereotypes for their children.

In relation with children's food, the market was estimated to be worth 70 billion USD in 2020 and is expected to continue growing until 90 billion USD in 2026. Trends regarding children's books are led by a bigger diversity and representation of different cultures, identities and experiences.

Customers in the US have also shown a quick changing patterns regarding brands, continuously incorporating new brands. In any case, a survey shows that many of the most important brands for children are associated with TV shows and movies, such as Lego, Disney and Marvel.

The US is the second largest market for ecommerce. With its increase of 22%, the US ecommerce market contributed to the worldwide growth rate of 18% in 2021. In fact and regarding marketing, 17% of consumers rely on Instagram when making fashion choices and a third of American parents purchase toys exclusively online. It is also relevant to point out the impact of digitisation in the country and the high number of children and teenagers that possesses electronic devices in their home.

In relation to sustainability, a study shows that young men between 25 and 34 were the most likely to buy sustainable fashion, whilst women under 35 are the biggest consumers of fast fashion, and that 73% of millennials are

willing to pay more for sustainable brands. Nearly two-thirds (64%) of Americans are prepared to pay more for sustainable products, and 78% of individuals are more likely to purchase a product that is explicitly marked as environmentally friendly.

Finally and regarding the implementation of SDG, the US hasn't shown much interest, slightly lacking and in any case rating behind Korea and Chile. Many of the goals are stagnated and very few are getting better, in addition to the government having shown very little effort for their implementation.

ANNEX. LEGISLATIVE FRAMEWORK

- ❖ The Toy Safety Standard (ASTM F963): This standard regulates the safety of toys and establishes safety criteria for materials, labels, and warnings.
- ❖ The Flammable Fabrics Act (FFA): This law regulates the sale of textiles that are likely to catch fire quickly, including children's clothing. Clothing must pass safety tests to ensure that it does not catch fire easily.
- ❖ Children's Product Certificate (CPC): This certification verifies that children's products meet applicable safety standards, including those established by the CPSA and ASTM F963.
- ❖ The Lead-Free Toys Act: This law limits the amount of lead allowed in children's toys. Toys must be tested for lead.
- ❖ The Phthalates Ban: This law prohibits the use of certain chemicals, called phthalates, in toys and children's products because of their potential to cause adverse health effects.
- ❖ Consumer Product Safety Act (CPSA): This law requires that all children's products sold in the United States be tested for safety and

meet certain safety standards. Products that do not meet the standards may be removed from the market.

- ❖ The Children's Online Privacy Protection Act (COPPA): This law regulates the collection of online data from children under the age of 13. Companies that collect information from children must obtain parental consent and provide clear information about how the information will be used.
- ❖ Federal Trade Commission Act (FTC): This law protects consumers from deceptive or unfair business practices. Advertisements for children's products must be truthful and must not mislead consumers.
- ❖ Child Safety Protection Act (CSPA): This law regulates advertising of products to children. Advertisements for children's products must not be false or misleading and must include clear warnings about safety risks.



Market study: South Korea

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1. COUNTRY PROFILE AND SOCIO-ECONOMIC TRENDS

South Korea has an area of 100.370 km² and a population of 52 million. South Korea's economy is the fourth largest in Asia and the 13th largest in the world. It is a major trading partner of the world's largest economies.

The Republic of Korea¹, known as South Korea, is a country in East Asia, located in the southern part of the Korean Peninsula. It is bordered to the north by the Democratic People's Republic of Korea (North Korea, or North Korea), with which it formed a single country until 1945. To the east is the Sea of Japan or the East Sea, to the south the Korea Strait, which separates it from Japan, and to the west the Yellow Sea. Its territory comprises the southern half of the Korean peninsula, including some 3,000 islands surrounding it. Approximately half of the country's population lives in its capital, Seoul, or in its metropolitan area.

It is considered a resilient economy even in the face of crises, rated as such by major organisations such as the International Monetary Fund. The market is rapidly opening up to the outside world, with growing interest in Europe² and quality foreign products. It is bordered to the north by the Democratic People's Republic of Korea (North Korea) and to the south by the Korea Strait, which separates it from Japan.

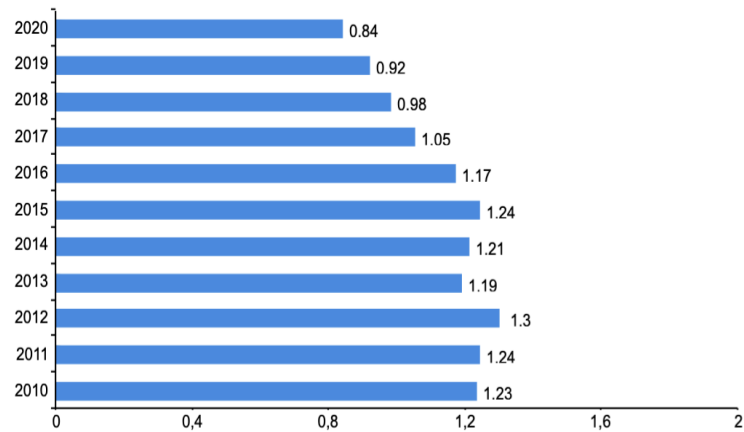
As for the population, South Korea is a country which has an ageing population with an average age situated at 42 years old. To compare, in 2008, the average was 38 years old. Moreover, the birth rate is 0,84 children per woman, the lowest in the world. This rate is not likely to increase in the coming years because of the economic system that multiplies the excluded.

Moreover, Koreans are increasingly lonely and are very pessimistic about the future. This also explains why since 2000 the population has been decreasing.

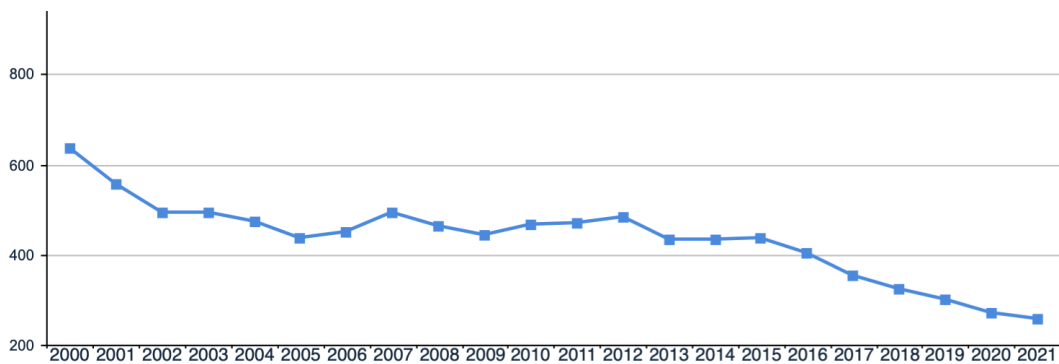
¹ <https://oec.world/en>

² https://iberglobal.com/index.php?option=com_content&view=article&id=235&Itemid=121

The following graph³ shows the fertility rate in South Korea between 2010 and 2020⁴:



Whilst the following chart shows the number of births in South Korea from 2000 to 2021 (in 1000s)⁵.



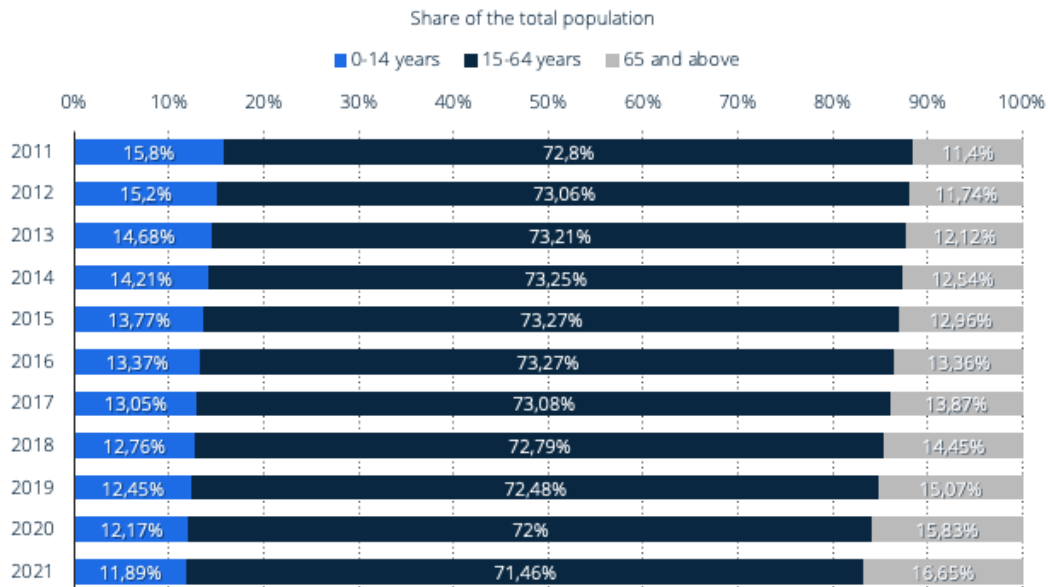
In the next graph we can see the age distribution in South Korea between 2011 and 2021. We can observe a decline of population between 0-14 of 4% in 10 years⁶.

³ Source(s): Statista

⁴ Source(s): Statista

⁵ Source(s): Statistics Korea; KOSIS.

⁶ Source(s): Statistics Korea, World Bank.



The ageing can also be noticed in the number of children enrolled in kindergarten. The peak in the enrolment was in 2016 with 704.140 children. Nowadays, in 2022 the number has decreased by 21% to reach 552.810 children enrolled. There are many reasons why people who have not married do not want children. The first reason, mentioned by 89.5%, is the economic concerns about child support and the difficulty in work and life balance, followed by a difficulty in work and life balance (68,4%).

Regarding economic facts, public debt was €785.435 billion (up €83,655 billion since 2020) and is among the most indebted countries in the world, with a debt of 15.182€ per capita.

Korea's national currency is the won, which is equivalent to 0,00073 euros and 0,00086 USD.

GDP per capita was \$47.770 PPA in 2021, placing Korea among the advanced high-income countries, with a growth forecast (in 1980 it was just over \$1.700, compared to the IMF forecast of \$35.000 in 2021). The sector that employs the most people is the service sector (70% of workers). The secondary sector employs only 25% of the population and agriculture employs 4.8%.

Its political organisation is a representative democracy, defined as modern and fully functional, and its government is determined by the Constitution of the Republic of Korea.

In terms of relations with other countries, Korea maintains diplomatic relations with 170 countries. It has been a member of the UN since 1991 and has had relations with the EU under a free trade agreement since 2011.⁷

2. SECTOR TRENDS

The **declining birth rate** means an **ageing population**, which could be a problem for the market, with children making up only 10% of the population in 2021.

2.1. TOY MARKET

Despite this, there is a **tendency for parents to buy quality toys even at a higher price**. In addition, parents like children to learn while having fun, so the importance of this type of product is also increasing.

Given the decline in children, many of the companies will target the **kidult** (adults between the ages of 20 and 45), which is a sector made up of adults who buy things for children. This sector is interesting because it is made up of young adults with purchasing power who see themselves represented in licences that were part of their childhood.

Taking a **popular character** and applying it to toys is also expanding, although if the character's fame is short-lived, the resulting product will have a shorter lifespan. This is the case for seasonal licences related to Squid

⁷ Source: Extenda

Game⁸ or pop culture products. It is driven by new consumer habits and streaming platforms. This is a more generalist audience that can be reached with more product categories.



In any case, these are also products that can be successful among children. The important thing to bear in mind is that they must awaken the most emotional side of the consumer, who also highly values the fact that they are official products created through licences, which bring immediate recognition from the public, the consolidation of a reliable brand and, with it, a progressive increase in sales. The difficulty in this sector is to differentiate oneself, as there is a lot of competition, and this means that products have to be launched on time and at the same time be diverse and of high quality.⁹

In general, **the most popular toys in South Korea include educational toys such as construction sets, science toys and toys for learning maths and science. Robotics and technology-related toys are also very popular.**

Toy type per age:

Some of the toy designed for babies (0 to 2 years) include:

Toys designed for sensory development: colourful, textured rattles, mobiles and teethers; unbreakable mirrors.

⁸<https://www.sears.com/cottoncandy-3-pack-set-masked-man-squid-game/p-A113838518?sid=ISxMP3xSOxGGxDTxSURF>

⁹ <http://www.interempresas.net/Licencias/Articulos/379838-Entrevista-a-Dora-Figueiredo-gerente-de-e-commerce-de-POPBUSTERS.html>

Toys that encourage standing, crawling, and cruising; action/reaction toys; stacking, sorting, and building toys.

Easy-to-follow board books and songs; pretend toys: phones, dolls, and doll accessories; toys that encourage muscle use: large-piece puzzles, balls, and toys with knobs and levers.

For kids from 2 to 6 years, we can see the next toys:

Toys that encourage creative thinking and pretend play: battery-powered ride-on toys, dollhouses and accessories, and themed play sets; toys designed for physical play that help with coordination and balance.

Toys that encourage creative and imaginative play: play sets and action figures, dollhouses and accessories, battery-powered ride-on toys, cars and other remote-controlled toys; Learning toys that teach basic skills and encourage a love of learning.

Within each category of toys, we can differentiate that there are types of toys for each age group as can be seen in the next table¹⁰:

Toy Category	Age Range
Dolls and Action Figures	
Dollhouses and large doll furniture	3+ years
Dolls and action figures	3/4+ years
Toy trucks	5+ years
Plush dolls	1+ years

¹⁰ <https://www.groupon.com/articles/recommended-age-guidelines-for-toys>

Arts and Crafts	
Play sand and Play-Doh	3+ years
Easels	3+ years
Crayons, colouring books, and kids' paint	2+ years
Educational	
Interactive toy tablets and smartphones	2+ years
Teaching tablets/electronics	6+ years
Kids' digital cameras	3+ years
Games and Puzzles	
4D puzzles	5+ years
Building Sets and Blocks	
Oversized blocks	3+ years
Small blocks and complicated building sets/models	6+ years
Train and car tracks/sets (non-electric)	3+ years
Pretend Play	
Kitchens and other household-themed play sets	3+ years
Food	3+ years
Tools and workbenches	3+ years

Money	3+ years
Cookware and cleaning products	3+ years
Dress-up clothes	3-4 years
Toddler and Baby	
Rattles and teethers	3+ months
Crib and floor gyms	0-6 months
Mobiles and safety mirrors	0-6 months
Nesting and stacking toys	6 months-1 year
Push/pull and walking toys	9 months-1+ years
Blocks and pop-up toys	1-3 years
Bikes and Ride-Ons	
Ride-ons and motorbikes	3-7 years
Wagons	3+ years
Wide-platform or three-wheeled scooters	2-3 years
Scooters	5+ years
Rockers	2+ years
Feet-propelled ride-ons	1-2 years
Electronics	

Remote-controlled cars, drones, and planes	8+ years
Interactive and remote-controlled animals	6+ years
Outdoor	
Toy guns/blasters/crossbows	6+ years
Tunnels and tents	3+ years

According to a report by Euromonitor International, the South Korean toy market was valued at USD 3.3 billion in 2020, with a forecasted CAGR of 2.2% between 2020 and 2025.

The electronic and tech toy segment is expected to see the highest growth rate, with a CAGR of 4.2% between 2020 and 2025, according to Euromonitor International.

In a more general perspective, we can look at the revenue by segment¹¹:

¹¹ Source(s): Statista

REVENUE BY SEGMENT in billion USD (US\$)														
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Musical Instruments	4,52	3,94	4,01	4,31	4,60	4,61	4,20	4,69	4,45	5,30	5,62	5,93	6,25	6,57
Sports Equipment	24,05	20,80	20,64	21,74	22,91	22,69	21,81	24,21	25,36	27,26	28,48	29,73	31,04	32,31
Toys & Games	34,46	30,37	30,61	32,70	34,74	34,47	36,87	40,47	40,40	42,15	43,98	45,95	48,03	50,11
Total	63,03	55,11	55,26	58,74	62,25	61,77	62,88	69,38	70,21	74,71	78,08	81,60	85,32	88,98
Sources	Statista													
Most recent update:	12/01/2022													
Notes	Data shown is using current exchange rates. Data shown does not yet reflect market impacts of Russia-Ukraine war, we are currently working on an update.													
REVENUE CHANGE BY SEGMENT in percent														
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	
Musical Instruments	-12,7	1,7	7,4	6,7	0,3	-8,8	11,6	-5,2	19,2	6,1	5,5	5,4	5,0	
Sports Equipment	-13,5	-0,8	5,3	5,4	-1,0	-3,9	11,0	4,8	7,5	4,5	4,4	4,4	4,1	
Toys & Games	-11,9	0,8	6,8	6,2	-0,8	7,0	9,8	-0,2	4,3	4,3	4,5	4,5	4,3	
Total	-12,6	0,3	6,3	6,0	-0,8	1,8	10,3	1,2	6,4	4,5	4,5	4,6	4,3	
Sources	Statista													
Most recent update:	12/01/2022													
AVERAGE REVENUE PER CAPITA in USD (US\$)														
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Musical Instruments	5,42	4,71	4,78	5,11	5,44	5,45	4,96	5,53	5,24	6,24	6,62	6,99	7,37	7,74
Sports Equipment	28,83	24,85	24,58	25,81	27,13	26,80	25,72	28,52	29,86	32,09	33,54	35,02	36,57	38,09
Toys & Games	41,29	36,28	36,46	38,82	41,14	40,72	43,48	47,68	47,57	49,63	51,80	54,13	56,60	59,06
Total	75,54	65,84	65,82	69,74	73,71	72,97	74,16	81,73	82,67	87,97	91,96	96,13	100,50	104,90
Sources	Statista													
Most recent update:	12/01/2022													

The three tables above clearly express the very important weight of the games sector. Indeed, the games sector is more important than musical instruments and sports equipment combined. Moreover, it is a sector that has been much less affected by the Covid-19 crisis and is experiencing a very stable development.

South Korean toy companies are increasingly focused on developing their own intellectual property (IP) and brands, with the IP-based toy market accounting for 21.6% of the total toy market in 2019, up from 19.7% in 2015, according to the Korea Trade-Investment Promotion Agency.

In terms of popular licensed characters, Pororo the Little Penguin is one of the most successful, generating over USD 1 billion in revenue in South Korea and abroad through merchandise sales and licensing, according to the Korea Trade-Investment Promotion Agency.

South Korean toy companies such as Hansol Toys¹², Mimiworld¹³, and Young Toys¹⁴ have gained international recognition and are expanding their presence in global markets, particularly in Asia and the Middle East.



According to a study published in 2020, **the toy market in South Korea grew at a compound annual growth rate of 4.4% between 2015 and 2020**, reaching a value of more than USD 2 billion. Educational toys accounted for about 25% of the total market share, while robotics and technology toys were in second place with a 20% share.

In addition, the Korean toy market is expected to grow by about 4% per year until 2027. The market is expected to reach a value of USD 4,300 million by 2027.

We have to keep in mind that in Asian countries like South Korea, most of the family did not have any children and when the case occurred, they will never exceed 3 children in the same household. The greater proportion are families composed without children. For one child, the percentage decreases and it is divided by 2 when we add another child in the household. The proportion of families with 3 or more children is 0.

¹² <http://hansol.com/home/>

¹³ <http://www.mimiworld.com/web/ENG/viewpage/company/introduce.php>

¹⁴ <http://www.youngtoys.com/spa/index.do>

2.2. APPAREL MARKET

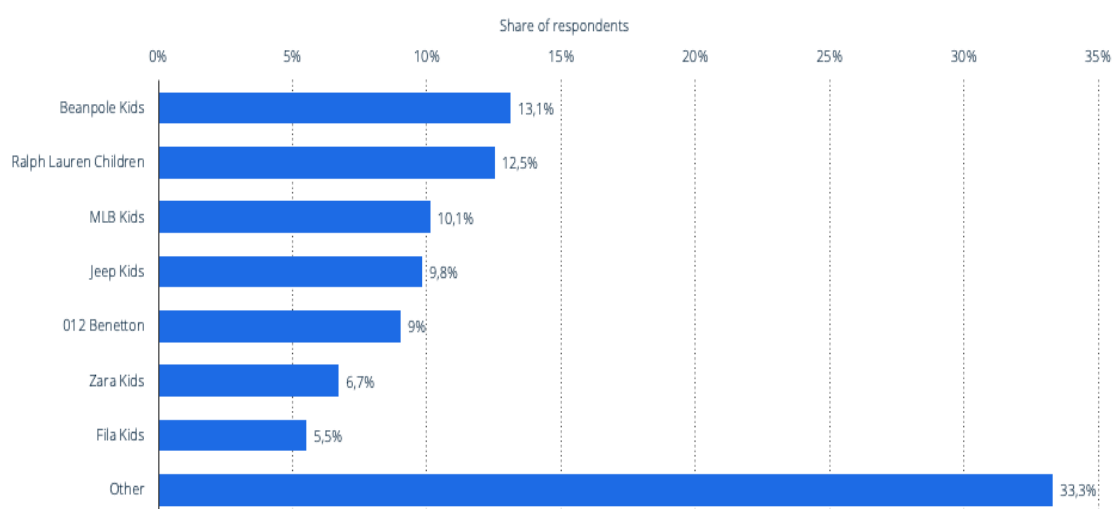
VOLUME BY SEGMENT in million pieces														
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Baby Clothes	9794,9	10031,2	10229,2	10382,6	10632,2	10788,8	9052,6	9610,2	9898,7	10856,8	11028,0	11190,6	11349,7	11510,0
Blazers (children)	612,2	599,1	583,8	575,2	580,9	584,5	505,9	547,3	513,7	555,6	556,6	556,8	556,7	556,8
Clothing Accessories & Other Clothes (children)	8693,5	8672,5	8618,8	8652,5	8892,2	9104,8	7878,3	8400,0	8468,0	9261,0	9387,5	9502,0	9613,8	9726,8
Coats & Jackets (children)	862,5	880,7	889,7	886,7	876,3	868,1	752,1	793,6	763,9	846,6	853,1	858,4	863,3	868,3
Dresses & Skirts (children)	1921,8	1925,6	1944,3	1950,1	1957,6	1970,4	1685,5	1791,3	1805,7	1984,6	2008,8	2031,0	2052,5	2074,1
Jerseys, Sweatshirts & Pullovers (children)	6653,9	6661,1	6664,2	6690,2	6765,1	6800,6	5843,2	6153,3	6145,0	6699,3	6736,3	6766,5	6794,0	6822,5
Night & Underwear (children)	12188,6	12320,9	12335,6	12282,9	12294,0	12214,8	10404,1	10961,3	10880,2	11883,0	11962,7	12030,5	12093,3	12157,8
Shirts & Blouses (children)	5329,4	5226,6	5173,8	5113,8	5150,6	5178,3	4381,3	4568,0	4663,9	5089,4	5120,6	5147,5	5172,5	5198,1
Socks (children)	4375,4	4393,1	4392,4	4447,8	4573,3	4676,5	4091,3	4281,9	4227,6	4634,0	4663,7	4687,6	4709,5	4732,1
Sports & Swimwear (children)	1317,9	1349,6	1387,4	1424,7	1487,8	1533,3	1374,2	1488,1	1495,4	1671,9	1719,3	1762,6	1805,5	1848,6
Suits & Ensembles (children)	427,4	417,8	391,9	377,6	369,5	373,7	318,4	340,0	348,7	381,0	386,0	390,8	395,5	400,2
Tights & Leggings (children)	2898,9	2741,7	2673,2	2685,9	2721,5	2752,3	2364,2	2451,8	2318,0	2637,7	2672,7	2704,0	2733,7	2763,9
Trousers (children)	6673,9	6838,7	6972,6	7105,7	7266,5	7370,5	6448,2	6845,8	6730,1	7414,4	7501,9	7580,8	7656,5	7733,4
T-Shirts (children)	3612,6	3693,2	3755,9	3800,3	3902,7	3983,2	3397,1	3586,0	3732,6	4085,1	4138,4	4186,3	4233,2	4280,6
Total	65362,9	65752,0	66012,9	66375,9	67470,3	68199,8	58496,4	61818,7	61991,4	68000,5	68735,4	69395,2	70029,6	70673,1
Sources	Statista													
Most recent update:	10/01/2022													

The table¹⁵ above expresses the volume in millions by segment in the South Korean clothing market. The three most important markets are "Night & Underwear" for children, followed by "baby clothes" and "trousers" for children. Children's and baby products are therefore very popular and sold in very large quantities in South Korea.

With the bar chart below, we can observe the preferred brands for children's clothes in South Korea in 2019. We can see that they prefer to buy famous brands that will be more expensive like Ralph Lauren or Beanpole¹⁶.

¹⁵ Source(s): Statista

¹⁶ Source(s): Statista: International Textile-and-Fashion News.



VOLUME GROWTH BY SEGMENT in percent													
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Baby Clothes	2,4	2,0	1,5	2,4	1,5	-16,1	6,2	3,0	9,7	1,6	1,5	1,4	1,4
Blazers (children)	-2,1	-2,6	-1,5	1,0	0,6	-13,4	8,2	-6,1	8,2	0,2	0,0	0,0	0,0
Clothing Accessories & Other Clothes (children)	-0,2	-0,6	0,4	2,8	2,4	-13,5	6,6	0,8	9,4	1,4	1,2	1,2	1,2
Coats & Jackets (children)	2,1	1,0	-0,3	-1,2	-0,9	-13,4	5,5	-3,7	10,8	0,8	0,6	0,6	0,6
Dresses & Skirts (children)	0,2	1,0	0,3	0,4	0,7	-14,5	6,3	0,8	9,9	1,2	1,1	1,1	1,1
Jerseys, Sweatshirts & Pullovers (children)	0,1	0,0	0,4	1,1	0,5	-14,1	5,3	-0,1	9,0	0,6	0,4	0,4	0,4
Night & Underwear (children)	1,1	0,1	-0,4	0,1	-0,6	-14,8	5,4	-0,7	9,2	0,7	0,6	0,5	0,5
Shirts & Blouses (children)	-1,9	-1,0	-1,2	0,7	0,5	-15,4	4,3	2,1	9,1	0,6	0,5	0,5	0,5
Socks (children)	0,4	0,0	1,3	2,8	2,3	-12,5	4,7	-1,3	9,6	0,6	0,5	0,5	0,5
Sports & Swimwear (children)	2,4	2,8	2,7	4,4	3,1	-10,4	8,3	0,5	11,8	2,8	2,5	2,4	2,4
Suits & Ensembles (children)	-2,2	-6,2	-3,7	-2,1	1,1	-14,8	6,8	2,6	9,3	1,3	1,2	1,2	1,2
Tights & Leggings (children)	-5,4	-2,5	0,5	1,3	1,1	-14,1	3,7	-5,5	13,8	1,3	1,2	1,1	1,1
Trousers (children)	2,5	2,0	1,9	2,3	1,4	-12,5	6,2	-1,7	10,2	1,2	1,1	1,0	1,0
T-Shirts (children)	2,2	1,7	1,2	2,7	2,1	-14,7	5,6	4,1	9,4	1,3	1,2	1,1	1,1
Total	0,6	0,4	0,5	1,6	1,1	-14,2	5,7	0,3	9,7	1,1	1,0	0,9	0,9
Sources	Statista												
Most recent update:	10/01/2022												

The table¹⁷ above expresses the past and expected growth by segment in the clothing sector. In general, the different sectors have been strongly affected by the Covid-19 crisis, but so have almost all industries in the world. The year 2023 should be a period of strong growth due to the full recovery of economic activity. In addition, all types of garments are expected to grow until at least 2027.

¹⁷ Statista

2.3. CHILDREN'S FOOTWEAR

The children's footwear market in South Korea is an important sector of the country's fashion and clothing industry. Korean parents are very attentive to the quality and comfort of the shoes for their children, as well as their appearance. Proof¹⁸ of that tendency is the enormous quantity of footwear sold in the Asiatic country:

[Market: Footwear, Region: Worldwide, Currency: USD](#)

VOLUME BY SEGMENT in billion pairs											
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Athletic Footwear	0,43	0,46	0,40	0,40	0,42	0,42	0,42	0,43	0,44	0,44	0,45
Leather Footwear	4,01	3,92	3,21	3,16	3,33	3,29	3,26	3,24	3,22	3,20	3,22
Sneakers	1,20	1,29	1,12	1,14	1,18	1,18	1,21	1,24	1,27	1,30	1,34
Textile & Other Footw	10,46	10,16	8,16	7,99	8,60	8,64	8,61	8,61	8,61	8,61	8,72
Total	16,10	15,83	12,89	12,69	13,53	13,52	13,50	13,52	13,54	13,56	13,73
Sources	Statista										
Most recent update:	03/01/2023										

VOLUME CHANGE BY SEGMENT in percent										
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Athletic Footwear	6,4	-12,6	-0,7	4,6	-0,3	1,5	1,7	1,6	1,4	2,3
Leather Footwear	-2,1	-18,2	-1,6	5,4	-1,4	-0,9	-0,6	-0,5	-0,5	0,4
Sneakers	7,3	-13,1	2,0	3,8	-0,7	2,7	2,7	2,6	2,4	3,1
Textile & Other Footw	-2,9	-19,7	-2,0	7,6	0,5	-0,3	0,0	0,0	0,0	1,2
Total	-1,7	-18,6	-1,6	6,6	-0,1	-0,1	0,1	0,1	0,1	1,3
Sources	Statista									
Most recent update:	03/01/2023									

Children's shoes in South Korea are available in a wide variety of styles and sizes, from sports shoes to dress shoes. Korean brands often offer shoes that are both practical and aesthetically pleasing for children.

In addition, children's shoes in South Korea are often made of high-quality materials, such as leather, suede and breathable textile, to ensure the comfort of children's feet. Children's shoes in South Korea are also often equipped with non-slip soles to ensure children's safety when playing or running. This leads to the following average prices¹⁹ in different types of footwear products:

¹⁸ Statista

¹⁹ Statista

[Market: Footwear, Region: Worldwide, Currency: USD](#)

PRICE PER UNIT in USD (US\$)											
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Athletic Footwear	114,50	112,40	112,50	115,40	121,70	127,10	130,70	133,90	137,10	140,20	143,20
Leather Footwear	34,58	34,35	35,99	37,09	37,43	39,35	40,67	41,84	42,97	44,13	45,16
Sneakers	54,41	54,25	56,33	57,56	61,48	64,48	66,45	68,18	69,86	71,55	73,16
Textile & Other Footw	13,71	13,91	14,61	14,71	15,53	16,24	16,83	17,36	17,87	18,38	18,85
Average	24,65	25,12	26,62	27,30	28,22	29,47	30,59	31,59	32,56	33,55	34,43
Sources	Statista										
Most recent update:	03/01/2023										

In addition, fashion also plays an important role in the children's footwear market in South Korea. Korean parents are often concerned about the appearance of their children, and shoes are an important part of their outfit. Korean brands often offer children's shoes with playful patterns, bright colours and original designs to meet this demand.

In summary, the children's shoe market in South Korea offers a wide variety of styles and sizes to meet the needs of Korean parents concerned about the quality, comfort and appearance of their children's shoes. Korean brands often offer practical and aesthetically pleasing shoes for children, with high quality materials and original designs.

2.4. FOOD

As it can be deducted, food sector is a key sector in any economy because supplies the necessary goods. In South Korea, these are its dimensions²⁰:

²⁰ Statista

Market: Food, Region: South Korea, Currency: USD

VOLUME BY SEGMENT in billion kilograms														
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Baby Food	0,20	0,21	0,21	0,22	0,23	0,25	0,26	0,27	0,29	0,30	0,32	0,34	0,35	0,36
Bread & Cereal Produ	7,98	8,20	8,41	8,76	9,30	10,17	10,09	10,44	10,22	11,11	11,70	12,17	12,68	13,09
Confectionery & Snac	1,18	1,16	1,13	1,12	1,14	1,19	1,16	1,17	1,20	1,23	1,28	1,32	1,36	1,30
Convenience Food	1,36	1,37	1,38	1,40	1,46	1,56	1,53	1,56	1,61	1,66	1,73	1,79	1,85	1,84
Dairy Products & Eggs	2,47	2,48	2,47	2,53	2,60	2,76	2,72	2,79	2,90	3,00	3,13	3,24	3,36	3,31
Fish & Seafood	0,68	0,67	0,66	0,66	0,67	0,70	0,69	0,70	0,65	0,70	0,73	0,76	0,78	0,74
Fruits & Nuts	2,09	2,08	2,05	2,06	2,11	2,22	2,18	2,22	2,29	2,36	2,45	2,53	2,61	2,50
Meat	1,87	1,90	1,92	1,97	2,06	2,21	2,21	2,29	2,34	2,47	2,61	2,72	2,82	2,84
Oils & Fats	0,16	0,16	0,16	0,17	0,17	0,18	0,18	0,19	0,15	0,17	0,18	0,19	0,19	0,19
Pet Food	0,18	0,20	0,23	0,25	0,26	0,26	0,28	0,27	0,28	0,29	0,31	0,32	0,33	0,34
Sauces & Spices	1,41	1,41	1,40	1,42	1,46	1,54	1,51	1,54	1,58	1,62	1,67	1,71	1,77	1,74
Spreads & Sweetener	0,29	0,29	0,30	0,30	0,30	0,31	0,30	0,29	0,25	0,29	0,29	0,29	0,31	0,30
Vegetables	3,60	3,64	3,66	3,74	3,89	4,17	4,13	4,26	4,43	4,60	4,82	4,99	5,18	5,17
Total	23,45	23,77	23,97	24,59	25,64	27,52	27,24	27,99	28,19	29,79	31,21	32,37	33,58	33,72

Sources Statista
Most recent update: 03/01/2023

The children's food market in South Korea is a growing sector. Korean parents are increasingly concerned about feeding their children and are looking for healthy and nutritious products to give them a balanced diet. Children's food manufacturers in South Korea have therefore developed a range of products to meet these needs.

Baby food is an important segment of the children's food market in South Korea. Parents are looking for organic products, no additives and no preservatives for their toddlers. Dairy products, cereals, fruit and vegetable purees and baby meats are all available on the Korean market.

For older children, healthy snacks and ready meals are also very popular. Parents are often busy and looking for quick and convenient options to feed their children. Snacks such as dried fruits, nuts and cereal bars are very popular, as are dishes prepared in advance such as soups, stews and pasta dishes.

Prices vary depending on different brands and establishments. However, average prices in Korea are the following²¹:

²¹ Statista

Market: Food, Region: South Korea, Currency: USD

PRICE PER UNIT IN USD (US\$)														
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Baby Food	15,44	14,61	14,51	15,32	16,13	15,43	15,39	16,68	17,34	17,76	18,12	18,48	18,85	19,23
Bread & Cereal Products	1,86	1,72	1,68	1,74	1,79	1,67	1,66	1,80	1,73	1,86	1,89	1,93	1,96	1,95
Confectionery & Snacks	7,60	7,38	7,54	8,18	8,83	8,63	8,78	9,67	10,08	10,35	10,62	10,89	11,10	11,46
Convenience Food	4,04	3,81	3,78	3,99	4,19	4,00	4,03	4,39	4,56	4,67	4,76	4,86	4,95	5,05
Dairy Products & Eggs	3,03	2,89	2,89	3,04	3,23	3,13	3,14	3,41	3,54	3,62	3,69	3,76	3,84	3,91
Fish & Seafood	15,21	14,69	14,87	16,02	17,18	16,74	16,86	18,47	19,41	19,70	20,04	20,39	20,79	21,01
Fruits & Nuts	4,92	4,74	4,79	5,15	5,52	5,37	5,42	5,94	6,17	6,32	6,45	6,58	6,71	6,84
Meat	10,25	9,81	9,86	10,54	11,25	10,91	10,94	11,94	12,25	12,59	12,81	13,03	13,22	10,78
Oils & Fats	4,72	4,50	4,51	4,80	5,09	4,91	4,92	5,36	5,79	5,86	5,97	6,10	6,22	6,35
Pet Food	3,12	3,00	3,02	3,23	3,45	3,34	3,35	3,61	3,76	3,85	3,92	4,00	4,08	4,16
Sauces & Spices	2,90	2,74	2,72	2,87	3,01	2,88	2,87	3,12	3,24	3,32	3,39	3,46	3,53	3,60
Spreads & Sweeteners	2,77	2,62	2,60	2,74	2,88	2,75	2,77	3,02	3,23	3,26	3,34	3,41	3,47	3,55
Vegetables	2,82	2,67	2,65	2,79	2,93	2,80	2,79	3,02	3,14	3,22	3,29	3,36	3,43	3,50
Average	3,21	3,01	2,93	3,11	3,30	3,18	3,21	3,53	3,64	3,76	3,82	3,90	3,96	4,78

Sources: Statista
Most recent update: 03/01/2023

In summary, the children's food market in South Korea is growing due to the growing demand for healthy and nutritious products for toddlers and older children. Children's food manufacturers have responded to this demand by developing a range of products that meet the needs of busy Korean parents.

2.5. FURNITURE & LINENS

Furniture sector in South Korea is a relevant and growing part of the economy. Revenue in the following years is expected to increase in every single category, almost doubling its total sales made in 2014 by year 2027²².

Market: Furniture, Region: South Korea, Currency: USD

REVENUE BY SEGMENT in billion USD (US\$)														
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Bedroom Furniture	1,00	1,07	1,06	1,31	1,38	1,28	1,44	1,59	1,56	1,64	1,67	1,70	1,72	1,75
Home Décor	1,16	1,25	1,33	1,40	1,46	1,50	1,62	1,82	1,95	2,08	2,22	2,36	2,52	2,68
Home Office Furniture	0,30	0,33	0,33	0,41	0,44	0,40	0,45	0,49	0,48	0,50	0,51	0,52	0,52	0,53
Kitchen & Dining Furn	0,39	0,41	0,41	0,50	0,53	0,48	0,54	0,58	0,57	0,58	0,60	0,59	0,59	0,59
Lamps & Lighting	0,57	0,61	0,61	0,76	0,80	0,73	0,82	0,91	0,90	0,94	0,95	0,96	0,97	0,99
Living Room Furniture	1,69	1,80	1,78	2,25	2,41	2,25	2,54	2,81	2,79	2,94	3,01	3,08	3,14	3,21
Outdoor Furniture	0,40	0,42	0,43	0,52	0,55	0,50	0,57	0,63	0,62	0,65	0,67	0,68	0,69	0,71
Total	5,52	5,89	5,94	7,18	7,61	7,26	8,09	8,84	8,89	9,35	9,64	9,92	10,19	10,50

Sources: Statista
Most recent update: 11/01/2022
Notes: Data shown is using current exchange rates and reflects market impacts of the Russia-Ukraine war.

The children's home furniture market in South Korea is an important sector of the furniture industry in the country. Korean parents attach great

²² Statista

importance to the quality and safety of children's furniture, as well as its aesthetics.

Children's furniture in South Korea is available in a wide variety of styles and sizes, from beds to tables and chairs. Korean manufacturers often offer practical and aesthetically pleasing furniture for children, with bright colours and playful designs to meet the demand of Korean parents concerned about the appearance of their interior.

In addition, children's furniture in South Korea is often made from high-quality materials, such as solid wood, plywood and resistant plastic, to ensure the safety and durability of children's furniture. Children's furniture in South Korea also often has special features, such as built-in storage spaces or bunk beds to meet the needs of families with multiple children.

Besides, digitisation in Korea has helped the sector to canalise nearly half of its sales through online sector, as we can see²³:

[Market: Furniture, Region: South Korea, Currency: USD](#)

ONLINE REVENUE SHARE in percent									
	2017	2018	2019	2020	2021	2022	2023	2024	2025
Offline	65	62	60	56	53	51	48	46	44
Online	35	38	40	44	47	49	52	54	56
Sources	Statista								
Most recent update:	10/01/2020								

Finally, Korean manufacturers of children's furniture often offer matching sets of furniture for a complete children's room. These sets can include a bed, dresser, bedside table and wardrobe, offering a practical and aesthetic solution for parents looking to furnish a complete children's room.

In summary, the children's home furniture market in South Korea offers a wide variety of styles and sizes to meet the needs of Korean parents concerned about the quality, safety and aesthetics of children's furniture. Korean manufacturers often offer practical and aesthetically pleasing

²³ Statista

furniture for children, with high quality materials and special features to meet the needs of families.

2.6. CHILDREN'S BOOKS

The children's book market in South Korea is also an important sector of the publishing industry in the country. Koreans attach great importance to education and literature, and Korean parents look for books that not only entertain but also educate their children.

The children's book market in South Korea offers a wide range of genres for children, such as picture books, fairy tales, learning books, science books, children's cookbooks, etc. Children's books can be found in bookstores, supermarkets, online stores, libraries and schools.

Children's books in South Korea are also known for their high quality. Illustrations and designs are often very elaborate and appealing to children. Korean publishers are also known for publishing books that reflect Korean culture, such as traditional tales and legends.

In addition, Korean parents often encourage their children to read English books from an early age, so there is also a market for English children's books in South Korea.

In summary, the children's book market in South Korea is an important sector of the publishing industry, offering a wide range of genres for children and characterised by a high quality of attractive illustrations and designs for children. Korean parents attach great importance to their children's education and look for books that not only entertain but also educate their children.

3. CONSUMER BEHAVIOUR

The Korea toys market is slated to grow at a highest CAGR of around 4% over the forecast period 2019-2027. This market accounted for a value of around USD 2900 million in the year 2018 and is predicted to reach a value of around USD 4300 million in the year 2027. Additionally, the market is predicted to attain an absolute \$ opportunity of around USD 1400 million during the assessment period.

The Korea toys market is segmented based on product into outdoor & sports toys, preschool toys, building sets, action figures, dolls, art & crafts, plush, vehicles and others. The outdoor & sports toy segment, which held a market share of around 31% in the year 2018, is anticipated to grow with a CAGR of around 5% during the forecast period and reach a value of around USD 1300 million by the end of 2027.

The Korea toys market is also segmented based on distribution channel into online and offline. The offline segment is further subdivided into hypermarkets, specialty stores, supermarkets and others. The hypermarket segment held a market share of around 41% in the year 2018.

Regarding retail and wholesale, it is known that figures had been affected by the pandemic situation in 2020, such as in every other country that suffered the Covid-19 virus. However, even though the spending lowered, it did not show a great change and it has totally recovered in a few months period. Therefore, it can be inferred that fashion related sales have maintained significantly constant in these years, resisting all the pandemic measures and restrictions (the revenues of the fashion sector reached 20,58 trillion won in the first half of 2022²⁴).

When it comes to books, South Korea shows some reading habits that, even though they have increased in the last years -as we will see later-, do not position the Asian country in the top of the list at a worldwide level. In numbers, data shows that in 2017 only 13% of people surveyed read every

²⁴<https://www.statista.com/statistics/973358/south-korea-fashion-industry-market-size/#:~:text=The%20market%20size%20of%20the,the%20first%20half%20of%202022>

day/most of the days, at least 24% read once a week and 22% read once a month. In comparison with other countries, we have China and Spain, where 32% of people claimed to read every day.

3.1. CONSUMER PROFILE

These are general trends, and it is important to conduct market research to understand the specific preferences and behaviour of your target audience.

Korean consumers' toy behaviour is influenced by several key factors, such as quality and safety, market trends, online shopping and spending more on higher quality toys.

South Korean consumers tend to **prefer locally made** toys over imported products and they **value the quality and cultural significance** of locally produced toys. However, the toy market in Korea is dominated by foreign companies, as imports accounted for almost 70% of the total market size in 2021.

In terms of **quality and safety**, Korean consumers pay close attention to these factors when purchasing toys. A survey revealed that almost 80% of Korean consumers consider quality and safety as the two most important factors when buying toys.

Market trends also play a key role in Korean consumers' toy behaviour. For example, when toys related to a popular TV series or a successful movie are released, Korean consumers may be more inclined to buy them because of their popularity.

Online shopping also plays an important role in Korean consumers' toy behaviour. About 60% of Korean consumers reported buying toys online in the past 12 months, due to the convenience and ease of purchase. Further information on online shopping can be found in the e-commerce section.

Despite the fact that the online channel continues to gain importance, the channel that represents the most toy sales is hypermarkets.

Finally, Korean consumers may be more likely to spend on high-end toys or toys that match their interests or those of their family. One study found that almost 50% of Korean consumers are willing to spend more on toys that are educational or develop technology skills.

However, global circumstances such as the Covid-19 pandemic may affect consumers' behaviour, and so it has happened in the Asian market of South Korea. Overall, needed to say, the South Korean toy market performed well in 2020. The arrival of COVID-19 in the country led to the temporary closure of schools, with large numbers of students not attending classes for more than seven months. In addition, the number of people working from home soared, while consumers were reluctant to leave the house to socialise due to social distancing, leading to demand for different forms of home entertainment. Sales of traditional toys experienced higher growth than in previous years due to demand among parents for toys to stimulate their children mentally and help them learn while not attending school in person. This increased the growth rate in categories such as science/educational, dress-up, role-play and construction toys. Toys to entertain children at home were also sought, including games and puzzles. However, isolation at home had the opposite impact on outdoor play and sports, as parents prevented their children from playing outside for fear of infection. Preschool toys also suffered a decline, but this is due to the country's trend towards a declining birth rate. The toy sector's biggest concern is the sharp decline in South Korea's birth rate, especially as fewer than 270,000 babies were born in 2021, the lowest number recorded in the review period since 2011. Therefore, in the future, many toy companies will develop and focus on "kidult" toys; they will also try to expand their sales in overseas markets. In addition, traditional toys and games will continue to be challenged by the continued rise of digital formats. However, parents' growing interest in spending more money on products that help their children learn and acquire knowledge, especially

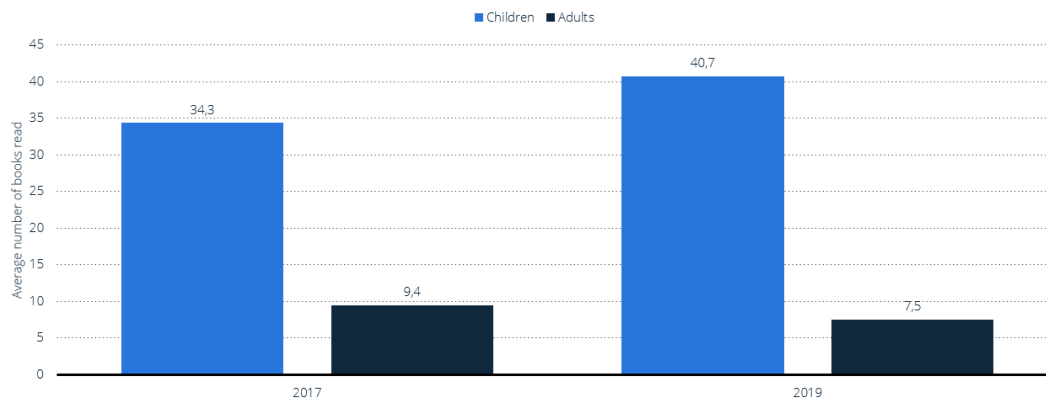
educational and other toys, is expected to drive the growth of the Korean toy market.

At the same time, in **other sectors like apparel and footwear**, it is important to take into account the medium size of the South Korean population. Different late studies have revealed that the average height of people in Korea has been increasing in the past decades, reaching in adult men 172,5 cm and in adult women 159,6 cm. Also, weight has increased - which makes sense if we consider that kids are now higher than they were - among the student population. The average weight was slightly over 50 kg at the beginning of the century, whilst nowadays it has increased approximately around 10 kg. However, they are not either obese or overweight, having the lowest rate of the whole OECD. When coming to the **style** (therefore consumer habits), in 2022 a more minimalist fashion was seen in the Asian country. Nonetheless, children often wear layful, colourful and high quality and at the same time affordable clothes.

When it comes to the **furniture and bed linen market**, lately minimalism, just like in fashion, has been a powerful trend in the country, followed massively by a lot of interior designers. These trends come and go in the time, however,

Regarding **books**, the most read genres are novels, poetry, and short stories. Reading habits show a positive tendency since the number of books read per year is increasing lately, as we can see in the following graphic that represents the average number of books read by adult and children in South Korea from 2017 to 2019²⁵:

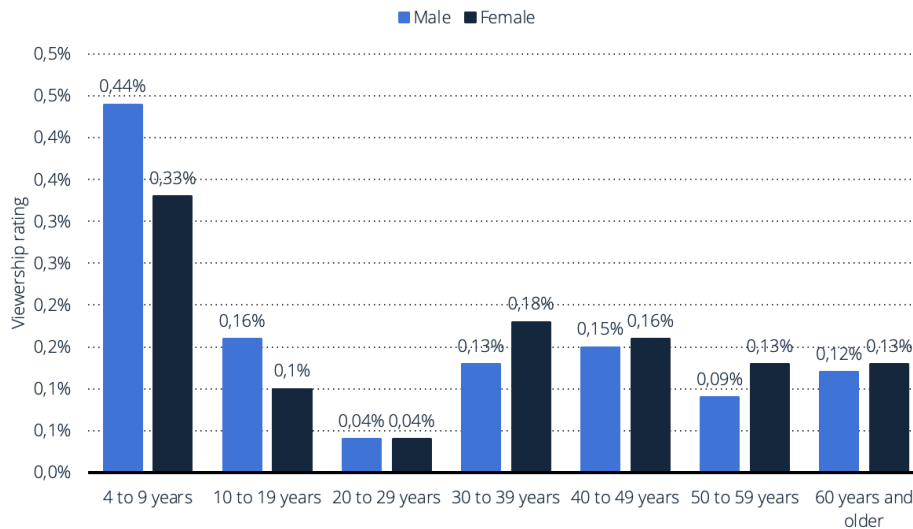
²⁵ Source(s): Statista



3.2. MARKETING

Rising demand for replica of cartoon characters that are being displayed in television shows, as well as for goods whose replica can be made as toys, coupled with the rising influence for toys from social media are some of the factors believed to benefit the expansion of the Korea toys market. Numerous cartoon characters have been shown on television in recent years. The kids, who watch these shows, tend to follow the cartoon characters. As a result, there is a rising demand amongst the parents to purchase such toys for their children, which is anticipated to contribute towards the growth of the Korean toys market. Moreover, with the growing internet penetration and the rising influence of social media, kids are more or less demanding their parents for toys which they find in these social platforms. All this penetration has surpassed the toy market, and other products like books or fashion-related items may find their demand originated in this type of content seen by children.

Regarding television viewing habits, an important aspect of marketing, the following graph represents television viewership ratings for children's television in South Korea as of October 2022, by age and gender²⁶:

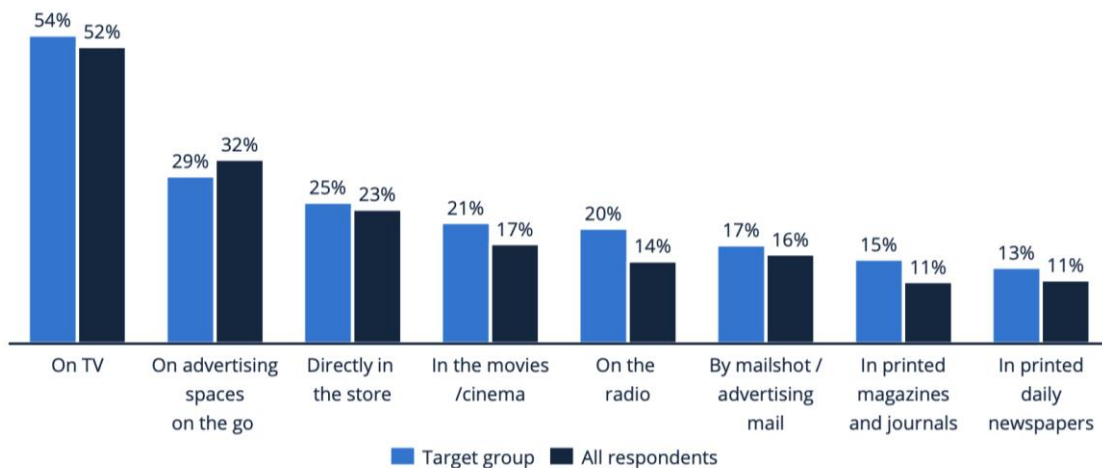


The bar chart shows that boys between the ages of 4 and 9 watch more TV than girls, and from the age of 29 onwards the trend is reversed, and women become greater viewers than men. In any case, the age range which compiles a larger rate of TV viewers is between 4 and 9 years old, decreasing until children hit the second decade of their lives.

Also interesting in relation with marketing, a survey was conducted on parents with children under age 14 to determine where they remembered hearing or viewing non-digital ads in the past few weeks, the results are shown in the next graphic²⁷.

²⁶ Source(s): Korea Communications Commission; Total National Multimedia Statistics.

²⁷ Source(s): Statista Global Survey as of October 2022.



As we can see, the vast majority of ads were seen on TV, both from parents and other respondents to the survey, followed by advertising spaces on the go and directly in stores. The least viewed ads were on printed newspapers, magazines and journals.

3.3. BRAND IMPORTANCE

A recent study found that when it comes to purchasing luxury goods in South Korea, design is the leading consideration at 46.7%. This means that Korean consumers place a high value on the aesthetic appeal of luxury products. But design isn't the only factor that matters to them. Purchase price comes in at a close second at 32.5%, which is not surprising considering the high cost of luxury goods. Finally, brand value comes in at 31.1%, showing that Korean consumers value the prestige and reputation of luxury brands.

It's important to note that Korean consumers are very brand conscious, they are very loyal to their favourite brands, and they are always on the lookout for new and exciting luxury brands to try. Korean consumers are also highly influenced when their favourite artists recommend high-end products.

For businesses operating in the Korean market, it's crucial to stay on top of the latest trends and consumer behaviour. Keeping an eye on popular

social media platforms, influencers, and market research will help businesses stay ahead of the curve and be able to adapt to new trends as they emerge.

Korean culture is deeply rooted in tradition, and that affects how consumers make their purchasing decisions. Some of the culture's aspects that directly affect the market are: the strong emphasis on respect for elders and authority figures, gift giving is a common practice in Korean culture, the importance of manners and etiquette, and the importance of family in this country.

Covid crisis: Like many other industries, the toy industry in South Korea was impacted by the COVID-19 crisis. The pandemic led to changes in consumer behaviour, which affected the demand for toys. With the implementation of social distancing measures and lockdowns, many children were confined to their homes, leading to an increase in demand for toys and games that could keep them entertained and occupied.

However, the pandemic also caused disruptions in the global supply chain, affecting the production and distribution of toys in South Korea. The closure of factories and logistics disruptions led to delays in the delivery of toys to retailers, and many manufacturers experienced difficulties in sourcing raw materials and components.

Regarding payment methods, the pandemic has speeded up digitization and the use of cards and other methods is widespread in Korea. The main method of payment when buying is widespread the use of cards and other methods.

Moreover, with the closure of physical stores and the shift towards online shopping, the retail landscape for toys also changed. E-commerce platforms saw a surge in demand, with many consumers turning to online shopping for convenience and safety.

Overall, the COVID-19 crisis had both positive and negative effects on the toy industry in South Korea, with changes in consumer behaviour, supply

chain disruptions, and shifts in the retail landscape all contributing to a complex and evolving situation.

In general, the pandemic has highlighted the importance of resilience and adaptability in the face of unexpected disruptions, which may have prompted some businesses to take a more cautious approach to the future.

It is more interesting how covid affected consumers: Overall, the South Korean toy market performed well in 2020. The arrival of COVID-19 in the country led to the temporary closure of schools, with large numbers of students missing classes for more than seven months. In addition, the number of people working from home soared, while consumers were reluctant to leave the house to socialise due to social distancing, leading to demand for different forms of home entertainment. Sales of traditional toys experienced higher growth than in previous years due to demand among parents for toys to stimulate their children mentally and help them learn while not attending school in person. This increased the growth rate in categories such as science/educational, dress up, role-play and construction toys. Toys to entertain children at home were also sought, including games and puzzles. However, isolation at home had the opposite impact on outdoor play and sports, as parents prevented their children from playing outside for fear of infection. Preschool toys also suffered a decline, but this is due to the country's trend towards a declining birth rate. The toy sector's biggest concern is the sharp decline in South Korea's birth rate, especially as fewer than 270,000 babies were born in 2021, the lowest number recorded in the review period since 2011. Therefore, in the future, many toy companies will develop and focus on "kidult" toys; they will also try to expand their sales in overseas markets. In addition, traditional toys and games will continue to be challenged by the continued rise of digital formats. However, parents; growing interest in spending more money on products that help their children learn and acquire knowledge, especially educational and other toys, is expected to drive the growth of the Korean toy market.

We can highlight different steps in the adaptation of the South Korean company as:

- Diversifying their supply chains: To reduce their reliance on a single supplier or region, some toy manufacturers may be exploring ways to diversify their supply chains. This could involve investing in new technologies or processes that can help to increase efficiency or reduce costs or developing closer relationships with suppliers to ensure more reliable access to raw materials and components.

- Increasing their online presence: With the closure of physical stores and the shift towards online shopping, many toy businesses are investing in e-commerce and other digital channels to reduce their reliance on physical stores. This may involve developing new digital marketing strategies, investing in online platforms, or expanding their product lines to better serve online customers.

- Investing in product innovation: To stay ahead of changing consumer preferences and trends, some toy companies may be focusing more on product innovation and development. This could involve investing in new technologies or materials to create toys that are more interactive, educational, or sustainable, or developing new product lines that appeal to a wider range of consumers.

- Developing contingency plans: Some toy businesses may be developing contingency plans to prepare for future disruptions, such as pandemics or natural disasters. This could involve stockpiling critical supplies or developing alternative production and distribution channels to ensure business continuity in the face of unexpected events.

- Enhancing their digital capabilities: With the increasing importance of digital technologies, some toy companies may be investing in their digital capabilities, such as digital marketing, data analytics, and online customer service. This can help them to better understand changing consumer

preferences and behaviour and to develop targeted strategies to address them.

Toy brands in Korea are very important to consumers, as they value quality, safety and innovation in the toys they buy for their children. They look for toy brands that they trust and that have an educational interest for their child, and the image of the brand is very important to Korean consumers as it conveys an image of quality and prestige. Korean parents are often willing to pay more for well-known branded toys, as this gives them the feeling of giving their children the best.

Like the toy industry, the textiles industry in South Korea has also been impacted by the COVID-19 crisis, and companies in this sector may be taking similar steps to prepare for future disruptions and changes in consumer behaviour.

One way that the textiles industry in South Korea has responded to the COVID-19 crisis is by pivoting to the production of personal protective equipment (PPE), such as masks, gowns, and gloves. This has allowed some companies to maintain or even increase their production levels during the pandemic, while also contributing to the public health response.

In addition, many textile companies in South Korea have also been investing in digital technologies and e-commerce platforms to adapt to changing consumer behaviour. This may involve developing new online sales channels, such as virtual showrooms or e-commerce marketplaces, and investing in digital marketing and customer service capabilities to better serve online customers. Clear examples of these actions are the different online stores where it can be possible to buy South Korean fashion products, such as **Coupang**, it is a very popular website in South Korea that offers many different items with a section dedicated to the world of children. **Naver shopping** is a search page that offers all the products available online and therefore a lot of children's products including toys, clothes and furniture. here are also fairs where several brands come together to exhibit and sell

their new products and meet consumers directly, such as the **Busan Bexvo Baby Salon** which takes place every year. Another examples would be W.Concept, ZIGZAG, BRANDI, Kooding, Stylenanda, MUSINSA, Chuu, Codibook, JogunShop or 29cm.

Other steps that South Korean textiles companies may be taking to prepare for future disruptions and changes in consumer behaviour could include the same basis that we have analysed in with toys, with the substantial difference of the aimed product. Nevertheless, in the apparel sector another action could be addressed so as to adapt to the rising awareness about global warming:

Investing in sustainability: With increasing consumer demand for sustainable and environmentally friendly products, some textiles companies may be investing in sustainable production processes and materials. This can help them to appeal to consumers who are increasingly concerned about the environmental impact of the products they buy.

From a global point of view, the importance of the brand on the Korean market is very important. Indeed, whether it is for toys, clothes or furniture, Korean consumers give particular importance to the brands they buy. Beyond the prestige that some brands can give, as we have seen before, Koreans are very attached to certain values such as safety, quality and innovation. They are responsible consumers who care about the socio- environmental impact that brands generate. This is why the image and therefore the importance of the brand is a point of great importance because customers can identify their search criteria with a brand that groups them together and therefore buy again products from this same brand.

4. CORRUPTION INDEX

The Corruption Perceptions Index 2022²⁸ by Transparency International ranks South Korea 31st out of 180 countries, with a score of 63 out of 100.

This score indicates that corruption is perceived to be moderate in South Korea, which is an improvement from previous years. In 2012, South Korea ranked 45th in the CPI, and it has since implemented various measures to combat corruption, such as the establishment of the Anti-Corruption and Civil Rights Commission. Despite these efforts, there are still some areas of concern, such as political corruption and the influence of wealthy individuals on government decisions. For instance, recent high-profile corruption cases involving politicians and business leaders have highlighted the need for continued efforts to strengthen transparency, accountability, and public trust in South Korea's institutions. Nonetheless, the country's relatively high CPI ranking compared to other countries in the region suggests that it has made progress in combating corruption and promoting good governance.

On the one hand, in comparison with other countries studied, Chile scored 67 out of 100 in 2022, almost leading its region for a second consecutive year (27th worldwide), whilst the United States scored 69 out of 100, being in the top 24 countries in this aspect. Both of them are ahead of South Korea in the ranking, However the score is not far away, and the Asian country can do better in the following years.

On the other hand, in comparison with other countries of its region, South Korea is scoring high. Only Japan (18th in the global ranking), Taiwan (25th) and Hong Kong (12th) are ahead, whilst other surrounding countries like Russia, North Korea, China or the Philippines score lower.

5. IMPORTS AND EXPORTS: VOLUMES AND TRENDS

5.1. TOY MARKET

²⁸ <https://www.transparency.org/en/cpi/2022>

For products under tariff code 95: Toys, games, and sports requisites; parts and accessories thereof, the import data is as follows:

Exporters	Value imported in 2021 (USD thousand) ▼	Trade balance 2021 (USD thousand) ⚡	Share in Korea, Republic of's imports (%) ⚡	Growth in imported value between 2017-2021 (% p.a.) ⚡	Growth in imported value between 2020-2021 (% p.a.) ⚡
World	2,975,931	-2,487,936	100	8	26
China	1,809,662	-1,731,689	60.8	10	33
Japan	545,115	-483,410	18.3	10	15
United States of America	217,540	-44,117	7.3	13	30
Taipei, Chinese	68,086	-60,685	2.3	7	24
Viet Nam	65,004	-51,232	2.2	-8	32
Thailand	62,188	-59,865	2.1	2	8
Germany	33,694	-26,368	1.1	15	-24
Italy	21,745	-19,623	0.7	0	14
Hungary	15,072	-14,887	0.5	10	263

Sources: ITC calculations based on Korea Customs and Trade Development Institute (KCTDI) statistics.

The value imported in 2021 for the products under this tariff code represented 2.975.931 thousand dollars. Most of these imports come from China (supplier of 60,8% of the total market), followed by Japan (18,3%). For European providers, the first country to appear in the list is Germany (1,1% of the market). Denmark's exportation represents 0,4% of the total importation, 0,2% in the case of France and 0,1% for Spain.

As for exports, represented in the next graph:

Importers	Value exported in 2021 (USD thousand) ▼	Trade balance 2021 (USD thousand) ⚡	Share in Korea, Republic of's exports (%) ⚡	Growth in exported value between 2017-2021 (%. p.a.) ⚡	Growth in exported value between 2020-2021 (%. p.a.) ⚡
World	487,995	-2,487,936	100	1	31
United States of America	173,423	-44,117	35.5	8	38
China	77,973	-1,731,689	16	4	50
Japan	61,705	-483,410	12.6	2	31
Viet Nam	13,772	-51,232	2.8	2	16
United Kingdom	11,862	6,394	2.4	-12	49
Australia	11,155	6,565	2.3	2	86
Hong Kong, China	10,047	5,571	2.1	-2	-37
Taipei, Chinese	7,401	-60,685	1.5	-12	16
Germany	7,326	-26,368	1.5	10	8
Canada	7,047	1,986	1.4	7	36
Singapore	6,944	6,221	1.4	4	22
Indonesia	6,877	-7,063	1.4	-10	31

Sources: ITC calculations based on Korea Customs and Trade Development Institute (KCTDI) statistics.

Exports in South Korea represent 0,3% of world exports (29th in the global position) The world export value is 487.995 thousand dollars. Exports are mainly to the USA, accounting for 35,5%, followed by China (16%). The share of France is 0,8% Spain is 0,6% and Denmark with just a 0,1%.

Continuing with the tariff code, 9503, corresponding to "tricycles, scooters, pedal cars and similar toy wheels, chairs, carriages...".

Exporters	Value imported in 2021 (USD thousand)	Trade balance 2021 (USD thousand)	Share in Korea, Republic of's imports (%)	Quantity imported in 2021	Quantity unit	Unit value (USD/unit)	Growth in imported value between 2017-2021 (% p.a.)	Growth in imported quantity between 2017-2021 (% p.a.)	Growth in imported value between 2020-2021 (% p.a.)
World	895,221	-809,241	100	78,690	Tons	11,377	1	-1	21
China	742,962	-726,104	83	71,663	Tons	10,367	4	0	22
Japan	34,814	-22,431	3.9	941	Tons	36,997	-8	-11	15
Viet Nam	27,733	-24,709	3.1	2,108	Tons	13,156	-22	-17	6
Denmark	12,508	-12,459	1.4	377	Tons	33,178	7	2	15
Taipei, Chinese	11,580	-8,675	1.3	306	Tons	37,843	18	6	16
Indonesia	9,337	-6,454	1	367	Tons	25,441	-5	-9	23
United States of America	8,606	11,687	1	270	Tons	31,874	0	-12	15
Germany	7,616	-4,133	0.9	451	Tons	16,887	10	10	24
Czech Republic	6,489	-6,242	0.7	270	Tons	24,033	14	24	118
Philippines	5,945	-2,648	0.7	609	Tons	9,762	1	-1	55
Thailand	5,126	-4,639	0.6	353	Tons	14,521	-16	-17	-6
Hungary	4,402	-4,292	0.5	181	Tons	24,320	-9	-16	61
Hong Kong, China	2,163	859	0.2	22	Tons	98,318	2	-12	22
Poland	1,237	-674	0.1	52	Tons	23,788	2	-8	31
Colombia	1,226	-1,217	0.1	60	Tons	20,433	5	-3	45

Sources: ITC calculations based on Korea Customs and Trade Development Institute (KCTDI) statistics.

The total number of world imports is 1,5% (18th in world ranking) with a value of USD 895,221. The largest provider is also China (83%) followed by Japan (3.9%). France is the 17 largest providers of this category.

Regarding Denmark, it ends up at the 4th place just behind the Asian countries. It is the best partner in Europe with 1.4 share in Korea's imports. This represents a total of 377 tons and in terms of value, we obtain 12,508 thousand USD in 2021. On the other hand, France and Spain just have a share of 0,1%.

As for South Korea's export data in this category, the numbers are shown in the graph below:

Importers	Value exported in 2021 (USD thousand)	Trade balance 2021 (USD thousand)	Share in Korea, Republic of's exports (%)	Quantity exported in 2021	Quantity unit	Unit value (USD/unit)	Growth in exported value between 2017-2021 (% p.a.)	Growth in exported quantity between 2017-2021 (% p.a.)
World	85,980	-809,241	100	5,807	Tons	14,806	-2	-4
United States of America	20,293	11,687	23.6	815	Tons	24,899	11	6
China	16,858	-726,104	19.6	1,235	Tons	13,650	-10	-5
Japan	12,383	-22,431	14.4	284	Tons	43,602	11	0
Germany	3,483	-4,133	4.1	70	Tons	49,757	13	-1
Philippines	3,297	-2,648	3.8	1,312	Tons	2,513	-6	11
Viet Nam	3,024	-24,709	3.5	232	Tons	13,034	-18	-22
Hong Kong, China	3,022	859	3.5	142	Tons	21,282	2	-3
Taipei, Chinese	2,905	-8,675	3.4	253	Tons	11,482	-22	-7
Indonesia	2,883	-6,454	3.4	284	Tons	10,151	-5	-1
Russian Federation	2,255	1,844	2.6	132	Tons	17,083	51	33
United Kingdom	1,779	569	2.1	99	Tons	17,970	5	10
Switzerland	1,752	1,515	2	12	Tons	146,000	16	18
Canada	1,338	951	1.6	76	Tons	17,605	43	54
Saudi Arabia	1,210	1,209	1.4	204	Tons	5,931	13	1
Singapore	863	745	1	39	Tons	22,128	-9	-19
Australia	620	387	0.7	44	Tons	14,091	-7	2
France	582	-43	0.7	12	Tons	48,500	-5	2

Sources: ITC calculations based on Korea Customs and Trade Development Institute (KCTDI) statistics.

The value of these exports is 85.980 dollars. The country to which it exports is again the USA (23,6% of exports), followed by China (19,6%). Spain imports more than France with a value of 999 against 582 thousand. Denmark shows no relevant results in this category.

Following tariff code 9504, concerning "video game consoles, machines, articles for society games, table or parlour games, billiards, special tables for casino games and automatic bowling alley games".

Exporters	Value imported in 2021 (USD thousand)	Trade balance 2021 (USD thousand)	Share in Korea, Republic of's imports (%)	Quantity imported in 2021	Quantity unit	Unit value (USD/unit)	Growth in imported value between 2017-2021 (% p.a.)	Growth in imported quantity between 2017-2021 (% p.a.)
World	543,377	-478,331	100	12,438	Tons	43,687	12	-6
China	349,842	-330,118	64.4	7,456	Tons	46,921	13	0
Japan	112,151	-105,083	20.6	883	Tons	127,011	32	-7
United States of America	46,812	-30,093	8.6	2,179	Tons	21,483	2	-14
Belgium	4,657	-4,609	0.9	161	Tons	28,925	13	11
Mexico	4,127	-4,101	0.8	470	Tons	8,781	11	10
Italy	4,041	-3,943	0.7	24	Tons	168,375	18	-8
Germany	3,781	-3,642	0.7	279	Tons	13,552	0	-2
France	3,749	-3,546	0.7	118	Tons	31,771	-12	-23
Australia	3,624	-361	0.7	29	Tons	124,966	-18	-8
Israel	1,384	-1,317	0.3	189	Tons	7,323	4	4
Taipei, Chinese	1,251	-291	0.2	53	Tons	23,604	-13	-21
Hungary	1,107	-1,086	0.2	130	Tons	8,515	230	351
Hong Kong, China	1,105	2,031	0.2	12	Tons	92,083	-18	-24
Greece	1,009	-1,009	0.2	162	Tons	6,228	67	58
Spain	681	-510	0.1	18	Tons	37,833	-11	-49

Sources: ITC calculations based on Korea Customs and Trade Development Institute (KCTDI) statistics.

The total number of imports are 1.4% (overall position of 15) with a value of \$543.377. The largest exporter is China (64.4% of the total), followed by Japan (20.6%). Moreover, for European providers, the first country in the list is Belgium with a value of (0.9%). France is in 8th position with 0.7% of the import's share which represents 3,749 thousand USD, Spain is in 15th with 0.1% share which equals 681 thousand USD. Denmark is further down the ranking.

As for the exports in the same category:

Importers	Value exported in 2021 (USD thousand)	Trade balance 2021 (USD thousand)	Share in Korea, Republic of's exports (%)	Quantity exported in 2021	Quantity unit	Unit value (USD/unit)	Growth in exported value between 2017-2021 (% p.a.)	Growth in exported quantity between 2017-2021 (% p.a.)
World	65,046	-478,331	100	4,367	Tons	14,895	-2	12
China	19,724	-330,118	30.3	436	Tons	45,239	33	55
United States of America	16,719	-30,093	25.7	827	Tons	20,216	-6	-5
Japan	7,068	-105,083	10.9	209	Tons	33,818	-8	1
Viet Nam	3,683	3,340	5.7	2,272	Tons	1,621	27	71
Australia	3,263	-361	5	167	Tons	19,539	7	2
Singapore	3,226	3,182	5	34	Tons	94,882	38	7
Hong Kong, China	3,136	2,031	4.8	81	Tons	38,716	-14	6
Philippines	1,190	1,161	1.8	10	Tons	119,000	-14	-25
United Kingdom	994	561	1.5	40	Tons	24,850	-31	-28

Sources: ITC calculations based on Korea Customs and Trade Development Institute (KCTDI) statistics.

The main providers are China (19.724 thousand of US dollars), followed by the United States (16.719) and Japan (7068). The countries geographically located in Europe that import the most are the United Kingdom, the Netherlands and France (203). In addition, the value imported from Spain is 171.

With respect to Spain and in consideration of the evolution of exports: According to the foreign trade database, during the year 2021 a total of 887 operations were carried out (valued at 1.950,25 thousand euros) while in 2022 the number of operations decreased (518) but their profit increased (2.090,67 thousand euros). The month in which most operations were carried out was November (90) and the least in June and April (both 21) although the month in which they had the highest value was May (356.51). Denmark, on the other hand, does not gather the sufficient exports so as to be considered in this classification as one of the principal destinies for South Korean products.

Following tariff code 3503, concerning "Gelatin, whether or not in square or rectangular sheets, whether or not surface-worked or coloured, and gelatin derivatives; isinglass; other glues of animal origin (excluding those packaged as glue for retail sale and weighing net \leq 1 kg, and casein glues of heading 3501)"

Exporters	Value imported in 2021 (USD thousand) ▼	Trade balance 2021 (USD thousand) ↓	Share in Korea, Republic of's imports (%) ↓	Quantity imported in 2021	Quantity unit	Unit value (USD/unit) ↓	Growth in imported value between 2017-2021 (% p.a.) ↓	Growth in imported quantity between 2017-2021 (% p.a.) ↓	Growth in imported value between 2020-2021 (% p.a.) ↓
World	51,143	-14,905	100	9,575	Tons	5,341	30	24	-6
China	24,220	-24,109	47.4	4,845	Tons	4,999	48	39	-29
Viet Nam	6,472	-3,302	12.7	665	Tons	9,732	98	82	19
United States of America	5,511	7,497	10.8	1,468	Tons	3,754	8	15	22
India	2,625	-2,550	5.1	323	Tons	8,127	2	-3	-10
Italy	2,542	-924	5	359	Tons	7,081	36	41	283
Sweden	2,518	-2,518	4.9	350	Tons	7,194	-1	-6	7
France	2,444	-2,444	4.8	347	Tons	7,043	51	43	247
Belgium	2,407	-2,407	4.7	335	Tons	7,185	4	-2	54
Germany	1,156	-1,156	2.3	93	Tons	12,430	-9	-5	14
Canada	705	842	1.4	94	Tons	7,500	165	34	54
Brazil	260	-258	0.5	40	Tons	6,500	112		
New Zealand	177	7,781	0.3	404	Tons	438	14	14	34
Japan	84	664	0.2	210	Tons	400	-3	-8	-3
Australia	15	2,764	0	40	Tons	375	-5	-9	-82

Sources: ITC calculations based on Korea Customs and Trade Development Institute (KCTDI) statistics.

It is a 51 million USD worth market. China is the main exporter to South Korea, gathering 47.40% of total imports. Vietnam and the US follow China with over 10% of them. The first European country in the list is Italy, which is close to France figures (4.80%). Neither Denmark nor Spain protagonist great export numbers.

Importers	Value exported in 2021 (USD thousand) ▼	Trade balance 2021 (USD thousand) ↓	Share in Korea, Republic of's exports (%) ↓	Quantity exported in 2021	Quantity unit	Unit value (USD/unit) ↓	Growth in exported value between 2017-2021 (% p.a.) ↓	Growth in exported quantity between 2017-2021 (% p.a.) ↓	Growth in exported value between 2020-2021 (% p.a.) ↓
World	36,238	-14,905	100	5,407	Tons	6,702	2	0	6
United States of America	13,008	7,497	35.9	1,811	Tons	7,183	2	0	1
New Zealand	7,958	7,781	22	1,168	Tons	6,813	2	-1	89
Viet Nam	3,170	-3,302	8.7	483	Tons	6,563	8	6	-19
Australia	2,779	2,764	7.7	391	Tons	7,107	-12	-16	-39
Italy	1,618	-924	4.5	230	Tons	7,035	7	-5	433
Canada	1,547	842	4.3	200	Tons	7,735	147	163	74
Türkiye	1,305	1,305	3.6	189	Tons	6,905	72	54	-28
Thailand	803	803	2.2	129	Tons	6,225	-3	-5	24
Japan	748	664	2.1	80	Tons	9,350	-1	-2	4
Philippines	677	677	1.9	92	Tons	7,359	9	5	-27
Taipei_Chinese	674	674	1.9	75	Tons	8,987	11	7	3
Greece	550	550	1.5	72	Tons	7,639	48	45	37
Bangladesh	403	403	1.1	53	Tons	7,604	5	4	25
Spain	331	331	0.9	184	Tons	1,799		83	17
Switzerland	233	233	0.6	40	Tons	5,825			

Sources: ITC calculations based on Korea Customs and Trade Development Institute (KCTDI) statistics.

When talking about exports, Korea addresses most of its products in this category to the US (35.90% of the total 36 million USD worth). New Zealand is also a big market for the Asian country (22%). In order to find Spain

in the list we must go further down in it, since only gathers 0,90% of products. France and Denmark do not qualify in the top 24 countries in the matter.

Following tariff code 3407, concerning "Modelling pastes, incl. those put up for children's amusement; preparations known as "dental wax" or as "dental impression compounds", put up in sets, in packings for retail sale or in plates, horseshoe shapes, sticks or similar forms; other preparations for use in dentistry, with a basis of plaster "of calcined gypsum or calcium sulphate".

Sources: ITC calculations based on Korea Customs and Trade Development Institute

Exporters	Value imported in 2021 (USD thousand) ↑	Trade balance 2021 (USD thousand) ↓	Share in Korea, Republic of's imports (%) ↓	Quantity imported in 2021	Quantity unit	Unit value (USD/unit) ↓	Growth in imported value between 2017-2021 (% p.a.) ↓	Growth in imported quantity between 2017-2021 (% p.a.) ↓
World	15,623	-8,533	100	1,803	Tons	8,665	-4	-7
China	3,606	-3,259	23.1	1,044	Tons	3,454	-3	-7
United States of America	3,249	-1,167	20.8	84	Tons	38,679	1	-7
Japan	3,215	-1,957	20.6	224	Tons	14,353	-2	-4
Germany	3,167	-3,044	20.3	212	Tons	14,939	-7	-9
Romania	720	-646	4.6	23	Tons	31,304	11	17
Netherlands	601	-352	3.8	53	Tons	11,340	-3	-10
Italy	556	-549	3.6	48	Tons	11,583	-16	-11
Belgium	153	-153	1	73	Tons	2,096	0	0
Taipei, Chinese	119	88	0.8	1	Tons	119,000	9	-13
Spain	56	-55	0.4	25	Tons	2,240	8	27
United Kingdom	47	33	0.3	5	Tons	9,400	-11	-19
Switzerland	21	-21	0.1	0	Tons		-13	
Mexico	18	-8	0.1	2	Tons	9,000	153	
Thailand	15	17	0.1	3	Tons	5,000	269	

(KCTDI) statistics.

In this 15 million USD worth sector, four countries are concentrating most of the South Korean imports in this matter: China, USA, Japan and Germany, with more than 20% of the overall imports.

The rest of the countries gather a few imports, but never getting close not only to that 20% but neither to even a 5% of the imports. In fact, Spain nearly reaches 0,50%, whilst France and Denmark are further down in the ranking.

Importers	Value exported in 2021 (USD thousand) ▼	Trade balance 2021 (USD thousand) ↓	Share in Korea, Republic of's exports (%) ↓	Quantity exported in 2021	Quantity unit	Unit value (USD/unit) ↓	Growth in exported value between 2017-2021 (% p.a.) ↓	Growth in exported quantity between 2017-2021 (% p.a.) ↓	Growth in exported value between 2020-2021 (% p.a.) ↓
World	7,090	-8,533	100	602	Tons	11,777	1	0	24
United States of America	2,082	-1,167	29.4	126	Tons	16,524	8	26	23
Japan	1,258	-1,957	17.7	165	Tons	7,624	36	37	60
China	347	-3,259	4.9	24	Tons	14,458	15	11	54
France	317	317	4.5	28	Tons	11,321	-13	-18	43
India	285	285	4	33	Tons	8,636	35	14	175
Hong Kong, China	269	262	3.8	23	Tons	11,696	-14	-15	57
Netherlands	249	-352	3.5	1	Tons	249,000	-6	-21	-48
Australia	236	235	3.3	5	Tons	47,200	65	34	63
Taipei, Chinese	207	88	2.9	13	Tons	15,923	12	-10	-18
United Arab Emirates	132	132	1.9	4	Tons	33,000	22	-15	66
Germany	123	-3,044	1.7	2	Tons	61,500	9	-17	460
Russian Federation	121	121	1.7	10	Tons	12,100	-19	-34	29
Chile	113	113	1.6	2	Tons	56,500	5	-31	201
Viet Nam	112	104	1.6	8	Tons	14,000	13	0	20

Sources: ITC calculations based on Korea Customs and Trade Development Institute (KCTDI) statistics.

However, exports show different data. The US is ahead on the ranking with almost 30% of total exports, and Japan is second with over 17%. The rest of the exports is divided among the rest of the countries. Here we see China, France and India gathering more than 4% of total exports. However, Denmark and Spain have no relevant data in this matter.

As for products under the code 321310 Sets of artist's, student's or signboard painter's colours, modifying tints, amusement colours and the like, in tablets, tubes, jars, bottles, pans or similar packages, imports are as follow:

Sources: ITC calculations based on Korea Customs and Trade Development Institute (KCTDI)

Exporters	Value imported in 2021 (USD thousand)	Trade balance 2021 (USD thousand)	Share in Korea, Republic of's imports (%)	Quantity imported in 2021	Quantity unit	Unit value (USD/unit)	Growth in imported value between 2017-2021 (% , p.a.)	Growth in imported quantity between 2017-2021 (% , p.a.)	Growth in imported value between 2020-2021 (% , p.a.)
World	6,084	473	100	902	Tons	6,745	25	29	24
China	3,890	-2,430	63.9	811	Tons	4,797	29	33	15
Japan	826	1,167	13.6	17	Tons	48,588	18	5	47
France	552	-536	9.1	35	Tons	15,771	187	73	160
Italy	205	-198	3.4	18	Tons	11,389	6	3	-43
Germany	188	11	3.1	7	Tons	26,857	8	0	57
United States of America	91	317	1.5	2	Tons	45,500	-27	-50	42
Spain	70	-40	1.2	3	Tons	23,333	292		22
Russian Federation	50	172	0.8	1	Tons	50,000			-11
Netherlands	44	-44	0.7	1	Tons	44,000	3		18

statistics.

As we can see, Korea's main providers are both neighbouring countries: China (63,9% of the market share) and Japan (13,6%). After those, it is important to underline that the third main provider is France (9,1% of total imports). Spain only reaches 1,20% of them, but it is still ahead of Denmark, which is further down in the ranking.

And as for exportations:

Importers	Value exported in 2021 (USD thousand)	Trade balance 2021 (USD thousand)	Share in Korea, Republic of's exports (%)	Quantity exported in 2021	Quantity unit	Unit value (USD/unit)	Growth in exported value between 2017-2021 (% , p.a.)	Growth in exported quantity between 2017-2021 (% , p.a.)	Growth in exported value between 2020-2021 (% , p.a.)
World	6,557	473	100	601	Tons	10,910	10	2	9
Japan	1,993	1,167	30.4	147	Tons	13,558	40	18	49
China	1,460	-2,430	22.3	146	Tons	10,000	37	34	27
United States of America	408	317	6.2	32	Tons	12,750	-9	7	-65
Taipei_Chinese	342	342	5.2	28	Tons	12,214	-17	-18	37
Viet Nam	240	203	3.7	58	Tons	4,138	25	22	50
Czech Republic	229	229	3.5	25	Tons	9,160	23	18	153

Sources: ITC calculations based on Korea Customs and Trade Development Institute (KCTDI) statistics.

Exports coming from Korea are mostly addressed to markets like the Japanese (30,40%) or the Chinese (22,30%). The rest of the exports are divided among other countries. However, neither France, Denmark nor Spain show significant figures.

5.2. APPAREL MARKET

On the one hand, regarding the importations for products under tariff code (T.C.) 61: "Articles of apparel and clothing accessories, knitted or crocheted":

Exporters	Value imported in 2021 (USD thousand) ▼	Trade balance 2021 (USD thousand) ↑	Share in Corea, República de's imports (%) ↓	Growth in imported value between 2017-2021 (%. p.a.) ↓	Growth in imported value between 2020-2021 (%. p.a.) ↓
World	4,382,114	-3,471,212	100	7	19
China	1,594,405	-1,406,616	36.4	5	33
Viet Nam	1,214,836	-1,177,882	27.7	8	7
Italy	290,407	-282,054	6.6	17	37
Bangladesh	252,259	-252,166	5.8	20	34
Indonesia	207,228	-191,632	4.7	-4	-4
Portugal	127,290	-127,259	2.9	30	39

Sources: ITC calculations based on Korea Customs and Trade Development Institute (KCTDI) statistics.

It is seen that the largest exporter to South Korea is China. Their exportations, valued at over 1,5 billion USD, represent 36,40% of total imports. But Vietnam and Italy also have a good part of the exports made to this country.

On the other hand, Spain only has 0,2% of share in Korea's imports, but it is remarkable that Spain's Growth in imported value between 2020-2021 has been 51%. Denmark and France are further down in the list.

On the other hand, regarding the exports in this matter:

Importers	Value exported in 2021 (USD thousand) ▼	Trade balance 2021 (USD thousand) †	Share in Korea, Republic of's exports (%) †	Growth in exported value between 2017-2021 (%. p.a.) †	Growth in exported value between 2020-2021 (%. p.a.) †
World	910,902	-3,471,212	100	0	19
Japan	233,813	195,299	25.7	-1	-3
United States of America	198,504	176,201	21.8	-4	38
China	187,789	-1,406,616	20.6	9	50
Hong Kong, China	47,776	45,547	5.2	16	1
Viet Nam	36,954	-1,177,882	4.1	-4	19
Taipei, Chinese	31,177	20,631	3.4	8	10
Canada	16,620	13,819	1.8	-5	37
Indonesia	15,596	-191,632	1.7	-12	20
Germany	15,163	10,746	1.7	-7	1
United Kingdom	12,143	-8,343	1.3	-4	18
France	11,088	-6,766	1.2	-10	-11
Belgium	9,822	8,992	1.1	-17	-11
Italy	8,353	-282,054	0.9	10	34
Myanmar	7,892	-53,472	0.9	71	235

Sources: ITC calculations based on Korea Customs and Trade Development Institute (KCTDI) statistics.

It is seen that the principal markets where Korean products are addressed are Japan, the US and China, gathering more than 60% of the total exports. France collects 1,20% of them and neither Denmark nor Spain have significant importance in this classification.

To be more exact, for products under the code 6111 Babies' garments and clothing accessories, knitted or crocheted (excluding hats), imports are as shown below:

Exporters	Value imported in 2021 (USD thousand) ▼	Trade balance 2021 (USD thousand) †	Share in Korea, Republic of's imports (%) †	Quantity imported in 2021	Quantity unit	Unit value (USD/unit) †	Growth in imported value between 2017-2021 (%. p.a.) †	Growth in imported quantity between 2017-2021 (%. p.a.) †	Growth in imported value between 2020-2021 (%. p.a.) †
World	40,165	-33,667	100	1,361	Tons	29,511	-9	-12	36
Viet Nam	16,409	-16,149	40.9	716	Tons	22,918	-2	-5	62
China	13,733	-12,699	34.2	444	Tons	30,930	-15	-18	14
India	2,278	-2,275	5.7	8	Tons	284,750	28	-8	617
Indonesia	1,487	-1,408	3.7	48	Tons	30,979	-26	-33	49
Bangladesh	1,198	-1,198	3	48	Tons	24,958	-1	0	29
Philippines	985	-985	2.5	35	Tons	28,143	9	-4	-40
Cambodia	808	-808	2	17	Tons	47,529	10	-1	7
Portugal	782	-782	1.9	8	Tons	97,750	7	3	23
Spain	427	-413	1.1	4	Tons	106,750	0	0	49

Sources: ITC calculations based on Korea Customs and Trade Development Institute (KCTDI) statistics

Korea's main providers are Vietnam (40,9% of total imports are provided by Vietnam) and China (34,2%). The first European country to provide these products is Portugal, which provided 8 tons in 2021, and Spain (4 tons, equal to 427 thousand USD). On the other hand, France just holds a share of 0,1% and Denmark did not export this kind of product to South Korea.

And as for exports:

Importers	Value exported in 2021 (USD thousand) ▼	Trade balance 2021 (USD thousand) †	Share in Korea, Republic of's exports (%) †	Quantity exported in 2021	Quantity unit	Unit value (USD/unit) †	Growth in exported value between 2017-2021 (%. p.a.) †	Growth in exported quantity between 2017-2021 (%. p.a.) †	Growth in exported value between 2020-2021 (%. p.a.) †
World	6,498	-33,667	100	165	Tons	39,382	-21	-26	-18
United States of America	2,025	1,937	31.2	60	Tons	33,750	-8	-7	-26
China	1,034	-12,699	15.9	12	Tons	86,167	5	-19	24
United Arab Emirates	528	528	8.1	14	Tons	37,714	-45	-48	-52
Sweden	434	428	6.7	11	Tons	39,455	-19	-21	50
Taipei_Chinese	325	255	5	4	Tons	81,250	22	8	-44
Hong Kong_China	279	274	4.3	4	Tons	69,750	-1	-3	-18
Canada	265	264	4.1	6	Tons	44,167	6	-2	-5
Viet Nam	260	-16,149	4	15	Tons	17,333	73	92	-50

Sources: ITC calculations based on Korea Customs and Trade Development Institute (KCTDI) statistics

Korea's destinations are varied (US, China, United Arab Emirates and Sweden). In 2021, exports value was worth 6.498 thousand USD. France and Spain, each one holds 0,2% Share in Korea's exports, and Korea did not export any of this product to Denmark.

Regarding the importations for products under tariff code (T.C.) 62: "Articles of apparel and clothing accessories, not knitted or crocheted":

Exporters	Value imported in 2021 (USD thousand) ▼	Trade balance 2021 (USD thousand) †	Share in Korea, República de's imports (%) †	Growth in imported value between 2017-2021 (%. p.a.) †	Growth in imported value between 2020-2021 (%. p.a.) †
World	6,151,644	-5,099,829	100	0	14
Viet Nam	2,079,830	-1,728,139	33.8	-1	8
China	1,947,327	-1,636,348	31.7	-4	17
Italy	461,354	-453,688	7.5	11	31
Indonesia	299,513	-245,717	4.9	-3	0
Myanmar	258,335	-241,358	4.2	-6	5
Bangladesh	192,923	-190,898	3.1	14	43

Sources: ITC calculations based on Korea Customs and Trade Development Institute (KCTDI) statistics.

It is seen that the largest exporters to South Korea are Vietnam and China, their imports represent 64,7% of total imports. Italy has a representative participation in the imports being the main European exporter to this country of this kind of product. France holds a share of 1,2% in Korea's exports, being the 8th country with most exports to Korea. Spain just holds 0,1% of share in the Korea's exports. While Denmark has no relevant participation.

5.3. FOOTWEAR MARKET

Regarding the importations²⁹ for products under tariff code (T.C.) 64: "Footwear, gaiters and the like; parts of such articles":

Exporters	Value imported in 2021 (USD thousand) ▼	Trade balance 2021 (USD thousand) ⚡	Share in Corea, República de's imports (%) ⚡	Growth in imported value between 2017-2021 (%. p.a.) ⚡	Growth in imported value between 2020-2021 (%. p.a.) ⚡
World	3,421,004	-2,983,368	100	4	11
China	1,194,993	-1,063,947	34.9	0	23
Viet Nam	975,126	-903,788	28.5	5	-4
Italy	564,835	-560,495	16.5	14	14
Indonesia	363,553	-327,740	10.6	1	25
Cambodia	54,130	-46,926	1.6	22	13
United States of America	31,585	37,235	0.9	8	44
India	28,030	-27,840	0.8	-10	-6
Spain	22,112	-21,350	0.6	-4	29

Sources: ITC calculations based on Korea Customs and Trade Development Institute (KCTDI) statistics.

China and Vietnam have the biggest participation in the imports made by Korea, followed by Italy and Indonesia, these countries together represent more than 90% of the imports. Spain only represents 0,6% of total imports but is the 8th country with highest participation. France and Denmark are behind these figures. Denmark and France are further down in the list.

Importers	Value exported in 2021 (USD thousand) ▼	Trade balance 2021 (USD thousand) ⚡	Share in Corea, República de's exports (%) ⚡	Growth in exported value between 2017-2021 (%. p.a.) ⚡	Growth in exported value between 2020-2021 (%. p.a.) ⚡
World	437,636	-2,983,368	100	-4	7
China	131,046	-1,063,947	29.9	2	1
Viet Nam	71,338	-903,788	16.3	-13	-2
United States of America	68,820	37,235	15.7	9	43
Japan	38,590	29,025	8.8	-14	-8
Indonesia	35,813	-327,740	8.2	-6	22
Hong Kong, China	21,152	20,370	4.8	20	10
Cambodia	7,204	-46,926	1.6	10	28
Taipei, Chinese	6,534	5,671	1.5	40	-25

Sources: ITC calculations based on Korea Customs and Trade Development Institute (KCTDI) statistics.

The exports in this same category are mainly to China, Vietnam and USA, these exports represent 0.3% of world exports for this product, its ranking

²⁹https://www.trademap.org/Country_SelProductCountry.aspx?nvpm=1%7c152%7c%7c%7c%7c64%7c%7c%7c2%7c1%7c1%7c1%7c1%7c1%7c2%7c1%7c1%7c1

in world exports is number 35. But comparing this number with the number of imports it is very little, being the imports more than 7 times larger than exports. None of Spain, Denmark nor France have significant numbers in this section.

Under the tariff code 6402, concerning "Footwear with outer soles and uppers of rubber or plastics (excluding waterproof footwear of heading 6401, orthopaedic footwear, skating boots with ice or roller skates attached, and toy footwear)".

Exporters	Value imported in 2021 (USD thousand) ▼	Trade balance 2021 (USD thousand) ↓	Share in Korea, Republic of's imports (%) ↓	Quantity imported in 2021	Quantity unit	Unit value (USD/unit) ↓	Growth in imported value between 2017-2021 (% p.a.) ↓	Growth in imported quantity between 2017-2021 (% p.a.) ↓	Growth in imported value between 2020-2021 (% p.a.) ↓
World	788,777	-736,430	100	47,155	Tons	16,727	3	0	10
China	434,224	-405,909	55.1	35,899	Tons	12,096	0	-2	22
Viet Nam	229,397	-228,036	29.1	8,072	Tons	28,419	11	12	-5
Indonesia	52,063	-51,548	6.6	1,460	Tons	35,660	-6	-4	11
Italy	21,891	-21,852	2.8	85	Tons	257,541	24	-1	50
Cambodia	12,599	-12,550	1.6	528	Tons	23,862	35	45	120
India	6,325	-6,310	0.8	310	Tons	20,403	45	61	-55
Germany	6,221	-6,046	0.8	137	Tons	45,409	4	-14	-31
Bangladesh	5,728	-5,725	0.7	183	Tons	31,301	99	75	58
Brazil	4,799	-4,795	0.6	185	Tons	25,941	12	14	0
Bosnia and Herzegovina	3,560	-3,560	0.5	10	Tons	356,000	20	7	-28
United States of America	2,016	5,708	0.3	23	Tons	87,652	0	-1	59
Japan	1,667	3,274	0.2	23	Tons	72,478	-6	-21	-11
Myanmar	1,388	-1,384	0.2	39	Tons	35,590	21	-2	-64
Romania	1,335	-1,335	0.2	29	Tons	46,034	-4	-16	-5
Spain	894	-886	0.1	26	Tons	34,385	-21	-26	0
Morocco	785	-785	0.1	41	Tons	19,146	200		389
Thailand	566	728	0.1	25	Tons	22,640	-31	-31	-40
France	481	-461	0.1	8	Tons	60,125	25	15	112

Sources: ITC calculations based on Korea Customs and Trade Development Institute (KCTDI) statistics.

This is a 778 million USD worth market headered by China, who produces more than 55% of the goods under this tariff code that South Korea imports. It is followed by Vietnam, who is the second largest producer in this matter (29,20%). There are no other large exporters to South Korea, hence the rest of the market is very segmented among different countries. Actually, only 3 countries are between 7% and 1% of total imports (Italy, Cambodia and India).

The rest of them gather a minimum share, as it is the case with Spain (894 000 USD in 2021) or France (481 000 USD). Denmark is further down in the ranking.

Importers	Value exported in 2021 (USD thousand) ▼	Trade balance 2021 (USD thousand) ↓	Share in Korea, Republic of's exports (%) ↓	Quantity exported in 2021	Quantity unit	Unit value (USD/unit) ↓	Growth in exported value between 2017-2021 (% p.a.) ↓	Growth in exported quantity between 2017-2021 (% p.a.) ↓	Growth in exported value between 2020-2021 (% p.a.) ↓
World	52,347	-736,430	100	1,545	Tons	33,882	10	-10	26
China	28,315	-405,909	54.1	449	Tons	63,062	16	19	19
United States of America	7,724	5,708	14.8	310	Tons	24,916	12	8	155
Japan	4,941	3,274	9.4	182	Tons	27,148	-5	1	-2
Hong Kong, China	3,352	3,340	6.4	126	Tons	26,603	71	47	121
Taipei, Chinese	1,578	1,556	3	46	Tons	34,304	46	28	-33
Viet Nam	1,361	-228,036	2.6	51	Tons	26,686	24	-2	1
Thailand	1,294	728	2.5	50	Tons	25,880	-10	-57	5
Singapore	936	902	1.8	43	Tons	21,767	26	29	40
Indonesia	515	-51,548	1	14	Tons	36,786	100	113	-41
Malaysia	333	165	0.6	14	Tons	23,786	8	3	14
Macao, China	289	289	0.6	5	Tons	57,800	158	57	53
Lao People's Democratic Republic	243	172	0.5	118	Tons	2,059			
Australia	214	163	0.4	12	Tons	17,833	5	10	30
Germany	175	-5,046	0.3	5	Tons	35,000	-58	-67	196

Sources: ITC calculations based on Korea Customs and Trade Development Institute (KCTDI) statistics.

When it comes to exports, China is again in the top of the ranking, receiving 54,10% of total Korean exports. The US collects almost 15% of them and Japan nearly reaches 9,50% of the total. None of the countries we are interested in gather any significant value in this category.

Following the tariff code 6403, concerning "Footwear with outer soles of rubber, plastics, leather or composition leather and uppers of leather (excluding orthopaedic footwear, skating boots with ice or roller skates attached, and toy footwear)"

Exporters	Value imported in 2021 (USD thousand) ▼	Trade balance 2021 (USD thousand) ↓	Share in Korea, Republic of's imports (%) ↓	Quantity imported in 2021	Quantity unit	Unit value (USD/unit) ↓	Growth in imported value between 2017-2021 (% p.a.) ↓	Growth in imported quantity between 2017-2021 (% p.a.) ↓	Growth in imported value between 2020-2021 (% p.a.) ↓
World	1,276,772	-1,205,389	100	26,355	Tons	48,445	6	2	15
Italy	395,919	-393,792	31	1,339	Tons	295,683	10	-1	12
China	292,507	-268,365	22.9	10,638	Tons	27,496	6	6	39
Viet Nam	258,270	-257,968	20.2	6,249	Tons	41,330	6	3	3
Indonesia	169,975	-169,939	13.3	4,632	Tons	36,696	4	1	19
Cambodia	27,135	-27,120	2.1	1,094	Tons	24,803	12	6	-13
India	19,911	-19,888	1.6	531	Tons	37,497	-16	-19	68
Portugal	16,699	-16,693	1.3	167	Tons	99,994	2	-2	7
Thailand	14,602	-14,343	1.1	301	Tons	48,512	-3	-9	-2
United States of America	11,984	-4,465	0.9	129	Tons	92,899	5	0	13
Spain	11,667	-11,466	0.9	108	Tons	108,028	-7	-13	19
Bangladesh	8,321	-8,319	0.7	214	Tons	38,883	32	15	55
Germany	6,569	-3,662	0.5	91	Tons	72,187	-19	-28	35
France	5,783	-5,584	0.5	33	Tons	175,242	-3	-11	18
Philippines	4,968	-4,759	0.4	217	Tons	22,894	40	36	-13

Sources: ITC calculations based on Korea Customs and Trade Development Institute (KCTDI) statistics.

The biggest exporter to Korea of this product is Italy, which accounts 31% of the total Korean imports. In this market of more than a billion USD worth, China and Vietnam are following the list with more than 20% of the overall imports each. In order to find a European country, we must look up to Portugal, where 1,30% of total imports are produced. Spain is the origin of 0,90% of them, whilst France is for 0,50% and Denmark does not show large enough figures to be mentioned.

Importers	Value exported in 2021 (USD thousand) ↑	Trade balance 2021 (USD thousand) ↓	Share in Korea, Republic of's exports (%) ↓	Quantity exported in 2021	Quantity unit	Unit value (USD/unit) ↓	Growth in exported value between 2017-2021 (% p.a.) ↓	Growth in exported quantity between 2017-2021 (% p.a.) ↓	Growth in exported value between 2020-2021 (% p.a.) ↓
World	71,383	-1,205,389	100	1,380	Tons	51,727	-2	-5	-5
China	24,142	-268,365	33.8	408	Tons	59,172	24	10	-2
Japan	12,789	10,586	17.9	200	Tons	63,945	-25	-20	-13
Hong Kong_China	10,703	10,396	15	132	Tons	81,083	48	22	25
United States of America	7,519	-4,465	10.5	176	Tons	42,722	12	7	-20
Germany	2,907	-3,662	4.1	63	Tons	46,143	-5	-5	-4
Italy	2,127	-393,792	3	16	Tons	132,938	4	3	4
Canada	1,624	1,466	2.3	40	Tons	40,600	23	14	36
United Kingdom	1,487	-3,226	2.1	22	Tons	67,591	-18	-30	-8
Russian Federation	938	843	1.3	5	Tons	187,600	63	11	96
Sweden	908	799	1.3	24	Tons	37,833	9	7	-19
Taipei_Chinese	808	763	1.1	21	Tons	38,476	27	15	-47
Netherlands	645	332	0.9	19	Tons	33,947	-4	-12	121
Switzerland	525	-1,654	0.7	7	Tons	75,000	-5	-4	18
Australia	409	241	0.6	2	Tons	204,500	20	-8	58
Denmark	364	182	0.5	11	Tons	33,091	-43	-47	73

Sources: ITC calculations based on Korea Customs and Trade Development Institute (KCTDI) statistics.

When talking about exports, the 71 million USD worth market is headed by China (33,80% of total exports are addressed to this country), followed by the Japanese market (17,90%) and Hong Kong. Denmark only reaches 0,50% of total exports. However, is ahead of both Spain and France, which collect 0,30% of total exports each.

5.4. FOOD

Products under tariff code (T.C.) 19: "Preparations of cereals, flour, starch or milk; pastrycooks' products"

As for imports, data is reflected on the next graph:

Exporters	Value imported in 2021 (USD thousand)▼	Trade balance 2021 (USD thousand) ₤	Share in Korea, Republic of's imports (%) ₤	Growth in imported value between 2017-2021 (% p.a.) ₤	Growth in imported value between 2020-2021 (% p.a.) ₤
World	943,259	709,550	100	6	18
China	208,215	134,519	22.1	8	22
United States of America	112,697	232,688	11.9	3	14
France	72,839	-62,463	7.7	13	78
Germany	68,472	-44,040	7.3	6	13
Malaysia	61,989	-18,940	6.6	-2	-5
Italy	58,920	-54,363	6.2	6	13
Viet Nam	45,850	29,891	4.9	11	26
Indonesia	33,533	-9,925	3.6	5	9
Thailand	30,875	13,270	3.3	4	26
Japan	29,142	129,235	3.1	-16	51
Belgium	28,448	-26,588	3	17	36
New Zealand	25,994	-12,023	2.8	12	9

Sources:

ITC

calculations based on Korea Customs and Trade Development Institute (KCTDI) statistics.

Its largest exporter is China (22,1% of imports), followed by the U.S. (11,9%). Also, France (7,7%) and Germany (7,3%) have a representative participation in the imports of this kind of product. Spain has a share of 1,3% and Denmark only has a 0,6% of participation in the imports of Korea.

And regarding exports:

Importers	Value exported in 2021 (USD thousand)▼	Trade balance 2021 (USD thousand) ₤	Share in Korea, Republic of's exports (%) ₤	Growth in exported value between 2017-2021 (% p.a.) ₤	Growth in exported value between 2020-2021 (% p.a.) ₤
World	1,652,809	709,550	100	15	17
United States of America	345,385	232,688	20.9	20	9
China	342,734	134,519	20.7	10	19
Japan	158,377	129,235	9.6	21	23
Viet Nam	75,741	29,891	4.6	19	20
Taipei, Chinese	70,488	47,701	4.3	13	22
Hong Kong, China	64,700	59,375	3.9	11	-1
Australia	58,976	50,387	3.6	8	2
Philippines	52,203	47,273	3.2	15	14
Thailand	44,145	13,270	2.7	16	25
Malaysia	43,049	-18,940	2.6	11	31
Canada	40,633	34,983	2.5	12	1
Netherlands	33,292	7,343	2	31	50

Sources: ITC calculations based on Korea Customs and Trade Development Institute (KCTDI) statistics.

When talking about exports, the U.S. and China are the countries where more South Korean products are addressed (20,9% and 20,7%). Neither Spain, France or Denmark qualify into the top 24 countries in this category.

Regarding the importations for products under tariff code (T.C.) 21: "Miscellaneous edible preparations":

Exporters	Value imported in 2021 (USD thousand) ▼	Trade balance 2021 (USD thousand) ⚡	Share in Korea, Republic of's imports (%) ⚡	Growth in imported value between 2017-2021 (% p.a.) ⚡	Growth in imported value between 2020-2021 (% p.a.) ⚡
World	2,812,154	-1,347,239	100	15	14
United States of America	1,363,356	-1,165,109	48.5	15	13
China	223,507	29,104	7.9	10	19
Germany	214,168	-206,589	7.6	52	32
Japan	116,956	58,219	4.2	1	14
New Zealand	109,575	-102,597	3.9	4	6
Canada	102,159	-70,001	3.6	18	6
Australia	78,749	-45,547	2.8	12	5
Thailand	64,169	-29,040	2.3	16	21
Singapore	60,643	-14,782	2.2	19	12

Sources: ITC calculations based on Korea Customs and Trade Development Institute (KCTDI) statistics.

South Korea's imports represent 2,9% of world's imports of this product. Its main exporter is the U.S (48,5% of imports). The only European country with significant presence in this category is Germany, gathering 7,6% of South Korea's imports, ahead of Japan and New Zealand. Spain does not show relevant data, such as France or Denmark.

Importers	Value exported in 2021 (USD thousand) ▼	Trade balance 2021 (USD thousand) ⚡	Share in Korea, Republic of's exports (%) ⚡	Growth in exported value between 2017-2021 (% p.a.) ⚡	Growth in exported value between 2020-2021 (% p.a.) ⚡
World	1,464,915	-1,347,239	100	2	18
China	252,611	29,104	17.2	7	17
United States of America	198,247	-1,165,109	13.5	0	8
Japan	175,175	58,219	12	-9	18
Viet Nam	99,173	70,914	6.8	24	25
Russian Federation	91,383	90,934	6.2	0	36
Indonesia	70,170	64,233	4.8	2	44
Taipei, Chinese	64,631	11,470	4.4	-3	19
Hong Kong, China	60,649	37,543	4.1	1	30
Malaysia	56,645	16,809	3.9	21	75
Singapore	45,861	-14,782	3.1	20	8
Philippines	45,266	43,914	3.1	0	3
Thailand	35,129	-29,040	2.4	19	21

Sources: ITC calculations based on Korea Customs and Trade Development Institute (KCTDI) statistics.

When talking about exports, China is the country where more South Korean products are addressed (17,20%), ahead of the USA (13,50%) and Japan (12%). They do not export large quantities to Europe, therefore neither Spain, Denmark nor France are in the list.

5.5. FURNITURE & LINENS

For products under the code 6301 Blankets and travelling rugs of all types of textile materials (excluding table covers, bedspreads ...), imports are shown below:

Exporters	Value imported in 2021 (USD thousand)	Trade balance 2021 (USD thousand)	Share in Korea, Republic of's imports (%)	Quantity imported in 2021	Quantity unit	Unit value (USD/unit)	Growth in imported value between 2017-2021 (% p.a.)	Growth in imported quantity between 2017-2021 (% p.a.)	Growth in imported value between 2020-2021 (% p.a.)
World	41,189	-22,775	100	6,556	Tons	6,283	4	0	40
China	34,358	-34,089	83.4	6,264	Tons	5,485	3	0	44
Italy	1,550	-1,541	3.8	25	Tons	62,000	29	35	57
Viet Nam	1,284	-655	3.1	92	Tons	13,957	60	44	-13
United Kingdom	807	-799	2	3	Tons	269,000	21	1	66
India	727	-360	1.8	65	Tons	11,185	12	6	4
United States of America	711	968	1.7	22	Tons	32,318	0	-1	40
Latvia	643	-643	1.6	22	Tons	29,227	159	146	36
Indonesia	280	-267	0.7	21	Tons	13,333	36	89	449
Japan	195	957	0.5	24	Tons	8,125	-16	-1	118
Nepal	63	-34	0.2	0	Tons		16		39
Germany	58	-16	0.1	1	Tons	58,000	-26	-29	5

Sources: ITC calculations based on Korea Customs and Trade Development Institute (KCTDI) statistics

Their main provider is by far China (83,4% of the total). This being said, there is also a large number of European countries that export these products, since Italy was the second biggest provider (3,8%). France and Spain have each one a little share of 0,1%, while Denmark did not export this kind of product to South Korea.

And as for exports:

Importers	Value exported in 2021 (USD thousand)	Trade balance 2021 (USD thousand)	Share in Korea, Republic of's exports (%)	Quantity exported in 2021	Quantity unit	Unit value (USD/unit)	Growth in exported value between 2017-2021 (% p.a.)	Growth in exported quantity between 2017-2021 (% p.a.)	Growth in exported value between 2020-2021 (% p.a.)
World	18,414	-22,775	100	7,307	Tons	2,520	-10	-6	74
Saudi Arabia	6,341	6,341	34.4	1,494	Tons	4,244	-4	-11	43
Philippines	5,486	5,478	29.8	4,891	Tons	1,122	7	2	150
United States of America	1,679	968	9.1	113	Tons	14,858	16	6	17
Japan	1,152	957	6.3	39	Tons	29,538	25	13	99
Taipei_Chinese	774	768	4.2	139	Tons	5,568	-4	-4	238
Viet Nam	629	-655	3.4	58	Tons	10,845	60	57	162
United Arab Emirates	462	462	2.5	64	Tons	7,219	-56	-57	65
India	367	-360	2	254	Tons	1,445	-9	55	
China	269	-34,089	1.5	22	Tons	12,227	-26	-12	50

Sources: ITC calculations based on Korea Customs and Trade Development Institute (KCTDI) statistics

Korea's main destination was Arabia Saudi and Philippines. In total, the country exported 18.414 thousand USD worth of product, the equivalent to 7.307 tons. Exports addressed to Denmark, Spain or France are under 1% of the total exports.

As for the products under the code 6302 Bedlinen, table linen, toilet linen and kitchen linen of all types of textile materials (excluding floorcloths, polishing cloths, dishcloths and dusters), imports are as follows:

Exporters	Value imported in 2021 (USD thousand)	Trade balance 2021 (USD thousand)	Share in Korea, Republic of's imports (%)	Quantity imported in 2021	Quantity unit	Unit value (USD/unit)	Growth in imported value between 2017-2021 (% p.a.)	Growth in imported quantity between 2017-2021 (% p.a.)	Growth in imported value between 2020-2021 (% p.a.)
World	152,674	-141,062	100	18,411	Tons	8,293	8	7	17
China	79,091	-78,492	51.8	9,371	Tons	8,440	14	14	26
Viet Nam	45,934	-45,159	30.1	6,523	Tons	7,042	4	1	5
India	6,083	-6,074	4	713	Tons	8,532	4	5	11
Indonesia	5,687	-5,551	3.7	833	Tons	6,827	61	61	-1
Germany	2,497	-2,466	1.6	367	Tons	6,804	7	6	51
Italy	2,406	-2,387	1.6	47	Tons	51,191	-17	-25	78
Portugal	2,054	-2,054	1.3	64	Tons	32,094	5	0	3
Türkiye	1,948	-1,948	1.3	132	Tons	14,758	9	9	43
Bangladesh	1,045	-1,044	0.7	122	Tons	8,566	-2	2	23
Japan	1,029	1,367	0.7	45	Tons	22,867	12	5	48
France	990	-866	0.6	22	Tons	45,000	-4	3	-16

Sources: ITC calculations based on Korea Customs and Trade Development Institute (KCTDI) statistics

Just as with many other products, their main providers are neighbouring countries. The first European country to export products is Germany (1,6% of the total, same as Italy), followed by Portugal (1,3%). France has a little share of 0,6% and Spain of 0,1% in total of South Korea's imports.

And as for exports:

Importers	Value exported in 2021 (USD thousand)	Trade balance 2021 (USD thousand)	Share in Korea, Republic of's exports (%)	Quantity exported in 2021	Quantity unit	Unit value (USD/unit)	Growth in exported value between 2017-2021 (% p.a.)	Growth in exported quantity between 2017-2021 (% p.a.)	Growth in exported value between 2020-2021 (% p.a.)
World	11,612	-141,062	100	938	Tons	12,380	-10	-23	-3
United States of America	3,209	2,800	27.6	133	Tons	24,128	-24	-49	35
Japan	2,396	1,367	20.6	99	Tons	24,202	4	-16	-36
Australia	1,597	1,574	13.8	96	Tons	16,635	19	17	18
Viet Nam	775	-45,159	6.7	77	Tons	10,065	40	20	-41
Philippines	627	618	5.4	364	Tons	1,723	41	14	104
China	599	-78,492	5.2	31	Tons	19,323	-25	-27	-15
Mongolia	247	245	2.1	38	Tons	6,500	24	-12	12
Russian Federation	207	179	1.8	11	Tons	18,818	-1	-1	44
Taipei, Chinese	201	83	1.7	8	Tons	25,125	-13	-27	42
Hong Kong, China	188	170	1.6	9	Tons	20,889	-11	-10	-2

Sources: ITC calculations based on Korea Customs and Trade Development Institute (KCTDI) statistics

Korea exported worth 11.612 thousand USD, being its main destinations the US (27,6% of total exports) and Japan (20,6%). Again, exports with European destinies are reduced and hence the countries we are interested in do not appear in the list.

For products under the code 6307 Made-up articles of textile materials, incl. dress patterns, n.e.s., imports are shown below:

Exporters	Value imported in 2021 (USD thousand)	Trade balance 2021 (USD thousand)	Share in Korea, Republic of's imports (%)	Quantity imported in 2021	Quantity unit	Unit value (USD/unit)	Growth in imported value between 2017-2021 (% p.a.)	Growth in imported quantity between 2017-2021 (% p.a.)	Growth in imported value between 2020-2021 (% p.a.)
World	430,518	-49,434	100	49,354	Tons	8,723	28	12	-47
China	327,152	-310,793	76	41,173	Tons	7,946	34	14	-52
Viet Nam	44,323	-28,279	10.3	5,445	Tons	8,140	18	6	-33
Japan	15,546	52,641	3.6	405	Tons	38,385	11	8	57
United States of America	8,623	83,047	2	367	Tons	23,496	18	21	-27
Myanmar	5,398	-4,710	1.3	728	Tons	7,415	26	36	17
Singapore	4,087	726	0.9	90	Tons	45,411	29	16	-52
Germany	3,031	31,797	0.7	137	Tons	22,124	-8	-29	11
Italy	2,908	497	0.7	55	Tons	52,873	27	13	0
Taipei_Chinese	2,702	2,582	0.6	130	Tons	20,785	-4	-3	-6
Philippines	2,354	3,822	0.5	38	Tons	61,947	-4	-15	-13
Thailand	2,013	6,605	0.5	101	Tons	19,931	-15	-14	-5
Spain	1,352	901	0.3	6	Tons	225,333	66	19	0
France	1,143	7,316	0.3	14	Tons	81,643	6	12	-35

Sources: ITC calculations based on Korea Customs and Trade Development Institute (KCTDI) statistics

Once again, the country's main providers are neighbouring countries (China, Vietnam and Japan). In this case, the first European countries are once again Germany and Italy, with 0,7% share of total imports each. In case of Spain, the country provided 6 tons (worth 1.352 thousand USD) and France 14 tons (worth 1.143 thousand USD). At the same time, Denmark does not export enough products to be on the list.

Whilst exports:

Importers	Value exported in 2021 (USD thousand)	Trade balance 2021 (USD thousand)	Share in Korea, Republic of's exports (%)	Quantity exported in 2021	Quantity unit	Unit value (USD/unit)	Growth in exported value between 2017-2021 (% p.a.)	Growth in exported quantity between 2017-2021 (% p.a.)	Growth in exported value between 2020-2021 (% p.a.)
World	381,084	-49,434	100	16,756	Tons	22,743	39	25	-50
United States of America	91,670	83,047	24.1	3,086	Tons	29,705	75	42	-37
Japan	68,187	52,641	17.9	2,693	Tons	25,320	42	30	-41
Germany	34,828	31,797	9.1	1,253	Tons	27,796	34	23	67
China	16,359	-310,793	4.3	775	Tons	21,108	21	11	-92
Hong Kong_China	16,119	15,864	4.2	1,108	Tons	14,548	58	50	-64
Viet Nam	16,044	-28,279	4.2	1,053	Tons	15,236	-3	9	16
Mexico	10,457	9,966	2.7	531	Tons	19,693	48	62	52
Indonesia	9,920	9,160	2.6	606	Tons	16,370	5	12	41
Thailand	8,618	6,605	2.3	450	Tons	19,151	29	27	123
France	8,459	7,316	2.2	225	Tons	37,596	31	15	50

Sources: ITC calculations based on Korea Customs and Trade Development Institute (KCTDI) statistics

Were worth 381.984 thousand USD, being the main destination the US and Japan. The countries we are interested in are led by France, which gathers 2,20% of total Korean exports. Spain and Denmark are further down in the ranking.

Regarding products under the code 9403 Furniture and parts thereof, n.e.s. (excluding seats and medical, surgical, dental or veterinary furniture), imports are shown below:

Exporters	Value imported in 2021 (USD thousand)	Trade balance 2021 (USD thousand)	Share in Korea, Republic of's imports (%)	Quantity imported in 2021	Quantity unit	Unit value (USD/unit)	Growth in imported value between 2017-2021 (% , p.a.)	Growth in imported quantity between 2017-2021 (% , p.a.)	Growth in imported value between 2020-2021 (% , p.a.)
World	1,201,120	-998,055	100	444,322	Tons	2,703	9	8	11
China	777,399	-767,112	64.7	334,573	Tons	2,324	12	10	19
Viet Nam	151,728	-148,163	12.6	63,986	Tons	2,371	6	7	-9
Italy	69,077	-67,386	5.8	6,184	Tons	11,170	15	7	8
Germany	41,703	-39,725	3.5	5,413	Tons	7,704	1	7	-5
Indonesia	30,110	-29,178	2.5	7,772	Tons	3,874	-3	-6	3
Denmark	12,580	-12,564	1	1,046	Tons	12,027	20	2	68
Taipei_Chinese	12,340	-5,760	1	2,736	Tons	4,510	-4	-5	-6
Poland	11,715	-10,611	1	3,884	Tons	3,016	-1	-5	-10

Sources: ITC calculations based on Korea Customs and Trade Development Institute (KCTDI) statistics

The main providers were China (64,7%), Vietnam (12,6%) and Italy (5,8%). Germany was once again also an important provider (3,5%). In total, 1.201.120 thousand USD were imported in 2021. Denmark has a share of 1% (1046 tons) in total of exports, while France has a little share of 0,4% (334 tons) and Spain 0,3% (227 tons).

And as for exports:

Importers	Value exported in 2021 (USD thousand)	Trade balance 2021 (USD thousand)	Share in Korea, Republic of's exports (%)	Quantity exported in 2021	Quantity unit	Unit value (USD/unit)	Growth in exported value between 2017-2021 (% , p.a.)	Growth in exported quantity between 2017-2021 (% , p.a.)	Growth in exported value between 2020-2021 (% , p.a.)
World	203,065	-998,055	100	48,563	Tons	4,181	4	4	3
United States of America	87,723	78,368	43.2	18,584	Tons	4,720	14	16	-1
Japan	18,944	14,200	9.3	5,786	Tons	3,274	-8	-12	10
Canada	12,382	11,906	6.1	3,826	Tons	3,236	4	0	90
China	10,287	-767,112	5.1	1,755	Tons	5,862	-2	-9	-17
Taipei_Chinese	6,580	-5,760	3.2	1,334	Tons	4,933	36	39	31
Philippines	5,964	4,267	2.9	5,778	Tons	1,032	11	11	-33
Spain	4,551	1,170	2.2	650	Tons	7,002	29	51	741
Australia	3,791	3,707	1.9	549	Tons	6,905	1	1	16
Hong Kong, China	3,677	3,572	1.8	414	Tons	8,882	9	10	50
Viet Nam	3,565	-148,163	1.8	517	Tons	6,896	-17	-16	-34

Sources: ITC calculations based on Korea Customs and Trade Development Institute (KCTDI) statistics

203.065 thousand USD were exported, the equivalent of 48.563 tons. The main destinations were once again the US and Japan. They also exported to Spain, worth 650 tons of product. Denmark and France are further down in the list.

Finally, for products under the code 9404 Mattress supports (excluding spring interiors for seats); articles of bedding and similar furnishing, e.g. mattresses, quilts, eiderdowns, cushions, pouffes and pillows, fitted with springs or stuffed or internally filled with any material or of cellular rubber or plastics, whether or not covered (excluding pneumatic or water mattresses and pillows, blankets and covers), these are the imports:

Exporters	Value imported in 2021 (USD thousand)	Trade balance 2021 (USD thousand)	Share in Korea, Republic of's imports (%)	Quantity imported in 2021	Quantity unit	Unit value (USD/unit)	Growth in imported value between 2017-2021 (% p.a.)	Growth in imported quantity between 2017-2021 (% p.a.)	Growth in imported value between 2020-2021 (% p.a.)
World	543,240	-481,320	100	77,317	Tons	7,026	9	8	15
China	356,415	-352,808	65.6	65,084	Tons	5,476	11	11	16
Denmark	48,366	-48,365	8.9	1,457	Tons	33,196	25	16	31
Viet Nam	44,351	-40,891	8.2	3,849	Tons	11,523	12	1	15
Italy	19,945	-19,112	3.7	1,710	Tons	11,664	-3	-8	-5
United States of America	16,785	9,587	3.1	977	Tons	17,180	-9	-14	-12
Germany	15,364	-14,947	2.8	630	Tons	24,387	5	9	3
Hungary	11,468	-11,401	2.1	544	Tons	21,081	10	5	9
Malaysia	7,027	-6,457	1.3	1,348	Tons	5,213	-5	-2	14
Sweden	2,870	-2,791	0.5	35	Tons	82,000	128	76	52
Bangladesh	2,554	-2,399	0.5	331	Tons	7,716	28	23	66
United Kingdom	2,511	-2,311	0.5	105	Tons	23,914	19	24	61
Spain	1,764	-1,626	0.3	135	Tons	13,067	34	55	16
India	1,719	-1,519	0.3	233	Tons	7,378	-12	-17	22
Japan	1,610	3,850	0.3	81	Tons	19,877	-16	-17	74
Portugal	1,352	-1,352	0.2	33	Tons	40,970	10	14	14
France	1,327	-971	0.2	18	Tons	73,722	17	10	80

Sources: ITC calculations based on Korea Customs and Trade Development Institute (KCTDI) statistics

China, Vietnam, Germany and Italy continue raking as ones of the biggest providers. In this case it is important to underline that the second biggest provider, after China, is Denmark (8,9% of the total, 48.366 thousand USD). Spain exported products worth 1.764 thousand USD and France for 1.327 thousand USD.

Whilst exports are shown below.

Importers	Value exported in 2021 (USD thousand) ▼	Trade balance 2021 (USD thousand) ⚡	Share in Korea, Republic of's exports (%) ⚡	Quantity exported in 2021	Quantity unit	Unit value (USD/unit) ⚡	Growth in exported value between 2017-2021 (% p.a.) ⚡	Growth in exported quantity between 2017-2021 (% p.a.) ⚡	Growth in exported value between 2020-2021 (% p.a.) ⚡
World	61,920	-481,320	100	9,713	Tons	6,375	4	10	31
United States of America	26,372	9,587	42.6	1,436	Tons	18,365	19	12	83
Taipei, Chinese	5,971	5,874	9.6	451	Tons	13,239	23	32	27
Japan	5,460	3,850	8.8	263	Tons	20,760	17	11	3
Philippines	3,719	3,713	6	4,381	Tons	849	7	25	52
China	3,607	-352,808	5.8	531	Tons	6,793	3	27	0
Viet Nam	3,460	-40,891	5.6	207	Tons	16,715	2	2	-2
Australia	1,668	717	2.7	217	Tons	7,687	34	42	76
Hong Kong, China	1,136	1,129	1.8	78	Tons	14,564	3	8	17
Thailand	1,127	122	1.8	76	Tons	14,829	26	28	91
Russian Federation	975	970	1.6	45	Tons	21,667	-11	-15	1
Italy	833	-19,112	1.3	30	Tons	27,767	-18	-21	97

Sources: ITC calculations based on Korea Customs and Trade Development Institute (KCTDI) statistics

The main destinations in 2021 were the US, Taipei and Japan. In total, 9.713 tons were exported, the equivalent to 61.920 thousand USD. There is not relevant data for the countries we are interested in.

5.6. CHILDREN'S BOOKS

Regarding the importations for products under tariff code (T.C.) 49: "Printed books, newspapers, pictures and other products of the printing industry; manuscripts, typescripts and plans":

Exporters	Value imported in 2021 (USD thousand) ▼	Trade balance 2021 (USD thousand) ⚡	Share in Korea, Republic of's imports (%) ⚡	Growth in imported value between 2017-2021 (% p.a.) ⚡	Growth in imported value between 2020-2021 (% p.a.) ⚡
World	317,902	110,494	100	3	25
China	84,410	-43,491	26.6	14	21
United States of America	82,804	37,715	26	1	24
Japan	30,217	48,241	9.5	-16	31
United Kingdom	28,735	-25,887	9	-1	8
Germany	15,890	-13,552	5	-7	38
Malaysia	15,301	-14,170	4.8	54	53
Singapore	12,327	-11,415	3.9	7	58
Ireland	9,427	-9,333	3	83	110

Sources: ITC calculations based on Korea Customs and Trade Development Institute (KCTDI) statistics.

Its largest exporters are China (26,60%) and the USA (26%), followed by Japan (9,50% of imports) and UK (9%). Germany is again the largest exporter to the Asian country (5%). France has a share of 1,7% in Korea's exports, Spain just holds 0,3% and Denmark 0,2%.

Importers	Value exported in 2021 (USD thousand) ▼	Trade balance 2021 (USD thousand) ↓	Share in Korea, Republic of's exports (%) ↓	Growth in exported value between 2017-2021 (% p.a.) ↓	Growth in exported value between 2020-2021 (% p.a.) ↓
World	428,396	110,494	100	18	24
United States of America	120,519	37,715	28.1	13	42
Thailand	109,448	108,759	25.5	152	-17
Japan	78,458	48,241	18.3	21	63
China	40,919	-43,491	9.6	32	201
Viet Nam	10,981	9,663	2.6	41	14
Australia	6,197	4,965	1.4	-2	21
Taipei, Chinese	5,236	4,510	1.2	12	25
Indonesia	3,999	3,518	0.9	-3	15

Sources: ITC calculations based on Korea Customs and Trade Development Institute (KCTDI) statistics.

Regarding world exports from South Korea for products under this code, its world position is 18 and its main destinations are the USA with 28,10% of exports and Thailand with 25,50%. Any of the countries we are interested in reach 1% of Korean exports in this matter.

6. IMPORT POTENTIAL

Almost 70% of Korea's toys are imported from other countries. China is Korea's largest merchandise trade partner. It is Korea's largest provider in the toy industry and is Korea's second largest general provider after the US. Europe cannot compete with the prices of these products but can carve a niche for itself in the market by taking advantage of the quality and safety that the CE marking provides.

As the demand cannot be covered by the country's reduced production, South Korea is a net importer of toys, with a deficit trade balance

of 684 million euros in 2021. Imports of toys come mainly from China (83%), Japan (3.9%) and Vietnam (3.1%). Only 20% of Korean production ends up being exported, and its main destinations are the US, China and Japan (regarding TC 95).

Total imports for products under this tariff code in 2021 were over 2 billion USD which represent 0,1% of total imports.

The European countries, despite a significant difference in terms of export with China or the United States, try to export to Korea. The largest European toy exporters to Korea are Germany, Italy and Hungary. European toys are often perceived in Korea as being of superior quality due to several factors. Firstly, the design of European toys is often very careful, with great attention to detail and aesthetics. The materials used to make the toys are also of high quality, making them more durable and robust.

In addition, European toys are often considered to be high-end products, which may increase their appeal to Korean consumers. European toys are often associated with prestigious brands and a certain image of luxury, which may make them attractive to consumers wishing to buy higher quality products.

However, the perception of the quality of European toys can vary between brands and products. Some European toys may be considered too expensive or irrelevant to the Korean market, which may limit their appeal. Others may be perceived as being of lower quality if Korean consumers are used to different quality standards or more culturally appropriate designs.

In general, European toys may be valued for their quality, originality and diversity, but their appeal in Korea will ultimately depend on their relevance to the local market and individual consumer preferences. Toys that meet the needs and preferences of Korean consumers and are competitively priced are more likely to be successful in the Korean market.

For **children's clothing** (taking in account tariff codes 61, 62 and 64) the main exporters to South Korea are China and Vietnam. Total imports of these products amounted over 13 billion USD in 2021, which represents a small portion of the overall imports considering all other goods imported by South Korea in 2021. However, South Korea is one of the top 10 clothing importers in the world, therefore it is a market with high potential. Their figures are close to the importations made by Hong Kong, and a third of total Japanese imports in the matter³⁰.

When talking about European exporters of this type of goods, Italy, Portugal and Spain ought to be mentioned.

For children's books including colouring books (under tariff code 49) the total imports represent in 2021 over 319 million USD with once again China which is the main exporter. For products under this code, imports were close than 0% of overall imports.

UK, Germany and Ireland were the main European exporters.

Finally, on **furniture and linens** it has been seen (under the tariff codes 63 and 94) that it is a market that amounts over 5 billion and a half USD per year, being China, Vietnam, Japan and the US the main exporters in this area. However, European countries like Italy or Germany do well in this category and are positioned high in the rankings. Other main European exporters are Spain and Denmark.

7. DISTRIBUTION CHANNELS

³⁰ <https://www.modaes.com/entorno/la-moda-se-globaliza-los-diez-mayores-importadores-ya-copan-solo-el-70-de-las-compras>

The difficulty of the Korean market makes it advisable to use a local partner to enter the market, which is commonly established through **licensing or franchising**.

E-commerce distribution is growing at a very high rate, as we'll see later.

Moreover, the distribution channels of the toys market in Korea are both online and offline retail channels.

Offline retail channels include:

-Department Stores: Department stores in South Korea such as Shinsegae Centum City and Lotte Department Store offer a wide variety of toys in dedicated sections of the store. These stores provide a physical shopping experience where customers can touch and play with the toys before making a purchase. For clothing products there are many companies that offer their distribution services, such as Shine-art or PFD³¹.

-Specialty Stores: Toy specialty stores like Toy-R-Us Korea are dedicated solely to selling toys. These stores provide a large selection of toys in a range of categories, including action figures, board games, dolls, and more. Similar phenomena can be seen with bookstores in Korea, which is a country with quite a big number of libraries and bookstores³². Big firms also have specialised stores for their products (Inditex group, etc.) and the main channel for furniture is still the offline³³

-Supermarkets: Supermarkets such as E-Mart and HomePlus sell a range of products, including toys, clothing and stationery items. These stores offer a more limited selection of toys, but they are easily accessible and provide a convenient shopping option for consumers.

³¹ https://www.solostocks.com/empresas/distribuidores-de-ropa_b:corea-del-sur

³² <https://koreabyme.com/es/smart-shopping-a-trip-to-koreas-largest-bookstore/>

³³ <http://www.ivace.es/Internacional/Informes-Publicaciones/Pa%C3%ADses/Corea/Coreamuebleicex2020.pdf>

-Convenience Stores: Convenience stores like 7-Eleven and GS25 carry a limited selection of toys, but they are often located in high-traffic areas and provide a convenient option for last-minute purchases. It is also possible to find books there.

Online retail channels include:

-E-Commerce Websites: E-commerce websites such as Coupang, Gmarket, and Naver Shopping provide consumers with a wide selection of products that can be purchased from the comfort of their own homes. These websites offer competitive pricing and often have sales and promotions to entice customers to make a purchase.

-Social Commerce Platforms: Social commerce platforms like WeMakePrice and Ticket Monster (TMON) offer a combination of social media and e-commerce, allowing customers to purchase toys through a trusted network of friends and family. These platforms often offer unique promotions and discounts not available on other e-commerce sites. Referring to apparel and footwear products for kids, the most used sales channel is these types of platforms, gathering more than 28% of the overall sales³⁴. Books are usually sold in platforms like Gmarket, which is widely known³⁵.

8. COST OF ESTABLISHMENT

The following table³⁶ shows the different aspects to have into account when talking about establishing a company in South Korea.

³⁴ Source(s): KOFOTI; MOTIE (South Korea); Korea Fashion Association

³⁵ <https://www.ivisitkorea.com/es/where-to-buy-korean-books-online/>

³⁶ Own creation based on the information found in ICEX.

Corporate Tax	Income Tax	Price to constitute a company (€)	Min. Capital Shares (€)	Term (days)	Legal Advice (€)	Min wage
10-25%	6-42%	12.178,99€	74.284,22€	28 days	11.291,29€	1.059,2€

Visa

Concerning the visa, South Korea fees vary depending on the length of stay. Here are the visa types and the fees for them:

- **Single Entry Visa up to 90 days:** USD 40
- **Single Entry Visa more than 90 days:** USD 60
- **Double Entry Visa:** USD 70
- **Multiple Entry Visa:** USD 90

The processing time for the application is approximately 1 to 4 weeks from the date of submission.

9. TARIFFS AND OTHER BARRIERS TO THE ENTRY OF FOREIGN GOODS

9.1. ENTRY RATE AND REQUIREMENTS, PER PRODUCT

The **custom rates**³⁷ applicable per product, necessary to enter the country can be found in the following table. Because of the large amount of tariff codes used by the companies, we have applied a few which encompass a wide number of products:

Tariff Code	Product Name	General Duty Rate (%)	MFN Rate*	EU Preferential Rate
32131010	Sets of artist's, student's or signboard painter's colours, modifying tints, amusement colours and the like, in tablets, tubes, jars, bottles, pans or similar packages	8%	6,5%	0%
392410	Tableware and kitchenware, of plastics	8%	6,5%	0%
4420	Wood marquetry and inlaid wood; caskets and cases for jewellery or cutlery, and similar articles of wood; statuettes and other ornaments of wood; wooden articles of furniture not falling in chapter 94	8%	8%	0%
610452	Women's or girls' skirts and divided skirts	13%	13%	0%

³⁷ Own creation based on information found in <https://trade.ec.europa.eu/access-to-markets/es/home> (European Union).

	of cotton, knitted or crocheted (excluding petticoats)			
610610	Women's or girls' blouses, shirts and shirt-blouses of cotton, knitted or crocheted (excluding T-shirts and vests)	13%	13%	0%
61112010	Babies' garments and clothing accessories of cotton, knitted or crocheted (excluding hats)	8%	8%	0%
620442	Women's or girls' dresses of cotton (excluding knitted or crocheted and petticoats)	13%	13%	0%
63021010	Bedlinen, knitted or crocheted	13%	13%	0%
640220	Footwear with upper straps or thongs assembled to the sole by means of plugs	13%	13%	0%
64039110	Footwear with outer soles of rubber, plastics or composition leather, with uppers of leather, covering the ankle (excluding incorporating a protective metal toecap, sports footwear, orthopaedic footwear and toy footwear)	13%	13%	0%

94036010	Wooden furniture (excluding for offices, kitchens and bedrooms, and seats)	8%	0%	0%
9503	Tricycles, scooters, pedal cars and similar wheeled toys; dolls carriages; dolls, other toys; reduced-size ('scale') models, working or not; puzzles of all kinds.	8%	0%	0%
95049020	Tables for casino games, automatic bowling alley equipment, and other funfair, table or parlour games, incl. pinball machines (excluding operated by any means of payment, billiards, video game consoles and machines, and playing cards)	8%	0%	0%

Due to the large amount of tariff codes to analyse and, in case of wanting to research a specific code not included in the table, further information can be found at: <https://trade.ec.europa.eu/access-to-markets/en/home>, provided by the European Commission.

*MFN (Most Favoured Nation): is a principle in international trade that requires countries to extend equal trade advantages and benefits to all trading partners, without discriminating between them. Essentially, it means that if a country grants preferential treatment (such as lower tariffs) to one trading partner, then it must also extend the same treatment to all other trading partners who are also part of the MFN agreement. The goal of MFN is to promote fairness, non-discrimination, and mutual benefits in global trade.

**Because the tariff code 61 is too general, there isn't information on a general rate applicable to these products, since so many are included. This is why, as

an example we used tariff code 61 01 20: Men's or boys' overcoats, car coats, capes, cloaks, anoraks (including ski jackets), windcheaters, wind-jackets and similar articles, knitted or crocheted, other than those of heading 6103.

***Because the tariff code 62 is too general, there isn't information on a general rate applicable to these products, since so many are included. This is why, as an example we used tariff code 62 01 90 90: Men's or boys' overcoats, car-coats, capes, cloaks, anoraks (including ski-jackets), windcheaters, wind-jackets and similar articles, other than those of heading 6203.

****Because the tariff code 64 is too general, there isn't information on a general rate applicable to these products, since so many are included. This is why, as an example we used tariff code 64 05 90: Another footwear.

9.2. IMPORT PROCEDURE. GENERAL INSIGHT.

There are a number of **general requirements**³⁸ for the entry of foreign goods into Korea, applicable to any good that enters the territory:

- **The entry declaration** notifies the Korean authorities of the arrival of goods.
- **The customs import declaration** - official form for the customs clearance of goods.
- **The customs value declaration.**
- **Commercial invoice** - a document containing the details of the shipment and serving as a basis for the custom treatment of goods. Required for customs clearance. An original invoice and two copies must be presented with the shipping documents.

³⁸ <https://trade.ec.europa.eu/access-to-markets/es/home>

- **Packing list** - a document containing the details of the shipment and serving as a basis for the customs treatment of goods. Required for customs clearance. It includes details of the content of the packages, description of the goods, marks and numbers. Two copies are required.
- **Non-preferential certificate of origin** - a document certifying the non-preferential origin of the goods to be imported. Only required in case of particular kinds of goods (e.g. in case of wine imports if mandated by the exporting country such as Canada, France, Ireland, Jamaica, Mexico, Portugal, Spain or the United Kingdom). It may furthermore be required if specifically requested by the importer, by the customs authorities or by other authorities involved in import procedures. In particular, the customs authorities may demand the provision of the certificate if they have any doubt as to the origin of the goods. The certificate is to be submitted by the exporter.
- **Proof of preferential origin** - a document confirming the preferential origin of the goods to be imported. Only required if preferential treatment under a free trade agreement or arrangement is claimed. Goods may be eligible for preferential treatment if they have been either wholly obtained or preferential origin has been conferred by sufficient working or processing as per the product-specific rules of origin. The Proof of Preferential Origin is to be submitted by the exporter.
- **Air waybill** - a document containing the details of the international transportation of goods by air and proving the transport contract between the consignor and the carrier's company. Required for customs clearance. To be prepared by the carrier or his agent.
- **Bill of lading** - a document identifying the name of the shipper, the name and address of the consignee, the name of the port of

destination, description of the cargo, a price list of freight and insurance charges (CIF), and attestation of carrier's acceptance on board for the goods. There are no regulations pertaining to the form of the bill of lading nor the number of bills of lading required to clear customs. As bills of lading are for ocean and overland cargos, the airway bill of lading replaces the bill of lading for air cargo shipments.

9.3. COMMERCIAL OBSTACLES

If we look at some more specific restrictions³⁹ and barriers that may apply to foreign goods entering South Korea, we should consider:

- Registration requirements: Some products may require registration with the South Korean government before they can be sold in the market. This can involve a lengthy and bureaucratic process that can delay entry to the market.
- Certification requirements: South Korea may require foreign products to be certified by local authorities to ensure that they meet certain quality and safety standards. This can be time-consuming and expensive for foreign companies.
- Language requirements: In some cases, foreign products may need to have labels and instructions in Korean in order to be sold in the market.
- Intellectual property protection: South Korea has strong intellectual property laws, which can make it difficult for foreign companies to enter the market if their products infringe on existing patents or trademarks.
- Cultural barriers: The Korean market may have unique cultural preferences and expectations that foreign companies need to understand and adapt to in order to be successful.

In addition to the various regulations and taxes that we have mentioned, the potential barriers to the entry of a foreign company into this

³⁹ <https://trade.ec.europa.eu/access-to-markets/es/home>

market are similar to those mentioned for the other three markets. The cultural and linguistic barrier applies once again to this market because the culture is very different from that in Europe. In addition, in terms of competition, the Korean market, which is in full expansion, is seeing an increase in the number of local and international companies in the various sectors, so the competition is getting tougher despite the protectionist policy that the country is putting in place by trying to favour its local companies. Finally, operating costs are once again high, which can be a brake on the strategy adopted by the company.

9.4. STRATEGIES TO BEAR WITH THE BARRIERS PRESENT IN THE KOREAN MARKET

As a foreign company looking to enter the South Korean market and overcome the various barriers and restrictions. They may vary depending on the exact product is been tried to commercialise in the Asian country, but in general, foreign companies might have to cope with the following:

- Scale economies. Some of the local producers (also other foreign companies) will benefit from large productions, reducing costs and therefore prices.
- Product differentiation. South Koreans may not differentiate the product, hence the company would be losing one of their competitive advantages. Also, it is possible that, since it is a different culture, they value certain aspects over others, and they could be different to the most valued in European markets.
- Necessary big investments. Some industries may require big investments in capital.
- Access to distribution channels. Already placed businesses may have power into the distribution chain, which could increase costs to the foreign companies.

However, these hypothetical barriers are not unbearable. Here are some strategies you could consider so as to deal with them:

-Research the market: Conduct thorough market research to understand the cultural and linguistic differences, as well as regulatory requirements and consumer preferences. This can help you tailor your products and marketing strategies to better fit the Korean market.

-Build relationships: Establish relationships with local partners and stakeholders who can help you navigate the market and understand local regulations and customs.

-Obtain necessary certifications: Ensure that your products meet South Korean safety and quality standards and obtain any necessary certifications to streamline the entry process.

-Utilise free trade agreements: South Korea has signed several free trade agreements that can provide tariff reductions or exemptions for certain products from partner countries. Utilise these agreements to your advantage to reduce costs.

-Seek government assistance: The South Korean government offers various support programs for foreign companies looking to enter the market. Research and apply for relevant programs to receive assistance with registration, certification, and other bureaucratic processes.

-Patience and persistence: Successfully entering the South Korean market can take time and persistence. Be prepared to invest resources and build relationships over the long-term to achieve success.

By adopting these strategies, you should increase your chances of successfully entering and thriving in the South Korean market.

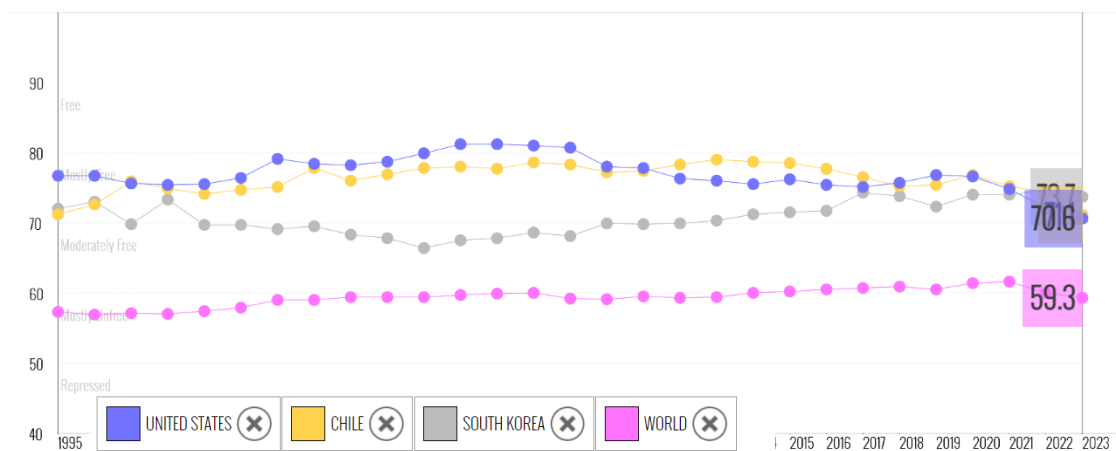
10. ECONOMIC FREEDOM INDEX

The economic freedom index of South Korea is relatively high. According to the Heritage Foundation's 2021 Index of Economic Freedom⁴⁰, **South Korea ranks 26th** globally in terms of economic freedom, with an overall **score of 76,7 out of 100**. South Korea's score has improved in recent years, reflecting its openness to foreign investment, low levels of corruption, and its well-developed legal framework.

A higher economic freedom score can lead to greater economic growth and development, as it allows for greater competition, innovation, and entrepreneurship. Countries with higher economic freedom scores often have stronger economies, higher standards of living, and greater opportunities for their citizens. However, it is important to note that economic freedom is just one factor among many that can affect a country's economic performance, and other factors such as political stability, access to resources, and cultural values can also play important roles.⁴¹

Overall, South Korea's high ranking on the economic freedom index indicates that it is a favourable market for foreign investment and trade, particularly in the areas of technology, services, and manufacturing.

According to the Index of Economic Freedom report (2023), here are the key figures and rankings of the United States, Chile, and South Korea⁴².



⁴⁰ <https://www.heritage.org/press/2021-index-economic-freedom-global-economic-freedom-remains-all-time-high-us-drops-all-time>

⁴¹ <https://indexdotnet.azurewebsites.net/index/visualize>

⁴² <https://indexdotnet.azurewebsites.net/index/visualize>

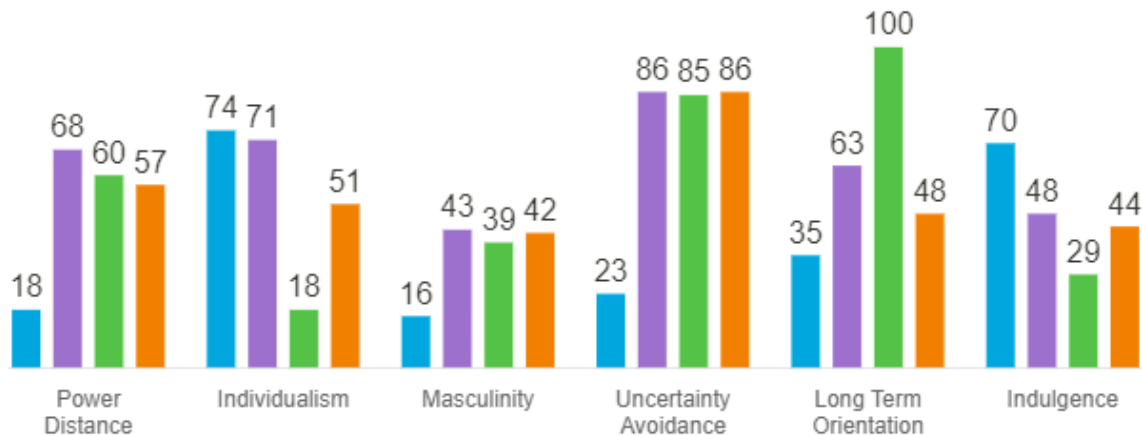
As we can see on the chart, the US ranked as being mostly free, closely followed by Chile. Meanwhile, South Korea varies between being considered mostly free and moderately free. In any case, the three countries ranked above world average (which is 59,30%).

It's important to note that the Index of Economic Freedom is not a comprehensive measure of a country's economic health or social well-being, and it has its own limitations and critiques. For example, it may not capture the distributional effects of economic policies or the impact of external factors such as global trade or climate change. Additionally, different countries may have different priorities or interpretations of economic freedom.

11.CULTURAL DISTANCE ANALYSIS

Hofstede's method⁴³ is a way to compare the cultural distance between two countries. In the following graph, each country is associated with a different colour: South Korea is in green, Spain - orange, France - purple and Denmark is shown in blue. South Korea and Europe have distinct cultural differences despite both being highly developed regions. Some of these differences include the ones explained below.

⁴³ <https://www.hofstede-insights.com/country-comparison/>



1. Power distance: Denmark is a low power distance society, which means that people are more likely to question authority and favour a more egalitarian approach in work relationships. Spain, France and South Korea have a higher power of distance, which means that authority is more valued and respected. In these countries, hierarchies and titles are more important in professional relationships. South Korea is a collectivist society, which places a strong emphasis on group harmony and interdependence. On the other hand, Europe encompasses a range of cultures, but individualism is generally more valued in many Western European countries.

2. Individualism: Denmark is a very individualistic society, followed by France, Spain and South Korea, respectively. This means that the Danes value personal independence, autonomy and individual responsibility, while the other countries place more importance on community and interpersonal relationships.

3. Masculinity: Denmark and Sweden are the most feminine countries in the world, which means that cooperation, consensus and harmony are valued in professional relationships. France and Spain are moderately feminine societies, while South Korea is a masculine society, which means that competition and success are more valued.

4. Uncertainty avoidance: Denmark, Spain and France are societies with high uncertainty avoidance, which means that people prefer clear rules and predictable situations. While South Korea has lower uncertainty avoidance, which means that people are more willing to take risks and adapt to unexpected situations.

5. Long term orientation: France, Spain and Denmark have a short-term/medium-term orientation, which means that they are more oriented towards immediate satisfaction and tradition. South Korea is a society with a strong long-term orientation, which is reflected in their commitment to education, innovation and long-term investment. More specifically, this means that they value long-term planning, perseverance and investment in the future.

In summary, Hofstede's dimensions help to understand the cultural differences between countries and their impacts on professional relationships and international business. As we have seen in the comparison between Denmark, Spain, France, and South Korea, these countries have significant cultural differences that can influence professional behaviour, attitudes towards authority, decision-making, communication, and negotiation.

For example, in countries with higher power distance, it is important to respect hierarchies and adapt communications based on the status of the person. In more individualistic countries, people may be more direct and less concerned with interpersonal relationships. In countries with high uncertainty avoidance, it is important to provide clear instructions and minimise risks and ambiguity.

Therefore, it is crucial to take these cultural differences into account when negotiating and collaborating with business partners from these countries.

12. BEST LOCATIONS FOR MARKETING

Most of the population lives in the capital Seoul or its metropolitan area (about half of the population). Busan (3,5 million inhabitants), Incheon (2,9 million), Daegu (2,4 million), Daejeon (1,45 million), Gwangju (1,4 million) and Ulsan (1,1 million) are also important.⁴⁴



In the following paragraph, some additional information for Seoul, Busan, Incheon, Daegu and Ulsan will take place as follows:

- **Seoul** - The major business hub and the capital of South Korea is Seoul. It is one of the biggest cities in the globe with a population of roughly 10 million. The second-largest metropolitan region in the world is the

⁴⁴ Extenda

Seoul National Capital Area, also known as Sudogwon. Its population of nearly 24.5 million includes the Incheon metropolitan area and the majority of Gyeonggi province. Outside of Seoul, there are numerous industrial hubs, including the first bio cluster in South Korea located 170 kilometres south of Seoul in **Osong Bio-Technopolis**. Osong has received US \$260 million in foreign direct investment after being designated as a special zone. For five to seven years, foreign businesses looking to invest in the complex will not be required to pay rent or corporate taxes, and the local government will also provide additional tax advantages.⁴⁵

Osong Bio Technopolis



Osong (Location)



- **Busan** - The second-largest metropolis in South Korea after Seoul is Busan (formally known as Busan Metropolitan City; originally named Pusan). It is the fifth-biggest port in the globe and the largest port city in the entire nation. Many high-profile international commercial and sporting events, like the APEC Economic Leaders Conference have been held in Busan. The largest department store in the world, Shinsegae Centum City, is located here and Busan is building many super-skyscrapers, including the 110-floor Lotte Super Tower.

⁴⁵ <http://www.southkorea.doingbusinessguide.co.uk/the-guide/choosing-the-right-location/>

Shinsegae Centum City



Lotte Super Tower



- Incheon** - The first Free Economic Zone in South Korea was in Incheon, which offered a range of government services to encourage foreign investment. For instance, English is the official language of the government in this region, and the first international school in the area, the Chadwick International School, opened its doors in the Songdo district in September 2010. Three of Incheon's districts, Songdo, Yeongjong, and Cheongna, are intended to become the Northeast Asia region's logistics, leisure & tourism, and international commercial hubs. The Asian Games were held in Incheon in 2014 from September 19 through October 4. It is the third South Korean city following Seoul (1986) and Busan (2002) to host the Asian Olympics.

Incheon Business District (Songdo)



Asian Olympics (2014)



- **Daegu** - With more than 2.5 million residents, Daegu (officially the Daegu Metropolitan City) is one of South Korea's largest metropolitan districts. The city is situated 80 kilometres inland in southeast South Korea. It is a hub for the high-tech, textile, and fashion sectors.

Daegu Samsung Creative Campus
centre)

EXCO (a leading exhibition



- **Ulsan** - By utilising IT and biotechnology, Ulsan is expanding its major businesses, including automotive, shipbuilding, and petrochemistry. In order to create novel materials for upcoming industries, Ulsan is encouraging fine chemistry and enhancing petrochemical processes. In order to lighten the weight of vehicle parts and enhance shipbuilding and energy components, it is also working to lay the groundwork for 3D printing. Finally, with its genome-based biomedical industry, it is concentrating on creating future foods.⁴⁶

Ulsan National Institute of Science and Technology

Ulsan (Location)



⁴⁶ <https://www.ulsan.go.kr/u/english/contents.ulsan?mId=001003002003000000>

13. E-COMMERCE

A tech-savvy population with mature digital and logistics infrastructures and one of the most advanced in terms of online sales. It is one of the six largest trading markets globally, with a total market volume of 92 billion USD.

The pandemic has favoured digitalisation and online commerce has come to play a major role. Face-to-face sales of toys are mainly made in hypermarkets (37% of sales).⁴⁷

According to eShopWorld, **fashion is the leading category in this type of retailing**, followed by toys, hobbies and DIY.

In this sales mode, it makes a difference to have good customer service, accessible when it comes to answering their questions and able to adapt to their language.

The biggest player in South Korean eCommerce is coupang.com. Coupang.com is followed by ssg.com and hmall.com as the second and third-largest stores.

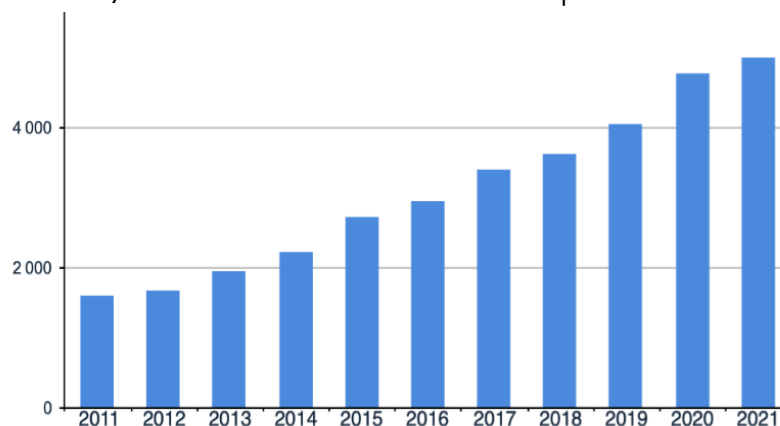
The following graph⁴⁸ shows the transaction value of online baby and children's goods sales in South Korea from 2011 to 2021 (in billion South Korean won).

⁴⁷ Emarketservices

⁴⁸ Source(s): KOSIS

The table below shows the importance of online revenues, which doubled from 2013 to 2019 and in 2021 were close to reach 5,000 billion Korean won.

Between 2017 and 2022⁴⁹ the rate of online purchases rose from 18,9%



to 32,5%, as the following table shows.

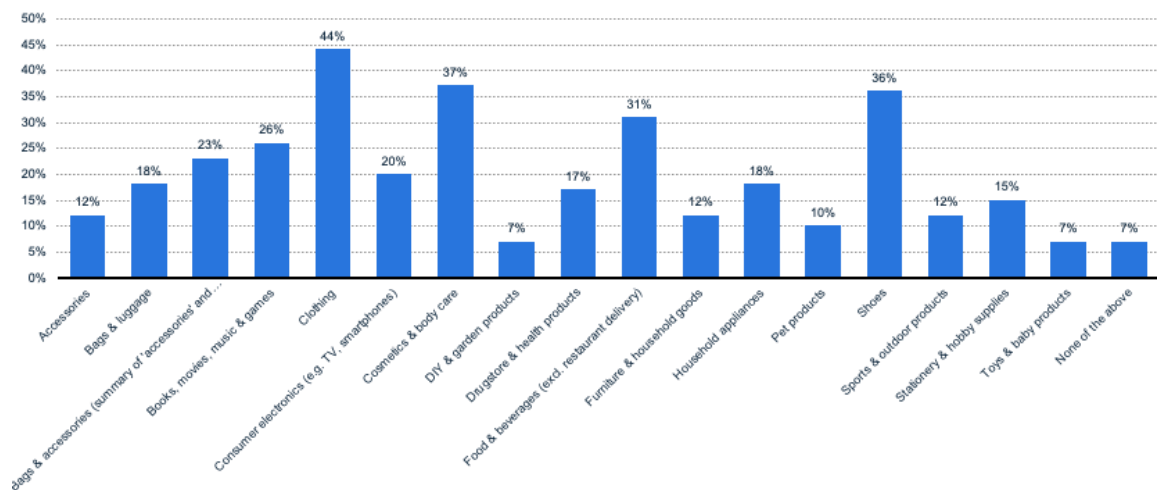
ONLINE REVENUE SHARE in percent									
	2017	2018	2019	2020	2021	2022	2023	2024	2025
Offline	81,1	79,4	77,5	72,2	68,7	67,5	65,2	62,3	59,5
Online	18,9	20,6	22,5	27,8	31,3	32,5	34,8	37,7	40,5
Sources	Statista								
Most recent update:	10/01/2021								

Furthermore, online shopping is expected to rise to 40,5% by 2025. E-commerce is therefore becoming a necessity for businesses as this market becomes more and more important.

As for the most popular products online, the following chart⁵⁰ shows what were the online vs offline purchases made in 2022, per category.

⁴⁹ Statista

⁵⁰ Statista Global Consumer Survey



Some sectors are very present online, such as clothing and cosmetics, with 44% and 37% of the overall sales, respectively. The **"toys and baby products" sector is only at 7%**. This is a sector that can increase very strongly in the next few years thanks to the development of E-commerce. However, as we have previously mentioned, **sectors like footwear** conduct their sales through online channels, being this online channel the most preferred in South Korea⁵¹. **Books**, on the other hand, are nowadays in a hybrid environment, combining platforms like Gmarket and traditional libraries as sale places.

In conclusion, the toys market in South Korea is served by a combination of both online and offline retail channels, each with its own strengths and benefits.

There are several ways to develop e-commerce in different sectors. Here are some strategies to take into account if you want to get the greater potential of the e-commerce:

Build an e-commerce website: Create an online store where customers can easily browse and purchase products. Use social media platforms such as Facebook and Instagram to showcase products and interact with potential customers. Optimize the e-commerce website for search engines to rank

⁵¹ Source(s): KOFOTI; MOTIE (South Korea); Korea Fashion Association

higher in search results thanks to SEO. Offer competitive pricing and promotions to attract customers to the website.

It can also be a great idea to collaborate with parenting bloggers or social media influencers who have a large following in the baby products niche to promote products and drive traffic to the website. In addition, using email marketing to keep customers informed of new products, promotions, and discounts is one of the key to be proficient in the E-commerce sector.

By implementing these strategies, your activity can increase its online presence and attract more customers, leading to increased sales and revenue.

Summing up in other sectors, we can say that Ecommerce is certainly already developed for the fashion sector in Korea; hence no further actions must be made more than continuing with the ones already present; and books are starting to show new tendencies due to globalisation and changes in the relationship between businesses and consumers, therefore it is necessary to attend those variations without forgetting about the cultural/traditional role that libraries and bookstores play in Korea.

14. CIRCULAR ECONOMY

The Circular Economy is an economic model that aims to use resources efficiently and sustainably, making the most of them through avoiding producing waste in the extent possible. It is based on principles of reusing, repairing, recovering, and recycling products and raw materials. The goal of the Circular Economy is to replace linear systems (extraction, production, consumption, disposal) with circular systems, to reduce negative impacts on the environment and natural resources, while ensuring sustainable economic growth.

In South Korea, the government has been actively promoting the Circular Economy as part of its green growth strategy. This includes implementing policies and programs aimed at reducing waste, increasing resource efficiency, and promoting recycling and reuse. South Korea has also established partnerships with other countries and international organisations to share knowledge and promote the development of the Circular Economy globally. However, there is still room for improvement, and South Korea continues to work towards a more sustainable and efficient economy.

Toys sector: In the toys sector, the government is promoting the use of recycled materials for toy production, such as recycled plastics and paper. Additionally, some companies have developed rental services for toys, which promotes the reuse of toys and reduces waste. The government has also established regulations to limit the use of hazardous chemicals in toys, which helps to protect the environment and public health.

Clothing sector: In the clothing sector, the government has been promoting sustainable fashion and circular economy practices. Some companies have developed rental services for clothing, which allows consumers to use clothing for a limited time and then return it, reducing the demand for new clothing and reducing waste. Additionally, some companies have developed recycling programs for clothing, which enables the collection of used clothing for recycling and reduces the amount of textile waste sent to landfills.

Furniture Market: The circular economy is beginning to emerge as an important trend in the Korean furniture market, as consumers are increasingly aware of the environmental impact of the products they buy. In this sector several companies have started to embrace the circular economy by offering new services such as renting furniture or recovering and recycling it to create new ones. The emergence of this economy is a response to consumer demand, but also offers opportunities for some companies to save money by working more locally with existing resources.

Footwear Market: Once again the circular economy is on the rise in the children's footwear sector in the Korean market. This phenomenon, which applies to many sectors as we have seen, responds to a real demand from Korean consumers. In this sector, the circular economy is illustrated using sustainable and environmentally friendly materials such as vegetable or recycled leather. There is also a local production accompanied by the recycling of used shoes.

Overall, the South Korean government is making efforts to promote circular economy practices in the toys and clothing sector. This not only helps to reduce waste and protect the environment but also creates new business opportunities and jobs in the sustainable products and services industry.

Many companies in South Korea are using the circular economy such as:

- **Samsung Electronics:** The company has launched its "Galaxy Upcycling" programme which involves turning old smartphones into connected objects for the home such as light sensors or security cameras.
- **LG Chem:** This company produces batteries for electric cars and has developed a recycling programme to recover valuable materials such as lithium, cobalt and nickel from used batteries.
- **POSCO:** The steel manufacturer has implemented a waste heat recovery system in its industrial facilities to heat nearby buildings.
- **SK Innovation:** The company produces batteries for electric cars and has announced plans to invest in recycling facilities to recover valuable materials from used batteries.
- **Lotte Chemical:** The company has launched a plastic bottle recycling programme that recovers used bottles for use as polyester fibres in the production of clothing.

Companies in the toy or clothing sector are also involved in the circular economy:

- **Mimi & Lula:** This South Korean company produces children's accessories, such as backpacks, barrettes and scarves, from recycled materials such as plastic bottles and fabric scraps.
- **Rubato:** This South Korean fashion company uses sustainable textiles and recycled fabrics to create clothing for men and women.
- **Muzenik:** This South Korean company makes musical instruments for children from recycled materials such as plastic bottles and cans.
- **DearLoa:** This South Korean company produces wooden toys for children, using recycled materials and sustainable production techniques.

RELATIVE INTERNATIONAL POSITION

South Korea has been considered one of the leading countries in the field of recycling and sustainability over the last decades. It was therefore logical to expect that they would also strive to lead the transition to a circular economy. While the leading exponents of these trends may be the European Union and countries such as the United Kingdom, South Korea is developing measures that bring it closer to the front runners. However, there is still room for improvement, and it is still lagging behind countries such as France and the Netherlands, which, for example, are leading negotiations for an international ISO certification for the Circular Economy⁵².

⁵² https://www.kiep.go.kr/galleryDownload.es?bid=0007&list_no=10266&seq=1

15. SUSTAINABILITY

Technology Institute in 2020, **over 70% of South Korean consumers consider environmental and social impact when making purchasing decisions**, and almost 60% are willing to pay more for sustainable products. The same survey found that the sales of eco-friendly products in South Korea increased by an average of 20% annually between 2015 and 2019.

Another survey conducted by the Korea Consumer Agency in 2019 showed that the proportion of **South Korean consumers who purchased eco-friendly products increased from 35.5% in 2016 to 44.9% in 2019**. In the same period, the proportion of companies that adopted eco-friendly practices also increased, from 33.6% to 44.9%.

These findings demonstrate that there is a **growing demand** for sustainable products in South Korea, both among consumers and businesses. This trend is expected to continue as awareness of environmental and social issues continues to rise, and as the government continues to promote sustainable practices.

In South Korea there are more and more companies that develop eco-friendly products through 3 main processes: the use of eco-friendly materials, the repair and recycling of toys and the manufacture of toys created from recycled materials. For example, Plantoys is an eco-friendly toy retailer and specialises in selling wooden interior items for the nursery. The largest trend in the Korean toy market is the repairing and recycling of already produced toys. Every city has their own toy rental and repair centre. This project is officially sponsored by one of Korea's largest enterprises, Hyundai Motor Group. Social Workers of the "Green Move Workshop" disinfect and repair recycled toys to then distribute them amongst day care and children's centres within the metropolitan area. As environmental issues affect and concern every individual, this project hopes to raise awareness by recycling and re-

using toys. To conclude, the bar chart below shows the growing interest of companies in sustainability.

When considering the sustainability of the toy and clothing sectors in South Korea, it is important to take into account both the recycling and reuse rates of these products. The recycling rate of plastic toys in South Korea was relatively high at 58.2% in 2018, suggesting that a significant portion of plastic toys are being diverted from landfills and recycled into new products.

In contrast, the reuse rate of clothing in South Korea was estimated to be around 20% in 2018, indicating that there is significant room for improvement in this area. Businesses and consumers can work to increase the reuse rate of clothing by participating in initiatives such as clothing swaps and charity donations, and by choosing to buy from businesses that prioritise sustainability. Talking about clothing, the Korean government is also encouraging the development of sustainable materials for clothing production, such as recycled fabrics and natural fibres. However, another trend has been introduced in the Korean market: upcycling⁵³. Upcycling is about not only creating a new good or product from an old one, but creating a new one with even more value. This has created opportunities for companies in the Asian country, like Young N Sang⁵⁴, which manufactures stylish urban clothes from recycled materials like, among others, fishing nets.

By focusing on both the recycling and reuse rates of toys and clothing in South Korea, businesses and consumers can work towards creating a more sustainable future for these sectors. Initiatives that promote recycling and reuse can help to reduce waste and conserve resources, while also creating economic opportunities for businesses and communities.

In fact, reuse increased in the last years in South Korea in the clothing sector, since nowadays (2022) 11% of total Korean population has bought

⁵³ <https://spanish.korea.net/NewsFocus/HonoraryReporters/view?articleId=204666>

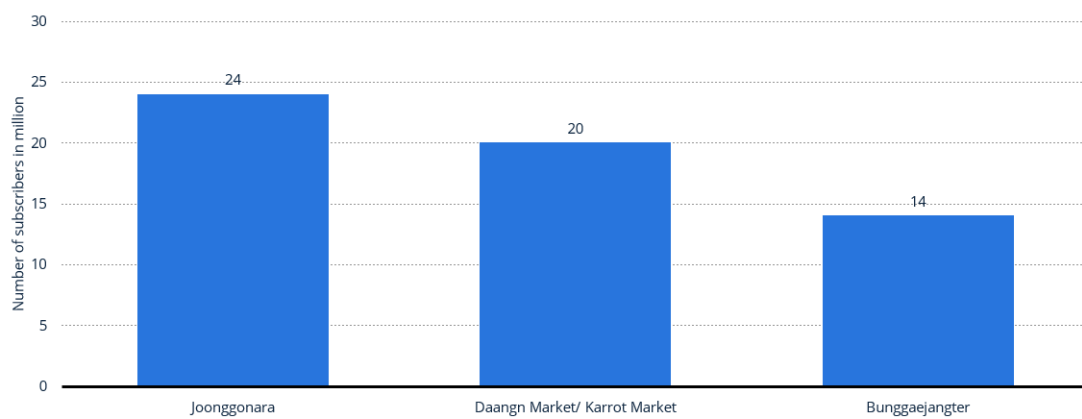
⁵⁴ <https://youngnsang.com/>

second-hand clothes in the last year, survey says⁵⁵. Nonetheless, data could improve in the next decades due to the concern about sustainability and the potential margin in an actual 25 trillion won worth⁵⁶ market (63% of total population did not buy anything second-handed last year).

When shopping in the second-hand market, a bunch of applications are available for South Koreans. Among them, *Jooggonara* is the application with more subscribers (2021), while *Daangn Market* is the application with more active users⁵⁷.

Leading second-hand shopping online services in South Korea in 2021, by accumulated subscribers (in millions)

Leading online second-hand shopping platforms South Korea 2021, by subscriber count



Description: In 2021, Jooggonara's total number of subscribers amounted to approximately 24 million users, making it the second-hand online shopping platform with the most subscribers. The interest in second-hand shopping applications rose in South Korea, especially during the beginning of COVID-19, leading to a spike in user numbers and turnover. [Read more](#)
Note(s): South Korea; 2021
Source(s): ZDNet Korea



Nevertheless, the application where more money is made is *Bunggaejangter*, making almost 17 billion Korean won in 2021. *Daangn Market* and *Jooggonara* revenue are after these figures⁵⁸.

In recent years, there has been a growing awareness of sustainability issues in South Korea, with an increasing number of consumers and businesses looking for ways to reduce their environmental impact. This is reflected in the Korean government's policy initiatives, such as the 2030

⁵⁵ Source(s): Statista

⁵⁶ Statista: Hana Financial Investment; Maeil Business Newspaper

⁵⁷ Statista: ZDNet Korea

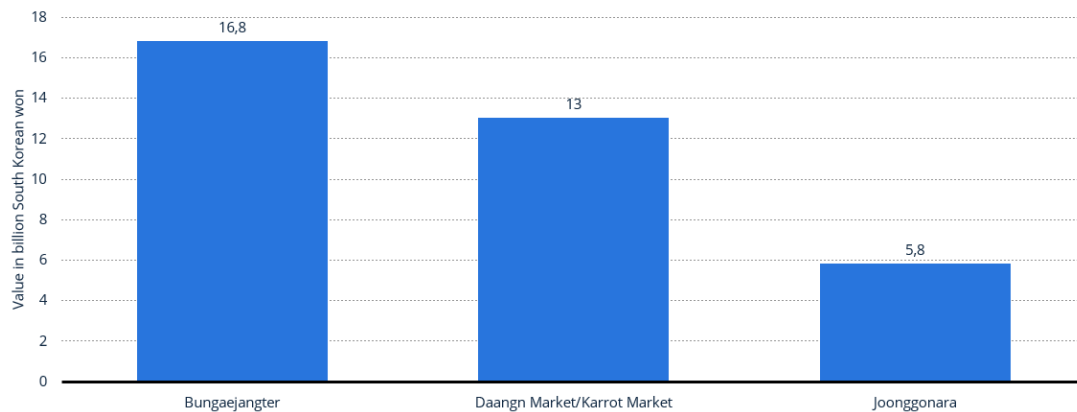
⁵⁸ Statista: Aju Business Daily; Korean Internet & Security Agency

Green New Deal, which aims to promote sustainable growth and reduce carbon emissions.

Consumers can also play a role in promoting sustainability in these sectors by choosing to buy from businesses that prioritise sustainability and by participating in initiatives such as clothing swaps and charity donations. By working together, businesses and consumers in South Korea can create a more sustainable future for the toy and clothing sectors.

Leading second-hand shopping mobile applications in South Korea in 2021, by sales revenue (in billion South Korean won)

Leading second-hand shopping applications South Korea 2021, by sales revenue

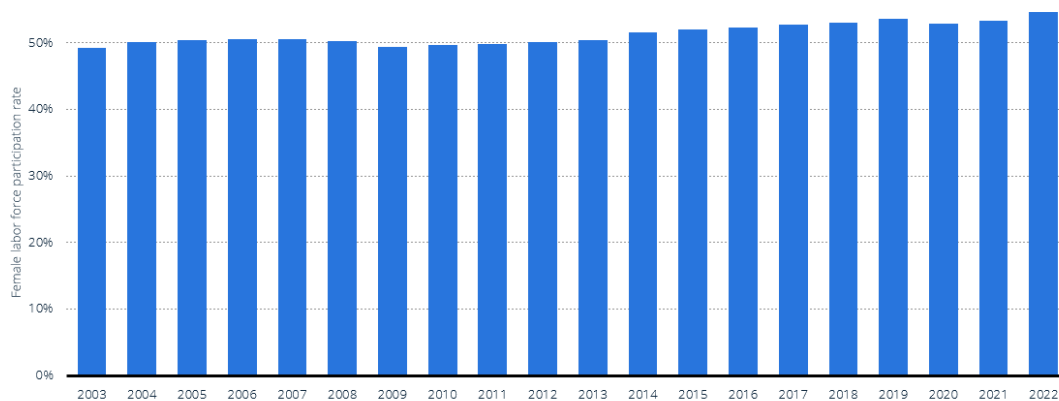


Description: In 2021, the second hand shopping application with the highest sales value was Bungaejangter at around 16.8 billion South Korean won. Following was Daangn Market/Karrot Market at approximately 13 billion won. [Read more](#)
Notes: South Korea, 2021
Sources: Aju Business Daily; Korean Internet & Security Agency



16. GENDER

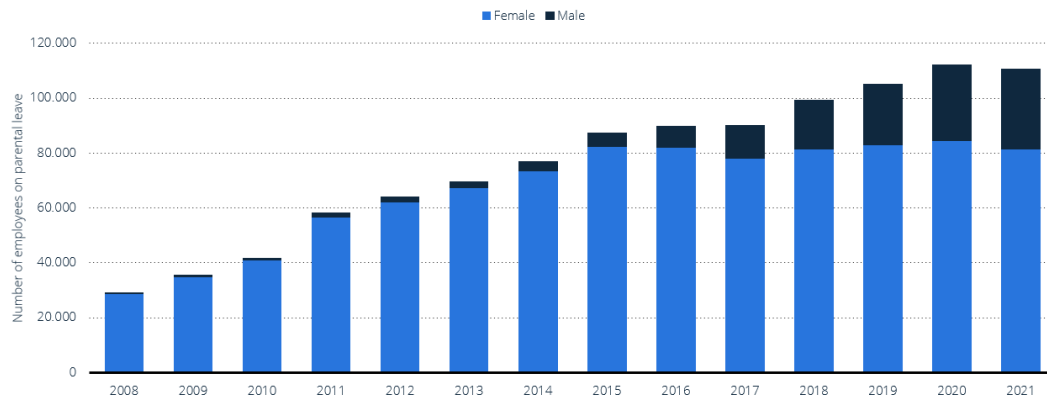
In South Korea, gender roles in the workplace have been changing, with women making gains in professional fields. However, there remains a wage gap between men and women and some industries, such as technology, remain male-dominated. Additionally, women may face challenges balancing work and family life, due to societal pressure towards motherhood and child-rearing. Governments and companies are taking steps to promote gender equality and inclusion, but there is still work to be done to achieve true gender equality in the South Korean workforce.



Female labour force participation rate in South Korea from 2003 to 2022⁵⁹

In 2022 around 54.6% of the female population in South Korea aged 15 years and older participated in the labour force, showing a slight increase from the previous year. The female labour force participation rate in South Korea has risen steadily in recent years but is still far below the average of the member countries of the Organization for Economic Co-operation and Development (OECD).

⁵⁹ Source(s): Ministry of Gender Equality and Family (South Korea). Statista.

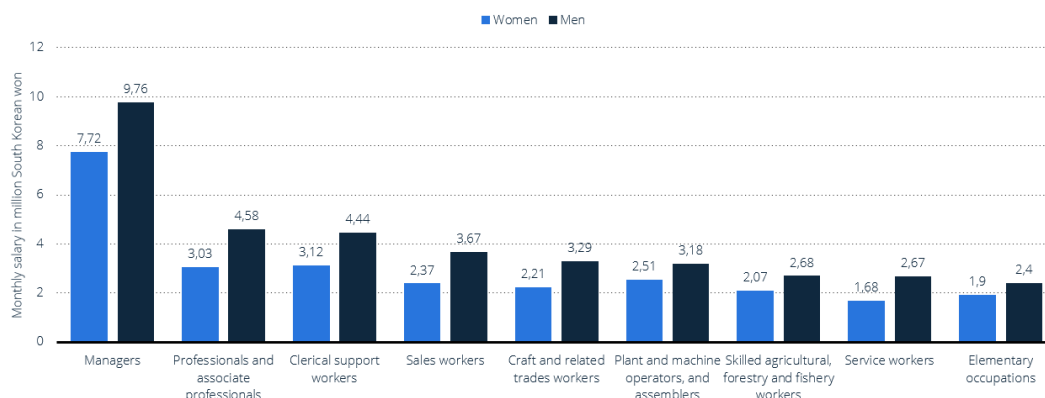


Number of employees on parental leave in South Korea from 2008 to 2021, by gender⁶⁰

Most of the employees on parental leave are females. Even though paternity leave in Korea is one of the longest in the world: 52 weeks.

Gender pay gap South Korea 2021, by occupation⁶¹.

More and more women in South Korea are actively participating in the labour market, yet they are still severely underrepresented. The comparatively low proportion of female managers, female workers in legal professions, and female lawmakers illustrates the deep-rooted gender inequality in this society that is also reflected in pay, for example, in the significantly lower female to male earnings ratio.



⁶⁰ Source(s) MOEL (South Korea); Ministry of Gender Equality and Family (South Korea). Statista.

⁶¹ Source(s) KOSIS; MOEL (South Korea). Statista.

16.1. APPLICABLE TO THE TOY SECTOR

Regarding the **toy industry**, while there is no specific data on gender equality in this sector in South Korea, it is common in many countries for the toy industry to be dominated by men in leadership positions, with few women in top executive roles. However, initiatives aimed at promoting diversity and inclusion in the industry have been emerging in recent years, which may lead to greater representation of women in the future.

In South Korea, like in many other countries, there is generally a distinction between toys for girls and toys for boys.

Boy sections usually contain miniature cars, action figures, and prop toys from various movies and TV series, building sets, strategy games, etc. Some of the popular toy franchises for boys come from Korean animated TV series, such as Turning Mecard and Tobot. Nerf guns are also incredibly popular among Korean kids.

On the other hand, for girls there is an overload of cuteness and colours. They have all the essentials such as dolls and plushies, there is also a great deal of prop make-up accessories and mock home appliances. Toys for girls often include dolls, pretend play sets, kitchen sets, and more.

However, there is also a growing trend towards more inclusive toys, which are not specific to one gender. More and more toys are being designed to be played with by children of all genders, without distinction. Educational and creative toys, such as building blocks and art sets, can be considered inclusive toys.

Generally speaking, the impetus for implementing gender-neutral toys comes either from companies or from states. For example, in California it is mandatory that non-gender specific areas be set up in stores. On the other

hand, LEGO promotes inclusive play and removes gender messages from their products. However, this society is divided over these changes. Indeed, some people are for and others are against.

However, gender-neutral toys have gained popularity in South Korea in recent years, as parents and children have become more open to toys that are not traditionally associated with specific genders. This trend has been driven in part by changing social attitudes towards gender roles and the increasing awareness of gender diversity.

One example of a South Korean company that has embraced gender-neutral toys is TOYKING Co., Ltd., which produces a range of toys that are designed to be inclusive and appeal to both boys and girls. The company's products include building blocks, puzzles, and educational toys that are free from gender stereotypes and encourage creativity and imagination.

Another South Korean company that has been at the forefront of the gender-neutral toy trend is Wonderlab, which produces a range of toys that are designed to be both fun and educational, without being tied to traditional gender roles. Wonderlab's products include coding toys, DIY kits, and science kits that are designed to be gender-neutral and appeal to children of all ages and interests.

The South Korean government has also taken steps to promote gender equality in the toy industry. In 2019, the Ministry of Gender Equality and Family launched a campaign to promote gender-neutral toys, with the aim of challenging gender stereotypes and promoting more inclusive play.

Overall, the trend towards gender-neutral toys in South Korea reflects a broader shift towards more diverse and inclusive forms of play and suggests that the toy industry is evolving to better reflect the changing social attitudes and values of consumers.

In recent years, South Korea has seen a significant increase in feminist activism, with campaigns and protests calling for an end to gender discrimination, sexual harassment, and other forms of gender-based violence. These movements have raised awareness of the ways in which gender stereotypes can limit opportunities and perpetuate inequality and have inspired many people to challenge these norms in their own lives and communities.

In the context of the toy industry, feminist activists and advocates have called for greater diversity and inclusivity in the types of toys that are marketed to children, arguing that traditional gender stereotypes can limit children's opportunities and perpetuate inequality. This has helped to drive demand for gender-neutral toys, as parents and children seek out products that promote more inclusive and diverse forms of play.

While the trend towards gender-neutral toys in South Korea has been driven by a range of factors, including changing social attitudes and consumer demand, it has also been shaped by feminist movements and calls for greater gender equality in all aspects of society.

In conclusion, the toy market in South Korea is served by a combination of gender-specific and inclusive toys, but there is a growing trend towards more inclusive toys that are not limited by gender.

16.2. APPLICABLE TO CHILDREN'S CLOTHING AND FOOTWEAR

In general, Korean outfits are simple and with neutral colours. Korean kids wear simple, sporty, and comfortable outfits. Korean kids' fashion offers many options to style the young ones. In boys' clothing, you can select tight-fit bottoms with loose-fitting shirts, loose pants with sweatshirts, cardigans,

and jackets with jeans. For girls, you can choose tulle skirts, legging skirts, with loose-fitting or tight tops, floral dresses, or t-shirts with frills. Kids mostly wear top and bottom sets when they are at home⁶².

Unisex fashion is a trend in South Korea. Nike decided to launch a gender-fluid store, the first such store worldwide, in Hongdae. Lately, the number of fashion-related companies that have been jumping on the non-binary bandwagon has increased. One example of that model could be Ohora, a local gel nail brand best known for its nail stickers, which teamed up with domestic contemporary fashion brand Wooyoungmi to create an "androgynous" gel nail capsule collection.

Other similar areas have seen the gender lines start to blur as well. Shinsegae International's lifestyle brand Jaju and domestic underwear company SBW each launched a series of trunks for females.

The gender-inclusive fashion trends are each day being more accepted for the public, but it is indeed commonplace for celebrities. BTS is a worldwide famous band from Korea, its members usually wear no gender clothes.

As for fashion, it tends to be more initiating and progressive than other fields, including gender. So, a lot of stereotypes are starting to disappear, such as, blue for kids and pink for girls. Nowadays it is more about the comfort you feel wearing the clothes than the "gender" for the one it was designed to⁶³.

⁶² <https://ozkizglobal.com/blogs/ozkiz-blog/what-do-korean-kids-wear>

⁶³ <https://koreajoongangdaily.joins.com/2022/07/26/culture/lifeStyle/korea-genderless-gender-fluid/20220726150716059.html>

17. SDG

The Sustainable Development Goals (SDGs) are a set of seventeen global goals adopted by the United Nations in 2015 as part of the 2030 Agenda for Sustainable Development. The SDGs are meant to serve as a universal call to action to end poverty, protect the planet, and ensure peace



and prosperity for all people by 2030.⁶⁴

As we can see, for all the goals a certain level of challenge remains. In case of SDG such as gender equality or climate action, there is still a major challenge in South Korea; in cases such as responsible consumption and good health and wellbeing there is still a significant challenge, and in cases like quality education, industry, innovation and infrastructure the challenge has gotten better, but still remains.

The only goal on track to maintain its achievement is the one related to clean water and sanitation, whilst goals such as reduced inequalities are stagnating. The only one decreasing is related with life below water. In any case, Korea scored 27 out of a 163 countries in the general SDG index rank, positioning itself even before the US.

In Korea, the government has been actively working to achieve the SDGs, recognizing the important role they play in promoting sustainable development. The Korean government has set its own national targets and

⁶⁴ <https://dashboards.sdgindex.org/profiles/korea-rep>

indicators aligned with the SDGs and established a comprehensive plan to implement them. The country has also established several initiatives to promote sustainable development, such as the "Green Growth Strategy" and the "Creative Economy Initiative". The early and proactive engagement of the Korean government and civil society with sustainable development has created a favourable environment for building systems for the implementation of the SDGs. For example, in case of Korea, the last time the government completed a voluntary national review was in 2016 and it has issued an official statement endorsing the implementation of the SDG, which are also being integrated into sectorial action plans. In addition, there have been national indicators that monitor the implementation and there is a designed lead government unit for the coordination and implementation of the SDG, all of which are lacking in the case of the US.

Korea is also a signatory to the Paris Agreement on Climate Change and is working to reduce its greenhouse gas emissions, promote renewable energy, and improve energy efficiency, which are all in line with SDG 7 (Affordable and Clean Energy) and SDG 13 (Climate Action). Additionally, the country is investing in research and development to promote innovation, which is aligned with SDG 9 (Industry, Innovation, and Infrastructure).

Korea is making efforts in several specific areas to achieve the Sustainable Development Goals (SDGs).

Health: Korea has made significant progress in health and has put in place programmes to improve access to health care for all citizens, in line with MDG 3 (Good health and well-being). The country has also put in place initiatives to improve the prevention and treatment of chronic diseases, such as diabetes and cardiovascular disease.

According to the UN, "Life expectancy has increased significantly, and some of the common causes of infant and maternal death have been reduced. Significant strides have also been made in expanding access to sanitation and clean water, as well as in lowering rates of polio, TB, malaria, and HIV/AIDS transmission. Therefore, much more work is required to regulate a wide range of illnesses and deal with a wide range of ongoing and new health problems."



Sporty toys can be manufactured by companies, whilst the apparel and footwear sector can design products that help people to exercise. Other sectors like books can work on spreading a healthy lifestyle in the South Korean population.

Education: Korea is working to improve access to quality education for all people in the country, in line with SDG 4 (Quality Education). In particular, the Korean government has implemented programmes to improve the equity and quality of education in rural and low-income areas.

The UN clarifies: "A number of important development drivers are supported by receiving a high-quality education. Major achievements have been made in improving women's and girls' access to education at all levels.



Although basic reading levels have significantly increased worldwide, more ambitious efforts are still required to meet the goals of universal education for all. For instance, the globe has achieved gender equality in primary education, but just a few nations have reached that goal at all educational levels."

Some companies all over the world fund university studies of their employees and their relatives with scholarships.

Clean energy: Korea is a leader in clean energy and is working to promote the use of renewable energy, in line with MDG 7 (Affordable and Clean Energy) and MDG 13 (Climate Action). In particular, the country has invested in renewable energy projects such as wind and solar power.

According to the UN, "Almost every significant challenge and opportunity the world faces today revolve around energy. Access to energy for everyone is crucial for improving earnings, securing jobs, combating climate change, and producing more food. One of our biggest problems in the future decades will be

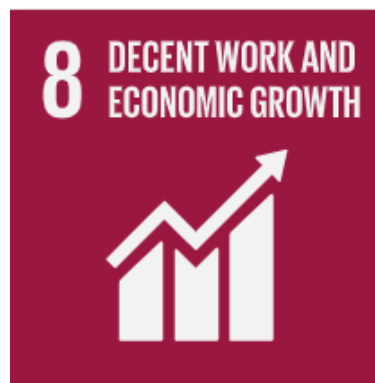


shifting the global economy toward clean and sustainable energy sources. Sustainable energy is a chance since it improves people's lives, economies, and the environment."

Applying all this I+D to the production chain of the different products would align companies to the SDG.

Economic development: Korea strives to promote sustainable and inclusive economic development in line with MDG 8 (Decent Work and Economic Growth). The Korean government has put in place programmes to improve job creation and economic growth in rural and low-income areas.

According to the UN, "Over half of the world's population still makes less than \$2 each day. And in far too many locations, getting a job doesn't mean you can get out of poverty. We must reconsider and rework our economic and social policies targeted at reducing poverty in light of this poor and uneven development".



Placing different production zones in the rural area and providing good working conditions to their employees can be some options companies could consider. Examples of them are setting the wage over the average in the sector or promoting flexible conditions so as to favour domestic conciliation.

Overall, South Korea's commitment to achieving the SDGs is a positive development and demonstrates the country's efforts towards sustainable

development. Continued efforts will be needed to address the remaining challenges and ensure that the benefits of sustainable development are enjoyed by all.

18. DIGITISATION

South Korea is one of the most advanced countries in terms of business digitalisation. According to the latest data, **about 90% of Korean companies are digitised**, which is very high compared to other countries in the region.

The Korean government is committed to helping businesses to become digital by providing a wide range of services and resources. The "Digital Transformation Support Programme" is one of the most important programmes set up by the government to help businesses go digital. It aims to help businesses adopt digital technologies to improve their competitiveness in the marketplace. The programme offers a variety of services, including subsidies for hardware and software acquisition, employee training and digital strategy consulting.

The Korean government has also invested in digital infrastructure to help businesses access the latest technologies. Korean companies benefit from access to high quality networks, data centres, cloud computing platforms and other technologies that enable them to digitise more effectively.

In terms of how companies are digitalising, most Korean companies are adopting technologies such as cloud computing, mobile applications, cyber security, voice and image recognition, robotics and artificial intelligence. Korean companies are also using these technologies to automate certain tasks, improve collaboration with employees and customers, obtain information more quickly and accurately, and offer better products and services.

The digitalization has had a significant impact on the toy market in South Korea. Digital toys are becoming increasingly popular among consumers, leading to an increase in demand for products such as video games, children's tablets, and interactive robots. In addition, many toy companies in South Korea have turned to technology to improve their marketing and online purchasing strategy, making it easier for consumers to find and purchase their desired toys.

Digital toys are often designed to be interactive and fun, with features such as voice recognition, shape recognition, and augmented reality games. They also often allow children to connect online with other children to play together or share creative activities. The main games are league of legends, TFT, FIFA or Lineage 2M. The Koreans are very keen on these world-famous video games. Moreover, online educational games are rarely played as opposed to non-online games such as construction games. However, educational games like Geoguessr are increasingly played by Koreans.

In addition to digitalizing toy products, toy companies in South Korea also use technologies such as data analysis and social media to better understand consumer preferences and to more effectively promote their products.

In conclusion, digitalization has played an important role in the toy market in South Korea, by offering new interactive products and facilitating online shopping for consumers. Toy companies are also using technology to better understand consumer preferences and to more effectively promote their products.

South Korean companies, incorporating digitisation.

- **Robobloq:** A business called **Robobloq** focuses on producing robotics kits for children that are instructive. Their items are designed to make learning about robotics, engineering, and programming entertaining and engaging for kids. By developing programs that

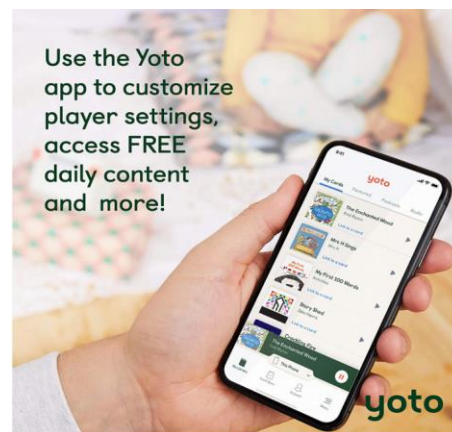
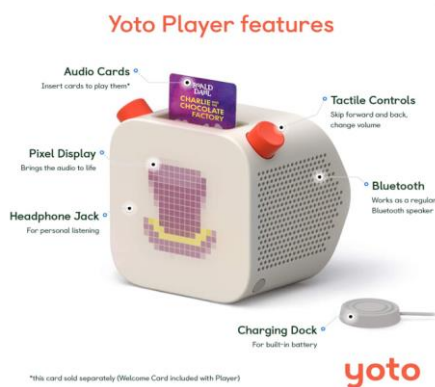
enable students to operate their robots using their smartphones or tablets, they have incorporated digitization.⁶⁵

Robobloq Coopers 6 in 1



- **Yoto:** A toy firm called **Yoto** makes interactive audio players for kids. Children are encouraged to listen to stories, music, and instructional material through the utilisation of their goods. By developing an app that enables parents to manage what their children listen to and to monitor their usage, they have incorporated digitization.⁶⁶

Yoto Player



- **MIKO:** A firm called **MIKO** makes robots and interactive toys for kids. Their goods are made to aid kids in learning computer

⁶⁵https://juguetecnic.com/juguetes-para-ninos/regalos-ninos-11-anos/robotica-para-ninos-de-11-anos/robobloq-qoopers-6-en-1-kit-robotica-programable-para-ninos?gclid=CjwKCAiAjPyfBhBMEiwAB2CCiuKd1EO11BAExjyXHekKplfTLDJxErEX61JkCOhh17Dc6uTtpNjk5RoC2lQQAvD_BwE

⁶⁶<https://www.amazon.com/Yoto-Player-Bestselling-All-One/dp/B088MLVZ81>

science and programming. By developing programs that let kids use their smartphones or tablets to operate their toys and robots, they have incorporated digitalization.⁶⁷

Miko 3



- **DITTO**: A firm called **DITTO** makes sophisticated educational toys for kids. Children can learn about STEM (science, technology, engineering, and maths) subjects with the use of their goods. By developing apps that let kids use smartphones or tablets to interact with their toys and games, they have incorporated digitalization.⁶⁸

Ditto Talking Robot



Referring to other markets like **clothing, footwear or furniture**, digitisation is being implemented in the production chain, so as to understand trends, infer the following consumer behaviour or analysing the production

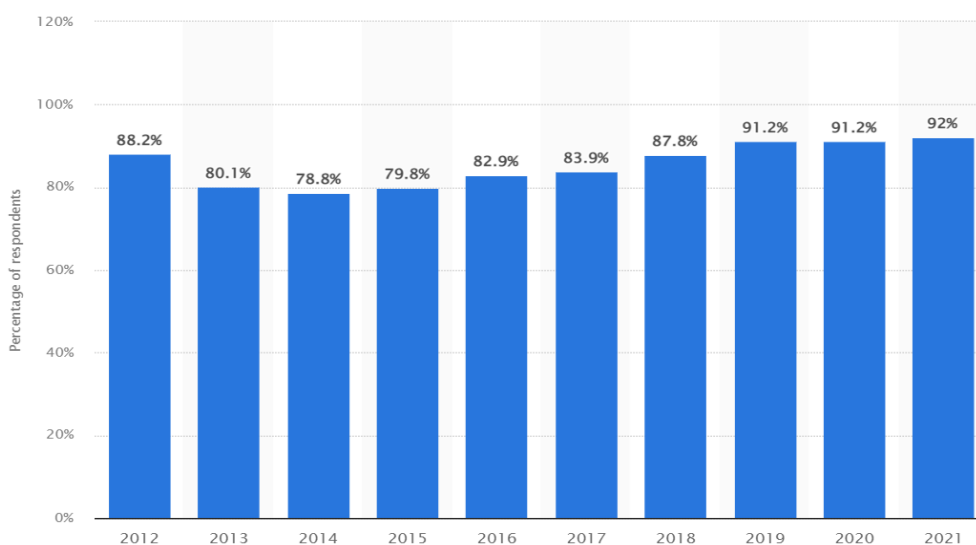
⁶⁷ <https://miko.ai/store/miko3>

⁶⁸ <https://www.amazon.com/Force1-Ditto-Voice-Changer-Robot/dp/B07CTHCNV6>

chain itself, finding inefficiency points and other production methods that reduce waste or increase benefits for companies. In these aspects, big data analysis reveals fundamental.

Big data has wide applications and almost every aspect of the market can be analysed, inferring patterns and underpinning the different corporate strategies that attack the market searching for sales, increments of the revenue or build loyalty in their current clients. **Books** sector also benefit from these corporate practices, besides the increasing usage of e-books (their revenue is projected to grow in the following years⁶⁹).

One example of data that could be analysed is the following graph, where it can be seen that between the period 2014-2021, there is a continuous increasing trend of internet usage of children aged 3 to 9 in South Korea. The percentage of recipients using Internet has increased from 2014 (78.8%) to 2021 (92%) by slightly more than 13%⁷⁰.



Internet usage rate of young children aged 3 to 9 in South Korea from 2012 to 2021

According to The Korea Times (2018), more than 95% of secondary school pupils own smartphones and use them for more than 2 hours each day.

⁶⁹ Statista: Statista Digital Market Insights

⁷⁰ <https://www.statista.com/statistics/226730/internet-usage-of-young-children-in-south-korea-since-2006/>

As of 2018, 95.9% of middle school students and 95.2% of high school students in Korea own cell phones, according to a report by the government-run Korea Information Society Development Institute. The percentages increased from 86.6% for middle school students and 90.2% for high school students in 2015. Also, the results estimated in 2018 outperform the 87.2% global average for smartphone penetration among all age categories. For elementary schoolchildren, the smartphone penetration rate was 37.8 percent for first to third graders, and 81.2 percent for fourth to sixth graders — also up from 2015's 25.5 percent and 59.3 percent, respectively.

Middle schoolers used the devices the most - 144 minutes per day - followed by high schoolers who used them for 135 minutes per day. The two Korean age categories spent more time on their smartphones than the average of all age groups - 113 minutes.

98.9% of high school pupils who possess a smartphone reported using mobile messaging services such as "KakaoTalk". The rate was also high among middle schoolers (94.5%), while fourth to sixth graders in elementary school ended up with 88.8%. First to third graders in elementary school contributed 76.8%.

Games, messaging applications and video platforms were the most popular apps among elementary school students, while middle school students preferred games, messaging apps and webtoons. Finally, high school students' choices included games, messaging apps and social networking.⁷¹

19. CLUSTERS. ASSOCIATIONS. ALLIES

COMPANY AND COMMENTS	CONTACT DETAILS
GENERAL	
Spanish chamber of commerce. The Spanish Chamber of	+34 91 590 69 00

⁷¹ https://www.koreatimes.co.kr/www/nation/2019/10/113_277023.html

<p>Commerce coordinates the network of Chambers of Commerce in Spain and acts as its representative before national and international governing bodies, as well as providing advisory services to the Spanish government. Its mission is to promote and defend the general interests of trade, industry, services and maritime navigation.</p>	<p>https://www.camara.es/en</p>
<p>Chambre de commerce des États-Unis. CCI France International brings together and manages 119 French Chambers of Commerce and Industry (CCI FI) in 94 countries.</p>	<p>https://www.ccifrance-international.org/notre-reseau/les-cci-fi/amerique-du-nord/les-cci-fi-aux-etats-unis.html</p>
<p>Danish-American chamber of commerce. The Danish-American Chamber of Commerce in New York (DACC) is a not-for-profit corporation, independent of any other non-profit, commercial or governmental organizations. Its mission is to further the business interests of our members and to help promote trade relations between Denmark and the United States.</p>	<p>https://daccny.com/</p>
<p>Lotte. Lotte Department Store could be an option for a foreign company looking to distribute its products in South Korea.</p>	<p>(+82)-2-772-2500</p> <p>https://www.lotte.co.kr/global/en/main.do#none</p>
<p>-Ministry of Trade, Industry and Energy</p>	<p>https://english.motie.go.kr/</p>
<p>TOY MARKET</p>	
<p>TOYTRON. Company specialised in products for infants.</p>	<p>+82-02-3471-1454</p> <p>http://www.toytron.co.kr/english/index/</p>
<p>E-mart. Digital market and platform where retail and wholesale can be developed.</p>	<p>02-380-5678</p> <p>https://store.emart.com/main/main.do</p>
<p>Gmarket. Digital market and platform where retail and wholesale can be developed.</p>	<p>global@corp.gmarket.co.kr</p> <p>220-81-83676</p>

	http://gcategory.gmarket.co.kr/Listview/Category?GdlcCd=100000042
HomePlus. Digital market and platform where retail and wholesale can be developed.	onlinemart@homeplus.co.kr https://front.homeplus.co.kr/
Korea International Trade Association. Represents Korean toy manufacturers and can help establish contacts with foreign toy manufacturers and facilitate trade.	1566-5114 http://www.kita.org/index.do
Korea Creative Content Agency. The government agency that supports and promotes the Korean creative industry, including the toy industry.	yoosunghoon@kocca.kr +33-1-42-93-02-84 https://www.kocca.kr/en/main.do
-Young Toys. A Korean toy company that produces a variety of children's toys: educational toys, construction toys and branded toys.	webmaster@youngtoys.com 02-557-8330 http://www.youngtoys.com/eng/index.do
-Korea Toy Association	http://www.koreatoy.or.kr
-K BIZ Toy	http://www.kotoy.or.kr/
-Asia Toy & Play Association	https://www.atpa.asia
APPAREL AND FOOTWEAR MARKET	
Korea Federation of Textile Industries (KOFOTI). The South Korea Textile Industry Federation is an organisation that represents textile manufacturers in South Korea.	http://www.kofoti.or.kr/eng/

<p>Digital-Ro, Geumcheon-Gu</p>	<p>https://www.edresearch.co.kr/main/index.html#</p>
<p>Technology center</p>	<p>https://kiat.or.kr/eng/user/main.do</p>
<p>BABY FOOD MARKET</p>	
<p>GS25. GS Retail provides differentiated goods and service such as the product development for high quality food, for example safe and delicious fresh-food goods etc., the rational price of PB brand 'YOUUS'</p>	<p>82 1644-5425 https://www.gs25.com.vn/</p>

20. MAIN ASPECTS RELATED TO ENTER THE MARKET

There are several important aspects related to implantation in South Korea, including:

1. **Understanding the market:** South Korea has a highly developed and sophisticated market, so it's essential to have a thorough understanding of the local market, consumer behaviour, and competition.
2. **Regulatory compliance:** South Korea has strict regulations for businesses operating in the country, including labour laws, taxes, and environmental regulations. It's important to ensure that all regulatory requirements are met before implementation.
3. **Cultural differences:** South Korea has a distinct cultural heritage and values, so it's important to understand and respect these cultural differences in order to be successful in the market.
4. **Networking:** Building a network of business contacts and partners is crucial in South Korea, as personal connections and trust are important factors in business dealings.

5. **Technological infrastructure:** South Korea is a highly technologically advanced country, so it's important to have the necessary technology and infrastructure in place to succeed in the market.
6. **Localization:** To be successful in the South Korean market, it's important to localise products and services to meet the specific needs and preferences of local consumers.
7. **Partnering with local companies:** Partnering with local companies can provide valuable support and resources for successful implementation in South Korea, as well as access to local networks and expertise.

By taking these factors into consideration, companies can increase their chances of success in the South Korean market.

The following table shows the **differences between a foreign-owned company and a branch office:**

	Companies with foreign capital	Branches of foreign companies
Applicable law	Foreign Investment Promotion Act	Foreign Exchange Transaction Act
Nature of the company	Local (Korean) company	Foreign company
Relationship between the foreign investor and the local company	The investee is a different entity from the foreign investor. The accounting and balance sheet are different.	Head office and branch are one and the same entity. Single accounting and balance sheet.
Minimum capital	100 million won	It does not exist
Application of corporate tax	To all profits earned both in Korea and abroad. It will apply to 10% and 22% if they exceed 200M won.	Only on profits made in Korea. 10% and 22% will be applied in the case of profits exceeding 100 million won.

20.1. SWOT STUDY

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> -Highly educated and skilled workforce with strong work ethic. -Advanced technology and infrastructure -Strategic location in Northeast Asia -Well-established and advanced logistics and transportation networks -Strong government support for business 	<ul style="list-style-type: none"> -High cost of living and doing business -Strict regulations and bureaucracy -Limited natural resources and dependence on imports for many key industries -Aging population and low birth rate could lead to labour shortages in the future -The environment can be complicated to understand for foreigners
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> -Increasing interest in Korean culture and products in global markets - Dynamic economy with a growing middle class and increasing demand for foreign products and services - The country is also known for its expertise in technology, which offers opportunities for foreign companies to benefit from new technologies to develop new products -Growing emphasis on sustainability and eco-friendliness, creating opportunities for companies in these areas 	<ul style="list-style-type: none"> -Political and economic tensions with North Korea, which could impact business and investment confidence in the region -Intense competition from other countries such as China and Japan -Vulnerability to natural disasters -Risk of a trade war or protectionist policies from other countries, which could negatively impact South Korean exports

-Potential for increased cooperation and trade with neighbouring countries, including China, Japan...

-Strong government emphasis on innovation and research and development, with generous funding for startups and small businesses

21. MAIN EVENTS IN SOUTH KOREA

Fair	Description	Web	Additional info
BeFe Baby Fair	Products related to pregnancy, childbirth and childcare. 14-17 September	https://www.befe.co.kr/kr/?ckattempt=2	Held twice a year in Seoul, 'BeFe BABYFAIR' is the first exhibition of baby products in Korea, which attracts 150 exhibitors with their famous brands from 20 countries around the world
COBE Baby Fair	Exhibition for maternity, parenting and education. 23-26 February (always in February)	http://cobe.co.kr/_songdo.php	COBE Baby Fair provides information on pregnancy, childbirth, education and childcare. It is an exhibition to promote products and develop the market by meeting industries and consumers.
EDUCARE & KIDSAIR - Coex	Toys, games, education & baby care. Organiser: Sege Fairs 6-9/07/2023 2-5/11/2023	http://www.segefairs.co.kr/en/	1000 booths from approximately 30 different countries participate in the exhibition, and about 1,000 new products are launched.

<p>Edu Plus Show</p>	<p>International Children Education & Products Expo 10-12/08/2023</p>	<p>http://eduplusshow.com/</p>	
<p>Seoul POPCON</p>	<p>Video games, comics, toys, plush dolls, animation. 25-27/08/2023</p>	<p>https://en.seoulpopcon.org/</p>	<p>Seoul POPCON (Seoul Pop Culture Convention) is a global pop culture exhibition in Korea which presents industry leaders from Broadcast, Cinema, Games, Comics, Animation, Music, and Art.</p>
<p>Daegu Baby & Kids Fair</p>	<p>Baby food, clothes, toys, children's furniture. 15-18/06/2023</p>	<p>https://cobe.co.kr/_exco.php</p>	<p>Exhibitors from all over the world will gather at Daegu Baby & Kids Fair to showcase a wide range of products and services such as various baby products and equipment, clothes and many other related products.</p>
<p>Mom & Baby Expo - Kintex</p>	<p>Toys, clothes, products related to pregnancy. 23-26/11/2023</p>	<p>http://www.momnbabyexpo.co.kr/</p>	<p>Exposition where 250 companies and more than a thousand stands with maternity and baby related products are held.</p>

22. CONCLUSION

In the latest years, just as it has been the case with the US and Chile, Korea has suffered a declining birth rate and ageing population.

Regarding the toy market, Korean consumers have shown a tendency to buy quality toys, even at a higher price. The most popular toys in South Korea include educational toys such as construction sets, science toys and toys for learning maths and science. Robotics and technology-related toys are also very popular. In any case, the Korea toys market is slated to grow at a highest CAGR of around 4% over the forecast period between 2019 and 2027.

Just as with toys, parents value high quality materials when buying shoes or clothing. In this sector, fashion also plays an important role, as well as appearance and products that are aesthetically pleasing. This is also applicable for furniture, which must look nice, at the same time that it guarantees security and the use of high quality materials.

In case of children's food, this sector has been experimenting a continuous growth in the last years, especially for organic and healthy products. Regarding books, Korean publishers are also known for publishing books that reflect Korean culture, such as traditional tales and legends.

As for marketing, popular characters are highly valued, for example in toys and clothing, driven by new consumer's habits and streaming platforms. Design of a product is also a leading consideration when contemplating buying a product, which means consumers place a high value on the aesthetic appeal of a product.

It's important to note that Korean consumers are very brand-conscious, they are very loyal to their favourite brands, but also easily influenced by their favourite artists. Korean artists have also been an important influence regarding gender neutral clothing, a common aspects for celebrities such as

BTS which has influenced the population in such a way that even Nike has launched its first ever gender fluid store in South Korea.

Ecommerce has played an important part as a retail channel, with 60% Korean consumers reporting having bought toys online in the last 12 months. Fashion is the leading category for this type of retailing.

Regarding sustainability, over 70% of South Korean consumers consider environmental and social impact when making purchasing decisions, and almost 60% are willing to pay more for sustainable products. In fact, South Korean consumers who purchased eco-friendly products increased from 35,5% in 2016 to 44,9% in 2019. In the same period, the proportion of companies that adopted eco-friendly practices also increased, from 33,6% to 44,9%. It is also relevant to take into account that Korean government has shown interest towards the implementation of SDG, even if most goals are not achieved and a certain level of challenge remains.

Finally, the opportunities in the Korean market are numerous. South Korea has a dynamic economy with a growing middle class and increasing demand for foreign products and services. The country is also known for its expertise in technology, which offers opportunities for foreign companies to benefit from new technologies to develop new products. The country's strategic location allows it to have close trade relations with Asia. Finally, from a governmental point of view, the South Korean government is business-friendly and offers tax incentives and other advantages to encourage foreign investment. Finally, Korean consumers are known to be sophisticated and have high purchasing power.

ANNEX. LEGISLATIVE FRAMEWORK

Here you could find some specific laws and decrees related to children's toys in South Korea:

The Special Act on Safety Management of Children's Products: This law regulates the safety of children's products, including toys, and establishes safety standards for manufacturers and importers. It also includes provisions for recall and disposal of unsafe products. (Source: Ministry of Trade, Industry and Energy).

- Article 5 (Safety Standards for Children's Products)
- Article 8 (Prohibition of Sales of Unsafe Children's Products)
- Article 12 (Recall and Disposal of Unsafe Children's Products)

The Consumer Product Safety Act: This law sets out general safety standards for consumer products, including children's toys. It establishes the Consumer Product Safety Commission to oversee product safety and enforcement. (Source: Korea Consumer Agency).

- Article 5 (General Safety Standards for Consumer Products)
- Article 12 (Prohibition of Sales of Unsafe Consumer Products)
- Article 17 (Recall and Disposal of Unsafe Consumer Products)

The Safety Standards for Children's Products: This decree establishes specific safety standards for children's toys in South Korea, covering topics such as mechanical hazards, chemical hazards, and flammability. (Source: Korea Consumer Agency).

- Article 2 (General Safety Standards for Children's Products)
- Article 4 (Safety Standards for Toys)
- Article 7 (Labelling Requirements for Toys)

The Act on the Registration and Evaluation of Chemicals (REACH): This law regulates the use of chemicals in consumer products, including children's

toys. Manufacturers and importers must comply with REACH requirements to ensure the safety of their products. (Source: Ministry of Environment)

The Industrial Design Protection Act: This law protects the designs of industrial products, including toys. It establishes the Korea Intellectual Property Office to oversee design registration and enforcement. (Source: Korea Intellectual Property Office)

Safety Standards: The Korean government has strict safety standards that must be met before a toy can be sold in the country. This includes regulations for choking hazards, lead content, and other potential dangers. Companies that want to sell toys in South Korea must ensure that their products comply with these regulations.

Article of law: The Toy Safety Act (제조·판매 등에 관한 안전규격에 관한 법률)

- Article 2: Definitions
- Article 5: Safety Standards for Toys
- Article 6: Testing and Certification of Toys
- Article 7: Safety Marking and Labelling of Toys

Age Recommendations: Toys must have age recommendations that indicate the appropriate age range for children who can play with them. This is to ensure that younger children are not exposed to toys that could be dangerous or inappropriate for their age.

Article of law: The Fair Labelling and Advertising Act (공정거래에 관한 법률)

- Article 7: Safety Standards for Consumer Products

This article establishes safety standards for consumer products, including toys, and requires that products be labelled with age recommendations and other safety information.

- Article 9: Safety Certification of Consumer Products

This article requires certain consumer products, including toys, to be certified as safe by a designated safety certification agency before they can be sold in South Korea.

- Article 3: Regulations on Children's Products

This article sets regulations for the safety and labelling of children's products, including toys, and requires that age recommendations and other safety information be provided on product packaging.

- Article 5: Obligations of Businesses

This article requires businesses that manufacture, import, or sell children's products, including toys, to ensure that their products comply with safety regulations and that they are labelled appropriately.

- Article 6: Standards for Age Recommendations and Safety Information

This article establishes standards for age recommendations and safety information on children's products, including toys.

Import Restrictions: South Korea has restrictions on the importation of certain types of toys. This includes toys that contain hazardous materials, as well as toys that are designed to be used for gambling or other illegal activities.

Article of law: The Customs Act (관세법)

- Article 65: Prohibition of Importation of Certain Goods: This article prohibits the importation of certain goods, including toys that are deemed to be dangerous or harmful to public health.

- Article 66: Inspection and Disposition of Goods Suspected of Infringing Intellectual Property Rights: This article allows customs officials to inspect and dispose of goods that are suspected of infringing on intellectual property rights, such as counterfeit toys.
- Article 67: Provisional Seizure of Goods: This article allows customs officials to provisionally seize goods that are suspected of being subject to seizure under the Customs Act, including toys that are deemed to be dangerous or harmful.
- Article 68: Determination of Customs Value
- This article establishes the procedures for determining the customs value of imported goods, including toys.

Advertising Regulations: Companies that sell toys in South Korea must comply with advertising regulations that are designed to protect children from potentially harmful or deceptive advertising.

Article of law: The Fair Labelling and Advertising Act (공정거래에 관한 법률)

- Article 3: Prohibition of False and Misleading Representations
- Article 6: Requirements for Labelling and Advertising of Goods
- Article 8: Standards for Labelling and Advertising of Goods

Intellectual Property: Toy manufacturers must ensure that their products do not infringe on the intellectual property rights of others, such as patents, trademarks, or copyrights.

Article of law: The Intellectual Property Rights Protection Act (지적재산권보호법)

- Article 2: Definitions
- Article 24: Infringement of Patents
- Article 34: Infringement of Trademarks
- Article 41: Infringement of Copyrights

Fair Labelling and Advertising Act (공정거래에 관한 법률)

- Article 3: Prohibition of False and Misleading Representations
- Article 6: Requirements for Labelling and Advertising of Goods
- Article 8: Standards for Labelling and Advertising of Goods

Regarding some specific laws and regulations related to children's food in South Korea:

The Special Act on Safety Management of Children's Dietary Life: This law regulates the safety of children's food and dietary life and establishes safety standards for manufacturers and importers. It also includes provisions for recall and disposal of unsafe products. (Source: Ministry of Food and Drug Safety).

- Article 3 (Safety Standards for Children's Food)
- Article 7 (Prohibition of Sales of Unsafe Children's Food)
- Article 9 (Recall and Disposal of Unsafe Children's Food)

The Food Sanitation Act: This law sets out general safety standards for food products, including those intended for children. It establishes the Food and Drug Safety Ministry to oversee food safety and enforcement. (Source: Ministry of Food and Drug Safety).

- Article 7 (General Safety Standards for Food)
- Article 8 (Inspection of Food)
- Article 13 (Prohibition of Sales of Unsafe Food)

The Standards and Specifications for Foods and Food Additives: This regulation establishes specific standards and specifications for food products, including those intended for children. It covers topics such as food additives,

contaminants, and nutritional value. (Source: Ministry of Food and Drug Safety).

- Article 3 (Specifications for Food Additives)
- Article 5 (Maximum Residue Limits for Pesticides)
- Article 7 (Nutritional Labelling Requirements)

The Health Functional Food Act: This law regulates the safety and labelling of health functional foods, including those intended for children. Manufacturers and importers must comply with this law to ensure the safety and quality of their products. (Source: Ministry of Food and Drug Safety).

- Article 8 (Safety Standards for Health Functional Foods)
- Article 9 (Labelling Requirements for Health Functional Foods)
- Article 13 (Prohibition of Sales of Unsafe Health Functional Foods)

The Infant Formula and Follow-up Formula Act: This law regulates the safety and labelling of infant and follow-up formula products, including those intended for children. It establishes specific safety and nutritional requirements for these products. (Source: Ministry of Food and Drug Safety).

- Article 5 (Safety Standards for Infant and Follow-up Formula)
- Article 7 (Labelling Requirements for Infant and Follow-up Formula)
- Article 10 (Prohibition of Sales of Unsafe Infant and Follow-up Formula)

About the regulations related to importation and exportation of products in South Korea:

The Customs Act: This law sets out the customs procedures for importing and exporting products in South Korea. It covers topics such as tariff

classification, valuation, and inspection requirements. (Source: Korea Customs Service)

- Article 10 (Tariff Classification)
- Article 23 (Valuation)
- Article 28 (Inspection of Goods)

The Foreign Trade Act: This law regulates foreign trade activities in South Korea, including import and export procedures. It establishes the Ministry of Trade, Industry and Energy to oversee foreign trade policy and enforcement. (Source: Ministry of Trade, Industry and Energy).

- Article 7 (Duty to Report Foreign Trade Activities)
- Article 8 (Import and Export Restrictions)
- Article 16 (Foreign Trade Policy)

The Export Control Act: This law regulates the export of certain goods, including strategic items and dual-use goods, which have potential military or security applications. It establishes the Korea Trade-Investment Promotion Agency to oversee export control policy and enforcement. (Source: Korea Trade-Investment Promotion Agency)

- Article 7 (Export Control)
- Article 9 (Licensing and Approval)
- Article 15 (Enforcement)

The Imported Food Act: This law regulates the import of food products into South Korea, including safety standards and labelling requirements. It establishes the Ministry of Food and Drug Safety to oversee importation and enforcement. (Source: Ministry of Food and Drug Safety)

- Article 3 (Imported Food Safety Standards)

- Article 5 (Imported Food Labelling Requirements)
- Article 13 (Imported Food Inspection)

The Foreign Investment Promotion Act: This law regulates foreign investment in South Korea and establishes procedures for obtaining approval for foreign investment projects. It also includes provisions for dispute resolution and protection of intellectual property rights. (Source: Korea Trade-Investment Promotion Agency)

- Article 4 (Approval of Foreign Investment)
- Article 10 (Intellectual Property Rights Protection)
- Article 16 (Dispute Resolution)



Market study: Chile

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1. COUNTRY PROFILE AND SOCIO-ECONOMIC TRENDS

Chile has a total area of 756.950 km². The Chilean population, as of the latest survey (2017), was 17.574.003 inhabitants.

It is bordered to the north by Peru, to the east by Bolivia and Argentina, to the west by the Pacific Ocean and to the south by the Antarctic territory.

Its currency is the Chilean Peso (CLP), which at the exchange rate with the Euro at the time of the analysis oscillates at a price of around 1 CLP = 0.0012 euros.

In the third trimester of 2022, the external debt lowered to 226.229 million USD (84% of GDP).¹

Per capita income stood at USD 16.612 in 2020.

The small population and size of the country, compared to its neighbours, as well as the unequal distribution of income, limit the size of the market; but its sustained growth, transparent legislation and good macroeconomic management, as well as its openness to other markets, make it one of the most dynamic markets in the region.² The population is genetically very mixed, with around 12% considering themselves indigenous (although the majority are mix-race).

It is remarkable the influence that the orographic profile of the country has on the demography, being crossed from north to south by the Andes Mountain Range and by the Coastal Mountain Range, generating the Central Valley between them. This condition ultimately affects the country's economy.

¹<https://www.bcentral.cl/web/banco-central/areas/estadisticas/deuda-externa#:~:text=Principales%20resultados%20tercer%20trimestre%202022,d%C3%B3lar%2C%20en%20particular%20del%20euro>

²<https://www.icex.es/content/dam/es/icex/documentos/quienes-somos/donde-estamos/red-exterior/chile/DOC2021886024.pdf>

The unemployment rate stood at 10,70% (2020) and the minimum wage was set at 337,000 Chilean pesos in 2021 (about 387 euros per month), although the average monthly income is 620,000 CLP (just over 720 euros).

Politically, Chile is organised as a Presidential Republic and its current president is Gabriel Boric Font of the *Apruebo Dignidad* party (a coalition of parties of the Chilean left and centre-left). Administratively, it is centralised, and is divided into 16 regions in addition to the metropolitan region.

Its market is relatively small, but its economy is strong. It is undergoing a process of internal economic liberalisation and external opening. It has thus become the country with the largest number of trade agreements signed (with a total of 65 markets, giving it access to 88% of the world's GDP). However, the Central Bank of Chile projects that the recession that will take place in 2023 will diminish next year's growth. Thus, the economy is expected to grow by 2.40% in 2023 and by 2-3% next year.

Regarding the share of each sector³ of the economy in the national GDP, it can be observed that:

- As in most developed countries, the service sector is the largest contributor to national GDP, generating 64,40% of GDP. Moreover, 67% of the population is employed in this sector.
- It is followed by the industrial sector, which employs 23% of the labour force and generates about a third of Chile's GDP, very close to 33%.
- Finally, the agricultural sector generates 4,30% of GDP and employs 10% of the population.

The export of goods from the European Union to Chile in 2021⁴ consisted mainly of industrial products such as machinery and electrical equipment (27,3%), vehicles and aircraft (19,4%), while from Chile the EU

³ <https://sumandovalor.cl/sectores/>

⁴ https://www.eeas.europa.eu/chile/la-union-europea-y-chile_es

imports agricultural products (31%), other mining products (26,7%), copper (21%) and chemical products (7,8%).

2. SECTOR TRENDS

Chile is starting to become an ageing population, with a low fertility rate (1,4 children per woman in 2019), below the replacement rate (with a total fertility rate below 2,1) since the early 2000s, as well as a low mortality rate and a steady increase in life expectancy at birth. With the pandemic situation, the number of births declined to a total of 194,952 in 2020, according to data from the Chilean Civil Registry. However, since the end of the pandemic situation, the country has regained its previous low birth rate⁵.

2.1. TOY MARKET

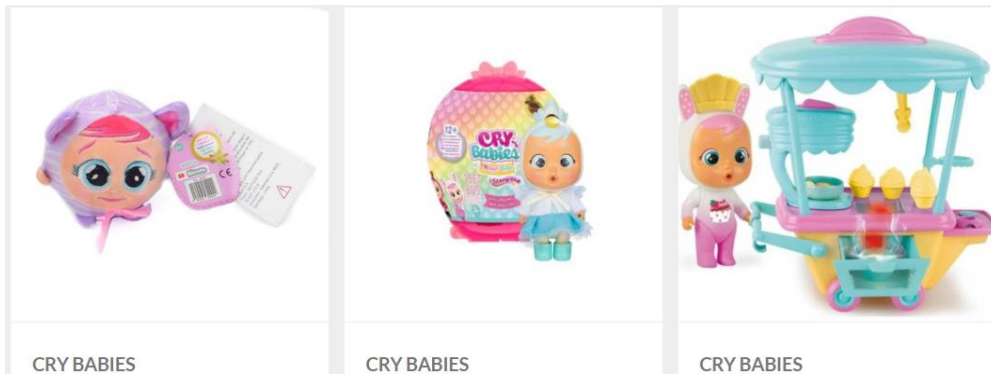
These data must be taken into consideration when observing trends in the Chilean **toy market**. These trends are clear and to obtain valid conclusions it is necessary to segment the market according to the age of the children. Therefore, the **trends in the toy market** can be differentiated between:

- **Children from 0 to 3 years old.**

They are very young children and seek all kinds of visual and tactile stimuli. In addition, symbolic games are very popular in this age group because children replicate everyday scenes while at the same time boosting their imagination, manual dexterity and creativity.

⁵ Source: National Institute of Statistics of Chile

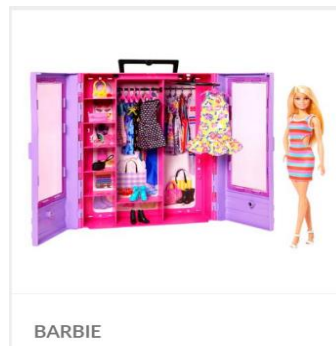
Examples of these are the best-selling Fisher Price Blocks or the Cry Babies (*Bebés llorones*).⁶



- **Children from 3 to 5 years old.**

They are more developed children, and this means that they can play with more complex systems. They continue to develop skills such as imagination and dexterity, but psychomotor activities are enhanced.

Some of last year's bestsellers were products such as a bicycle without pedals, construction toys like LEGO, Barbie dolls or even Walkie Talkies^{7,8}



- **Children from 5 to 8 years old.**

At this age children start to become more independent and enjoy collective games and imaginatively play characters or fictional situations that they see in first person.

⁶ Picture: <https://www.falabella.com/falabella-cl/collection/bebes-llorones>

⁷ <https://mesajuegos.com/juguetes-mas-vendidos-mejores/>

⁸ Picture: <https://www.falabella.com/falabella-cl/search?Ntt=barbie+muneca&facetSelected=true&f.product.brandName=barbie>

Products such as dolls, card games such as Dobble or UNO and construction games such as LEGO are very popular in this age group.⁹



- **Children over 8 years old.**

Children are much more independent and interested in their friendships.

Last year's top sellers have been novelty products such as slime (Unicorn Slime Kit), trend-based products such as Nerf Fortnite or group card games such as Virus.¹⁰



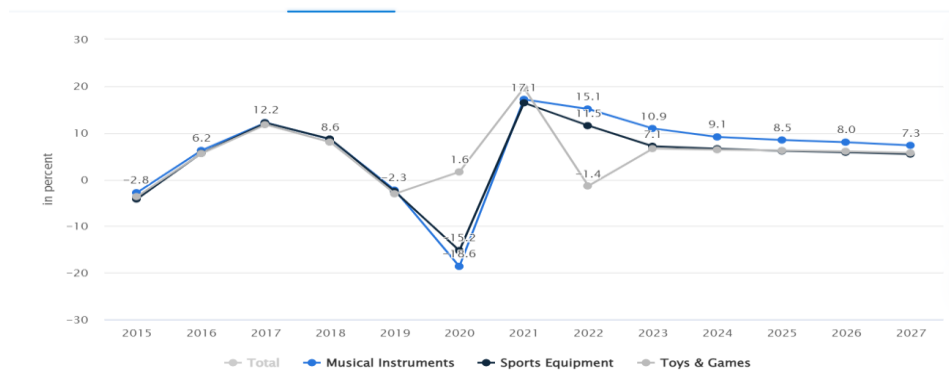
Regarding the **different product categories** found in the sector (such as musical instruments, sports equipment and other toys and games), clear trends have been observed over the years. Thus, from 2015 to 2017, all three experienced very significant growth, reaching their peak in the aforementioned year 2017, where this growth in the sector began to decline, with the recession beginning as early as 2019 (a fall of over 2%), which was very pronounced due to the pandemic situation in 2020 (sports equipment and musical instruments fell by 15% and 18%, respectively, while games and toys were the ones that grew by just 150 basis points). With the worst part of

⁹ Picture: <https://www.ubisoft.com/es-es/game/uno/uno>

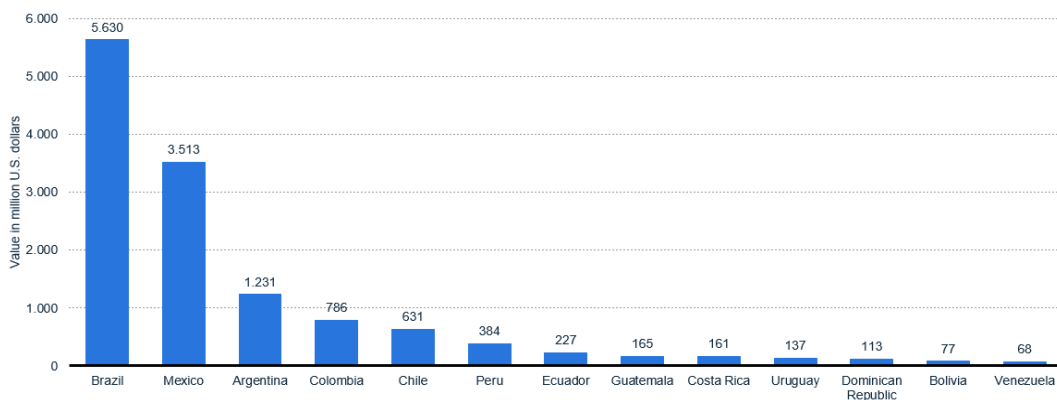
¹⁰ Picture: <https://listado.mercadolibre.cl/nerf-fortnite>

the pandemic over, all 3 sectors were on the rise, growing by around 17% in 2021. Last year, toys fell by 1,4% while the other two categories grew by between 11% and 15%.

The toy sector, however, is projected to recover, matching the other two, which are projected to show slower and slower growth until 2027, sustaining between 10% and 7% per annum, as shown in the following graph:

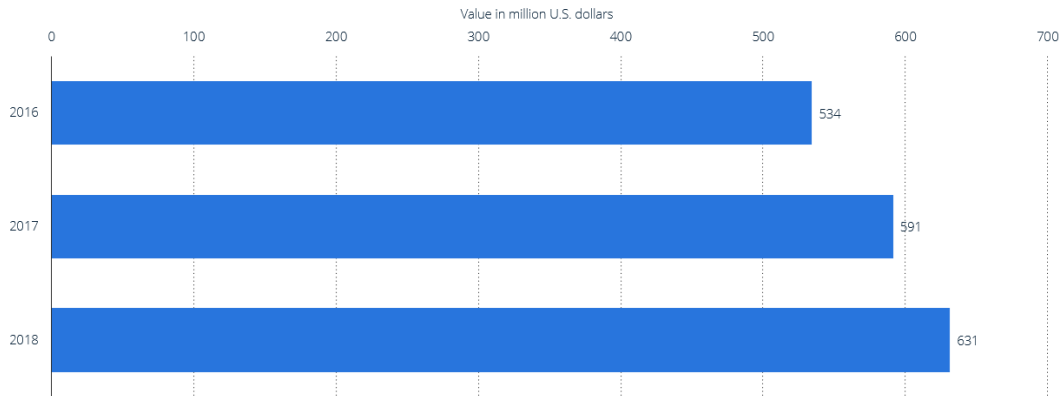


Finally, the following graph shows the **toy market value in Latin America**, shown per country and in millions of USD. ¹¹



As we can see, in 2018 Chile was in fifth position, with a toy market valued at 631 million USD.

¹¹ EAE Business School, Euromonitor



During the time period 2016-2018 the toys market value in Chile has increased from 534 mill USD to 631 mill. USD (slightly above 18% increase for two years).

2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
2.72	3.49	4.28	5.96	8.24	8.24	9.38	10.68	12.21	13.16	14.20

The following table gives information about revenue comparison in billion USD, concerning Chilean toy market within the period 2017-2027.

2.2. APPAREL MARKET

Regarding the **children Apparel Market**, it covers apparel for children up to the age of 14. Clothes for babies and toddlers are separately displayed in the Baby Clothes segment. The market for Children's Apparel is subdivided into the following segments: coats and outdoor jackets, blazers, suits & ensembles, dresses & skirts, trousers, shirts & blouses, sweatshirts & pullovers, sports & swimwear, night & underwear and clothing accessories. Throughout past years, this market has shown interesting data related to revenues in the sector, price per unit and its variations. As we can see, there has been a progress in terms of sales since 2014, even projecting more growth until 2027 in each category.

REVENUE in billion USD (US\$)														
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Baby Clothes	36,99	35,26	35,72	37,52	38,82	39,07	34,00	37,32	37,60	42,51	43,71	44,84	45,99	47,15
Blazers (children)	9,15	8,69	8,43	8,58	8,95	8,84	7,83	8,77	8,42	9,35	9,55	9,73	9,95	10,21
Clothing Accessories &...	20,40	19,34	19,25	20,02	21,01	21,14	18,57	20,48	20,49	23,09	23,76	24,39	25,06	25,78
Coats & Jackets (childr...	13,93	13,14	13,33	13,79	13,90	13,52	11,65	12,75	12,50	14,11	14,37	14,59	14,88	15,23
Dresses & Skirts (childr...	13,81	13,16	13,26	13,70	13,90	13,80	11,97	13,19	13,15	14,75	15,09	15,39	15,73	16,13
Jerseys, Sweatshirts &...	28,08	26,30	26,23	27,20	27,79	27,67	23,81	25,82	25,81	28,69	29,16	29,57	30,10	30,75
Night & Underwear (c...	14,48	13,92	14,05	14,57	15,11	15,09	13,19	14,49	14,46	16,20	16,57	16,91	17,30	17,75
Shirts & Blouses (childr...	23,89	21,77	21,51	22,12	22,49	22,46	19,13	20,56	20,79	23,17	23,57	23,91	24,30	24,77
Socks (children)	5,05	4,81	4,86	5,08	5,30	5,28	4,60	5,05	4,97	5,63	5,77	5,90	6,04	6,21
Sports & Swimwear (c...	18,00	17,93	18,71	19,82	21,31	22,00	20,30	22,80	23,12	26,46	27,73	28,95	30,17	31,36
Suits & Ensembles (ch...	4,76	4,27	4,05	4,07	4,06	3,98	3,35	3,60	3,54	3,93	3,96	3,98	4,01	4,03
Tights & Leggings (chi...	1,95	1,69	1,66	1,73	1,80	1,81	1,56	1,70	1,62	1,89	1,94	1,98	2,02	2,07
Trousers (children)	36,56	34,52	34,63	35,95	37,03	36,89	32,22	35,21	34,79	38,97	39,78	40,50	41,37	42,40
T-Shirts (children)	15,84	15,10	15,41	16,21	16,83	17,00	14,77	16,25	16,55	18,74	19,29	19,81	20,37	20,98
Total	242,90	229,90	231,10	240,40	248,30	248,50	216,90	238,00	237,80	267,50	274,30	280,40	287,30	294,80

Sources Statista
 Most recent update: 10/01/2022
 Notes Data shown is using current exchange rates and reflects market impacts of the Russia-Ukraine war.

AVERAGE REVENUE PER CAPITA in USD (US\$)														
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Baby Clothes	5,28	4,98	4,99	5,18	5,31	5,28	4,55	4,95	4,94	5,53	5,64	5,74	5,83	5,93
Blazers (children)	1,31	1,23	1,18	1,19	1,22	1,20	1,05	1,16	1,11	1,22	1,23	1,25	1,26	1,28
Clothing Accessories &...	2,91	2,73	2,69	2,77	2,87	2,86	2,49	2,72	2,69	3,01	3,07	3,12	3,18	3,24
Coats & Jackets (childr...	1,99	1,86	1,86	1,90	1,90	1,83	1,56	1,69	1,64	1,84	1,85	1,87	1,89	1,92
Dresses & Skirts (childr...	1,97	1,86	1,85	1,89	1,90	1,87	1,60	1,75	1,73	1,92	1,95	1,97	2,00	2,03
Jerseys, Sweatshirts &...	4,01	3,71	3,66	3,76	3,80	3,74	3,19	3,42	3,39	3,74	3,76	3,78	3,82	3,87
Night & Underwear (c...	2,07	1,97	1,96	2,01	2,06	2,04	1,77	1,92	1,90	2,11	2,14	2,16	2,20	2,23
Shirts & Blouses (childr...	3,41	3,07	3,00	3,06	3,07	3,04	2,56	2,73	2,73	3,02	3,04	3,06	3,08	3,12
Socks (children)	0,72	0,68	0,68	0,70	0,72	0,71	0,62	0,67	0,65	0,73	0,74	0,75	0,77	0,78
Sports & Swimwear (c...	2,57	2,53	2,61	2,74	2,91	2,98	2,72	3,02	3,04	3,45	3,58	3,70	3,83	3,95
Suits & Ensembles (ch...	0,68	0,60	0,57	0,56	0,56	0,54	0,45	0,48	0,47	0,51	0,51	0,51	0,51	0,51
Tights & Leggings (chi...	0,28	0,24	0,23	0,24	0,25	0,25	0,21	0,23	0,21	0,25	0,25	0,25	0,26	0,26
Trousers (children)	5,22	4,87	4,84	4,97	5,06	4,99	4,31	4,67	4,57	5,07	5,13	5,18	5,25	5,34
T-Shirts (children)	2,26	2,13	2,15	2,24	2,30	2,30	1,98	2,16	2,17	2,44	2,49	2,53	2,58	2,64
Total	34,68	32,45	32,27	33,20	33,93	33,61	29,04	31,55	31,24	34,82	35,39	35,88	36,44	37,09

Sources Statista
 Most recent update: 10/01/2022

REVENUE CHANGE in percent														
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	
Baby Clothes	-4,7	1,3	5,0	3,5	0,6	-13,0	9,8	0,8	13,1	2,8	2,6	2,6	2,5	
Blazers (children)	-5,1	-3,0	1,9	4,2	-1,2	-11,4	11,9	-4,0	11,1	2,1	1,9	2,2	2,6	
Clothing Accessories &...	-5,2	-0,5	4,0	4,9	0,6	-12,2	10,3	0,0	12,7	2,9	2,7	2,7	2,9	
Coats & Jackets (childr...	-5,7	1,4	3,5	0,8	-2,7	-13,8	9,4	-2,0	12,9	1,8	1,5	2,0	2,4	
Dresses & Skirts (childr...	-4,7	0,8	3,3	1,5	-0,7	-13,3	10,2	-0,3	12,2	2,3	2,0	2,2	2,5	
Jerseys, Sweatshirts &...	-6,3	-0,3	3,7	2,2	-0,4	-14,0	8,4	0,0	11,2	1,6	1,4	1,8	2,2	
Night & Underwear (c...	-3,9	0,9	3,7	3,7	-0,1	-12,6	9,9	-0,2	12,0	2,3	2,1	2,3	2,6	
Shirts & Blouses (childr...	-8,9	-1,2	2,8	1,7	-0,1	-14,8	7,5	1,1	11,4	1,7	1,4	1,6	1,9	
Socks (children)	-4,8	1,2	4,5	4,3	-0,3	-13,0	9,8	-1,5	13,2	2,5	2,2	2,5	2,8	
Sports & Swimwear (c...	-0,4	4,4	5,9	7,5	3,2	-7,7	12,3	1,4	14,4	4,8	4,4	4,2	3,9	
Suits & Ensembles (ch...	-10,3	-5,1	0,5	-0,2	-1,9	-16,0	7,5	-1,6	10,9	0,9	0,6	0,6	0,5	
Tights & Leggings (chi...	-13,5	-1,4	4,3	4,0	0,4	-13,7	8,8	-4,5	16,4	2,5	2,2	2,3	2,5	
Trousers (children)	-5,6	0,3	3,8	3,0	-0,4	-12,7	9,3	-1,2	12,0	2,1	1,8	2,1	2,5	
T-Shirts (children)	-4,7	2,1	5,2	3,8	1,0	-13,1	10,0	1,8	13,2	2,9	2,7	2,8	3,0	
Total	-5,4	0,5	4,0	3,3	0,1	-12,7	9,7	-0,1	12,5	2,5	2,2	2,5	2,6	

Sources Statista
 Most recent update: 10/01/2022
 Notes Data shown is using current exchange rates and reflects market impacts of the Russia-Ukraine war.

This way, variation is shown in terms of percentage and revenue per capita (USD). These revenue changes observed in the market are explained by both volume and price variables presented in last years. Revenues suffered an interesting evolution, which only by maintaining price a constant would have increased revenues final results by itself. Nevertheless, product prices have experienced higher levels last years, contributing to elevate incomes in the market.

VOLUME BY SEGMENT in million pieces

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Baby Clothes	9794,9	10031,2	10229,2	10382,6	10632,2	10788,8	9052,6	9610,2	9898,7	10856,8	11028,0	11190,6	11349,7	11510,0
Blazers (children)	612,2	599,1	583,8	575,2	580,9	584,5	505,9	547,3	513,7	555,6	556,6	556,8	556,7	556,8
Clothing Accessories & Scarves	8693,5	8672,5	8618,8	8652,5	8892,2	9104,8	7878,3	8400,0	8468,0	9261,0	9387,5	9502,0	9613,8	9726,8
Coats & Jackets (children)	862,5	880,7	889,7	886,7	876,3	868,1	752,1	793,6	763,9	846,6	853,1	858,4	863,3	868,3
Dresses & Skirts (children)	1921,8	1925,6	1944,3	1950,1	1957,6	1970,4	1685,5	1791,3	1805,7	1984,6	2008,8	2031,0	2052,5	2074,1
Jerseys, Sweatshirts & Hoodies	6653,9	6661,1	6664,2	6690,2	6765,1	6800,6	5843,2	6153,3	6145,0	6699,3	6736,3	6766,5	6794,0	6822,5
Night & Underwear (children)	12188,6	12320,9	12335,6	12282,9	12294,0	12214,8	10404,1	10961,3	10880,2	11883,0	11962,7	12030,5	12093,3	12157,8
Shirts & Blouses (children)	5329,4	5226,6	5173,8	5113,8	5150,6	5178,3	4381,3	4568,0	4663,9	5089,4	5120,6	5147,5	5172,5	5198,1
Socks (children)	4375,4	4393,1	4392,4	4447,8	4573,3	4676,5	4091,3	4281,9	4227,6	4634,0	4663,7	4687,6	4709,5	4732,1
Sports & Swimwear (children)	1317,9	1349,6	1387,4	1424,7	1487,8	1533,3	1374,2	1488,1	1495,4	1671,9	1719,3	1762,6	1805,5	1848,6
Suits & Ensembles (children)	427,4	417,8	391,9	377,6	369,5	373,7	318,4	340,0	348,7	381,0	386,0	390,8	395,5	400,2
Tights & Leggings (children)	2898,9	2741,7	2673,2	2685,9	2721,5	2752,3	2364,2	2451,8	2318,0	2637,7	2672,7	2704,0	2733,7	2763,9
Trousers (children)	6673,9	6838,7	6972,6	7105,7	7266,5	7370,5	6448,2	6845,8	6730,1	7414,4	7501,9	7580,8	7656,5	7733,4
T-Shirts (children)	3612,6	3693,2	3755,9	3800,3	3902,7	3983,2	3397,1	3586,0	3732,6	4085,1	4138,4	4186,3	4233,2	4280,6
Total	65362,9	65752,0	66012,9	66375,9	67470,3	68199,8	58496,4	61818,7	61991,4	68000,5	68735,4	69395,2	70029,6	70673,1
Sources	Statista													
Most recent update:	10/01/2022													

VOLUME GROWTH BY SEGMENT in percent

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Baby Clothes	2,4	2,0	1,5	2,4	1,5	-16,1	6,2	3,0	9,7	1,6	1,5	1,4	1,4
Blazers (children)	-2,1	-2,6	-1,5	1,0	0,6	-13,4	8,2	-6,1	8,2	0,2	0,0	0,0	0,0
Clothing Accessories & Scarves	-0,2	-0,6	0,4	2,8	2,4	-13,5	6,6	0,8	9,4	1,4	1,2	1,2	1,2
Coats & Jackets (children)	2,1	1,0	-0,3	-1,2	-0,9	-13,4	5,5	-3,7	10,8	0,8	0,6	0,6	0,6
Dresses & Skirts (children)	0,2	1,0	0,3	0,4	0,7	-14,5	6,3	0,8	9,9	1,2	1,1	1,1	1,1
Jerseys, Sweatshirts & Hoodies	0,1	0,0	0,4	1,1	0,5	-14,1	5,3	-0,1	9,0	0,6	0,4	0,4	0,4
Night & Underwear (children)	1,1	0,1	-0,4	0,1	-0,6	-14,8	5,4	-0,7	9,2	0,7	0,6	0,5	0,5
Shirts & Blouses (children)	-1,9	-1,0	-1,2	0,7	0,5	-15,4	4,3	2,1	9,1	0,6	0,5	0,5	0,5
Socks (children)	0,4	0,0	1,3	2,8	2,3	-12,5	4,7	-1,3	9,6	0,6	0,5	0,5	0,5
Sports & Swimwear (children)	2,4	2,8	2,7	4,4	3,1	-10,4	8,3	0,5	11,8	2,8	2,5	2,4	2,4
Suits & Ensembles (children)	-2,2	-6,2	-3,7	-2,1	1,1	-14,8	6,8	2,6	9,3	1,3	1,2	1,2	1,2
Tights & Leggings (children)	-5,4	-2,5	0,5	1,3	1,1	-14,1	3,7	-5,5	13,8	1,3	1,2	1,1	1,1
Trousers (children)	2,5	2,0	1,9	2,3	1,4	-12,5	6,2	-1,7	10,2	1,2	1,1	1,0	1,0
T-Shirts (children)	2,2	1,7	1,2	2,7	2,1	-14,7	5,6	4,1	9,4	1,3	1,2	1,1	1,1
Total	0,6	0,4	0,5	1,6	1,1	-14,2	5,7	0,3	9,7	1,1	1,0	0,9	0,9
Sources	Statista												
Most recent update:	10/01/2022												

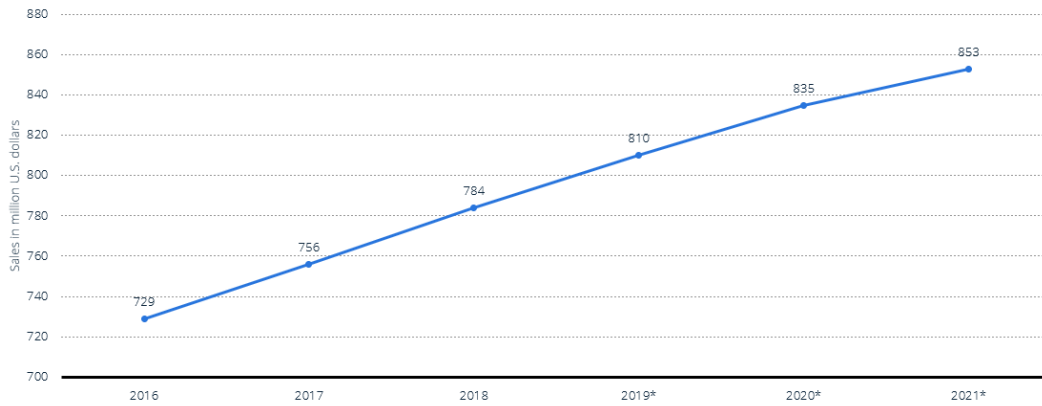
AVERAGE VOLUME PER CAPITA in pieces

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Baby Clothes	1,4	1,4	1,4	1,4	1,5	1,5	1,2	1,3	1,3	1,4	1,4	1,4	1,4	1,4
Blazers (children)	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1
Clothing Accessories & Scarves	1,2	1,2	1,2	1,2	1,2	1,2	1,1	1,1	1,1	1,2	1,2	1,2	1,2	1,2
Coats & Jackets (children)	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1
Dresses & Skirts (children)	0,3	0,3	0,3	0,3	0,3	0,3	0,2	0,2	0,2	0,3	0,3	0,3	0,3	0,3
Jerseys, Sweatshirts & Hoodies	1,0	0,9	0,9	0,9	0,9	0,9	0,8	0,8	0,8	0,9	0,9	0,9	0,9	0,9
Night & Underwear (children)	1,7	1,7	1,7	1,7	1,7	1,7	1,4	1,5	1,4	1,5	1,5	1,5	1,5	1,5
Shirts & Blouses (children)	0,8	0,7	0,7	0,7	0,7	0,7	0,6	0,6	0,6	0,7	0,7	0,7	0,7	0,7
Socks (children)	0,6	0,6	0,6	0,6	0,6	0,6	0,5	0,6	0,6	0,6	0,6	0,6	0,6	0,6
Sports & Swimwear (children)	0,2	0,2	0,2	0,2	0,2	0,2	0,2	0,2	0,2	0,2	0,2	0,2	0,2	0,2
Suits & Ensembles (children)	0,1	0,1	0,1	0,1	0,1	0,1	0,0	0,0	0,0	0,0	0,0	0,0	0,1	0,1
Tights & Leggings (children)	0,4	0,4	0,4	0,4	0,4	0,4	0,3	0,3	0,3	0,3	0,3	0,3	0,3	0,3
Trousers (children)	1,0	1,0	1,0	1,0	1,0	1,0	0,9	0,9	0,9	1,0	1,0	1,0	1,0	1,0
T-Shirts (children)	0,5	0,5	0,5	0,5	0,5	0,5	0,5	0,5	0,5	0,5	0,5	0,5	0,5	0,5
Total	9,3	9,3	9,2	9,2	9,2	9,2	7,8	8,2	8,1	8,9	8,9	8,9	8,9	8,9
Sources	Statista													
Most recent update:	10/01/2022													

PRICE PER UNIT in USD (US\$)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Baby Clothes	3,78	3,52	3,49	3,61	3,65	3,62	3,76	3,88	3,89	3,92	3,97	4,01	4,06	4,10
Blazers (children)	14,95	14,50	14,43	14,92	15,40	15,12	15,48	16,02	16,45	16,82	17,16	17,48	17,87	18,33
Clothing Accessories & Scarves	2,35	2,23	2,23	2,31	2,36	2,32	2,36	2,44	2,42	2,49	2,53	2,57	2,61	2,65
Coats & Jackets (children)	16,15	14,92	14,98	15,55	15,86	15,57	15,48	16,07	16,39	16,63	16,82	16,98	17,22	17,54
Dresses & Skirts (children)	7,19	6,83	6,82	7,02	7,10	7,00	7,10	7,36	7,41	7,49	7,57	7,63	7,73	7,78
Jerseys, Sweatshirts & Hoodies	4,22	3,95	3,94	4,07	4,11	4,07	4,08	4,20	4,25	4,30	4,35	4,40	4,46	4,51
Night & Underwear (children)	1,19	1,13	1,14	1,19	1,23	1,24	1,27	1,32	1,34	1,37	1,39	1,41	1,44	1,46
Shirts & Blouses (children)	4,48	4,17	4,16	4,33	4,37	4,34	4,37	4,50	4,53	4,58	4,63	4,67	4,73	4,77
Socks (children)	1,15	1,09	1,11	1,14	1,16	1,13	1,12	1,18	1,20	1,22	1,25	1,27	1,29	1,31
Sports & Swimwear (children)	13,66	13,28	13,48	13,91	14,32	14,35	14,77	15,32	15,46	15,83	16,13	16,43	16,71	16,97
Suits & Ensembles (children)	11,14	10,22	10,34	10,79	10,99	10,66	10,51	10,58	10,55	10,44	10,39	10,33	10,27	10,07
Tights & Leggings (children)	0,67	0,61	0,62	0,65	0,66	0,66	0,66	0,69	0,71	0,72	0,73	0,74	0,75	0,75
Trousers (children)	5,48	5,05	4,97	5,06	5,10	5,01	5,00	5,14	5,21	5,27	5,32	5,36	5,42	5,48
T-Shirts (children)	4,39	4,09	4,10	4,27	4,31	4,27	4,35	4,53	4,58	4,64	4,71	4,78	4,86	4,90
Average	3,72	3,50	3,50	3,62	3,68	3,64	3,71	3,85	3,89	3,95	4,00	4,06	4,12	4,17
Sources	Statista													
Most recent update:	10/01/2022													

Continuing on the apparel market for children in Chile, the next graph shows the sales of children's wear in million USD.¹²



On the other hand, the following table shows the variation of the Chilean clothing for children market, per year and compared to the past year, since 2014 ¹³:

14	15	16	17	18	19	20	21	22	23	24	25	26	27
1,01	0,94	0,96	1,05	1,11	1,03	0,79	0,98	1,08	1,16	1,19	1,22	1,25	1,28

2.3 CHILDREN'S FOOTWEAR

To understand trends in the Chilean footwear sector it is needed to infer from the overall results that Chilean society reflects approximately the same tendencies that can be seen worldwide, due to the lack of official data in this aspect.

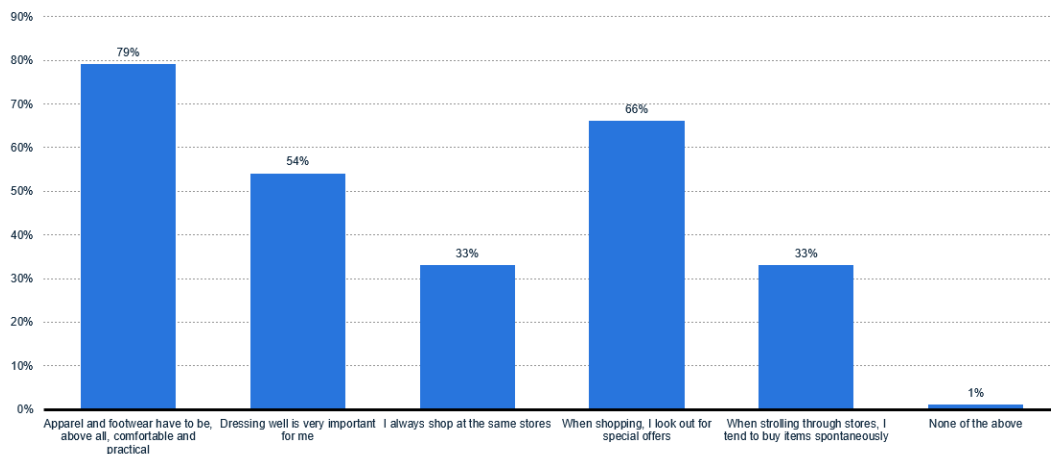
Firstly, we must analyse the necessities footwear is covering for the final consumer, and therefore what is exactly pursued for the potential buyer. Not every person develops the same needs nor impressions on fashion, so

¹² Statista: Extracted from *Euromonitor, MEA (India) (Embassy of India in Chile)*

¹³ Statista: <https://www.statista.com/outlook/cm/apparel/children-s-apparel/worldwide?currency=USD>

consequently there are some aspects that are very valued for certain individuals, while not for others.

What most people seem to agree with when acquiring footwear and fashion, is that the most important aspect is its practicality and comfortability. Nearly 80% of people surveyed situates this aspect ahead of different attitudes just like looking for special offers (66%) or valuing high to be well dressed (54%). Graphically, it is explained in the next chart which shows customer’s attitude towards shopping (multi-pick)¹⁴:



Besides the traditional classification into leather and not leather footwear, in recent years another distinction has gained weight: luxury and non-luxury footwear¹⁵. Nowadays, not only leather and designer shoes can be considered luxury footwear, but also sneakers have irrupted in this market niche.

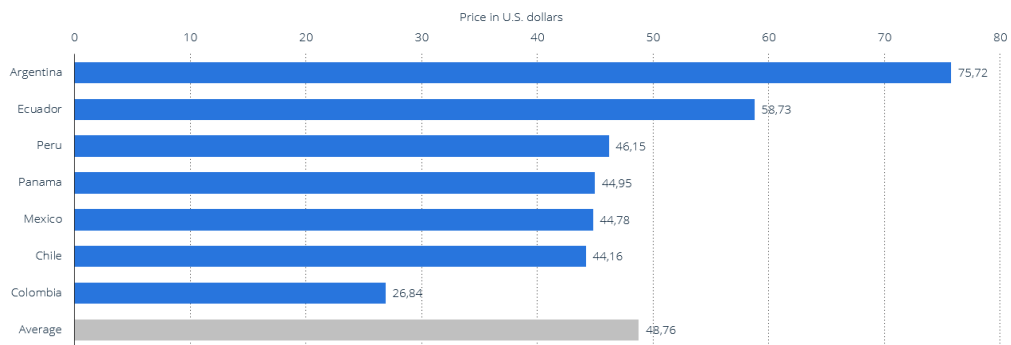
LUXURY REVENUE SHARE in percent		2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Luxury		5	5	5	5	6	6	6	7	7	7	7	7	7	7
Non-Luxury		95	95	95	95	94	94	94	93	93	93	93	93	93	93
Sources	Statista														
Most recent update:	06/01/2022														

¹⁴ Statista
¹⁵ Statista

Nevertheless, all prices in the sector suffered certain evolution (not only luxury sneakers). As we can see, average price¹⁶ has varied all over the years, normally increasing gradually.

PRICE PER UNIT in USD (US\$)														
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Athletic Footwear	119,60	112,30	111,10	113,10	114,50	112,40	112,50	115,40	115,70	116,60	117,80	118,90	120,20	121,40
Leather Footwear	35,34	33,88	33,20	33,52	34,58	34,35	35,99	37,09	36,38	36,57	37,09	37,63	38,17	38,70
Sneakers	56,74	53,54	52,60	53,30	54,41	54,25	56,33	57,56	58,34	59,30	60,29	61,27	62,27	63,23
Textile & Other Footw	12,87	12,84	12,98	13,24	13,71	13,91	14,61	14,71	14,73	14,93	15,20	15,46	15,72	15,99
Average	22,80	22,67	23,10	23,62	24,65	25,12	26,62	27,30	26,94	27,26	27,81	28,35	28,90	29,43
Sources	Statista													
Most recent update:	06/01/2022													

More specifically, in Chile¹⁷ average price per shoe in 2018 was close to another Latin and Central American countries such as México or Panamá. That year, the most expensive shoe type were ankle boots and the cheapest were the high sandals¹⁸. The following chart shows the average price of shoes in different Latin American countries (2018).

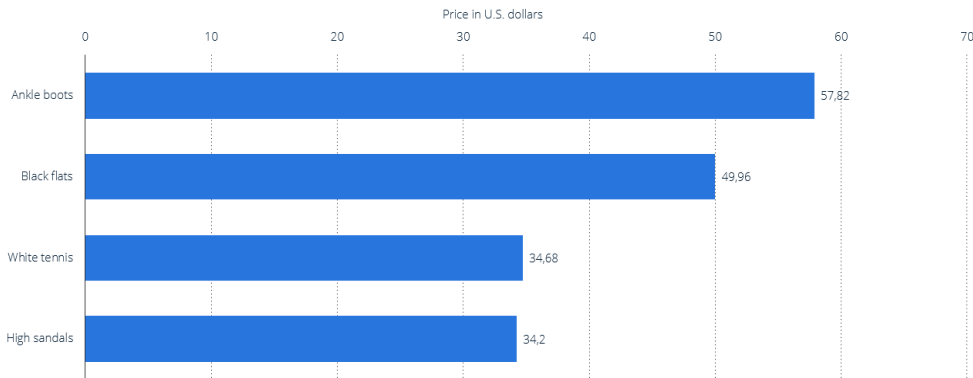


¹⁶ Statista

¹⁷ Statista: average price per shoe. Latin American Countries. 2018: <https://www.statista.com/statistics/939139/average-prices-shoes-latin-america-country/>

¹⁸ Statista: shoe category price. Chile 2018: <https://www.statista.com/statistics/939572/average-price-shoes-chile-type/>

And the following graph represents the average price of selected types of shoes in Chile in USD (2018).



However, these trends are not implemented on their own. There are companies that conduct these attitudes into sales, which lead them to be the main actors in the sector at a worldwide level over the years. Companies like *Alibaba, Amazon, Nike* or *Dr. Martens* aggregate most of the sales¹⁹.

TOP COMPANY REVENUES (WORLDWIDE & CONSOLIDATED) in billion USD (US\$)					
	2017	2018	2019	2020	2021
Alibaba Group Holdin	37,03	56,96	73,78	103,90	
Amazon.com, Inc.	177,90	232,90	280,50	386,10	469,80
Asos Plc	2,48	3,23	3,49	4,19	5,44
Coupage, Inc.			6,27	11,97	18,41
Dr. Martens Plc				0,99	
JD.com, Inc.	53,61	69,83	84,07	108,10	
Jd Sports Fashion Plc	4,08	6,31	7,82	7,95	
Kohls	19,10	20,23	19,97	15,96	19,43
Nike, Inc.	36,40	39,12	37,40	44,54	
Nordstrom, Inc.	15,48	15,86	15,52	10,72	14,79
Sources	Statista Company DB				
Most recent update:	12/01/2022				

Those revenue digits are also explained by the increase of users²⁰ worldwide. The number is growing gradually, since the world population has reached 8.000.000.000 people in 2022²¹.

¹⁹ Statista

²⁰ Statista

²¹ <https://www.un.org/es/desa-es/la-poblaci%C3%B3n-mundial-llegar%C3%A1-8000-millones-en-2022>

REVENUE in billion USD (US\$)											
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Leather Footwear	23,13	25,71	27,82	33,97	40,47	39,99	43,02	47,42	52,46	55,10	58,12
Luxury Footwear	3,29	3,87	4,37	5,24	6,03	6,36	7,24	8,43	9,80	10,47	11,29
Other Footwear	1,90	2,18	2,35	2,85	3,35	3,40	3,67	4,08	4,54	4,79	5,07
Sneakers	13,70	15,58	16,73	20,24	23,85	24,57	26,88	30,36	34,31	36,27	38,60
Textile & Other Footw	31,46	36,33	38,84	47,34	55,44	56,16	60,13	66,37	73,25	77,37	81,92
Total	73,47	83,68	90,11	109,60	129,10	130,50	140,90	156,70	174,40	184,00	195,00
Sources	Statista										
Most recent update:	02/01/2023										
Notes	Data shown is using current exchange rates and reflects market impacts of the Russia-Ukraine war.										

This finally translates to a grow in Chilean revenues over the years, as we can see (revenue in million USD²²) in this table. Growth has been a constant, even after the pandemic, and it is projected to continue at least until 2027:

2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
160,1	190,0	216,9	283,9	379,5	377,9	398,4	432,0	470,5	498,6	527,0

In other words, the market will grow next years, parallely to money spent in the matter, as several forecasts²³ ensure. Combining apparel and footwear markets, it is predicted that money per capita spent will reach 1.120 USD in 2028. The following chart shows the forecast of the real per capita consumer spending on clothing and footwear in Chile from 2013 to 2018 (USD).

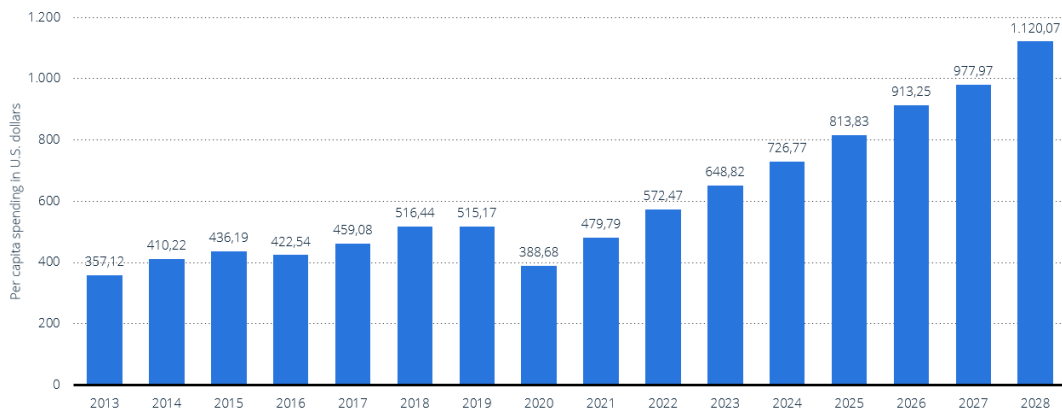
²² Statista

²³ Statista

2.4 FOOD

Such as made for children footwear, we are inferring worldwide data to talk about the Chilean market for babies' food.

Globally, it is an enormous market, always increasing its revenues figures due to the unstoppable increase of population, such as forecasts determine²⁴.



REVENUE in billion USD (US\$)															
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	
Total	180,50	180,20	191,50	203,80	216,10	226,00	242,30	261,10	280,90	301,30	327,70	353,50	381,40	380,60	
Sources	Statista														
Most recent update:	07/01/2022														
Notes	Data shown is using current exchange rates and reflects market impacts of the Russia-Ukraine war.														

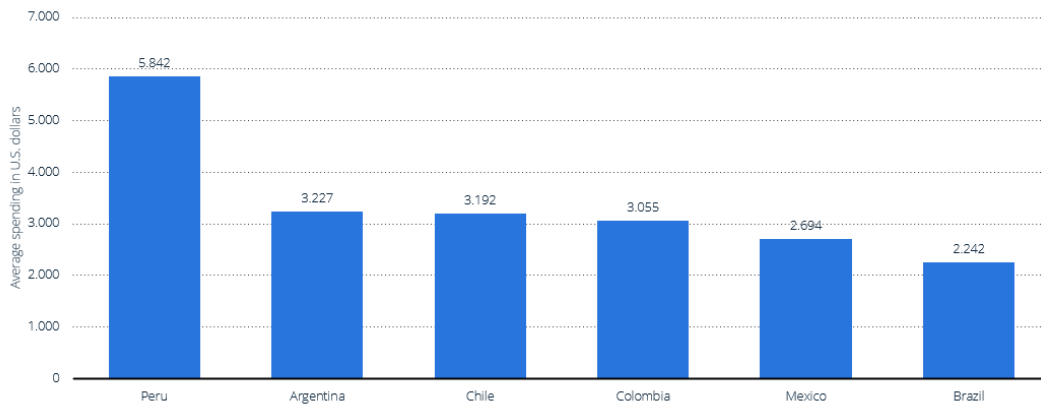
It is a growing market, as many data²⁵ can confirm. Not only has it progressed over the years, but will also grow in the following (million USD per year).

Projected revenue evolution													
2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
111,20	104,00	105,70	115,70	123,10	114,30	106,40	124,90	134,90	141,80	151,20	159,90	170,30	158,90

²⁴ Statista

²⁵ Statista

However, it is not the most profitable country in the Latin American region²⁶ when it comes to spending money during pregnancy and first baby's year of life. Peru almost doubles Chile's spending (which is close to 3200 USD), and Argentina is also ahead.



2.5 FURNITURE & LINENS

Furniture sector is a large sector all over the world, gathering last year a total revenue of 36,27 billion USD. Throughout years, however, it has suffered certain variations²⁷:

REVENUE in billion USD (US\$)	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Beds	1,27	1,38	1,49	1,87	2,03	1,84	2,27	2,61	3,00	3,17	3,38
Closets, Nightstands &	5,32	5,86	6,43	8,01	9,38	8,57	10,71	12,47	14,46	15,40	16,56
Mattresses	5,28	5,80	6,31	7,77	8,97	8,27	10,25	11,93	13,82	14,72	15,83
Other Bedroom Furni	10,79	12,23	13,45	16,17	18,45	17,59	22,01	26,07	30,74	32,79	35,40
Total	22,65	25,27	27,69	33,81	38,83	36,27	45,24	53,07	62,02	66,07	71,17
Sources	Statista										
Most recent update:	02/01/2023										
Notes	Data shown is using current exchange rates and reflects market impacts of the Russia-Ukraine war.										

²⁶ Statista: Picodi. Various sources: <https://www.statista.com/statistics/814004/latin-america-average-spending-baby-care-country/>

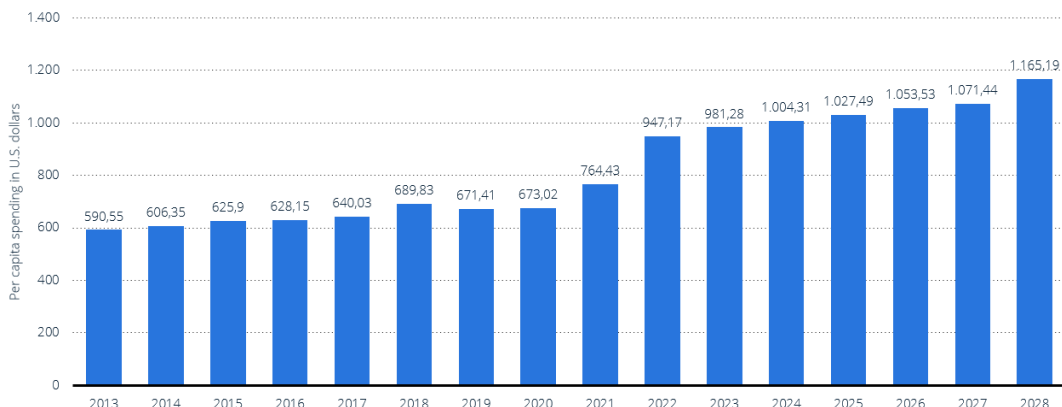
²⁷ Statista

Here, we find as the principal worldwide actors²⁸, which are the following companies:

TOP COMPANY REVENUES (WORLDWIDE & CONSOLIDATED) in billion USD (US\$)					
	2017	2018	2019	2020	2021
Bed Bath & Beyond, Inc.	12,35	12,03	11,16	9,23	
Costco Wholesale Corporation	129,00	141,60	152,70	166,80	195,90
Easyhome New Retail	0,58			1,29	
JD.com, Inc.	53,61	69,83	84,07	108,10	
Overstock.Com, Inc.	1,75	1,82	1,46	2,55	2,76
Target Corp.	71,88	75,36	78,11	93,56	106,00
The Home Depot, Inc.	100,90	108,20	110,20	132,10	151,20
Walmart, Inc.	500,30	514,40	524,00	559,20	572,80
Wayfair, Inc.	4,72	6,78	9,13	14,15	13,71
Williams-Sonoma, Inc.	5,29	5,67	5,90	6,78	
Sources	Statista Company DB				
Most recent update:	12/01/2022				

Specifically analysing Chilean data²⁹, we can see that there is and will be a progression of the amount of money spent on household equipment. It is expected that in 2028 it goes over 1,165 USD (more than 11 million USD in Chilean market).

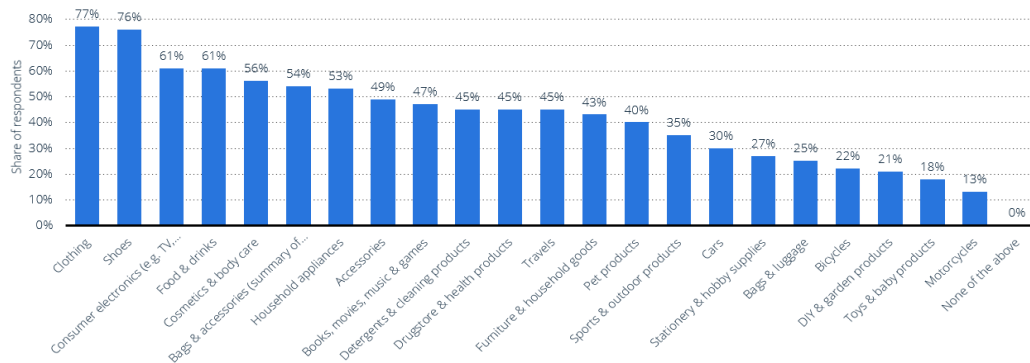
The following graph shows the forecast of the real per capita consumer spending on furnishings, household equipment and routine maintenance of the house in Chile in USD (2013-2018).



²⁸ Statista: Statista Company DB

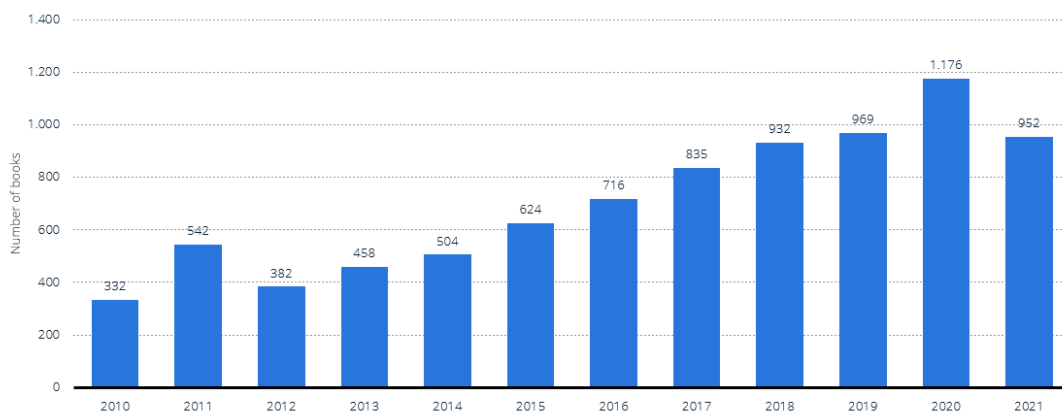
²⁹ Statista

Indeed, this is explained by the interest in household equipment in Chile, which has hovered around 50% of consumers this past year (2022)^{30,31}



2.6 CHILDREN BOOKS

It is convenient to underline the tendency shown in the publishment of **books for children** in the last decade, reaching an absolute record in 2020,



and finally growing gradually towards a figure close to 1,000 books a year³². The following graph shows the number of children's books published in Chile from 2010 to 2021:

When asked about offline shopping, 36% of people answered they bought from bookstores, pushing children books demand³³ and only 34% of

³⁰ Statista: Consumer Insights: [Chile: real per capita consumer spending on household upkeep 2013-2028 | Statista](#)

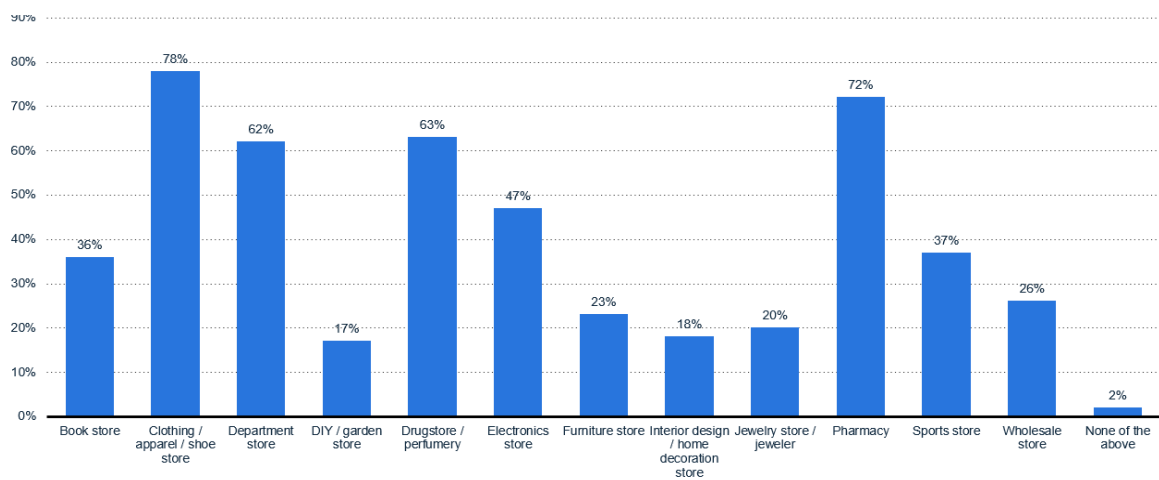
³¹ Picture: <https://www.mueblesmaschicos.com/cunas/funcional/?mpage=2>

³² Statista: Extracted from *Cámara Chilena del Libro*

³³ Statista: Global consumer survey

consumer search information online rather than offline³⁴. So it can be inferred that it continues to be a more in-touch likely sector than others.

The following graph shows the offline purchases by type of products. Chile imports books. In fact, Spain³⁵, a country with which they share the language, exported to Chile over 230.000 children and youth books back in 2019. (That year, the Spanish publishing sector exported 14-million-euro worth of goods³⁶).

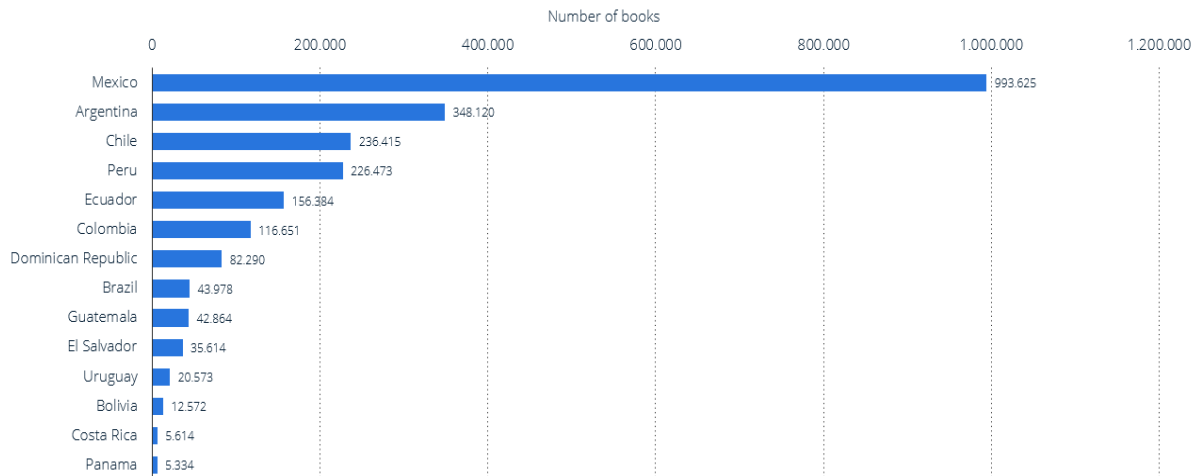


³⁴ Statista: *Global consumer survey*

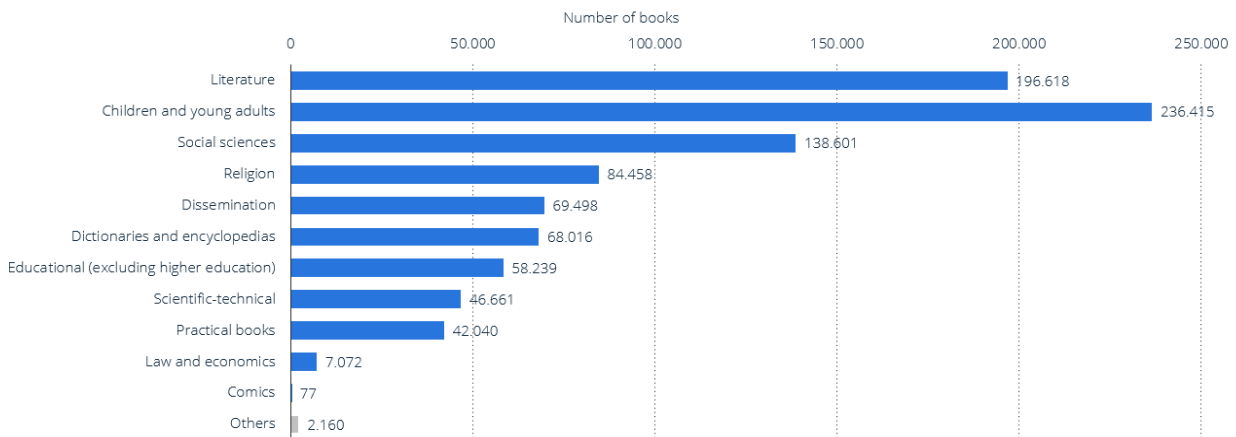
³⁵ Statista: *The Ministry of Education, Culture and Sport; FGEE; FEDECALI; Agencia Tributaria; FEIGRAF; CEGAL*

³⁶ Statista: *The Ministry of Education, Culture and Sport; FGEE; FEDECALI*

By category, children and young adults was the most imported book category from Spain in 2019³⁷. The following graph shows the number of children's and youth books exported from Spain to Latin America in 2019.



Whilst this graph shows the number of copies exported from the Spanish book sector to Chile in 2019, by book category.



³⁷ Statista: *The Ministry of Education, Culture and Sport ; FGEE; FEDECALI; Agencia Tributaria; FEIGRAF; CEGAL;*

E-books are products used all over the world, and Chile is not an exception. In 2021, 9,5% of books read in these devices were addressed to children³⁸.

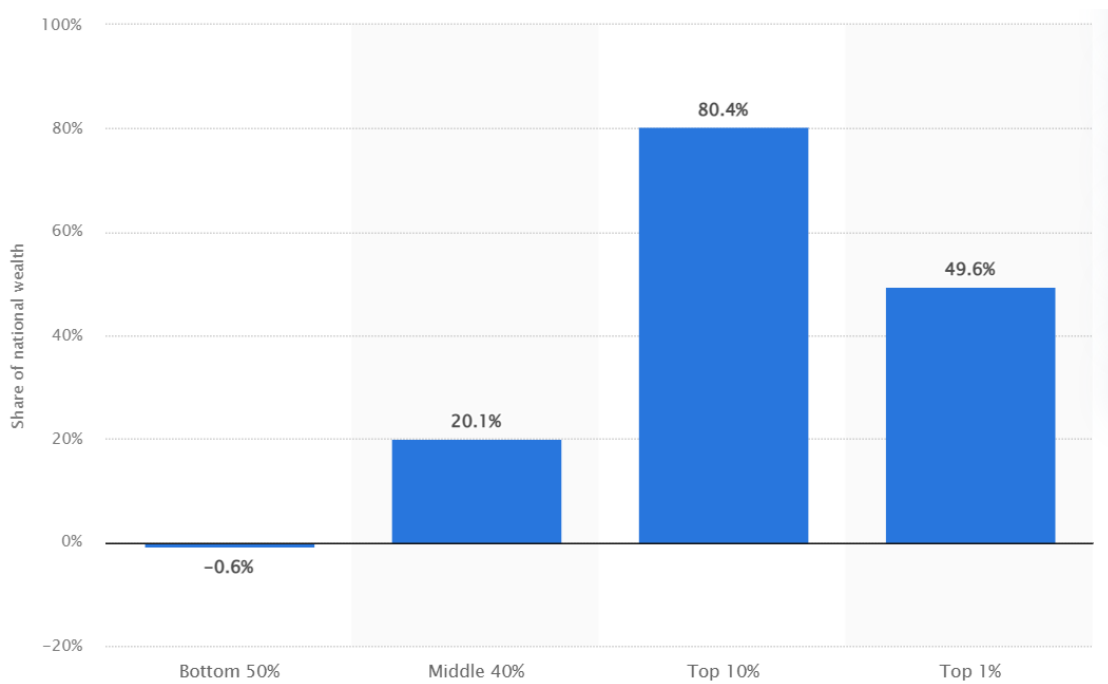
Other types of books, like the ones prepared for children to draw or paint, are obtained through importation from different economies. The most important ones back in 2017 were China (55% of total imports), Argentina (15%) and Hong Kong (9,8%)³⁹:

³⁸ Statista: Librandia

³⁹ Statista: The observatory of Economic Complexity

3. CONSUMER BEHAVIOUR

There are large income differences between the average Chilean population and a small upper class. The middle class is also very small, although it has strengthened somewhat in recent years (in %, share of national wealth)⁴⁰.



With regard to the outlay on the toy sector, with the inflation that Chile is going through, last Christmas 2022⁴¹ it was calculated that 44% of the population would buy fewer gifts and 41% would reduce spending, forecasts that at a key time for the toy sector are not good news^{42,43}. It was calculated that on average the sample surveyed intended to spend around 121,000 CLP, or 140 euros, over the Christmas period. Women would on average give just over 9 gifts, compared to 7 for men.

Regarding **online commerce**, it is important to underline that in 2021, ecommerce grew by 23% according to the multinational consultancy

⁴⁰ Statista

⁴¹ National Chamber of Commerce survey

⁴² <https://www.america-retail.com/chile/efectos-de-una-navidad-mas-cara-44-comprara-menos-regalos-y-41-reducira-el-gasto/>

⁴³ <https://www.df.cl/efectos-de-una-navidad-mas-cara-44-comprara-menos-regalos-y-41>

Blacksip⁴⁴. In any case, further information may be found in the *E-commerce section*.

3.1. CONSUMER PROFILE

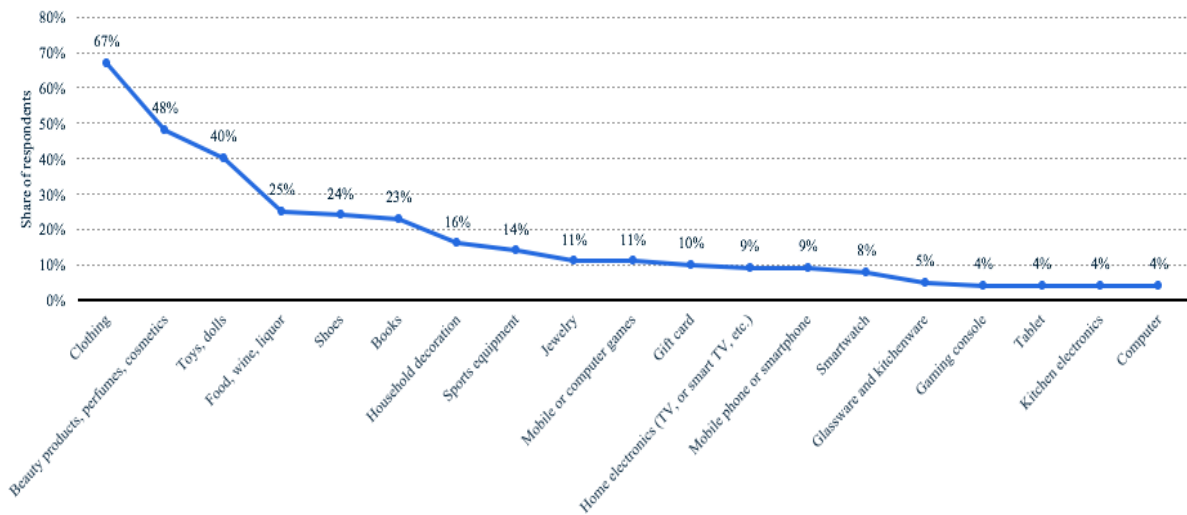
The **profile of toy/clothing buyers** does not coincide with that of their consumers. For age issues, children are not able to purchase products from toy or clothing shops, but they are the ones who will be the final consumers of the product. It will be the children's parents/guardians who will pay for these products, although we can find other adults who, without occupying this position of direct responsibility for the child, will also go to the market (close relatives such as aunts and uncles or grandparents, family friends...) It is also worth mentioning the expenditure made by children's educational centres such as nurseries and primary schools for their students (especially toys).

With regard to the consumer profile⁴⁵, it is also necessary to talk about the occasion on which to give a toy as a gift. Thus, for those who buy without a special occasion, small, low-priced items are prioritised, whereas if it is an occasion such as a birthday or Christmas, more variables are taken into account. There are also shoppers who like to surprise children, just as others give them exactly what they ask for. Other criteria are also taken into account when buying a toy, such as sustainability, novelty or perceived difference, without dethroning the fundamental criterion of providing fun for the child.

⁴⁴ <https://www.elmostrador.cl/agenda-pais/2022/04/25/ecommerce-en-alza-63-de-chilenos-ya-compra-en-linea/>

⁴⁵ <https://www.interempresas.net/Juguetes/Articulos/351912-Adaptarse-al-nuevo-perfil-del-comprador-consumidor.html>

As for Christmas gifts, one of the best periods of the year for the sector, the following graph shows the results of a survey that tried to determine what were the favourite Christmas presents to give away in Chile in 2021.⁴⁶



According to the survey carried out in 2021 of nearly 1000 people, toys arrive in 3rd position, after clothes and beauty products, which is very encouraging for the market.

The **peak period for toy sales** in Chile does not coincide with Children's Month, which is celebrated in August (for that day the most searched toy category are puzzles, board games and dolls⁴⁷), but it is in July (winter holidays for Chilean children) and December (Christmas). The last 30 days of the year, in fact, account for 24% of total annual sales⁴⁸.

In the **clothing sector**, products are differentiated not only by gender, but also by price. Late studies published with occasion of the last Kid International Day revealed that in Chile products addressed to girls were often more expensive than the ones destined to boys. This phenomenon, known as *the pink tax*, is present in every other sector, but it mostly occurs in fashion.

⁴⁶ Deloitte; ID 1081042

⁴⁷ Statista: Extracted from Think with Google

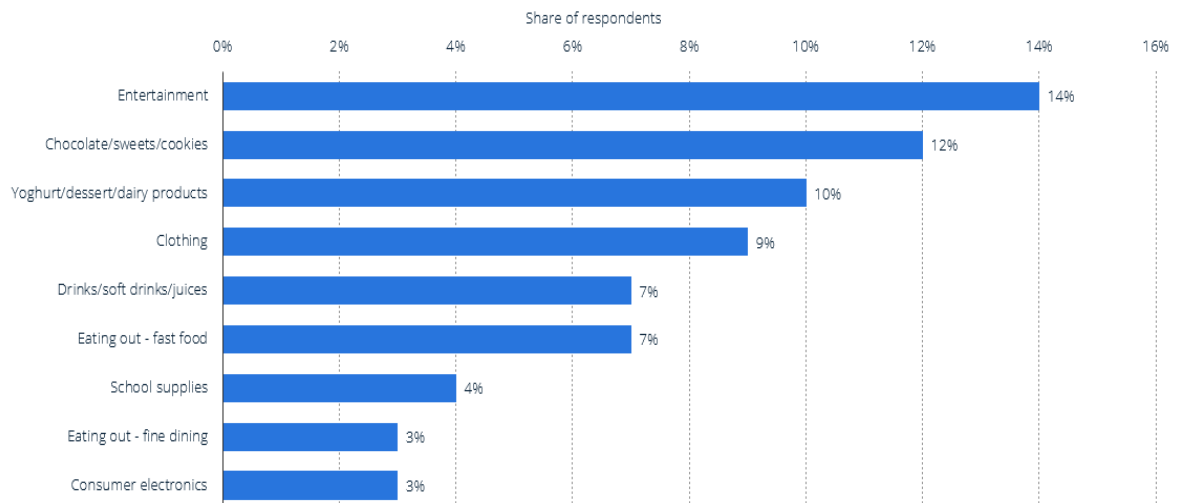
⁴⁸ <https://www.latercera.com/pulso/noticia/los-us-269-millones-tras-mercado-los-juguetes-chile/777489/#:~:text=If%20well%20August%20is%20fairly%20fair,theycontribute%20a%2024%25%20of%20the%20total>

Data shows that around 75%⁴⁹ of products in the apparel market charge more feminine products than masculine.

Furthermore, products are designed for adult women to purchase them, since a study from the prestigious Boston Consulting Group (BCG) determined that from every domestic purchase, 7 out of 10 are made by them (Deloitte insists on increasing that number)⁵⁰.

Finally, it is relevant to say that social media is affecting decision making processes, changing preferences in the market. Nevertheless, most of the clothes sold in the market are designed in an informal style, aiming to permit children to play and relax⁵¹.

Children, as previously discussed, are not buyers of these products, but they are a key part of the family purchasing decision process. In fact, this impact in the decision making process has been studied,⁵² with the results shown in the following graph:



⁴⁹ <https://www.sernac.cl/portal/604/w3-article-67682.html>

⁵⁰ <https://forbes.es/forbes-w/opinion-forbes-w/130618/otros-porcentajes-que-importan-que-y-como-compran-las-mujeres/>

⁵¹ <https://www.mordorintelligence.com/es/industry-reports/childrenswear-market>

⁵² Statista: Extracted from Activa Research, WIN

The graph analyses the purchase categories for which children were decision makers in 2019. It has shown that where mainly children were decision makers are products related to entertainment (17%) and sweets (14%).

At the end, we have to comment that the **furniture market** is following minimalistic designs, such as the global tendencies, and that **books** continue having traditional thematic, but with different perspectives such as we will analyse in the Gender section.

3.2. MARKETING

It has been widely studied⁵³ what leads children to desire a product, and **what role advertising and marketing play in this process**. What is certain is that children over the decades have increased the number of commercials they view on television.

However, not all children perceive advertisements in the same way. It has been studied that **before the age of 5, children are barely able to distinguish between the programme they are watching and the commercial**, so that they consider the latter to be part of the former. It is from the age of 5 that they develop the ability to understand and discern the advertisements, their intentions and their scope.

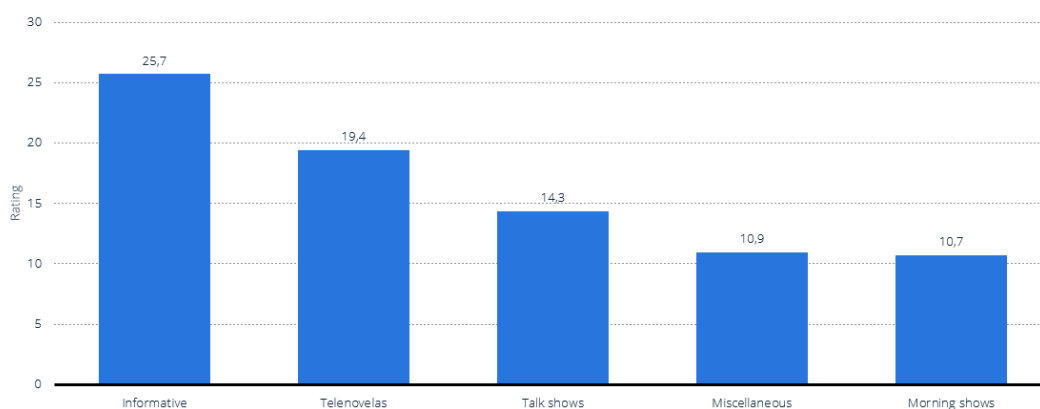
Other effects that have been measured related to the topic are product recall (more than half of children are able to remember commercials they have been exposed to if they are about topics such as toys, cereal or ice cream) and desire elicited in children. In fact, in the early 2000s, when a child was asked where he or she learned about the toy he or she wanted, the answer was largely through television. Now, with the advent of new digital technologies, this trend has also changed. Therefore, the different fashions that the child can observe in their peers or in television/digital programmes

⁵³ Source: La influencia de la publicidad televisiva en los niños: qué sabemos del tema en Chile, Rodrigo Uribe Bravo

can be very effective in causing desire in the child. Nowadays, when a child sees his or her favourite advertising, the action that child takes⁵⁴ becomes mainly *asking someone to buy the product for them* (52% of the children answered with this option in a multi answer survey), *be more interested in the brand* (23%) and *search for information about the brand/product* (21%).

However, the amount of free-to-air programming addressed specifically for children in Chile⁵⁵ has decreased significantly since the 2010's decade. Back in the days, 13% of free-to-air programmes were addressed to this age group, whereas nowadays only 0,2% are child content. Since free-to-air content has decreased, Chilean people often watch Pay TV. Children aged 4-12 watch an average⁵⁶ of nearly 4 hours a day of Pay TV.

Recent years (2021) have provided data⁵⁷ about which type of TV programs Chilean children often watch. Mostly, those are informative programs, *telenovelas* and *talkshows*. The next graph shows the most viewed free TV genres in 2021:



Whilst the free-to-air programme have been decreasing, YouTube⁵⁸ usage by Chilean children exponentially grew, topping Latin America countries with already 89% of Chilean children using this platform back in 2019. With this percentage, Chile is the Southern American country where

⁵⁴ Statista: Extracted from Kids Corp

⁵⁵ Statista: Extracted from Consejo Nacional de Televisión (Chile)

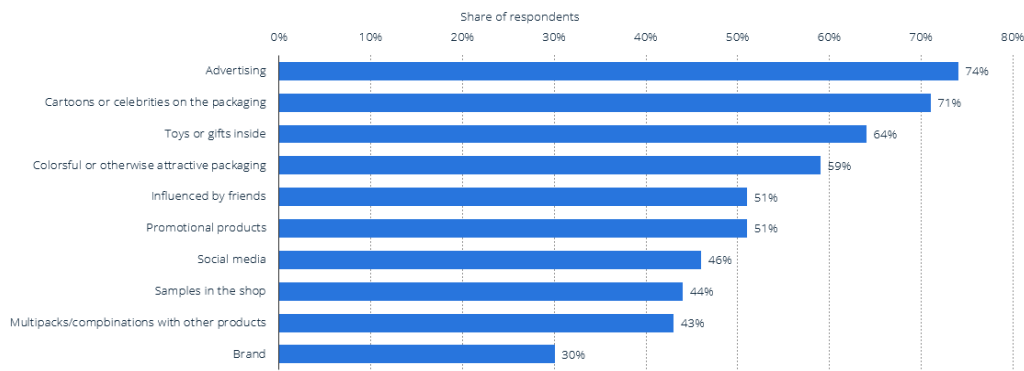
⁵⁶ Statista: Extracted from Consejo Nacional de Televisión (Chile)

⁵⁷ Statista: Extracted from Consejo Nacional de Televisión (Chile)

⁵⁸ Statista: Extracted from Activa Research, WIN

most children use YouTube (even more so than bigger countries like Brazil). This is important since YouTube is the main place where children see their favourite advertisements (48%), ahead of Pay TV and Free TV (32% and 31%)⁵⁹.

All the data result in a classification⁶⁰ of the **reasons that lead Chilean children to select certain products and/or brands**. Mostly, as can be inferred from our previous analysis, children follow tendencies illustrated in advertising and TV programs. The following graph shows the reasons why children selected a particular product or brand in 2019:



Specific to the baby related market, a survey was conducted in 2018⁶¹ that shows which products parents of children under the age of 36 months are most inclined to buy.

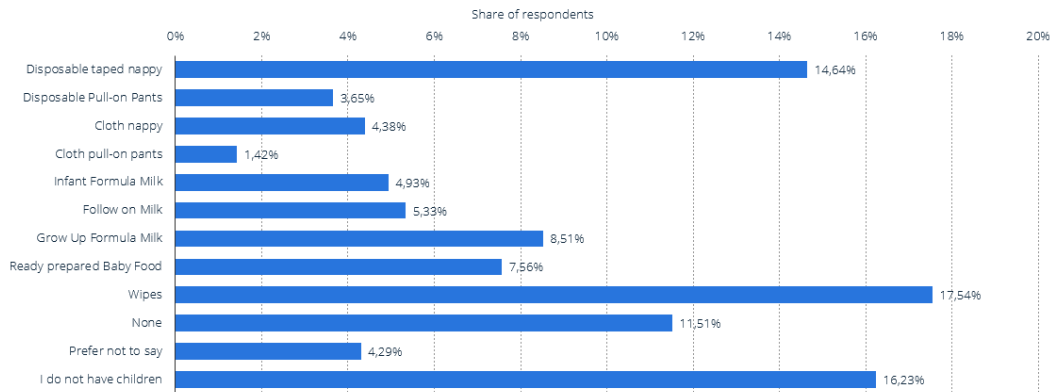
The graph shows that wipes and disposable taped nappies were the main products acquired by parents, whilst the least popular products were cloth pull-on pants and disposable pull-on pants.

⁵⁹ Statista: Extracted from Kids Corp

⁶⁰ Statista: Extracted from Activa Research, WIN

⁶¹ Statista: Extracted from *Cint*

Some studies⁶² about **footwear** reveal that the largest advertisers in Chile for footwear products in 2020 were *Skechers* and *Guante* (together congregate more than 60% of advertising on the matter):



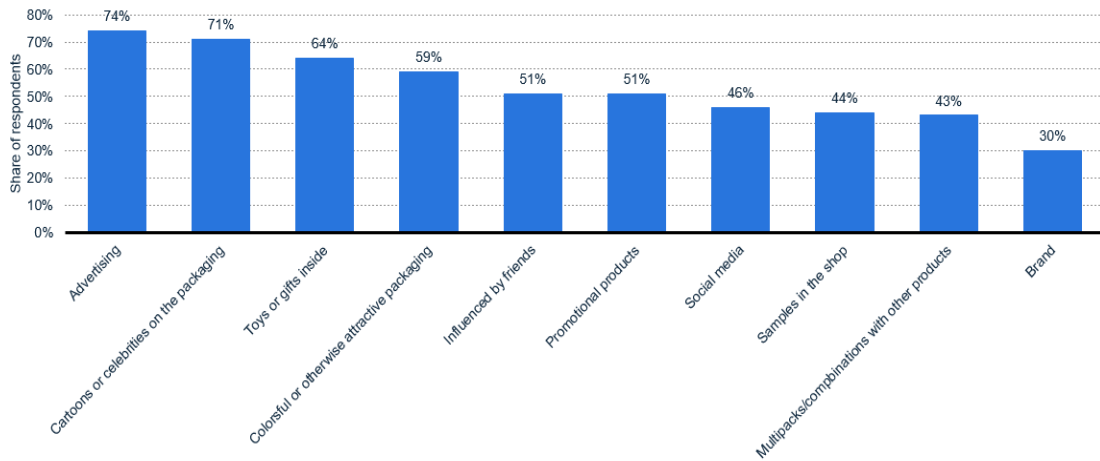
3.3. BRAND IMPORTANCE

Finally, in a survey conducted in 2022⁶³, with respondents aged between 18 to 64 years old, to determine **brand awareness per category**, the results showed that 71% of the interviewed paid particular attention to brand name in case of clothing and shoes, 68% in electronics. As for toys and baby products, only 11% showed brand awareness whilst 17% did for furniture and household goods.

⁶² Statista: Admetrics

⁶³ Consumer Insights Global Consumer Survey - Chile

On the other hand, data on why children selected a particular product in Chile in 2019 is represented on the following graph:



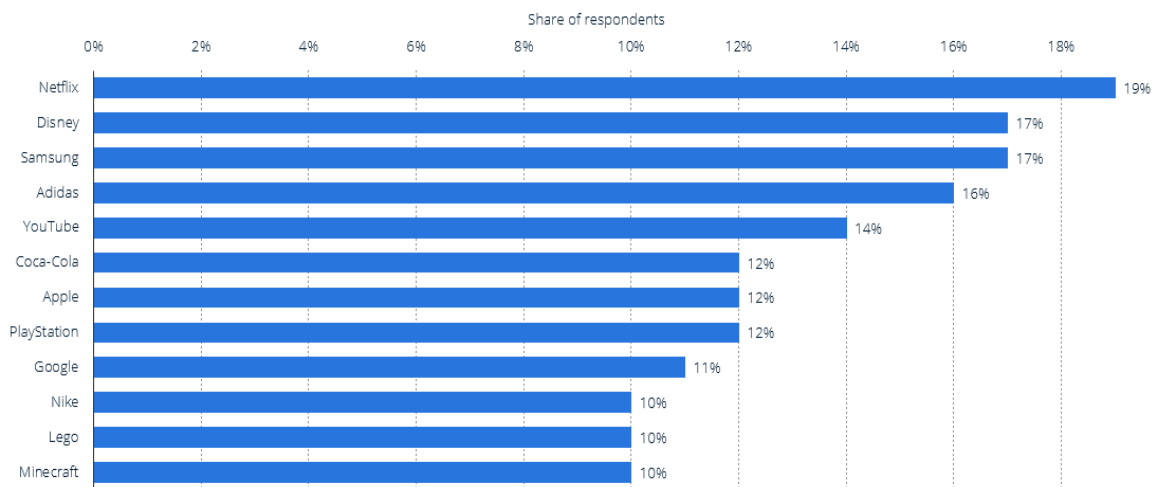
As we can see, a particular brand or product resulted the most attractive for children because of advertising, followed due to the appearance of cartoons or celebrities on the packaging. The less important reason in the child's decision making was the brand name.

Certain brands are more preferred⁶⁴ by Chilean children. In fact, 9% of children claim Disney to be their favourite brand, whilst 7% and 6% rather choose Apple or YouTube, respectively. Nevertheless, it has nothing to do when it comes to listing the most trusted⁶⁵ brands by children in Chile. Most of them match with each other, not finding a clear leader among them.

⁶⁴ Statista: Extracted from *Kids Corp*

⁶⁵ Statista: Extracted from *Kids Corp*

The following graph shows the most trusted brands among children in Chile in 2021:⁶⁶



4. CORRUPTION INDEX

Regarding the corruption perception index, published by the Organisation for Transparency International, **Chile scored 67 out of 100** points in 2022, keeping this score stable compared to the previous year that led the south American country to reach the top 27 worldwide. Chile had the opportunity to strengthen its institutions and reverse its stagnation by incorporating anti-corruption elements and strengthening the right of access to information in the proposed new constitution. However, once it was in place, it was found that although it contained articles on prevention and punishment, it was not capable of bringing about change on its own⁶⁷.

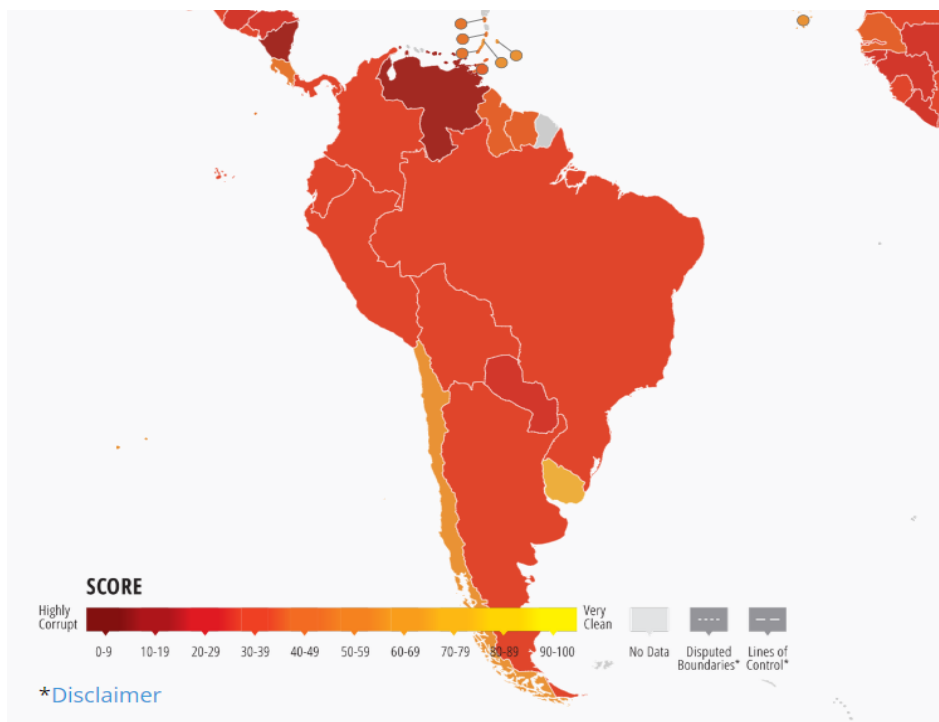
Chile is one of the countries in the region with a higher score. Only Uruguay, with a score of 74 is ahead of them. Around them, all Argentina (38), Colombia (39), Bolivia (31), Perú (36), Brazil (38), Venezuela (14), etc, score lower

⁶⁶ Source(s): Statista Survey;

⁶⁷ <https://factchecking.cl/user-review/nueva-constitucion-no-evitara-la-llegada-de-la-corrupcion-al-poder/>

in this aspect. As we can see, differences are really significant and situate Chile in a good position in the region⁶⁸.

When comparing Chile with the US and South Korea data, impressions are also positive. **The US scores 69 points, and South Korea is a bit lower than Chile, with 63.** In other words, Chile is at the same level as these two big economies.



⁶⁸ <https://www.transparency.org/en/cpi/2022>

5. IMPORTS AND EXPORTS: VOLUMNES AND TRENDS

5.1. TOY MARKET

Regarding the importations for products under tariff code (T.C.) 95: "Toys, games and sports requisites; parts and accessories thereof":

Exporters	Value imported in 2021 (USD thousand) ▼	Trade balance 2021 (USD thousand) ↓	Share in Chile's imports (%) ↓	Growth in imported value between 2017-2021 (%. p.a.) ↓	Growth in imported value between 2020-2021 (%. p.a.) ↓	Ranking of partner countries in world exports ↓	Share of partner countries in world exports (%) ↓
World	832,369	-818,559	100	6	95		100
China	640,199	-640,183	76.9	6	102	1	58.7
United States of America	62,735	-61,462	7.5	1	110	2	3.9
Area Nes	25,784	-25,784	3.1	30	63		
Viet Nam	15,060	-15,060	1.8	18	88	10	1.7
Mexico	11,087	-10,733	1.3	-1	113	15	1.1
Japan	9,273	-9,265	1.1	9	138	6	2.6
Taipei, Chinese	7,994	-7,993	1	2	70	8	2.4
Spain	7,446	-7,424	0.9	11	73	12	1.4
Indonesia	7,325	-7,325	0.9	14	42	25	0.4
Thailand	4,023	-4,022	0.5	14	3	21	0.5

Sources: ITC calculations based on customs statistics.

Its largest exporter is China (76.9% of imports), followed by the USA (7.5%). In total, products worth USD 832,369 thousand were imported in 2021. As for European products, we find Spain in the number 8 position, with only 0.90 % of imports and a business value slightly above 7 million USD. To find the French economy, we have to go down to the 23rd ranking, approaching 1.5 million USD with 0.20% of imports. Denmark, on the other hand, is not in the top 24 exporters to Chile.

Regarding world exports from Chile for products under this code, its world position is 75 and its main destination is 65.8% of exports to the Netherlands. Additionally, Spain is positioned on the 16th position, generating 22,000 USD and share in Chile's exports of 0.2%. On the other hand, Denmark and France do not fall into top 24 countries.

Importers	Value exported in 2021 (USD thousand) ▼	Trade balance 2021 (USD thousand) ↓	Share in Chile's exports (%) ↓	Growth in exported value between 2017-2021 (%. p.a.) ↓	Growth in exported value between 2020-2021 (%. p.a.) ↓	Ranking of partner countries in world imports ↓	Share of partner countries in world imports (%) ↓
World	13,810	-818,559	100	62	-57		100
Netherlands	9,082	7,307	65.8	838	125,962	7	3.2
United States of America	1,273	-61,462	9.2	78	-88	1	32.4
Peru	792	-973	5.7	-3	54	47	0.2
Germany	400	-2,625	2.9	209	487	2	6.7
Uruguay	360	138	2.6	13	25	82	0.04
Mexico	354	-10,733	2.6	43	-94	16	1.7
Bolivia, Plurinational State of	331	321	2.4	4	57	86	0.03
Argentina	330	-867	2.4	39	-68	53	0.2

Sources: ITC calculations based on customs statistics.

Concerning products under T.C. 9503: "Tricycles, scooters, pedal cars and similar toy wheels, dolls' and dolls' carriages and carriages, other toys; small-scale recreational toys, whether or not for working purposes; puzzles of all kinds".

Exporters	Value imported in 2021 (USD thousand) ▼	Trade balance 2021 (USD thousand) ↓	Share in Chile's imports (%) ↓	Quantity imported in 2021	Quantity unit	Unit value (USD/unit) ↓	Growth in imported value between 2017-2021 (% p.a.) ↓	Growth in imported quantity between 2017-2021 (% p.a.) ↓	Growth in imported value between 2020-2021 (% p.a.) ↓
World	341,719	-340,292	100	42,875	Tons	7,970	3	-22	85
China	259,947	-259,938	76.1	37,033	Tons	7,019	1	1	85
United States of America	22,407	-22,287	6.6	1,191	Tons	18,814	24	-2	156
Viet Nam	13,323	-13,323	3.9	903	Tons	14,754	32	40	108
Mexico	9,110	-8,912	2.7	373	Tons	24,424	-2	1	91
Indonesia	6,942	-6,942	2	389	Tons	17,846	18	28	44
Area Nes	6,724	-6,724	2	1,140	Tons	5,898	3	-61	70
Japan	3,656	-3,654	1.1	54	Tons	67,704	54	34	199
Malaysia	3,336	-3,336	1	301	Tons	11,083	-7	-7	1
Thailand	2,553	-2,552	0.7	140	Tons	18,236	32	27	24
Spain	1,574	-1,564	0.5	77	Tons	20,442	22	15	66

Sources: ITC calculations based on customs statistics.

Once again, the main exporter is China, with 76.10% of exports to Chile and a value of more than 259 million USD and around 37,000 tonnes. It is followed far behind by countries such as the USA with 6.60% of total imports and Vietnam with 3.90%.

The first European country we find is Spain, which is in tenth position, and further ahead we find France in 21st position (behind other countries such as Germany), with shares of 0.50% and 0.10% respectively. Additionally, France can be found on the 21st position contributing with 402,000 USD and 0.1% share. Denmark doesn't qualify in top 24 countries.

Importers	Value exported in 2021 (USD thousand) ▼	Trade balance 2021 (USD thousand) ↓	Share in Chile's exports (%) ↓	Quantity exported in 2021	Quantity unit	Unit value (USD/unit) ↓	Growth in exported value between 2017-2021 (% p.a.) ↓	Growth in exported quantity between 2017-2021 (% p.a.) ↓	Growth in exported value between 2020-2021 (% p.a.) ↓
World	1,427	-340,292	100	224	Tons	6,371	3		-7
Venezuela Bolivarian Republic of	269	267	18.9	94	Tons	2,862	271	236	156
Bolivia Plurinational State of	243	243	17	68	Tons	3,574	22	55	168
Mexico	198	-8,912	13.9	17	Tons	11,647	88		21
Peru	156	13	10.9	12	Tons	13,000	-7	-21	-45
Colombia	134	-588	9.4	11	Tons	12,182	36	-2	-22
United States of America	120	-22,287	8.4	3	Tons	40,000	24		30
Argentina	98	7	6.9	3	Tons	32,667	31		1,768

Sources: ITC calculations based on customs statistics.

Exports accounted for a relative position of 83. 224 tonnes were exported, all of which was exported to Venezuela (18.9% of exports). Spain is positioned on the 10th position, generating 10,000 USD and 0.7% share in

Chile's exports. France is positioned on the 21st place with 4,000 USD and 0.3% share. Denmark doesn't fall into the category of top 24 countries.

Following on from T.C. 9504, corresponding to "Video game consoles and machines, articles for games of chance, table or parlour games, including those with motor or mechanism, billiards, special tables for casino games and automatic bowling alley games".

Exporters	Value imported in 2021 (USD thousand) ▼	Trade balance 2021 (USD thousand) ↓	Share in Chile's imports (%) ↓	Quantity imported in 2021	Quantity unit	Unit value (USD/unit) ↓	Growth in imported value between 2017-2021 (% p.a.) ↓	Growth in imported quantity between 2017-2021 (% p.a.) ↓	Growth in imported value between 2020-2021 (% p.a.) ↓
World	148,937	-146,995	100	0	Mixed		-1		79
China	101,038	-101,034	67.8	0	Mixed		2		61
United States of America	27,994	-27,032	18.8	0	Mixed		-10		146
Japan	4,613	-4,609	3.1	0	Mixed		-6		103
Taipei, Chinese	3,242	-3,242	2.2	0	Mixed		5		2,392
Area Nes	2,512	-2,512	1.7	0	Mixed		11		33
Spain	2,059	-2,052	1.4	0	Mixed		9		67
Mexico	1,479	-1,333	1	26,640	Units	56	29		4,640
Peru	625	-530	0.4	0	Mixed		-6		1,802
Slovenia	617	-617	0.4	107	Units	5,766	-15	-7	64

Sources: ITC calculations based on customs statistics.

Its main exporter is China, which exports 57.80% of total Chilean imports. The value is more than 100 million USD. It is followed by the United States with 18.80% of imports and Japan with 3.10%. Additionally, Spain is positioned 6th in this ranking with 2,059,000 USD and 1.4% share in Chile's imports. On the other hand, France and Denmark do not qualify in top 24 exporting countries in this category.

Importers	Value exported in 2021 (USD thousand) ▼	Trade balance 2021 (USD thousand) ↓	Share in Chile's exports (%) ↓	Quantity exported in 2021	Quantity unit	Unit value (USD/unit) ↓	Growth in exported value between 2017-2021 (% p.a.) ↓	Growth in exported quantity between 2017-2021 (% p.a.) ↓	Growth in exported value between 2020-2021 (% p.a.) ↓
World	1,942	-146,995	100	0	Mixed		70		-85
United States of America	962	-27,032	49.5	0	Mixed		126		-90
Germany	393	-36	20.2	24	Units	16,375	331	12	4,459
Mexico	146	-1,333	7.5	0	Mixed		-5		22
Argentina	107	-313	5.5	0	Mixed		1		80
Peru	95	-530	4.9	0	Mixed		40		-4
Uruguay	89	32	4.6	7,311	Units	12	123	166	126
Bolivia, Plurinational State of	47	42	2.4	0	Mixed		33		174
Portugal	34	34	1.8	0	Mixed				
Colombia	23	-15	1.2	0	Mixed		48		-99
Ecuador	9	9	0.5	0	Mixed		20		-31
Spain	7	-2,052	0.4	0	Mixed		71		172

Sources: ITC calculations based on customs statistics.

Concerning exports of this product category, USA is positioned as the 1st importer, generating value imported of 962,000 USD and share in Chile's exports of 49.5%. Spain is positioned on the 11th place with 7,000 USD and 0.4% share. Additionally, France and Denmark do not qualify in the top 24 countries.

Regarding the importations for products under tariff code (T.C.) 3407 "Modelling pastes, incl. those put up for children's amusement; preparations known as "dental wax" or as "dental impression compounds", put up in sets, in packings for retail sale or in plates, horseshoe shapes, sticks or similar forms; other preparations for use in dentistry, with a basis of plaster "of calcined gypsum or calcium sulphate"

Exporters	Value imported in 2021 (USD thousand) ↑	Trade balance 2021 (USD thousand) ↓	Share in Chile's imports (%) ↓	Quantity imported in 2021	Quantity unit	Unit value (USD/unit) ↓	Growth in imported value between 2017-2021 (% p.a.) ↓	Growth in imported quantity between 2017-2021 (% p.a.) ↓	Growth in imported value between 2020-2021 (% p.a.) ↓
World	10,838	-10,766	100	3,096	Tons	3,501	3	-2	96
China	5,607	-5,607	51.7	2,219	Tons	2,527	5	0	115
United States of America	1,487	-1,487	13.7	86	Tons	17,291	7	34	140
Germany	665	-665	6.1	23	Tons	28,913	19	17	504
Thailand	654	-654	6	266	Tons	2,459	0	-5	86
Spain	533	-518	4.9	40	Tons	13,325	9	-17	93
Brazil	366	-366	3.4	52	Tons	7,038	-9	-2	170
Argentina	314	-314	2.9	80	Tons	3,925	-9	-5	-2
Italy	243	-243	2.2	111	Tons	2,189	-9	-18	-7
Malaysia	237	-237	2.2	82	Tons	2,890	14	3	1
Mexico	164	-136	1.5	77	Tons	2,130	-5	-16	53
Area Nes	97	-97	0.9	1	Tons	97,000	16	-16	313

Sources: ITC calculations based on customs statistics.

We can see that China tops the list with 51,70% of Chilean imports in the matter, followed by far by the US (13,70%) and the first European country appearing is Germany, with 6,10% of them. Spain gathers 4,90% of total imports in this market with more than 10 million value in 2021. Additionally,

France is positioned on the 14th place with 62,000 USD and 0.6% share. Denmark do not qualify in the top 24 countries.

Importers	Value exported in 2021 (USD thousand) ▼	Trade balance 2021 (USD thousand) ⚡	Share in Chile's exports (%) ⚡	Quantity exported in 2021	Quantity unit	Unit value (USD/unit) ⚡	Growth in exported value between 2017-2021 (% p.a.) ⚡	Growth in exported quantity between 2017-2021 (% p.a.) ⚡	Growth in exported value between 2020-2021 (% p.a.) ⚡
World	72	-10,766	100	13	Tons	5,538	-7	10	21
Mexico	28	-136	38.9	6	Tons	4,667			113
Paraguay	17	17	23.6	2	Tons	8,500	139		190
Spain	15	-518	20.8	3	Tons	5,000	-6	-5	-48
Peru	8	1	11.1	1	Tons	8,000			44
Ecuador	3	3	4.2	1	Tons	3,000	-44	-16	
Costa Rica	1	1	1.4	0	Tons		-24		
Uruguay	1	1	1.4	0	Tons		-2		
Colombia	1	-33	1.4	0	Tons				

Sources: ITC calculations based on customs statistics.

When exporting, Chile addressed Mexico in nearly 4 of every 10 exports in 2021, followed by Paraguay. Nevertheless, the total value exported was roughly over 70,000 USD. Additionally, Spain takes the 3rd place with 15,000 USD and 20.8% share. Moreover, France and Denmark do not qualify in the top 24 countries.

Regarding imports of products under the tariff code (T.C.) 3503: "Gelatin, whether or not in square or rectangular sheets, whether or not surface-worked or coloured, and gelatin derivatives; isinglass; other glues of animal origin (excluding those packaged as glue for retail sale and weighing net <= 1 kg, and casein glues of heading 3501)":

Exporters	Value imported in 2021 (USD thousand) ▼	Trade balance 2021 (USD thousand) ⚡	Share in Chile's imports (%) ⚡	Quantity imported in 2021	Quantity unit	Unit value (USD/unit) ⚡	Growth in imported value between 2017-2021 (% p.a.) ⚡	Growth in imported quantity between 2017-2021 (% p.a.) ⚡	Growth in imported value between 2020-2021 (% p.a.) ⚡	Ranking of partner countries in world exports ⚡	Share of partner countries in world exports (%) ⚡
World	22,206	-22,204	100	3,628	Tons	6,121	12	5	-2		100
China	8,394	-8,394	37.8	1,493	Tons	5,622	26	17	53	3	10.4
Brazil	6,888	-6,888	31	1,044	Tons	6,598	-5	-13	-22	2	13.7
Mexico	2,406	-2,406	10.8	375	Tons	6,416	1,751		-43	33	0.2
Italy	1,422	-1,422	6.4	209	Tons	6,804	16	10	44	8	4.3
Argentina	935	-935	4.2	130	Tons	7,192	-7	-16	2	73	0
Spain	819	-819	3.7	114	Tons	7,184	38	31	33	11	2.6
Netherlands	476	-476	2.1	113	Tons	4,212	4	17	1,442	7	5.1
Belgium	294	-294	1.3	56	Tons	5,250	76	107	-23	5	7.4
France	146	-146	0.7	31	Tons	4,710	19	7	478	4	8.1
Ireland	141	-141	0.6	3	Tons	47,000			304	44	0.06

Sources: ITC calculations based on customs statistics.

A leader exporter is China, generating value imported of 8,394,000 USD and 37.8% share in Chile's imports. Spain is found on the 6th place, contributing

with 819,000 USD and 3.7% share in Chile's imports. Finally, France and Ireland share similar figures, generating value import of 146,000 USD (0.7% share) and 141,000 USD (0.6%) respectively. During the exporting of such products, Chile exported only to Peru, generating value exported of 1,000 USD. Finally, Denmark doesn't qualify in the top 24 countries.

Regarding imports of goods under the tariff code (T.C.) 3213: "Artist's, student's or signboard painter's colours, modifying tints, amusement colours and the like, in tablets, tubes, jars, bottles, pans or similar packages":

Sources: ITC calculations based on customs statistics.

Exporters	Value imported in 2021 (USD thousand) ↓	Trade balance 2021 (USD thousand) ↓	Share in Chile's imports (%) ↓	Quantity imported in 2021	Quantity unit	Unit value (USD/unit) ↓	Growth in imported value between 2017-2021 (% p.a.) ↓	Growth in imported quantity between 2017-2021 (% p.a.) ↓	Growth in imported value between 2020-2021 (% p.a.) ↓	Ranking of partner countries in world exports ↓	Share of partner countries in world exports (%) ↓
World	8,849	-8,828	100	2,069	Tons	4,277	17	18	84		100
China	4,467	-4,467	50.5	1,367	Tons	3,268	16	29	143	1	44.8
Colombia	641	-637	7.2	289	Tons	2,218	32	22	-13	30	0.2
United States of America	562	-562	6.4	29	Tons	19,379	31	24	271	5	5.1
Netherlands	463	-463	5.2	18	Tons	25,722	12	1	110	4	6.5
Spain	433	-433	4.9	34	Tons	12,735	70	97	103	7	2.6
Brazil	411	-411	4.6	99	Tons	4,152	14	7	52	28	0.3
United Kingdom	400	-400	4.5	54	Tons	7,407	58	96	30	6	4.7
Italy	324	-324	3.7	52	Tons	6,231	-7	-20	42	8	2.4
France	292	-292	3.3	35	Tons	8,343	1	-18	37	2	7.5

A leader in exporting is China, contributing with 4,467,000 USD and a share of 50.5% for this product category. Spain is positioned on the 5th place, generating 433,000 USD and 4.9% share in Chile's imports. On the last position, France takes place with value imported in 2021 of 292,000 USD and 3.3% share in imports. Additionally, Denmark is positioned on the 23rd position, generating 6,000 USD and 0.1% share.

Importers	Value exported in 2021 (USD thousand) ▼	Trade balance 2021 (USD thousand) †	Share in Chile's exports (%) †	Quantity exported in 2021	Quantity unit	Unit value (USD/unit) †	Growth in exported value between 2017-2021 (% p.a.) †	Growth in exported quantity between 2017-2021 (% p.a.) †	Growth in exported value between 2020-2021 (% p.a.) †	Ranking of partner countries in world imports †	Share of partner countries in world imports (%) †
World	21	-8,828	100	5	Tons	4,200	-42	-41	-58		100
Uruguay	7	7	33.3	1	Tons	7,000	10	7	-16	87	0.09
Costa Rica	4	4	19	1	Tons	4,000	-22	-16	-33	64	0.2
Colombia	4	-637	19	0	Tons					57	0.1
Bolivia, Plurinational State of	2	2	9.5	0	Tons		-34			52	0.1
El Salvador	2	2	9.5	1	Tons	2,000	-26	-24	-72	92	0.08
Guatemala	1	1	4.8	0	Tons		-61			66	0.2
Paraguay	1	1	4.8	1	Tons	1,000	-12	-7		93	0.07

Sources: ITC calculations based on customs statistics.

Regarding world exports of products in this category, Uruguay generate share of 33.3% in Chile's exports and 7,000 USD. Countries, El Salvador, Guatemala and Paraguay are characterized with minor contributions. Moreover, France and Denmark do not qualify as importers for this product and thus Chile doesn't generate value out of them.

5.2. APPAREL MARKET

Regarding the importations for products under tariff code (T.C.) 61: "Articles of apparel and clothing accessories, knitted or crocheted":

Exporters	Value imported in 2021 (USD thousand) ▼	Trade balance 2021 (USD thousand) †	Share in Chile's imports (%) †	Growth in imported value between 2017-2021 (% p.a.) †	Growth in imported value between 2020-2021 (% p.a.) †	Ranking of partner countries in world exports †	Share of partner countries in world exports (%) †
World	1,399,066	-1,393,079	100	0	59		100
China	953,099	-953,083	68.1	-2	55	1	31.9
Area Nes	78,207	-78,207	5.6	2	97		
Bangladesh	73,641	-73,641	5.3	12	25	2	9.4
Peru	39,290	-37,758	2.8	12	155	34	0.4
United States of America	33,286	-32,344	2.4	24	149	18	1.1
Viet Nam	26,326	-26,326	1.9	1	41	3	5.8
India	17,049	-17,048	1.2	4	41	7	2.9
Cambodia	16,324	-16,324	1.2	-6	10	10	2.1
Spain	16,085	-15,849	1.1	6	112	9	2.5
Pakistan	13,428	-13,426	1	2	84	14	1.7
Colombia	12,965	-12,924	0.9	16	96	65	0.07
Italy	11,569	-11,470	0.8	-1	85	5	4.1
Mexico	10,320	-9,847	0.7	21	87	22	0.8

Sources: ITC calculations based on customs statistics.

The largest exporter to Chile is China. Their exportations, valued at over 950 million USD, represent 68,10% of total Chilean imports. Is the greatest exporter by far, since the rest of them barely reach 5,00% of total imports.

In fact, Bangladesh is the second country in the list, holding 5,30% of the total. Other countries like the USA only export with an approximate value of 33 million USD (2,40%).

Regarding European countries, Spain is the first that comes in the list. After exporting over 16 million USD of apparel products, it only reaches 1,10% of total imports, close to Italy, who represents 0,80% of them. Additionally, France and Denmark do not qualify in the top 24 countries, thus not generating value.

Importers	Value exported in 2021 (USD thousand)▼	Trade balance 2021 (USD thousand) ↓	Share in Chile's exports (%) ↓	Growth in exported value between 2017-2021 (% p.a.) ↓	Growth in exported value between 2020-2021 (% p.a.) ↓
World	5,987	-1,393,079	100	-30	-3
Peru	1,532	-37,758	25.6	-17	-6
United States of America	942	-32,344	15.7	30	10
Venezuela, Bolivarian Republic of	670	647	11.2	112	87
Mexico	473	-9,847	7.9	-5	23
Panama	381	-2,032	6.4	7	6,229
Spain	236	-15,849	3.9	0	7
Haiti	233	138	3.9	210	978
Netherlands	183	-894	3.1	128	32
Paraguay	181	-176	3	-17	233
Dominican Republic	178	153	3	-27	164

Sources: ITC calculations based on customs statistics.

Regarding exports of products with this tariff code, Peru is positioned 1st generating 1,532,000 USD and 25,6 share respectively. Spain takes the 6th position with 236,000 USD and contributing with 3,9% share in Chile's exports. Additionally, Denmark and France do not qualify in the top 24 countries.

Regarding the importations for products under tariff code (T.C.) 62: "Articles of apparel and clothing accessories, not knitted or crocheted":

Exporters	Value imported in 2021 (USD thousand) ▼	Trade balance 2021 (USD thousand) ↓	Share in Chile's imports (%) ↓	Growth in imported value between 2017-2021 (% p.a.) ↓	Growth in imported value between 2020-2021 (% p.a.) ↓	Ranking of partner countries in world exports ↓	Share of partner countries in world exports (%) ↓
World	1,015,408	-1,004,015	100	-7	24		100
China	692,117	-692,047	68.2	-9	17	1	30.1
Area Nes	73,587	-73,587	7.2	-5	59		
Bangladesh	56,101	-56,100	5.5	9	20	2	8.4
Viet Nam	31,130	-31,130	3.1	-5	-5	4	5.9
United States of America	22,283	-16,049	2.2	12	103	22	0.9
India	21,142	-21,140	2.1	-19	4	8	3.1
Spain	17,876	-17,240	1.8	13	99	6	3.7
Colombia	17,599	-17,524	1.7	14	69	46	0.1
Italy	10,691	-10,558	1.1	0	55	3	5.9
Peru	9,186	-7,660	0.9	16	202	83	0.03
Pakistan	7,073	-7,069	0.7	7	39	14	1.5
Mexico	6,653	-6,392	0.7	-13	209	20	1
Indonesia	5,635	-5,635	0.6	-13	-18	12	1.8
Cambodia	4,450	-4,450	0.4	-12	38	21	0.9
Türkiye	4,157	-4,157	0.4	1	1	7	3.2
Brazil	3,970	-3,968	0.4	14	102	84	0.02

Sources: ITC calculations based on customs statistics.

These results are very similar to the ones explained just above. China is again the largest exporter in this category, gathering more than 68% of total exports. Bangladesh is again the second country with a share close to 5%.

European countries do not do much better here. Spain sits again in first place among them (1,80%), followed by Italy (1,10%). Additionally, France and Denmark do not qualify in the top 24 countries.

Regarding the exports for products under tariff code (T.C.) 62: "Articles of apparel and clothing accessories, not knitted or crocheted":

Importers	Value exported in 2021 (USD thousand) ▼	Trade balance 2021 (USD thousand) ⚡	Share in Chile's exports (%) ⚡	Growth in exported value between 2017-2021 (% p.a.) ⚡	Growth in exported value between 2020-2021 (% p.a.) ⚡
World	11,393	-1,004,015	100	-32	-26
United States of America	6,234	-16,049	54.7	-16	26
Peru	1,526	-7,660	13.4	-6	-32
Panama	737	-1,944	6.5	102	375
Spain	636	-17,240	5.6	-8	5
Bolivia, Plurinational State of	308	-207	2.7	-23	-46
Ecuador	280	-281	2.5	4	-7
Mexico	261	-6,392	2.3	-3	317
Argentina	254	-2,723	2.2	7	10
Uruguay	145	-242	1.3	-9	-71
Italy	133	-10,558	1.2	80	7,380

Sources: ITC calculations based on customs statistics.

USA is positioned on the 1st place, generating 6,234,000 USD and a share in Chile's exports of 54.7%. Spain takes the 4th place with 636,000 USD and 5.6% share. Additionally, France is positioned on the 19th place with 37,000 USD and 0.3% share respectively. Denmark doesn't qualify in the top 24 countries.

Regarding imports after the tariff code (T.C.) 6111: "Babies' garments and clothing accessories, knitted or crocheted (excluding hats)"

Sources: ITC calculations based on customs statistics.

Exporters	Value imported in 2021 (USD thousand) ▼	Trade balance 2021 (USD thousand) ⚡	Share in Chile's imports (%) ⚡	Quantity imported in 2021	Quantity unit	Unit value (USD/unit) ⚡	Growth in imported value between 2017-2021 (% p.a.) ⚡	Growth in imported quantity between 2017-2021 (% p.a.) ⚡	Growth in imported value between 2020-2021 (% p.a.) ⚡
World	63,734	-63,514	100	3,855	Tons	16,533	-8	-6	24
China	46,372	-46,372	72.8	3,033	Tons	15,289	-11	-9	15
Peru	4,056	-4,001	6.4	238	Tons	17,042	11	18	120
Bangladesh	3,387	-3,387	5.3	259	Tons	13,077	10	12	1
Area Nes	2,653	-2,653	4.2	81	Tons	32,753	-16	-16	32
India	2,552	-2,552	4	113	Tons	22,584	10	15	67
United States of America	867	-792	1.4	14	Tons	61,929	25	4	391
Viet Nam	796	-796	1.2	19	Tons	41,895	76	67	444
Cambodia	511	-511	0.8	16	Tons	31,938	-11	-16	34
Spain	419	-416	0.7	11	Tons	38,091	24	2	69
Indonesia	329	-329	0.5	12	Tons	27,417	-8	-5	58

It is seen that China gathers 72,80% of total imports, being the absolute leader in the matter. Peru, Bangladesh and India are the following countries but none of them goes over 6,50%. Spain is positioned on the 9th place, generating 419,000 USD and 0.7% share respectively. Additionally, France and Denmark do not qualify in the top 24 countries.

Importers	Value exported in 2021 (USD thousand)	Trade balance 2021 (USD thousand)	Share in Chile's exports (%)	Quantity exported in 2021	Quantity unit	Unit value (USD/unit)	Growth in exported value between 2017-2021 (% p.a.)	Growth in exported quantity between 2017-2021 (% p.a.)	Growth in exported value between 2020-2021 (% p.a.)
World	220	-63,514	100	8	Tons	27,500	28	22	30
United States of America	75	-792	34.1	2	Tons	37,500	157		302
Peru	55	-4,001	25	2	Tons	27,500	64	-28	-50
Bolivia, Plurinational State of	51	-20	23.2	2	Tons	25,500	65		159
Paraguay	10	10	4.5	0	Tons		-31		
Australia	5	-5	2.3	0	Tons				200
Belgium	3	0	1.4	0	Tons		56		
Brazil	3	-286	1.4	0	Tons				
Spain	3	-416	1.4	0	Tons				-30
Finland	2	2	0.9	0	Tons				
Netherlands	2	-3	0.9	0	Tons				82

Sources: ITC calculations based on customs statistics.

At the same time, in 2021 Chile exported to the US, Peru and Bolivia. However, the market volume is not significant (only 220 thousand USD). Spain is positioned on the 8th place with 3,000 USD and 1.4% share in Chile's exports. Moreover, France takes the 15th place with 1,000 USD and 0.5% share respectively. Denmark doesn't qualify in the top 24 countries.

Regarding imports of products with tariff code (T.C.) 6301: "Blankets and travelling rugs of all types of textile materials (excluding table covers, bedspreads and articles of bedding and similar furnishing of heading 9404)":

Exporters	Value imported in 2021 (USD thousand) ↓	Trade balance 2021 (USD thousand) ↑	Share in Chile's imports (%) ↑	Quantity imported in 2021	Quantity unit	Unit value (USD/unit) ↑	Growth in imported value between 2017-2021 (% p.a.) ↑	Growth in imported quantity between 2017-2021 (% p.a.) ↑	Growth in imported value between 2020-2021 (% p.a.) ↑	Ranking of partner countries in world exports ↑	Share of partner countries in world exports (%) ↑
World	31,570	-29,395	100	0	Mixed		5		31		100
China	28,827	-28,827	91.3	0	Mixed		6		30	1	75.2
Thailand	900	-900	2.9	259	Tons	3,475	378	353	-3	26	0.3
India	409	-409	1.3	68	Tons	6,015	-28	-30	56	2	3.5
Area Nes	282	-282	0.9	0	Mixed		2		196		
United States of America	275	-227	0.9	0	Mixed		6		137	12	0.7
Peru	199	-155	0.6	22	Tons	9,045	-15	-4	15	28	0.3
Spain	89	-78	0.3	0	Mixed		-17		-11	11	0.9
Bolivia, Plurinational State of	85	3	0.3	20	Tons	4,250	4	17	146	84	0
Germany	72	-72	0.2	0	Mixed		54		298	3	1.7
Portugal	46	-46	0.1	3	Tons	15,333	4	-3	231	15	0.7

Sources: ITC calculations based on customs statistics.

A leader exporter is China, contributing with 28,827,000 USD and share in Chile's imports of 91.3%. Spain is positioned on the 7th place, generating only 89,000 USD and 0.3% share respectively. Additionally, France is positioned on the 14th place with 25,000 USD and 0.1% share in Chile's exports. Denmark takes the 23rd place with 12,000 USD.

Importers	Value exported in 2021 (USD thousand) ↓	Trade balance 2021 (USD thousand) ↑	Share in Chile's exports (%) ↑	Quantity exported in 2021	Quantity unit	Unit value (USD/unit) ↑	Growth in exported value between 2017-2021 (% p.a.) ↑	Growth in exported quantity between 2017-2021 (% p.a.) ↑	Growth in exported value between 2020-2021 (% p.a.) ↑	Ranking of partner countries in world imports ↑	Share of partner countries in world imports (%) ↑
World	2,175	-29,395	100	808	Tons	2,692	-4	-2	14		100
Colombia	1,824	1,818	83.9	741	Tons	2,462	-4	-2	3	50	0.3
Ecuador	91	85	4.2	42	Tons	2,167	-10	-5	88	124	0.02
Bolivia, Plurinational State of	88	3	4	9	Tons	9,778	78	46	2,700	117	0.03
United States of America	48	-227	2.2	0	Tons		-14		140	1	40.7
Hong Kong, China	46	28	2.1	0	Tons				1,308	47	0.3
Peru	44	-155	2	0	Mixed		12		298	17	1
Spain	11	-78	0.5	0	Mixed		-20			11	1.5
Brazil	5	1	0.2	1	Tons	5,000	-26	-27	-58	16	1
Mexico	5	-20	0.2	0	Tons					27	0.6
Switzerland	3	3	0.1	0	Tons					22	0.7

Sources: ITC calculations based on customs statistics.

Regarding world exports of products, falling into this category, Chile exports mostly to Colombia (1,824,000 USD value exported and 83.9% share in Chile's exports respectively). Spain is positioned on the 7th place contributing with barely 11,000 USD and 0.5% share in Chile's exports. Moreover, France takes the 14th place with 2,000 USD and 0.1% share respectively, while Denmark is positioned on the 16th place with 1,000 USD.

Regarding imports after the tariff code (T.C.) 6307: "Made-up articles of textile materials, incl. dress patterns, n.e.s."

Exporters	Value imported in 2021 (USD thousand) ▼	Trade balance 2021 (USD thousand) ↓	Share in Chile's imports (%) ↓	Quantity imported in 2021	Quantity unit	Unit value (USD/unit) ↓	Growth in imported value between 2017-2021 (% p.a.) ↓	Growth in imported quantity between 2017-2021 (% p.a.) ↓	Growth in imported value between 2020-2021 (% p.a.) ↓
World	183,292	-176,723	100	47,559	Tons	3,854	54	51	-49
China	150,160	-150,145	81.9	42,792	Tons	3,509	70	63	-54
United States of America	7,595	-6,312	4.1	258	Tons	29,438	6	-14	22
Israel	6,628	-6,628	3.6	2,411	Tons	2,749	12	19	-28
Area Nes	1,789	-1,789	1	105	Tons	17,038	26	35	96
Mexico	1,571	-1,507	0.9	281	Tons	5,591	30	70	-50
Spain	1,448	-1,437	0.8	197	Tons	7,350	5	4	38
Colombia	1,247	-892	0.7	15	Tons	83,133	12	-20	53
Türkiye	1,189	-1,189	0.6	229	Tons	5,192	13	10	172
Italy	1,094	-1,094	0.6	147	Tons	7,442	60	110	272
Germany	1,038	-1,013	0.6	120	Tons	8,650	23	46	-46
Peru	893	218	0.5	160	Tons	5,581	75	61	-46

Sources: ITC calculations based on customs statistics.

China is again in the top of the list, collecting 81,90% of total Chilean imports. In this market with over 180 million USD value, China makes exports for 150 million value. It is followed by the US (4,10%), Israel (3,60%) and Mexico (0,90%). Additionally, France is positioned on the 14th place, generating 815,000 USD and contributing with 0.4% share. Finally, Denmark do not qualify in the top 24 countries, generating value.

And as for the exports, data is shown below.

Importers	Value exported in 2021 (USD thousand) ▼	Trade balance 2021 (USD thousand) ↓	Share in Chile's exports (%) ↓	Quantity exported in 2021	Quantity unit	Unit value (USD/unit) ↓	Growth in exported value between 2017-2021 (% p.a.) ↓	Growth in exported quantity between 2017-2021 (% p.a.) ↓	Growth in exported value between 2020-2021 (% p.a.) ↓
World	6,569	-176,723	100	678	Tons	9,689	28	21	-26
Brazil	1,979	1,146	30.1	404	Tons	4,899	28	34	38
United States of America	1,283	-6,312	19.5	3	Tons	427,667	177	32	8
Peru	1,111	218	16.9	109	Tons	10,193	32	22	-43
Argentina	827	525	12.6	71	Tons	11,648	77	64	136
Uruguay	380	354	5.8	27	Tons	14,074	20	15	119
Colombia	355	-892	5.4	22	Tons	16,136	-11	-21	-54
Ecuador	203	186	3.1	16	Tons	12,688	-2	2	-43
Bolivia Plurinational State of	69	67	1.1	6	Tons	11,500	24	28	-86
Mexico	64	-1,507	1	3	Tons	21,333	-25	-31	4
Paraguay	52	27	0.8	4	Tons	13,000	-15	-15	-53

Sources: ITC calculations based on customs statistics.

Its counterpart are the Chilean exports of the matter. Over 30% of them were addressed to Brazil in 2021, whilst 19,50% were destined to the US and 16,90% to Peru. Spain is positioned on the 17th place, generating 11,000 USD and 0.2% share in Chile's exports. Additionally, Denmark takes the 23rd place

with a value of 4,000 USD and 0.1% share respectively. Finally, France doesn't qualify in the top24 countries, generating value.

5.3. FOOTWEAR MARKET

Regarding the importations⁶⁹ for products under tariff code (T.C.) 64: "Footwear, gaiters and the like; parts of such articles":

Exporters	Value imported in 2021 (USD thousand) ▼	Trade balance 2021 (USD thousand) ↑	Share in Chile's imports (%) ↑	Growth in imported value between 2017-2021 (%. p.a.) ↑	Growth in imported value between 2020-2021 (%. p.a.) ↑	Ranking of partner countries in world exports ↑	Share of partner countries in world exports (%) ↑
World	968,913	-961,703	100	-6	49		100
China	566,497	-566,492	58.5	-6	50	1	33.8
Viet Nam	175,135	-175,135	18.1	-6	35	2	11.9
Indonesia	56,509	-56,507	5.8	-13	70	6	4
Brazil	34,659	-34,653	3.6	-8	57	22	0.7
United States of America	20,566	-20,003	2.1	47	119	19	0.7
Area Nes	19,955	-19,955	2.1	13	69		
India	16,126	-16,126	1.7	-10	14	12	1.5
Cambodia	13,819	-13,819	1.4	-10	71	14	0.9
Italy	9,767	-9,696	1	-10	75	3	8.5
Spain	9,413	-9,287	1	-5	61	9	2.1
Peru	6,563	-3,363	0.7	4	25	77	0.01
Germany	4,011	-4,002	0.4	25	115	4	6
Argentina	3,929	-3,923	0.4	-2	212	95	0

Sources: ITC calculations based on customs statistics.

Its larger exporter is China, followed by Vietnam and Indonesia. China collects 58,50% of all imports, with a total value over 566 million USD. Vietnam is far away from those figures, with 18,10% of total imports by Chile. In any case, Indonesia is relegated to a third position with 5,80% of total imports.

Regarding European countries, Italy is the one with the largest number of exports to the South American country, with only 1% of the imports, such as Spain. Others, like Germany, do not achieve not even 0,50%. Additionally, France and Denmark do not qualify in the top 24 countries generating value.

⁶⁹https://www.trademap.org/Country_SelProductCountry.aspx?nvpm=1%7c152%7c%7c%7c64%7c%7c%7c2%7c1%7c1%7c1%7c1%7c1%7c2%7c1%7c1%7c1

Importers	Value exported in 2021 (USD thousand) ▼	Trade balance 2021 (USD thousand) ↓	Share in Chile's exports (%) ↓	Growth in exported value between 2017-2021 (% p.a.) ↓	Growth in exported value between 2020-2021 (% p.a.) ↓
World	7,210	-961,703	100	-10	-27
Peru	3,200	-3,363	44.4	8	50
Netherlands	957	-201	13.3	43	17
Venezuela, Bolivarian Republic of	750	715	10.4	277	928
United States of America	563	-20,003	7.8	56	-79
Bolivia, Plurinational State of	265	234	3.7	12	116
Uruguay	236	4	3.3	-9	1
Panama	177	-2,113	2.5	-19	0
Spain	126	-9,287	1.7	-29	-46
Nicaragua	120	120	1.7	-10	43
Ecuador	108	-20	1.5	29	37

Sources: ITC calculations based on customs statistics.

In terms of exportations⁷⁰Chile exported footwear products to several countries during 2021. Most of these products were imported by the Netherlands (over 900 million USD value) and Venezuela. Moreover, Spain is positioned on the 8th place, generating 126,000 USD and 1.7% share. Additionally, France and Denmark do not qualify in the top 24 countries, generating value for this product type.

Regarding imports of products with tariff code (T.C.) 6402: "Footwear with outer soles and uppers of rubber or plastics (excluding waterproof footwear of heading 6401, orthopaedic footwear, skating boots with ice or roller skates attached, and toy footwear)":

⁷⁰ Statista: Chilean footwear exportations by country. 2021

Exporters	Value imported in 2021 (USD thousand) ↓	Trade balance 2021 (USD thousand) ↑	Share in Chile's imports (%) ↑	Quantity imported in 2021	Quantity unit	Unit value (USD/unit) ↑	Growth in imported value between 2017-2021 (% p.a.) ↑	Growth in imported quantity between 2017-2021 (% p.a.) ↑	Growth in imported value between 2020-2021 (% p.a.) ↑	Ranking of partner countries in world exports ↑	Share of partner countries in world exports (%) ↑
World	258,396	-257,052	100	46,377,431	Pairs	5.57	-6	-5	50		100
China	192,966	-192,966	74.7	41,697,085	Pairs	4.63	-6	-5	46	1	56.9
Viet Nam	21,686	-21,686	8.4	1,238,283	Pairs	18	-13	-10	42	2	7.3
Indonesia	9,461	-9,461	3.7	601,844	Pairs	16	-19	-13	61	10	1.4
Brazil	9,107	-9,107	3.5	1,298,498	Pairs	7.01	1	2	58	13	1
Area Nes	5,753	-5,753	2.2	358,491	Pairs	16	32	18	100		
Cambodia	3,684	-3,684	1.4	197,801	Pairs	19	-16	-16	62	12	1
United States of America	3,445	-3,406	1.3	176,613	Pairs	20	45	25	156	25	0.4
Italy	2,164	-2,164	0.8	37,694	Pairs	57	-5	-17	114	4	4.1
India	2,094	-2,094	0.8	156,451	Pairs	13	13	19	205	22	0.4
Myanmar	1,320	-1,320	0.5	102,239	Pairs	13	8	13	37	44	0.09

Sources: ITC calculations based on customs statistics.

A leader exporter is China with value imported in 2021 of 192,966,000 USD, which corresponds to 74.7 share in Chile's imports. At the very bottom, Myanmar generates 1,320,000 USD and 0.5% share in Chile's imports in 2021. Moreover, Spain is positioned on the 11th place with 1,112,000 USD and 0.4% share in Chile's imports. Additionally, France takes the 21st place, generating 189,000 USD and 0.1% share respectively. Finally, Denmark doesn't qualify in the top 24 countries, generating value.

Regarding world exporting of such goods with the above-mentioned tariff code:

Importers	Value exported in 2021 (USD thousand) ↓	Trade balance 2021 (USD thousand) ↑	Share in Chile's exports (%) ↑	Quantity exported in 2021	Quantity unit	Unit value (USD/unit) ↑	Growth in exported value between 2017-2021 (% p.a.) ↑	Growth in exported quantity between 2017-2021 (% p.a.) ↑	Growth in exported value between 2020-2021 (% p.a.) ↑	Ranking of partner countries in world imports ↑	Share of partner countries in world imports (%) ↑
World	1,344	-257,052	100	61,218	Pairs	22	1	-9	-47		100
Netherlands	905	824	67.3	9,932	Pairs	91	41	55	13	10	2.7
Bolivia, Plurinational State of	112	94	8.3	11,565	Pairs	9.68	38	-3	72	86	0.10
Peru	86	-684	6.4	5,968	Pairs	14	-27	-26	-89	35	0.5
Uruguay	64	28	4.8	7,000	Pairs	9.14	-11	-14	-15	97	0.07
Ecuador	50	46	3.7	7,432	Pairs	6.73	151	264	-9	67	0.2
Venezuela, Bolivarian Republic of	43	42	3.2	7,711	Pairs	5.58	118	277	112	49	0.4
United States of America	39	-3,406	2.9	4,720	Pairs	8.26	30	94	-78	1	19.6
Panama	15	-574	1.1	4,239	Pairs	3.54	-3	88	183	14	1.5
Colombia	10	-637	0.7	991	Pairs	10	-1	12	-83	40	0.4
Costa Rica	7	4	0.5	360	Pairs	19	-21	-34		74	0.1

Sources: ITC calculations based on customs statistics.

The Netherlands is positioned first, generating 905,000 USD and share in Chile's exports of 67.3%. Then, at the very bottom, Costa Rica takes place with 7,000 USD value exported in 2021 and 0.5% share in Chile's exports. Moreover, Spain is positioned on the 14th place with 2,000 USD and 0.1% share contribution to Chile's exports. Additionally, France and Denmark do not qualify in the top 24 countries, generating value for this product category.

Regarding products, having a tariff code (T.C.) 6403: "Footwear with outer soles of rubber, plastics, leather or composition leather and uppers of leather (excluding orthopaedic footwear, skating boots with ice or roller skates attached, and toy footwear)"

Exporters	Value imported in 2021 (USD thousand)	Trade balance 2021 (USD thousand)	Share in Chile's imports (%)	Quantity imported in 2021	Quantity unit	Unit value (USD/unit)	Growth in imported value between 2017-2021 (% p.a.)	Growth in imported quantity between 2017-2021 (% p.a.)	Growth in imported value between 2020-2021 (% p.a.)	Ranking of partner countries in world exports	Share of partner countries in world exports (%)
World	357,187	-356,158	100	18,430,936	Pairs	19	-7	-16	36		100
China	203,175	-203,174	56.9	11,771,737	Pairs	17	-6	-19	41	1	18.2
Viet Nam	55,965	-55,965	15.7	2,426,904	Pairs	23	-5	-5	9	3	9.9
Brazil	20,202	-20,198	5.7	979,571	Pairs	21	-12	-7	36	23	0.6
Indonesia	18,898	-18,898	5.3	940,879	Pairs	20	-9	-7	70	5	5.5
India	12,539	-12,539	3.5	715,717	Pairs	18	-12	-8	18	10	3.1
Cambodia	7,852	-7,852	2.2	321,903	Pairs	24	-8	-9	131	20	0.9
United States of America	5,468	-5,205	1.5	114,526	Pairs	48	22	4	181	28	0.5
Area Nes	5,281	-5,281	1.5	187,691	Pairs	28	-7	-1	23		
Italy	5,191	-5,139	1.5	77,980	Pairs	67	-16	-40	55	2	14.3
Spain	4,347	-4,252	1.2	90,971	Pairs	48	-11	-14	37	11	2.8

Sources: ITC calculations based on customs statistics.

A leader in exporting is China, contributing with 203,175,000 USD and 56.9% share in Chile's imports. Secondly, Vietnam generates 55,965,000 USD and 15.7% respectively. Lastly, Spain is positioned on the 10th position with value imported in 2021 of 4,347,000 USD and 1.2% share in Chile's imports. Moreover, Spain is positioned on the 10th place, contributing with 4,347,000 USD and 1.2% share in Chile's imports. Additionally, France and Denmark do not qualify in the top 24 countries, generating value for this product category.

Regarding world exports of products, falling into this tariff codes:

Importers	Value exported in 2021 (USD thousand)	Trade balance 2021 (USD thousand)	Share in Chile's exports (%)	Quantity exported in 2021	Quantity unit	Unit value (USD/unit)	Growth in exported value between 2017-2021 (% p.a.)	Growth in exported quantity between 2017-2021 (% p.a.)	Growth in exported value between 2020-2021 (% p.a.)	Ranking of partner countries in world imports	Share of partner countries in world imports (%)
World	1,029	-356,158	100	31,160	Pairs	33	-36	-30	-66		100
United States of America	263	-5,205	25.6	4,025	Pairs	65	37	14	-79	1	20.3
Mexico	102	-2,367	9.9	3,062	Pairs	33	37	29	524	29	0.5
Spain	95	-4,252	9.2	2,839	Pairs	33	-24	-6	-11	12	2.3
Nicaragua	64	64	6.2	3,453	Pairs	19	-24	-19	283	109	0.01
Colombia	52	-1,063	5.1	418	Pairs	124	-25	-37	-32	63	0.1
Italy	52	-5,139	5.1	204	Pairs	255	33	11	3,741	4	5.3
Ecuador	48	48	4.7	1,439	Pairs	33	9	33	152	82	0.04
Hong Kong, China	47	-346	4.6	79	Pairs	595	-2	-24	75	14	2
Peru	44	-1,406	4.3	1,344	Pairs	33	-55	-54	-89	61	0.1
Uruguay	42	-51	4.1	1,958	Pairs	21	-9	-11	-12	85	0.03

Sources: ITC calculations based on customs statistics.

The United States of America are the main importer for these Chileans products with value exported in 2021 of 263,000 USD and generating 25.6% share in Chile's exports. At the bottom, on the 10th position, Uruguay takes place with 42,000 USD and 4.1% contribution respectively. Moreover, Spain is positioned on the 3rd place with 95,000 USD and 9.2% share respectively. Additionally, France and Denmark do not qualify in the top 24 countries, generating value for this tariff code.

5.4. FOOD

Since there are so many HS codes that encompass the object of interest, we will study two of them, significant to the aimed market, that will be the following:

Regarding the importations for products under tariff code (T.C.) 19: "Preparations of cereals, flour, starch or milk; pastrycooks' products"

Exporters	Value imported in 2021 (USD thousand) ▼	Trade balance 2021 (USD thousand) ↓	Share in Chile's imports (%) ↓	Growth in imported value between 2017-2021 (% p.a.) ↓	Growth in imported value between 2020-2021 (% p.a.) ↓	Ranking of partner countries in world exports ↓	Share of partner countries in world exports (%) ↓
World	359,512	-192,224	100	15	37		100
Argentina	43,940	-42,037	12.2	0	29	55	0.2
Peru	32,211	-14,994	9	12	6	49	0.3
Spain	32,106	-32,106	8.9	17	64	10	2.8
Mexico	27,512	-25,853	7.7	5	52	9	3
United States of America	22,327	-13,837	6.2	4	23	7	4.8
China	22,051	-19,475	6.1	40	154	11	2.7
Brazil	18,060	-15,494	5	4	76	38	0.5
Poland	17,943	-17,943	5	130	80	8	3.4
Italy	17,523	-17,503	4.9	16	9	2	8.4
Germany	17,479	-17,474	4.9	9	15	1	9
Colombia	14,106	3,794	3.9	48	0	56	0.2
Canada	10,041	-3,311	2.8	36	5	5	5.7
Belgium	9,930	-9,930	2.8	15	157	6	5.5
Lithuania	7,775	-7,775	2.2		54	43	0.4

Sources: ITC calculations based on customs statistics.

Its largest exporter is Argentina (12.2% of imports), followed by the Peru (9.0%). In total, products worth USD 359 million were imported in 2021. As for European products, we find Spain in the number 3 position, with 8,90% of imports and a business value slightly above 32 million USD. As we can see, it is a very concentrated market. Additionally, France takes the 19th place with 4,403,000 USD and contribution of 1.2%. Denmark doesn't qualify in the top 24 countries, generating value.

Importers	Value exported in 2021 (USD thousand) ▼	Trade balance 2021 (USD thousand) ↓	Share in Chile's exports (%) ↓	Growth in exported value between 2017-2021 (% p.a.) ↓	Growth in exported value between 2020-2021 (% p.a.) ↓	Ranking of partner countries in world imports ↓	Share of partner countries in world imports (%) ↓
World	167,288	-192,224	100	-7	-2		100
United Arab Emirates	47,360	47,360	28.3	1,833	-2	18	1.1
Colombia	17,900	3,794	10.7	-12	19	62	0.3
Peru	17,217	-14,994	10.3	-8	-23	74	0.2
United States of America	8,490	-13,837	5.1	-25	8	1	12.5
Canada	6,730	-3,311	4	70	-7	6	3.9
Ecuador	6,447	2,973	3.9	-16	2	95	0.1
Guatemala	5,633	5,092	3.4	-29	-11	50	0.4
Bolivia Plurinational State of	5,013	832	3	-7	-10	110	0.08
Paraguay	4,571	3,137	2.7	-5	19	108	0.08
Panama	4,405	4,400	2.6	-17	-15	67	0.2
Honduras	4,073	4,073	2.4	-29	-22	75	0.2

Sources: ITC calculations based on customs statistics.

When talking about exports, the United Arab Emirates is the country where more Chilean products are addressed (28,30%), ahead of Colombia

(10,70%) and Peru (10,30%). Additionally, Spain, France and Denmark do not qualify in the top 24 countries, generating value.

Regarding the importations for products under tariff code (T.C.) 21: "Miscellaneous edible preparations":

Exporters	Value imported in 2021 (USD thousand) ▼	Trade balance 2021 (USD thousand) ↓	Share in Chile's imports (%) ↑	Growth in imported value between 2017-2021 (%. p.a.) ↑	Growth in imported value between 2020-2021 (%. p.a.) ↑	Ranking of partner countries in world exports ↑	Share of partner countries in world exports (%) ↑
World	715,995	-503,718	100	18	34		100
Brazil	220,913	-218,971	30.9	33	40	21	1.2
United States of America	176,074	-136,559	24.6	11	32	1	11
China	33,734	-33,523	4.7	24	-5	5	6
Argentina	28,580	-16,540	4	3	1	63	0.1
Spain	24,417	-24,381	3.4	30	10	12	2.5
United Kingdom	23,138	-22,992	3.2	26	154	10	2.9
Germany	20,522	-20,352	2.9	15	44	2	8.1
Italy	20,193	-20,097	2.8	9	42	6	4
Colombia	16,732	-9,322	2.3	3	40	40	0.5
Mexico	16,660	-13,959	2.3	10	10	18	1.4
Korea Republic of	15,417	-14,796	2.2	137	118	16	1.5
Uruguay	14,903	-11,513	2.1	18	50	85	0.03
Peru	12,770	10,060	1.8	28	65	64	0.1
Singapore	12,153	-11,533	1.7	56	-2	3	7.1

Sources: ITC calculations based on customs statistics.

Its largest provider is Brazil (30.9% of imports), followed by the USA (24,60%). In total, products worth USD 715 million were imported in 2021. As for European products, we find Spain in the number 5 position, with only 3,40% of imports and a business value above 24 million USD. Additionally, France takes the 17th place with 10,882,000 USD and 1.5% share in Chile's imports. Denmark is positioned on the 21st place, generating 3,318,000 USD and contributing with 0.5% share.

Importers	Value exported in 2021 (USD thousand) ▼	Trade balance 2021 (USD thousand) ↓	Share in Chile's exports (%) ↑	Growth in exported value between 2017-2021 (%. p.a.) ↑	Growth in exported value between 2020-2021 (%. p.a.) ↑	Ranking of partner countries in world imports ↑	Share of partner countries in world imports (%) ↑
World	212,277	-503,718	100	-9	-14		100
Ecuador	67,044	66,946	31.6	-2	11	58	0.3
United States of America	39,515	-136,559	18.6	14	12	1	11.6
Peru	22,830	10,060	10.8	-27	-59	47	0.5
Argentina	12,040	-16,540	5.7	-10	24	69	0.2
Paraguay	10,410	10,373	4.9	-4	-18	95	0.1
Bolivia Plurinational State of	8,389	8,191	4	-30	-53	80	0.2
Colombia	7,410	-9,322	3.5	-1	-27	49	0.4
Costa Rica	5,045	5,044	2.4	-3	8	70	0.2
Canada	4,446	82	2.1	9	-30	7	3.4
Uruguay	3,390	-11,513	1.6	6	10	114	0.08
Honduras	3,018	3,018	1.4	-8	-12	53	0.4
France	2,873	-8,009	1.4	-5	65	6	3.7
Dominican Republic	2,854	2,669	1.3	34	54	66	0.3
Panama	2,792	2,733	1.3	-16	-45	63	0.3
Mexico	2,701	-13,959	1.3	-23	-21	16	1.7

Sources: ITC calculations based on customs statistics.

When talking about exports, Ecuador is the country where more Chilean products are addressed (31,60%), ahead of the USA (18,60%) and Perú (10,80%). Other economies are far away from these numbers. Moreover, France is positioned on the 12th place with 2,873,000 USD and 1.4% share respectively. Finally, Spain and Denmark do not qualify in the top 24 countries, generating value.

5.5. FURNITURE AND LINENS

Regarding the importations for products under tariff code (T.C.) 6302 Bedlinen, table linen, toilet linen and kitchen linen of all types of textile materials (excluding floorcloths, polishing cloths, dishcloths, and dusters)

Exporters	Value imported in 2021 (USD thousand) ▼	Trade balance 2021 (USD thousand) ↓	Share in Chile's imports (%) ↓	Quantity imported in 2021	Quantity unit	Unit value (USD/unit) ↓	Growth in imported value between 2017-2021 (% p.a.) ↓	Growth in imported quantity between 2017-2021 (% p.a.) ↓	Growth in imported value between 2020-2021 (% p.a.) ↓
World	186,969	-185,829	100	33,668	Tons	5,553	5	3	111
China	109,846	-109,845	58.8	21,711	Tons	5,059	8	8	118
Pakistan	39,824	-39,824	21.3	6,365	Tons	6,257	5	8	154
India	25,789	-25,789	13.8	4,078	Tons	6,324	-3	-2	53
Türkiye	2,658	-2,658	1.4	598	Tons	4,445	14	12	214
Area Nes	1,664	-1,664	0.9	300	Tons	5,547	10	40	124
United States of America	1,355	-1,057	0.7	139	Tons	9,748	24	13	288
Spain	1,256	-1,244	0.7	56	Tons	22,429	-3	-58	119
Portugal	955	-953	0.5	51	Tons	18,725	-7	-5	89
Brazil	903	-892	0.5	98	Tons	9,214	22	22	81
El Salvador	444	-444	0.2	41	Tons	10,829	446		75
Bangladesh	359	-359	0.2	30	Tons	11,967	66	66	159
Panama	309	-309	0.2	36	Tons	8,583	116	124	16
Peru	202	-55	0.1	32	Tons	6,313	-1	15	211

Sources: ITC calculations based on customs statistics.

Chile imports good with a value close to 190 million USD, 58,80% of them from China, 21,30% from Pakistan and 13,40% of them from India. Spain only gathers 0,70% of them. Additionally, France is positioned on the 14th place with 190,000 USD and 0.1% share. Finally, Denmark doesn't qualify in the top 24 countries, generating value.

Importers	Value exported in 2021 (USD thousand) ▼	Trade balance 2021 (USD thousand) ↓	Share in Chile's exports (%) ↓	Quantity exported in 2021	Quantity unit	Unit value (USD/unit) ↓	Growth in exported value between 2017-2021 (% p.a.) ↓	Growth in exported quantity between 2017-2021 (% p.a.) ↓	Growth in exported value between 2020-2021 (% p.a.) ↓
World	1,140	-185,829	100	77	Tons	14,805	10	11	-1
Bolivia , Plurinational State of	589	587	51.7	56	Tons	10,518	33	29	165
United States of America	298	-1,057	26.1	2	Tons	149,000	37	12	52
Peru	147	-55	12.9	10	Tons	14,700	1	16	-68
Colombia	30	-121	2.6	2	Tons	15,000	-39	-50	-3
Mexico	24	-41	2.1	2	Tons	12,000	-28		694
Uruguay	14	2	1.2	1	Tons	14,000	82		470
Spain	12	-1,244	1.1	1	Tons	12,000	59		-66
Brazil	11	-892	1	2	Tons	5,500	102	19	-83
Ecuador	4	4	0.4	0	Tons		-35		-89

Sources: ITC calculations based on customs statistics.

Half of the Chilean exports went to Bolivia in 2021 (51,70%), followed by the US, that received a quarter of them. Spain only received 1,10% of total exports. Moreover, France and Denmark do not qualify in the top 24 countries, generating value.

Regarding the importations for products under tariff code (T.C.) 9403: "Furniture and parts thereof, n.e.s. (excluding seats and medical, surgical, dental or veterinary furniture)"

Exporters	Value imported in 2021 (USD thousand) ▼	Trade balance 2021 (USD thousand) ↓	Share in Chile's imports (%) ↓	Quantity imported in 2021	Quantity unit	Unit value (USD/unit) ↓	Growth in imported value between 2017-2021 (% p.a.) ↓	Growth in imported quantity between 2017-2021 (% p.a.) ↓	Growth in imported value between 2020-2021 (% p.a.) ↓
World	404,837	-398,944	100	0	Mixed		9		110
China	199,016	-199,016	49.2	0	Mixed		10		125
Brazil	112,401	-112,303	27.8	0	Mixed		30		152
Colombia	14,171	-14,002	3.5	0	Mixed		23		90
Malaysia	11,420	-11,420	2.8	0	Mixed		-13		25
Spain	10,717	-10,660	2.6	0	Mixed		2		48
Viet Nam	8,862	-8,862	2.2	0	Mixed		6		108
Denmark	7,370	-7,370	1.8	0	Mixed		-15		80
Italy	5,530	-5,523	1.4	0	Mixed		-3		7
Argentina	5,290	-5,219	1.3	0	Mixed		10		84
United States of America	4,757	-3,845	1.2	0	Mixed		-16		20
Area Nes	4,100	-4,100	1	0	Mixed		-3		149
Indonesia	3,280	-3,280	0.8	0	Mixed		23		102

Sources: ITC calculations based on customs statistics.

China is the main exporter for Chile in the matter, with almost 50% of total Chilean imports made from the Asian country, relatively closely followed by Brazil (27,80%). Spain and Denmark are far away from these figures (2,60% and 1,80%, respectively), while France is positioned on the 18th place with 824,000 USD and contribution of 0.2%.

Importers	Value exported in 2021 (USD thousand) ▼	Trade balance 2021 (USD thousand) ↓	Share in Chile's exports (%) ↓	Quantity exported in 2021	Quantity unit	Unit value (USD/unit) ↓	Growth in exported value between 2017-2021 (% p.a.) ↓	Growth in exported quantity between 2017-2021 (% p.a.) ↓	Growth in exported value between 2020-2021 (% p.a.) ↓
World	5,893	-398,944	100	0	Mixed		-29		-13
Peru	3,049	1,393	51.7	0	Mixed		1		5
United States of America	912	-3,845	15.5	0	Mixed		-1		-17
Mexico	532	-1,581	9	0	Mixed		-25		-6
Haiti	358	358	6.1	152,760	Units	2.34			173
Bolivia Plurinational State of	184	182	3.1	0	Mixed		-15		234
Colombia	169	-14,002	2.9	0	Mixed		-18		37
Panama	108	-76	1.8	0	Mixed		-5		-29
Brazil	98	-112,303	1.7	0	Mixed		44		-43
Ecuador	80	-722	1.4	0	Mixed		27		17
United Arab Emirates	72	72	1.2	0	Tons				38
Argentina	71	-5,219	1.2	0	Mixed		-46		-55
Germany	59	-1,956	1	0	Mixed		-7		-45
Spain	57	-10,660	1	0	Mixed		-17		-70

Sources: ITC calculations based on customs statistics.

1 of every 2 exports on this matter is addressed to Peru, whilst US gathers 15,50% of them and Mexico only 9%. Moreover, Spain takes the 13th place (1% share), followed by France on the 15th place (0.3% share). Finally, Denmark doesn't qualify in the top 24 countries, generating value.

Regarding the importations for products under tariff code (T.C.) 9404: "Mattress supports (excluding spring interiors for seats); articles of bedding and similar furnishing, e.g. mattresses, quilts, eiderdowns, cushions, pouffes and pillows, fitted with springs or stuffed or internally filled with any material or of cellular rubber or plastics, whether or not covered (excluding pneumatic or water mattresses and pillows, blankets and covers)"

Sources: ITC calculations based on customs statistics.

Exporters	Value imported in 2021 (USD thousand) ▼	Trade balance 2021 (USD thousand) ↓	Share in Chile's imports (%) ↓	Quantity imported in 2021	Quantity unit	Unit value (USD/unit) ↓	Growth in imported value between 2017-2021 (% p.a.) ↓	Growth in imported quantity between 2017-2021 (% p.a.) ↓	Growth in imported value between 2020-2021 (% p.a.) ↓
World	166,953	-160,198	100	0	Mixed		14		143
China	143,833	-143,833	86.2	0	Mixed		13		146
Peru	3,675	-240	2.2	58,019	Units	63	159		920
India	3,002	-3,002	1.8	401	Tons	7,486	10	5	44
Brazil	2,272	-2,226	1.4	0	Mixed		24		311
Germany	2,265	-2,265	1.4	0	Mixed		29		258
Portugal	1,911	-1,911	1.1	0	Mixed		66		569
United States of America	1,621	-1,557	1	0	Mixed		8		81
Area Nes	1,375	-1,375	0.8	0	Mixed		23		179
Türkiye	1,091	-1,091	0.7	0	Mixed		53		120
Korea Republic of	1,041	-1,041	0.6	0	Mixed		7		56
Italy	857	-857	0.5	0	Mixed		15		66

Chile imports 86,20% of these goods from China, being the Asian country in the top of the list. The 15% remaining is shared by the rest of the countries, which by their own do not have a significant presence. Moreover,

Spain and France are presented in the ranking on the 14th (0.3% share) and 15th (0.2% share) place respectively. Finally, Denmark generates 156,000 USD on the 18th place with 0.1% share.

Importers	Value exported in 2021 (USD thousand) ▼	Trade balance 2021 (USD thousand) ↓	Share in Chile's exports (%) ↓	Quantity exported in 2021	Quantity unit	Unit value (USD/unit) ↓	Growth in exported value between 2017-2021 (% p.a.) ↓	Growth in exported quantity between 2017-2021 (% p.a.) ↓	Growth in exported value between 2020-2021 (% p.a.) ↓	Ranking of partner countries in world imports ↓
World	6,755	-160,198	100	0	Mixed		-5			19
Peru	3,435	-240	50.9	0	Mixed		-3			33
Argentina	1,634	1,616	24.2	0	Mixed		-13			21
Bolivia Plurinational State of	823	823	12.2	0	Mixed		20			88
Colombia	578	497	8.6	0	Mixed		-11			30
Mexico	77	-246	1.1	7	Tons	11,000	39	37		504
Ecuador	68	66	1	24	Tons	2,833	115			-2
United States of America	64	-1,557	0.9	1	Tons	64,000	5			204
Brazil	46	-2,226	0.7	3	Tons	15,333	68	5		617
Hong Kong_China	14	-31	0.2	0	Tons		149			
Spain	7	-449	0.1	0	Mixed		-12			-60

Sources: ITC calculations based on customs statistics.

Chile exports to Peru 50% of good on this matter, whilst Argentina only gathers 24,20% and Bolivia 12,20%. To find a European country on the list we have to look at Spain, which only receives 0,10% of the total. Additionally, France and Denmark do not qualify in the top 24 countries, generating value.

5.6. BOOKS FOR CHILDREN

Regarding the importations for products under tariff code (T.C.) 49: "Printed books, newspapers, pictures and other products of the printing industry; manuscripts, typescripts and plans":

Exporters	Value imported in 2021 (USD thousand) ▼	Trade balance 2021 (USD thousand) ↓	Share in Chile's imports (%) ↓	Growth in imported value between 2017-2021 (% p.a.) ↓	Growth in imported value between 2020-2021 (% p.a.) ↓	Ranking of partner countries in world exports ↓	Share of partner countries in world exports (%) ↓
World	151,631	-140,963	100	-1	54		100
Spain	33,722	-33,230	22.2	9	55	13	2
Malta	22,411	-22,411	14.8	678	93	22	0.9
United States of America	21,286	-20,264	14	0	55	3	11.2
China	13,651	-13,646	9	-7	28	1	11.6
Argentina	11,145	-10,352	7.4	11	103	63	0.07
Netherlands	9,849	-9,845	6.5	-4	72	6	5.1
Peru	6,230	-4,912	4.1	-7	42	61	0.08
Brazil	6,166	-5,780	4.1	10	397	49	0.2
Mexico	5,416	-3,673	3.6	-6	34	19	1
Colombia	4,100	-3,044	2.7	7	82	57	0.1
Area Nes	3,217	-3,217	2.1	-21	39		
Uruguay	2,808	-1,431	1.9	15	209	93	0
United Kingdom	1,566	-1,501	1	-10	-13	4	7.8

Sources: ITC calculations based on customs statistics.

Its largest exporter is Spain (22,20 % of imports), followed by Malta (14,60%) and the US (14%). In total, products worth USD 151 million were imported in 2021. Language is relevant in these types of products and there are no countries with minority spoken languages in the category. Additionally,

France is on the 20th place with 527,000 USD and contribution of 0.3%, while Denmark doesn't qualify in the top 24 countries, generating value.

Importers	Value exported in 2021 (USD thousand) ▼	Trade balance 2021 (USD thousand) ↓	Share in Chile's exports (%) ↓	Growth in exported value between 2017-2021 (% p.a.) ↓	Growth in exported value between 2020-2021 (% p.a.) ↓	Ranking of partner countries in world imports ↓	Share of partner countries in world imports (%) ↓
World	10,668	-140,963	100	-19	-26		100
Mexico	1,743	-3,673	16.3	-10	51	16	1.7
Uruguay	1,377	-1,431	12.9	18	-59	102	0.06
Peru	1,318	-4,912	12.4	-20	61	52	0.2
Colombia	1,056	-3,044	9.9	6	31	60	0.2
United States of America	1,022	-20,264	9.6	10	64	1	13
Ecuador	935	919	8.8	-30	18	88	0.08
Argentina	793	-10,352	7.4	-33	-40	68	0.1
Malaysia	677	649	6.3	-19	61	44	0.4
Spain	492	-33,230	4.6	25	-59	19	1.5
Brazil	386	-5,780	3.6	14	117	47	0.3
Paraguay	145	125	1.4	-28	-47	131	0.03
Canada	102	-200	1	79	343	4	5.6
Belgium	86	-558	0.8	59	2,813	12	2.3

Sources: ITC calculations based on customs statistics.

When talking about exports, México is the country where more Chilean products are addressed (16,30%), ahead of Uruguay (12,90%) and Perú (12,40%). Colombia, the US, Argentina and Ecuador follow them with similar numbers. Moreover, Spain takes the 9th position, generating 492,000 USD and 4.6% share in Chile's exports. Additionally, France is positioned on the 17th place with 60,000 USD and 0.6%, while Denmark doesn't qualify in the top 24 countries, generating value.

5.7. OTHERS

Regarding the importations for products under tariff code (T.C.) 3304: "Beauty or make-up preparations and preparations for the care of the skin,

incl. sunscreen or suntan preparations (excluding medicaments); manicure or pedicure preparations".

Exporters	Value imported in 2021 (USD thousand) ▼	Trade balance 2021 (USD thousand) ↓	Share in Chile's imports (%) ↓	Quantity imported in 2021	Quantity unit	Unit value (USD/unit) ↓	Growth in imported value between 2017-2021 (% p.a.) ↓	Growth in imported quantity between 2017-2021 (% p.a.) ↓	Growth in imported value between 2020-2021 (% p.a.) ↓
World	307,677	-283,038	100	28,739	Tons	10,706	11	18	71
France	47,952	-47,951	15.6	2,254	Tons	21,274	12	12	80
United States of America	45,417	-44,809	14.8	1,751	Tons	25,938	7	-2	57
China	43,558	-43,558	14.2	8,110	Tons	5,371	23	35	89
Colombia	29,866	-28,752	9.7	2,684	Tons	11,127	7	8	66
Spain	24,044	-24,032	7.8	1,131	Tons	21,259	16	17	103
Mexico	19,967	-18,643	6.5	6,027	Tons	3,311	15	15	111
Argentina	17,611	-12,234	5.7	1,696	Tons	10,384	9	16	31
Germany	16,711	-16,710	5.4	1,379	Tons	12,118	27	41	110
Brazil	16,346	-8,796	5.3	1,554	Tons	10,519	0	18	30
Korea Republic of	11,384	-11,360	3.7	251	Tons	45,355	55	30	127
Area Nes	5,760	-5,759	1.9	250	Tons	23,040	2	7	49
Poland	5,336	-5,331	1.7	481	Tons	11,094	-5	-8	89

Sources: ITC calculations based on customs statistics.

France, the US and China top the list, gathering around 15% of total imports each. Spain collects 7,80% of this 307 million USD value market. Finally, Denmark doesn't qualify in the ranking of top 24 countries, generating value.

Importers	Value exported in 2021 (USD thousand) ▼	Trade balance 2021 (USD thousand) ↓	Share in Chile's exports (%) ↓	Quantity exported in 2021	Quantity unit	Unit value (USD/unit) ↓	Growth in exported value between 2017-2021 (% p.a.) ↓	Growth in exported quantity between 2017-2021 (% p.a.) ↓	Growth in exported value between 2020-2021 (% p.a.) ↓
World	24,639	-283,038	100	3,562	Tons	6,917	-7	-10	-20
Brazil	7,550	-8,796	30.6	1,005	Tons	7,512	19	26	-33
Argentina	5,377	-12,234	21.8	1,164	Tons	4,619	-18	-18	-22
Peru	2,630	2,024	10.7	277	Tons	9,495	-16	-12	-20
Bolivia Plurinational State of	2,182	2,182	8.9	326	Tons	6,693	-8	-10	-14
Mexico	1,314	-18,643	5.3	68	Tons	19,324	1	-13	49
Colombia	1,114	-28,752	4.5	130	Tons	8,569	-21	-28	-3
Uruguay	1,014	697	4.1	196	Tons	5,173	6	8	36
Paraguay	991	991	4	181	Tons	5,475	-13	-14	-9
Guatemala	740	740	3	70	Tons	10,571	-7	-10	-2
Ecuador	694	693	2.8	82	Tons	8,463	-16	-15	-15
United States of America	608	-44,809	2.5	41	Tons	14,829	18	-4	-17
Italy	99	-3,435	0.4	1	Tons	99,000	-32	-29	74

Sources: ITC calculations based on customs statistics.

Brazil is the destiny of 30,60% Chilean exports in this ground, followed by Argentina (21,80%) and Peru (10,70%). The first European country is Italy, collecting 0,40% of the total exports. Moreover, Spain is positioned on the 19th place, contributing with 12,000 USD, while France and Denmark do not qualify in the top 24 countries, generating value.

6. IMPORT POTENTIAL

For toys, games and sports requisites; parts and accessories thereof (TC 95) the main providers are China and the United States. Concerning European countries, the main provider is Spain. The economic value of Chile's imports for products under the general code 95 was 832,369,000 USD

For articles of apparel and clothing accessories, knitted, crocheted, or not and footwear (TC 61, 62, 64) the main provider is China. Concerning European countries, the main provider are Spain (TC 61,64) and Italy (TC 62). The economic value of Chile's imports for products under the general codes 61,62,64 was over 3,383,387,000 USD.

For preparations of cereals, flour, starch or milk; pastrycooks' products and miscellaneous edible preparations (TC 19,21) the main providers are Argentina (TC 19) and Brazil (TC 21). Concerning European countries, the main provider is Spain. The economic value of Chile's imports for products under the general codes 19 and 21 was over 1,075,000,000 USD.

For bedlinen, table linen, kitchen linen (TC 6301, 6302, 6307, 9403) the main providers are China (for products under the code 9403, Brazil is also an important provider). Concerning European countries, the main provider is Spain. The economic value of Chile's imports for products under the general codes 63 and 94 was over 1,037,000,000 USD.

For printed books, newspapers, pictures and other products of the printing industry; manuscripts, typescripts and plans (TC 49) the main provider is Spain. Another important providers are Malta and the United States with

almost identical contributions. The economic value of Chile's imports for products under the general code 49 was 151,631,000 USD.

7. DISTRIBUTION CHANNELS

A large percentage of total offline sales are concentrated in supermarkets, hypermarkets - the largest market share is concentrated in Walmart, Cencosud and SMU – and department stores (Falabella, Paris and Ripley have almost 100% of the market share).⁷¹ The shopping centers, Parque Arauco and Alto Las Condes, are the most traditional centers in Chile and are located in Las Condes, one of the districts with the highest income level in the city. However, new shopping centers such as Mallplaza Los Dominicos and Mallplaza Egaña have created competition for them.

MAIN COMMERCIAL AREAS OF SANTIAGO

Axis Alonso de Córdova - Nueva Costanera - it is where the stores that offer medium-high and high-end products are concentrated. In recent years, this axis has been characterized by a strong remodeling aimed at luxury retail, led by exclusive shops and trendy restaurants. Additionally, some homes in the area have been converted for commercial sale. It should be noted that the construction of the Casa Costanera mall has strengthened and attracted new businesses to Avenida Nueva Costanera, to the detriment of Alonso de Córdova, who was also affected by the creation of the Luxury District in the Parque Arauco shopping center.

Tobalaba - Providencia Axis - this area has seen its flow of visitors increase, thanks to the inauguration of the Costanera Center shopping center. This opening has led to the appearance of many stores around and has also boosted trade in the Providencia neighborhood. Very close to this axis, reference should be made to Avenida Isidora Goyenechea, located in the

⁷¹<https://www.icex.es/content/dam/es/icex/documentos/quienes-somos/donde-estamos/red-exterior/chile/DOC2021886024.pdf>

financial area of Santiago, in the neighborhood of El Golf, more popularly known as "Sanhattan", which concentrates a large number of shops and restaurants.

Talking about **children clothing**, the sale channels show interesting data⁷². Such as in the toy market, electronic commerce has gained relevant importance in terms of sales. Therefore, offline commerce has relatively decreased in terms of percentage.

ONLINE REVENUE SHARE in percent									
	2017	2018	2019	2020	2021	2022	2023	2024	2025
Offline	81,1	79,4	77,5	72,2	68,7	67,5	65,2	62,3	59,5
Online	18,9	20,6	22,5	27,8	31,3	32,5	34,8	37,7	40,5
Sources	Statista								
Most recent update:	10/01/2021								
MOBILE/DESKTOP SPLIT in percent									
	2017	2018	2019	2020	2021	2022	2023	2024	2025
Desktop	55,5	51,4	48,1	47,9	44,5	42,1	40,0	38,4	36,9
Mobile	44,5	48,6	51,9	52,1	55,5	57,9	60,0	61,6	63,1
Sources	Statista								
Most recent update:	10/01/2021								

Talking about **children footwear**, data⁷³ reveals interesting information. It is clear that ecommerce is a tendency in all economy sectors, even with more presence in footwear as the following table underlines:

[Market: Ecommerce - Fashion - Footwear, Region: Worldwide, Currency: USD](#)

ONLINE & OFFLINE SPLIT in percent											
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Offline	74,3	72,3	70,9	63,4	60,1	61,7	63,3	61,5	59,6	59,1	58,4
Online	25,7	27,7	29,1	36,6	39,9	38,3	36,7	38,5	40,4	40,9	41,6
Sources	Statista										
Most recent update:	02/01/2023										
MOBILE/DESKTOP SPLIT in percent											
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Desktop	46,2	44,3	43,2	42,6	42,7	41,9	41,2	40,8	40,3	40,1	39,9
Mobile	53,8	55,7	56,8	57,4	57,3	58,1	58,8	59,2	59,7	59,9	60,1
Sources	Statista										
Most recent update:	02/01/2023										

⁷² <https://www.statista.com/outlook/cmo/apparel/children-s-apparel/worldwide?currency=USD#volume>

⁷³ Statista Fashion Footwear

In addition, many businesses in the **apparel and footwear sectors** participate in events like CyberMonday or CyberDay⁷⁴ in Chile. Over a hundred last year.

About the **baby food market**, it has also experienced changes in the last years, and will experience more in the following⁷⁵.

[Market: Food - Baby Food, Region: Worldwide, Currency: USD](#)

ONLINE REVENUE SHARE in percent									
	2017	2018	2019	2020	2021	2022	2023	2024	2025
Offline	95,5	94,1	92,6	89,9	86,9	86,3	85,6	84,9	84,0
Online	4,5	5,9	7,4	10,1	13,1	13,7	14,4	15,1	16,0
Sources	Statista								
Most recent update:	10/01/2021								

Talking about **furniture**, most sales are made offline⁷⁶ nowadays, and will continue this way the following years too:

ONLINE & OFFLINE SPLIT in percent											
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Offline	76,6	76,8	75,7	72,4	72,0	73,0	71,2	69,7	68,2	67,9	67,6
Online	23,4	23,2	24,3	27,6	28,0	27,0	28,8	30,3	31,8	32,1	32,4
Sources	Statista										
Most recent update:	02/01/2023										

After having gone through all different sectors with precise details, general information may come as relevant to understanding the market. Global phenomena such as the pandemic situation affected businesses and therefore their sales channels.

This impact has been studied⁷⁷ in detail in many countries, often because it has pushed even more the process of digitisation in countries like Chile.

Not only due to the restrictions but also to a significant change in consumer habits have resulted in descents in the number of physical sales. However, it has not had the same impact in all sales channels. On the one

⁷⁴ Statista: CCS

⁷⁵ Statista

⁷⁶ Statista

⁷⁷ <https://www.marketinginsiderreview.com/principales-canales-venta-chile/>

hand, we can see that supermarkets now sell 83% of their products in their establishments, when in the pre-Covid 19 situation they were rounding 87% of their total sales. Similar effect has been appreciated in pharmacies, which nowadays sell around 13% more online than before. But the largest changes are presented in multi-shop spaces (like malls), household shops and fast food restaurants. In multi-shops spaces and household shops the decrease is around 49% of total sales, and for fast food restaurants it goes around 32%. Nevertheless, the principal physical sales channel continues to be the supermarket.

Online sales have increased, on the other hand, thanks to platforms such as *Marketplace*, *Baby Tuto*, *Falabella*, *Ripley*⁷⁸⁷⁹⁸⁰. This growth can be explained by some strategies they have followed:

- Use of communication channels such as social media, influencers and community groups.
- Implementations of SEO and SEM.
- Creation of user communities.

In different sectors it has had a great impact, like in banking (as we analyse in the *Digitisation* section), with a 7% growth, and in basic services, with over a 10% increment.

As it could be supposed, age plays a big role in online sales channels selection. As data has revealed, baby boomers shop in pharmacies, department stores and free fairs (like X generation, with the only difference that they prefer department stores), whilst millennials and Z generation do their shopping mostly in department stores and mini markets.

⁷⁸ <https://www.babytuto.com/>

⁷⁹ <https://www.falabella.com/falabella-cl>

⁸⁰ <https://simple.ripley.cl/moda-infantil/eventos-y-promociones/ver-todo?s=mdco>

8. COST OF ESTABLISHMENT

The costs of establishment in the country according to the ICEX⁸¹ study are shown in the following table:

Corporate taxation	Personal income tax	Incorporation of the company (€)	Min. capital (€)	Min. time needed (days)	Average legal advice (€)
27%	0%-40%	1.052,98 €	0. 100% paid up within 3 years.	5 days.	1.169,97 €

To contract some personnel in the country, minimum salary must be taken into account. Nowadays, it reaches 473,93 €/month. For foreign workers, a visa is needed. The average period of obtention is between 30 and 60 days.

When exporting to the south American country, some data is interesting:

- Approximate cost per m³ maritime (Santiago): 63€ (fixed costs - 70€- for FOB must be included)
- Approximate cost per kg, aerial transport: 3,50€.

However, these approximate costs may vary due to international fluctuation of prices as a consequence of war in Europe or global inflation.

⁸¹<https://www.icex.es/es/todos-nuestros-servicios/servicio-a-medida/simulador-costes-establecimiento/seleccion-ficha/datos-ficha.4747682>

9. TARIFFS AND OTHER BARRIERTS TO THE ENTRY OF FOREIGN GOODS

9.1. ENTRY RATE AND REQUIREMENTS, PER PRODUCT

The **custom rates** applicable per product, necessary to enter the country can be found in the following table. Because of the large amount of tariff codes used by the companies, we have applied a few which encompass a wide number of products.

Chile and the EU have registered serious agreements in the past, in order to promote political dialogues and commerce. Proof of that consensus is the agreement reached in 2002, of which its main consequence for this study is a 0% tariff rate of European products imported by Chile. This measure enormously favours exporting from countries within the Union.

Tariff Code	Product	General Tariff***	MFN Tariff
321310	Sets of artist's, student's or signboard painter's colours, modifying tints, amusement colours and the like, in tablets, tubes, jars, bottles, pans or similar packages	(MFN) 6%	EU preferential rate 0%
392410	Tableware and kitchenware, of plastics	(MFN) 6%	EU preferential rate 0%
4420	Wood marquetry and inlaid wood; caskets and cases for jewellery or cutlery, and similar articles of wood; statuettes and other ornaments of wood; wooden articles of furniture not falling in chapter 94	(MFN) 6%	EU preferential rate 0%

610452	610452 Women's or girls' skirts and divided skirts of cotton, knitted or crocheted (excluding petticoats)	(MFN) 6%	EU preferential rate 0%
610610	Women's or girls' blouses, shirts and shirt-blouses of cotton, knitted or crocheted (excluding T-shirts and vests)	(MFN) 6%	EU preferential rate 0%
611120	Babies' garments and clothing accessories of cotton, knitted or crocheted (excluding hats)	(MFN) 6%	EU preferential rate 0%
620442	Women's or girls' dresses of cotton (excluding knitted or crocheted and petticoats)	(MFN) 6%	EU preferential rate 0%
630210	Bedlinen, knitted or crocheted	(MFN) 6%	EU preferential rate 0%
640220	Footwear with upper straps or thongs assembled to the sole by means of plugs	(MFN) 6%	EU preferential rate 0%
640391	Footwear with outer soles of rubber, plastics or composition leather, with uppers of leather, covering the ankle (excluding incorporating a protective metal toecap,	(MFN) 6%	EU preferential rate 0%

	sports footwear, orthopaedic footwear and toy footwear)		
940360	Wooden furniture (excluding for offices, kitchens and bedrooms, and seats)	(MFN) 6%	EU preferential rate 0%
95030010	Tricycles, scooters, pedal cars and similar wheeled toys; dolls' carriages; dolls; other toys; reduced-size scale"" recreational models, working or not; puzzles of all kinds	(MFN) 6%	EU preferential rate 0%
95049080	Tables for casino games, automatic bowling alley equipment, and other funfair, table or parlour games, incl. pintables (excluding operated by any means of payment, billiards, video game consoles and machines, and playing cards)	(MFN) 6%	EU preferential rate 0%

9.2. IMPORT PROCEDURE. GENERAL INSIGHT

Certain **procedures and formalities** are also necessary when importing products in Chile. These can be divided as general procedures (applicable to every product) and specific (depending on the product).

Starting with the general procedures and formalities, necessary to enter the Chilean market:

- Manifest

A document notifying the authorities of the arrival of a vessel or an aircraft and summarising the goods loaded therein. It is mandatory and does not depend upon the specific purpose of arrival. Required for customs

clearance. The document is a prerequisite for the Customs Import Declaration.

- Customs Import Declaration

Official form for the customs clearance of goods. The responsible authority is the National Customs Service. To be completed by the importer or customs agent in Spanish.

- Commercial Invoice

A document containing the details of the transaction. To be submitted in the original or electronically. In the latter case, a signed copy is additionally required.

- Pro Forma Invoice

A document containing the details of the transaction made out prior to the proper invoicing and in addition to the Commercial Invoice. May be required by the importer or the competent authorities of the importing country.

- Packing List

A document containing the details of the shipment. It serves as a basis for the customs treatment of goods. Required for customs clearance if the goods are shipped in containers. However, it may be substituted by a sworn declaration made by the consignee which contains a detailed list of the commodities in each package. To be prepared by the exporter in Spanish or English.

- Certificate of Non-Preferential Origin (not needed if the origin of the good is in the EU)

A document certifying the non-preferential origin of the goods to be imported. May be required for the customs clearance of plants and plants products and other media possibly carrying plant pests if deemed necessary by the Agriculture and Livestock Service (SAG) as well as for endangered

species subject to the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES). Otherwise, it is only required if specifically requested by the importer, by the customs authorities or by other authorities involved in import procedures. In particular, the customs authorities may demand the provision of the certificate if they have any doubt as to the origin of the goods. The certificate is to be submitted by the exporter.

- Air Waybill

A document containing the details of the international transportation of goods by air and proving the transport contract between the consignor and the carrier's company. Required for customs clearance. To be prepared by the carrier or his agent.

- Bill of Lading

A document containing the details of the international transportation of goods by sea. It serves as proof of receipt of goods by the carrier. Furthermore, it serves as a transportation contract obliging the carrier to deliver the goods to the consignee. The Bill of Lading is a document of title to goods, thus its bearer is the owner of the goods. If goods are shipped by sea without a document of title to goods, a Sea Waybill is used instead. Required for customs clearance. To be prepared by the carrier or his agent as a clean or unclean Bill of Lading

- Insurance Certificate

A document indicating details of an insurance contract for the importation of goods. Required for customs clearance if the respective value is not indicated on the Commercial Invoice. The certificate is to be issued by the insurance company of the exporter or the importer.

- Proof of preferential origin / origin documentation

A document confirming the preferential origin of the goods to be imported. Such document is only required to claim preferential tariff treatment under a free trade agreement.

Depending on the nature of each product, specific requirements are applied, as follows:

Product Code	Specific Documents Required
9503	<ul style="list-style-type: none"> • Declaration on Toluene Contents • Prohibited Imports
61	<ul style="list-style-type: none"> • Permit to Import Endangered Species Subject to the Washington Convention (CITES) (only required in certain cases)
62	<ul style="list-style-type: none"> • Permit to Import Endangered Species Subject to the Washington Convention (CITES) (only required in certain cases)
64	<ul style="list-style-type: none"> • Permit to Import Endangered Species Subject to the Washington Convention (CITES) (only required in certain cases)
19	<ul style="list-style-type: none"> • Assessment of the Production Process of Industrialised Animal Products • Licence for Dealing in Foodstuffs, Chemicals and Radioactive Substances • Certificate of Analysis • Free Sale Certificate • Veterinary Health Certificate for Animal Products • Warehousing Certificate for Foodstuffs, Chemicals and Radioactive Substances
21	<ul style="list-style-type: none"> • Licence for Dealing in Foodstuffs, Chemicals and Radioactive Substances • Certificate of Analysis • Free Sale Certificate • Veterinary Health Certificate for Animal Products • Warehousing Certificate for Foodstuffs, Chemicals and Radioactive Substances
44	<ul style="list-style-type: none"> • Permit to Import Endangered Species Subject to the Washington Convention (CITES) (only in certain cases)

49	-
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9.3. COMMERCIAL OBSTACLES

Here we find some obstacles⁸² in the Chilean Market throughout the years:

- Many original documents are needed as part of the registration process for the "registro de consultores".
- Many unnecessary notarised documents (certificates of good conduct of workers, certification of previous projects etc.) are needed.
- "RUT" (a tax identification number which foreign companies obviously don't have) is required.
- Experience of sister companies is not recognised.
- The Regulation on Consultants by the MOP requires, for registration/bidding purposes, consortia with foreign consultants to include at least a national consultant with a minimum participation of 30% of the value of the contract.
- The same legislation does also, under certain conditions, prohibit foreign companies from participating in tender procedures.
- The regulation relating to public works by the Ministry of Health provides discriminatory provisions giving higher value to local experience (80%) than experience gathered abroad (20%).
- Also the application by MOP of dictamen 22728 by the General Comptroller is not recognising experience and/or studies acquired before the recognition in Chile of a foreign diploma. Issues related to the recognition of professional titles (responsibility of the Ministry of Foreign Affairs) were raised in the Association Committee on 6 November 2014 and 2015.

⁸² https://trade.ec.europa.eu/access-to-markets/es/barriers/details?barrier_id=10080

- The Contraloria Dictamen 22728 of 13 April 2011 on the recognition of work experience abroad is discriminatory against foreign workers when applied in the area of public procurement. A meeting on recognition of diplomas between the EU and with the Universidad de Chile, which is the responsible authority for the homologation of professional titles, took place on January 25, 2016.

Such as we have previously analysed, toys are among the products that **require pre-market certification**. They must follow the standards imposed by the Ministry of Health with regard to physical and chemical properties, which ensure minimum safety requirements. The label must include: the generic name of the product (if it is not identifiable by sight), name and address of the producer or responsible person and country of origin, the recommended age of use and "warning, use under adult supervision" when necessary.⁸³

9.4. STRATEGIES TO OVERCOME THE BARRIERS IN THE CHILEAN MARKET

As a foreign company looking to enter the Chilean market it is necessary to overcome the various barriers and restrictions. They may vary depending on the exact product that is being tried to be commercialised in the South American country, but in general, foreign companies might have to cope with the following:

- Scale economies. Some of the local producers (also other foreign companies) will benefit from large productions, reducing costs and therefore prices.

⁸³<https://www.icex.es/content/dam/es/icex/documentos/quienes-somos/donde-estamos/red-exterior/chile/DOC2021886024.pdf>

- Product differentiation. Chileans may not differentiate the product; hence the company would be losing one of their competitive advantages. Also, it is possible that, since it is a different culture, they value certain aspects over others, and they could be different to the most valued in European markets.
- Necessary big investments. Some industries may require big investments in capital.
- Access to distribution channels. Already placed businesses may have power into the distribution chain, which could increase costs to the foreign companies.

Having looked through the different barriers present in the different markets; some solutions can be proposed so as to deal with them:

Toy market

Regarding the toy market, the most challenging barrier that is placed in the market is the economy of scale. European companies will have a lot of difficulties competing in costs with other exporters like China or Bangladesh. Therefore, it is more convenient to position the different products in other categories.

The offered value should be **quality**. European businesses have a large tradition with this type of intelligent designs and will stand among other products. Many cheap toys might be also dangerous for young children (tiny pieces might break and be swollen, toxic materials, sharpen borders...) and parents will thank toys that take care of their children in that aspect.

Also, as commented in this study, gender perspective is being introduced in Chile and Europe is a pioneer in this thinking and social movement. SDGs are also a great point for European businesses. The more committed the products are to them, the more differentiated they can get.

Apparel and footwear

Just like with toys, it is difficult to compete with fast fashion phenomena. Businesses like the Inditex group have many advantages in costs and are also competing lately in the design ground very effectively.

Therefore, it would be interesting to try to differentiate from that business model, committing to a more sustainable production chain, circular economy and recycling. This will also allow products to be positioned as high quality, and more margin of profit will be available for businesses. SEO and SEM would be fundamental in this sector, specially

Baby food

If cultural differences do not make it impossible to export European gastronomy, differentiating these products is the right choice for businesses. European products are considered of high quality and would have a good impact in the market.

Also, there are certain gastronomic cultures that are known worldwide as healthy, such as the Mediterranean diet. Presenting these products for children will lead to parents preferring these products.

Also, sweets have been one of the most wanted products by children all over the years, and can be positioned in different ways and niches (for everyday consumption, Christmas sweets...).

Children books

The best strategy in the sector would be to investigate different trends in the market. Also, different values are being introduced in the country (we have talked about gender perspective, sustainability, environmental concerns, etc), and books that educate in these thoughts will be a sensible positioning for products. In addition, using recycled paper would be well considered by Chilean consumers.

Furniture and linens

As for the furniture market, one strategy would be to differentiate products as high quality and sustainable, informing consumers of the importance of sustainable consumption and the use of circular economy in our products, this circular economy has not been fully explored in Chile. However, sustainable products are a trend in consumers' minds.

Another barrier facing this market will be the high logistical costs of transporting the product, so we should aim to reduce logistics costs as much as possible, for example, by shipping, when possible, products without being fully assembled.

For linen, especially for children, a market study should be made and guided by current trends to make creative and innovative designs and manufacture them quickly because it is a highly sensitive market.

10. ECONOMIC FREEDOM INDEX

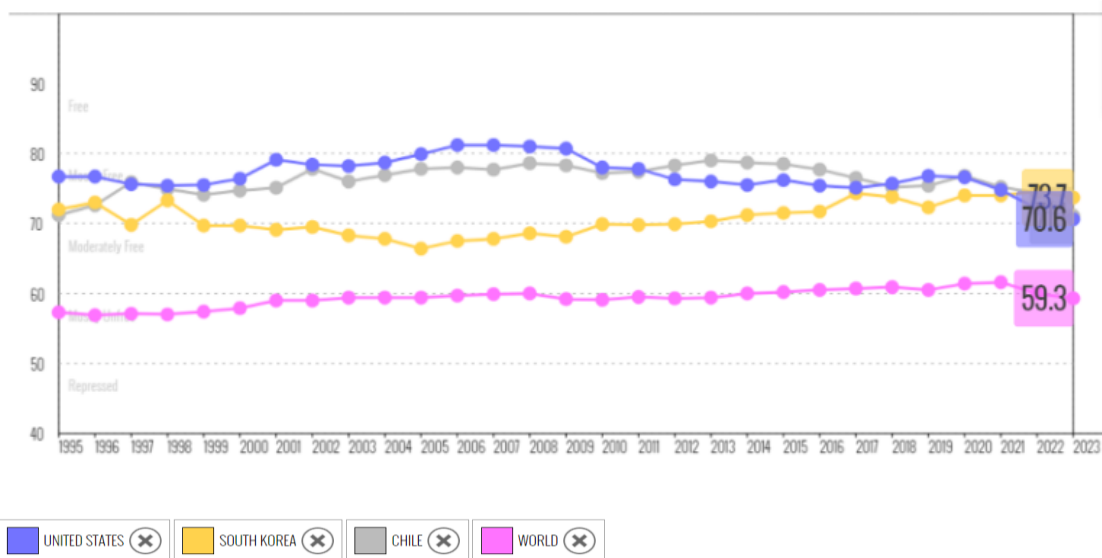
The index of economic freedom, calculated as the arithmetic mean of 12 fundamental freedoms for individuals and their states, shows very positive data for Chile.

The Latin American country is **ranked 20th in the world ranking**⁸⁴ after 2022, just behind South Korea (tied in the ranking) and ahead of countries such as the United Kingdom, the United States and Spain.

It has a **score of 74.4 out of 100**, down 0,8 points from its score in 2021. This score earns it a Mostly Free rating, just 5 points short of the highest category of Totally Free, which is occupied by only seven economies, including Singapore and Switzerland.

⁸⁴ <https://www.heritage.org/index/ranking>

According to the Index of Economic Freedom report (2023), here are the key figures and rankings of the United States, Chile, and South Korea⁸⁵.



As we can see on the chart, the US ranked as being mostly free, closely followed by Chile. Meanwhile, South Korea varies between being considered mostly free and moderately free. In any case, the three countries ranked above world average.

It's important to note that the Index of Economic Freedom is not a comprehensive measure of a country's economic health or social well-being, and it has its own limitations and critiques. For example, it may not capture the distributional effects of economic policies or the impact of external factors such as global trade or climate change. Additionally, different countries may have different priorities or interpretations of economic freedom.

Overall, the Index of Economic Freedom can provide a useful perspective on the economic policies and institutions of different countries, but it should be complemented by other indicators and assessments to gain a more holistic understanding of a country's economic performance and challenges.

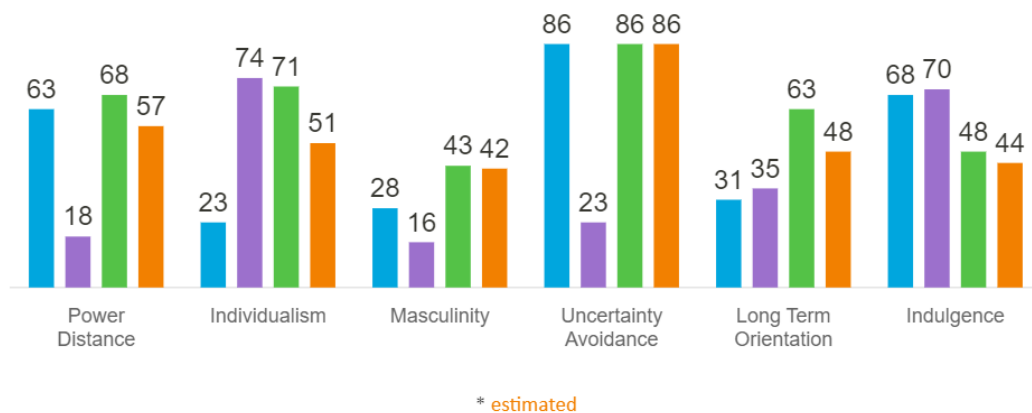
⁸⁵ <https://indexdotnet.azurewebsites.net/index/visualize>

11.CULTURAL DISTANCE ANALYSIS

Considering that the cultural distance **between Spain, France, Denmark and Chile** is small, one could choose to deal directly with the relations between the countries, rather than delegating the related tasks to a local partner.⁸⁶

There is a difference between the two cultures in the perception of free time: in Spain it is considered very valuable, whereas for Chileans "it is only time when you are not at work".

To analyse the culture distance among several countries (Spain, Denmark, France and Chile), a useful method is through **Hofstede variables**.⁸⁷ The graph⁸⁸ below shows the result for cultural distance among them:



By colours, Chile is represented by blue, Denmark by purple, France by green and Spain by orange.

In terms of **power distance**, a variable that measures the acceptance of power not to be distributed equally in the country. In other words, how people in the country accept hierarchy, both in the workplace, familiar situations, society, etc. Chile has a value of 63, close to France and Spain.

⁸⁶ http://www.scielo.org.co/scielo.php?script=sci_arttext&pid=S0120-35922007000100011

⁸⁷ <https://www.hofstede-insights.com/country-comparison/chile.spain/>

⁸⁸ <https://www.hofstede-insights.com/country-comparison/chile.denmark.france.spain/>

However, the cultural difference in this aspect with Denmark is remarkable and is a critical aspect.

Regarding **individualism**, Chile has a very low punctuation in this aspect, situating the country in a more collectivist view of life. Denmark and France are very individualist and Spain is halfway between those two stages.

Talking about **masculinity**, (according to Hofstede, a masculine -high score in this category- country will focus on competition, achievement and success, whilst a feminine country -low score- will focus on caring for others and quality of life), Denmark is the most "feminine" country, Chile would be close to them and France and Spain would be topping the list, but always under the score of 50. However, this distinction masculine-feminine is antiquated and must not be understood literally.

Uncertainty avoidance measures how society fears ambiguous and unknown situations. Here again Denmark is different from the rest of the countries, but Chile, France and Spain score very high.

Regarding **long term orientation**, Chile has the lowest score. Ahead of them by little is Denmark (both under a score of 35). Spain nearly gets to 50 points and France is over 60.

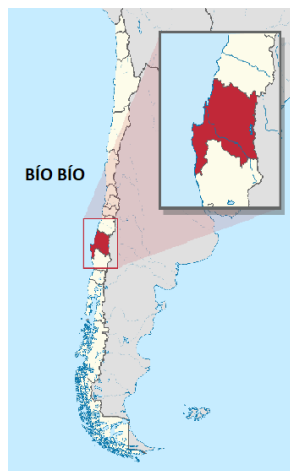
Finally, we are talking about **indulgence**. Indulgence is the measure of the amount of restraining people apply on their desires and impulses. As we can see, Denmark and Chile are very similar in this aspect, being both very indulgent. However, France and Spain are more restrained in comparison to them, with a score lower to 50.

12. BEST LOCATIONS FOR MARKETING

Santiago is Chile's business centre, with 40% of the country's population. The cities of Concepción and Valparaíso are becoming increasingly important.⁸⁹

Another option would be to go to the Biobío region, with its capital in Concepción (200 000 inhabitants). It is the third most populated and densely populated region in Chile.

The Antofagasta region, on the other hand, is the region with the highest GDP per capita in the country, exceeding USD 25,000 per person. Its population is small, barely over 600,000, but most of the population is concentrated in the urban centre of the same name, Antofagasta, with a population of over 390,000.⁹⁰



⁸⁹ <https://www.icex.es/content/dam/es/icex/documentos/quienes-somos/donde-estamos/red-exterior/chile/DOC2021886024.pdf>

⁹⁰ http://chato.cl/blog/es/2005/08/diferencias_y semejanzas_entre_chile_y_espana.html

13. E-COMMERCE

Regarding online commerce, it is difficult to find reliable official data, as the Santiago Chamber of Commerce (CCS) does not provide documentation of the method of data collection and/or analysis. However, other private organisations provide information on Chilean e-commerce, reporting data that attest to the growth of this sales channel in the South American country. **In 2021, ecommerce grew by 23% according to the multinational consultancy Blacksip⁹¹**, and 63% of the Chilean population already accesses this sales channel. This places Chile as the 31st largest economy in percentage terms, just behind Finland.

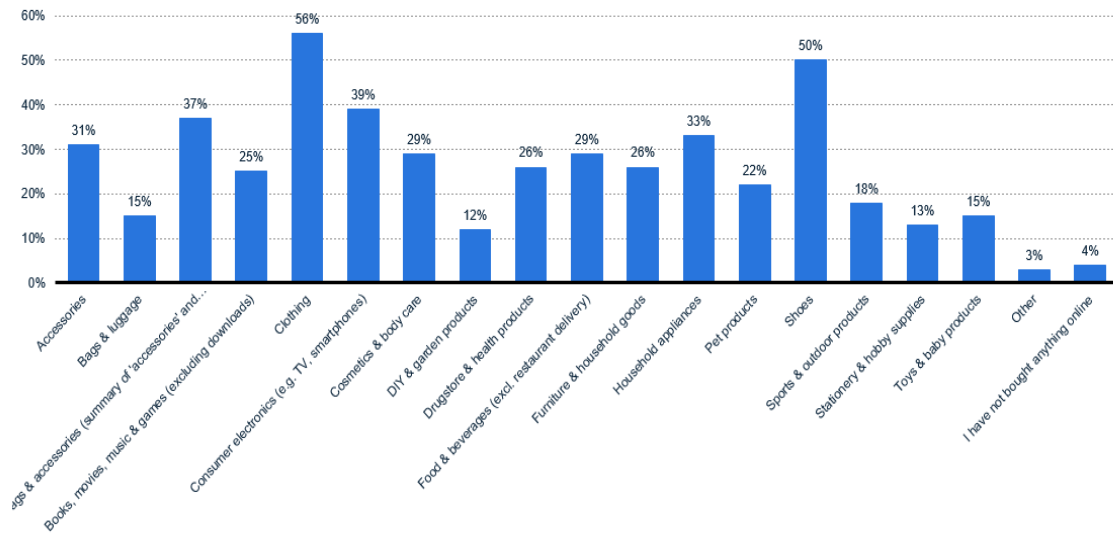
The profile of the Chilean online consumer is distinguished by the type of device through which they carry out their transactions. Thus, "smartphones (57.98%), laptops and desktop computers (41%) and tablets (1.2%) are the main channels for connecting, searching and buying. Likewise, there are some categories that are preferred by Chileans, among which clothing, shoes and electronic products stand out".

Average spending per internet user would be around USD 842 per year (2021). This increase in consumption and sales is explained by the liquidity that families obtain from the availability of provisional funds for pensions and Chilean government bonds for economic recovery, among other reasons. Also, important dates such as Cybermonday or Cyberday, which increase consumption and sales of electronic products.

An online survey conducted in 2022, with 2097 respondents in Chile aged 18 to 64 tried to determine **what were the items people were most inclined to buy online**. The results are shown in the following graph⁹²:

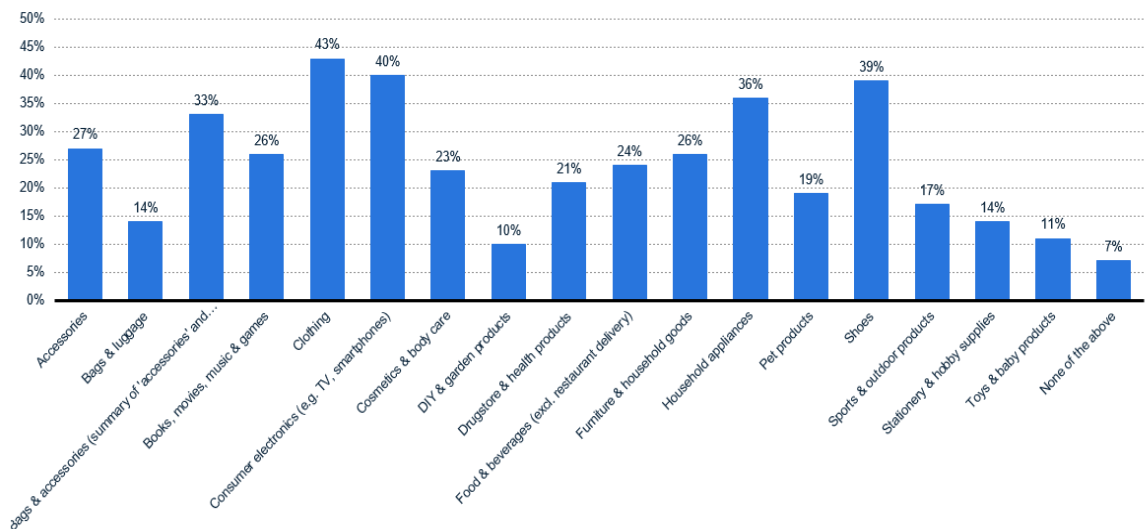
⁹¹ <https://www.elmostrador.cl/agenda-pais/2022/04/25/ecommerce-en-alza-63-de-chilenos-ya-compra-en-linea/>

⁹² Source: Statista Consumer Insights Global Consumer Survey - Chile



As we can see, the principal items were clothing (56%), shoes (50%) and electronics (39%). The least bought online were other products not included in the list (3%), DIY and garden products (12%). As for toys and baby products, 15% were bought online.

On the other hand, the following graph shows **which products consumers would rather buy online, rather than offline.**⁹³



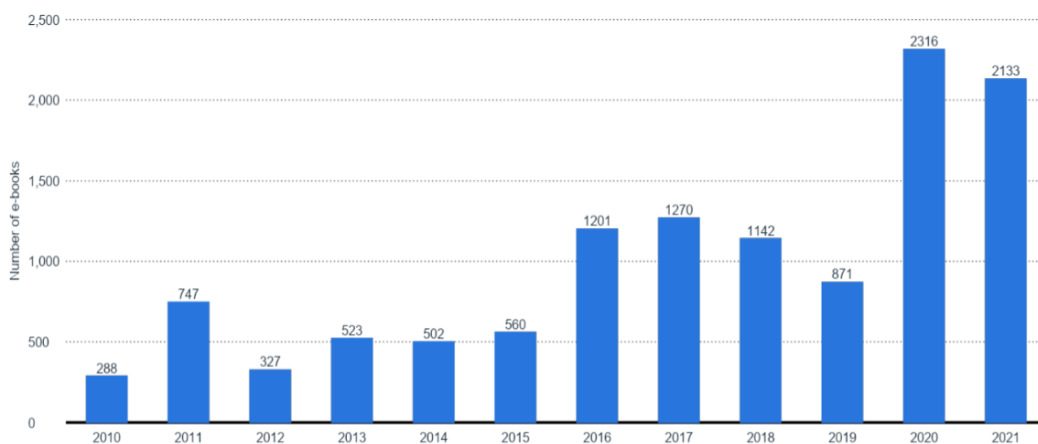
⁹³ Source: Statista Consumer Insights Global Consumer Survey - Chile

As we can see, **clothes** (43%), **Books, movies, music & games** (26%), **food and beverages** (24%), **furniture and household goods** (26%) and **shoes** (39%) continue to be the most popular items. As for toys and baby products, only 11% of the participants would rather buy the products online.

Thus, we can see in the **toy market** in Chile that there are already many options for buying toys online. Some examples are the *Mercado Libre* platform and toy shops such as *Falabella*, *ToysCenter*, *Jugueterías Ansaldo*, *Bodega Outlet*, *TicTacToys*, *Importadora Luo* or *Juguetería Caramba*.

With regard to the **children's clothing** market, there are also a large number of shops and department stores adapted to online shopping. Indeed, the number of online consumers in Chile has increased to 40% in 2022⁹⁴. Of course, companies such as Zara or Bershka belonging to the Inditex group, but also national shops such as *Pillin*, *Ficcus*, *Ama kids*, *Dafiti*, *Colloky*, *Milou*, *Falabella*, *LB Chile*, *Cozy Kids* or *María Pompón*, are some of the examples currently on the market.

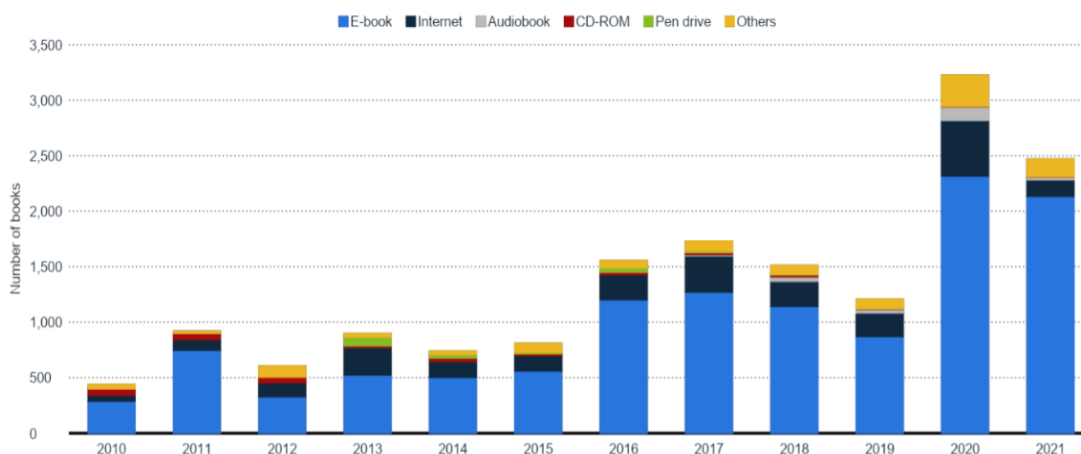
Regarding books in Chile, ecommerce has increased throughout the years. Back in 2010, only 288 e-books were published in Chile. More than 10 years later, that number has grown more than 7 times, going over 2.000 books



⁹⁴<https://pe.fashionnetwork.com/news/Un-40-de-los-usuarios-en-chile-compra-moda-online,1425704.html>

a year. That shows a big tendency in the market, as we can see in the following graph⁹⁵:

It is true that e-books are not the only format sold online in Chile, finding others like CD-ROMs or audiobooks easily. However, is the most purchased category⁹⁶: The following graph shows the number of non-paper books published in Chile from 2010 to 2021, by format.



14. CIRCULAR ECONOMY

The circular economy is a relatively new concept in our society that is gaining more weight in business models. The aim of this philosophy is to reduce the impact of economic activities on the environment by keeping products in circulation as long as possible, either by reusing them or by converting them, giving these materials a new life. It is a stance that confronts head-on the disposability of products in the linear economy.

In Chile we find the Circular Economy Office, under the Ministry of Environment, which promotes initiatives such as **Chile Circular Sin Basura**, providing Chilean citizens with methods and strategies for reuse and recycling.

⁹⁵ Statista: Cámara Chilena del Libro

⁹⁶ Statista: Cámara Chilena del Libro

The main functions of the Circular Economy Office are:

1. Exercise technical coordination in the implementation of policies, programs, plans and standards in matters of:
 - Reduction and control of waste generation, including its valorization, production, and consumption.
 - Circular economy.
 - Ecolabeling and deposit and refund systems.
2. To participate in the collaboration actions that the Ministry provides to the competent bodies, in the formulation of environmental policies in the matters of its competence.
3. To collaborate in the scope of its competence in the pronouncements of the Undersecretariat, on the interregional projects submitted to the System of Evaluation of Environmental Impact when the Service of Environmental Evaluation so requires it.
4. To collaborate in the proposal of mechanisms and actions tending to promote and facilitate citizen participation in the formulation of policies, plans and norms in the matters of its competence.
5. Propose, formulate, and carry out the necessary actions to ensure compliance with international conventions in matters within its competence.⁹⁷

And its main lines of work are:

1. Implementation of the REP Law

Law 20.920, which establishes the framework for Waste Management, Extended Producer Responsibility and the Promotion of Recycling, seeks to reduce the generation of waste and promote its reuse, recycling and other types of valuation. The law obliges producers of certain priority products to organize and finance the collection and recycling or recovery of the waste

⁹⁷ <https://mma.gob.cl/economia-circular/>

they generate. In order to operate, a series of regulations must be drawn up, work that is being carried out by the Circular Economy Office.

2. Circular Economy Roadmap

The Office is leading the development of a Circular Economy Roadmap, a long-term planning instrument that has been used by most of the countries at the forefront of the issue, which have understood that the challenge of moving towards a circular economy requires a far-reaching vision that goes far beyond mere recycling and rethinks the current production and consumption model, which is based on the paradigm of take - make - dispose. The participatory process of developing the roadmap seeks to connect key actors, imagine the Circular Chile of the future, reach a consensus on the major changes that will be necessary to get there, design the actions that will give the initial impetus to the transition to this new economic paradigm, and highlight the issue of the circular economy in the country.⁹⁸

⁹⁸ <https://www.greencarcongress.com/2021/01/20210125-csiro.html>



3. Recycling Fund

The Office oversees managing the Recycling Fund, which was created by the REP Law. The fund finances projects of municipalities and associations of municipalities aimed at preventing the generation of waste in their municipalities and promoting its separation, reuse, and recycling. In this way it supports compliance with the Recycling Promotion Law at the communal level.

4. Action Plan Against Plastic Pollution

There is a worldwide consensus on the need to reduce the use of plastic and redesign the production of the material to make it reusable and recyclable. This challenge is addressed through various initiatives aimed at minimizing the consumption of single-use plastics in commerce and by the State, as well as Chile's adherence to the "Global Commitment to the New

Plastics Economy", and the creation of an Eco-label standard that allows consumers to know the recyclability of containers and packaging, among other measures that encourage the cultural change required for this purpose.

5. Organic Waste Management Strategy

This strategy seeks to optimize the collection and handling of organic waste, preventing it from being deposited in dumps or landfills, thereby reducing the uncontrolled emission of greenhouse gases. Organic matter can be treated separately to produce compost and fertilizers as well as biogas.

6. Construction and Demolition Waste (CDW)

Joint intersectoral work between MINVU, MOP, CORFO and Construye 2025, which seeks to contribute to solve the problems derived from the high generation of CDW, its poor management and final disposal in unsuitable areas, the scarce prevention and valorization of these wastes. CDW can achieve high recovery rates since most of it is waste that can be incorporated into circular economy cycles, reducing the extraction of raw materials from the environment.

7. Transboundary Waste Movement

Work related to compliance with the Basel Convention on the "Control of Transboundary Movements of Hazardous Wastes and their Disposal", promulgated by Supreme Decree No. 685 of 1992 of the Ministry of Foreign Affairs; the OECD recommendations and the obligations established in Article 8 of Law No. 20,920.

On the other hand, the case of the Atacama Desert, which has become the world's largest garment dumping ground, is a high-profile one. Chile is the South American country that imports the most used clothing per year - some

59,000 tons - yet it is estimated that half of these imports end up in illegal dumps like the one in Atacama Desert.

Despite cases like the Atacama Desert, the circular economy is starting to take root in the country. Proof of this is the second Cleaner Production Agreement (APL) Transition to the Circular Economy (TEC). It is a public-private agreement, promoted jointly by a number of large companies (up to 27) and the Agency for Sustainability and Climate Change (ASCC), which was joined by others such as the Ministry of the Environment. In fact, one of the companies with which this project would collaborate is SMU, a supermarket chain committed to the circular economy that has also integrated several of its subsidiaries' stores (Unimarc, Alvi and Mayorista 10). Moreover, the Chilean Council of Ministers for Sustainability approved and published the roadmap for a circular Chile in 2040, with 100,000 green jobs by 2030. As a result, programs such as the Territorio Circular Programme have been underway since May 2022.

Under this objective, multiple initiatives have emerged from Chile that are setting the pace in the transition to a circular economy in different sectors. Some examples of circular economy initiatives carried out in Chile are:

Integrity, new packaging made from recycled plastic. This Chilean family company recycles plastic waste from beverage, water and juice bottles and transforms it into raw material for new packaging, which is also incorporated into the recycling circle. In 2021 alone they manufactured 12,000 tons of PET containers, including varieties for fresh fruit, pastries, food and nut jars, packaging for sushi and pasta and even eggs. All of them are made with 90% recycled PET, leaving a small percentage to resin in some cases, as it provides the necessary strength to support greater weight. For this work, they take waste from the work of small and medium-sized recyclers, as well as from large companies.

Ecocitex, giving new life to unused clothing. The fashion industry is responsible for 20% of industrial water pollution, 10% of carbon emissions and often incorporates exploitative labor practices. Combating this problem is the

driving force behind Ecocitex, a national enterprise that creates recycled wool from clothing in poor condition, which is collected and recycled in Chile, without using water or dyes in the process. In 2022 they set new milestones by making fabric from their recycled clothing yarn and reaching important retail chains.

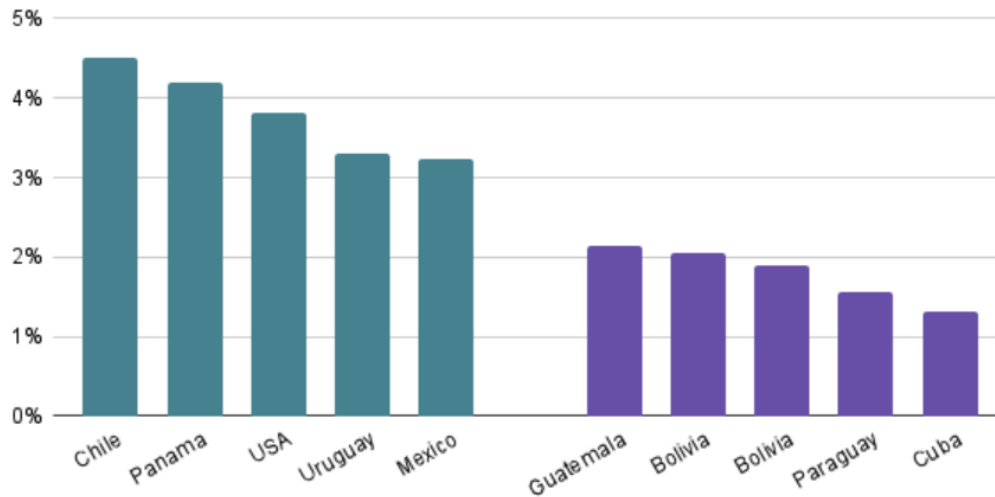
Mochacó Bags, sustainability from Patagonia. "In the era of use and throw away, in Mochacó we propose a solution". So reads the website of Mochacó Bags, a Chilean project that manufactures products with farming nets that, instead of being sent to landfills, are reused thanks to the talent of local artisans who transform them into bags, key rings and backpacks. Thus, they recover, repair, reuse and recycle.

DISAL Chile. A comprehensive and circular economy friendly for waste, drainage, water treatment plants, sewage networks, wastewater reuse. These are the main activities of DISAL Chile. 99

In 2019, the reuse rate of toys in Chile was only 10% and, with the intention of promoting the circular economy and reverse this low rate, a Parisian company launched the "Juguete x juguete" initiative, which advocates extending the life cycle of toys and raising awareness of the importance of repairing and reusing. Modulab collected used toys and then gave them to corporations and children's foundations to give them a second life. Toys that cannot be repaired will be sent to a company for recycling. To promote citizen collaboration, they gave a 30% discount in toy shops for depositing the toys in the containers. In the end, this initiative managed to collect more than 30,000 toys throughout Chile, 91% of which were repaired and given to other users. It started as a seasonal initiative but is now part of its sustainability strategy called *Conciencia Celeste*.¹⁰⁰

⁹⁹<https://portalinnova.cl/tres-iniciativas-chilenas-que-destacan-en-economia-circular/>

¹⁰⁰ <https://www.paiscircular.cl/economia-circular/reconocen-a-paris-con-premio-a-la-mejor-iniciativa-de-sostenibilidad-del-mundo/>



Chileans are the people in the Americas who are most concerned about the circular economy. According to statistics gathered from 1 January 2022 to 11 April 2022, debates relating to the circular economy account for 5% of national discourse in Chile (as opposed to the other American countries where they account for just about 3% of national discourse). The desire for more effective recycling technology is particularly strong.¹⁰¹

15. SUSTAINABILITY

Chile is one of the developed countries most committed to sustainability. Thus, in 2020, **the Sustainable Development ranking, a study led by Cambridge University professor J. Sachs, ranked Chile as the most advanced Latin American country** in this aspect, and in **28th position worldwide, ahead of countries such as the United States, Australia, and Italy.**

To achieve its objectives, the country is promoting legislative tools with a clear focus on sustainability, such as the law to promote recycling (Law No. 20.920), the Climate Change Action Plan (PANCC 2017-2022), the law on General Bases for the Environment (Law No. 19.300) and the creation of the Ministry of the Environment and other collaborating state offices. It should be

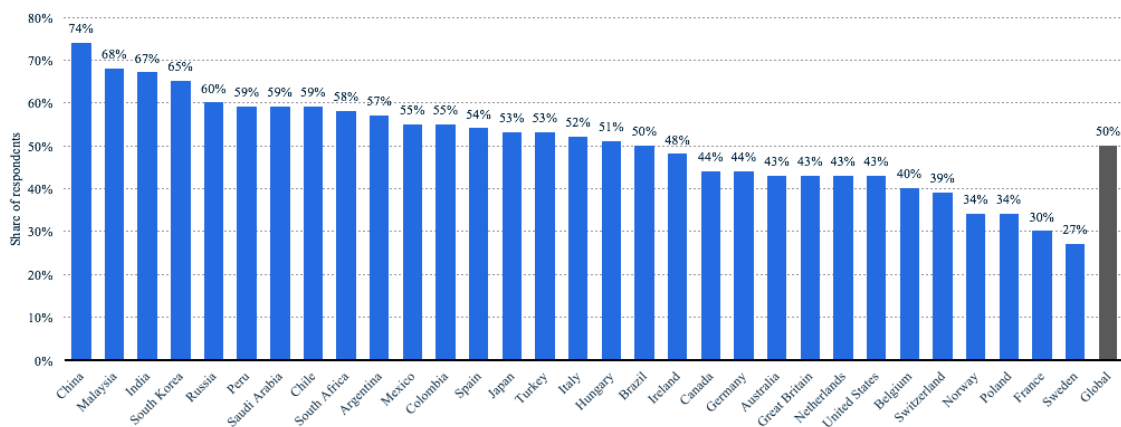
¹⁰¹ <https://www.citibeats.com/center-for-knowledge/countries-are-expressing-an-emerging-interest-in-circular-economy>

added that the Chilean population itself can actively participate in these decisions, since thanks to legal instruments such as Law 20.417, there is a process of citizen participation in the process of environmental impact statements that may be caused by a given project that could potentially generate environmental burdens in a nearby community.

Certifications for carbon emissions can also be obtained:

- ISO 14064-1: is the standard for quantifying and reporting GHG emissions.
- Greenhouse Effect (GHG).
- ISO 14064-2: determines the design and implementation of GHG initiatives.
- ISO 14067: enables product life cycle accounting and reporting.
- ISO 1406g: calculates the carbon footprint of an organisation.

Sustainability isn't only at a State level, but even for citizens. The graph below shows the share of respondents who are more likely to begin recycling materials to limit their contribution to climate change, extracted from a survey conducted in 2022.¹⁰²



¹⁰² Ipsos; [ID 1311128](#)

The data provided in the chart above demonstrates once again the country's dedication to the sustainability of its economy. Indeed, more than 50% of the country's inhabitants are ready to start recycling in order to reduce their impact on the environment, which places the country in 8th position globally (58%) and above the global average (50%).

On the other hand, the following chart collected the investors' approach towards investing only in sustainable funds in 2021, per country. ¹⁰³

	Positive	Neutral	Negative
Thailand	76%	21%	3%
India	74%	22%	4%
China	74%	24%	2%
Indonesia	72%	28%	1%
Brazil	69%	25%	7%
United States	68%	25%	7%
Mexico	67%	30%	2%
Greece	62%	15%	22%
Malaysia	62%	33%	5%
Chile	62%	34%	4%
United Arab Emirates	61%	36%	2%
Portugal	60%	33%	7%
Argentina	59%	36%	5%

Thanks to the data from 2021, we can see that investors in Chile are favourably inclined to turn their investments towards companies and funds with a very pronounced sustainable value. This only confirms the interest of the country and its citizens in developing a sustainable society for future generations. 62% of Chilean investors want to invest in sustainable funds against only 4% who are not in favour. These figures reveal the mentality of its investors even if 34% are indifferent to this issue.

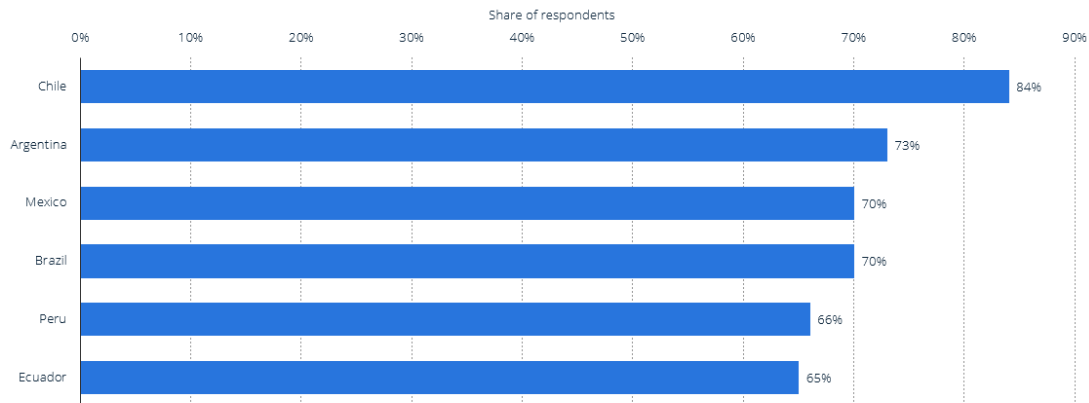
15.1. SUSTAINABILITY APPLIED TO THE OBJECT OF STUDY

On the sustainability of the apparel market, it is possible to see that it has gradually grown since 2013, and it is believed that it will be doing so in the next few years.

SUSTAINABLE APPAREL SHARE in percent														
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Sustainable	2,3	2,5	2,7	2,9	3,1	3,4	3,7	4,0	4,3	4,7	5,2	5,6	6,2	6,7
Sources	Statista, Annual reports of key players, Desk research, Statista Global Consumer Survey													
Most recent update:	08/01/2021													

¹⁰³ Schrodgers; [ID 1273368](https://www.schrodgers.com/ID-1273368)

Children are also concerned about sustainability measures and environment protection. The following chart shows the share of children, per country, worried with such matters, in 2019¹⁰⁴:



As we can see, Chile ranks first of the 6 countries in which the survey was conducted, with 84% of the children showing preoccupation for the environment and its protection.

16. GENDER

Chile as a country is struggling to eliminate the gender gap in society. According to the Global Gender Gap Index study, the gender gap in Chile is 73.6%, still below average. On a relative global level, they are in 47th place, which shows a clear trend towards equality, since in the period of the last decade they have moved from 87th place in 2012 to the position they occupy now in 2022.

The feminist movement has played a key role in these developments, leading the country into a social debate in the context of the drafting of its new constitution, highlighting the material inequality suffered by women and girls in the country and the intention to eliminate it through new regulations and state structures, such as improved funding for public services dealing with women's issues.

¹⁰⁴ Statista: Extracted from Market Analysis, WIN (Américas)

Other studies have revealed that the gender gap goes beyond pay. Chilean women "spend on average 3.2 times more time than men in unpaid care work"¹⁰⁵¹⁰⁶. A situation that, with the global pandemic of Covid 19, became evident in society.

As these initiatives have taken hold in society, young people in the South American country have been changing their outlook for the future in areas such as inequality. In a study by Chile's National Youth Institute, both men and women currently rate the situation of inequality at 4.4 on average, but in five years' time they expect it to improve to 5.4 and 5.6 respectively¹⁰⁷.

16.1. APPLICABLE TO THE TOY SECTOR

Focusing on the toy sector, there is a global trend towards the non-separation of toys by gender, or the assignment of a certain type of toy to a certain gender. This trend can also be seen in Chile, partly due to the feminist movements mentioned above. These movements foster breaking the pre-established ideas, considering that through play we educate, socialise and absorb ideas, beliefs and social schemes, both present and future, in the minds of boys and girls. Proof of this are the **strategic objectives that the Chilean Ministry of Women and Gender Equality has set for the period 2023-2026**¹⁰⁸ (ensuring public policies that do not produce or reproduce discrimination; improving equal participation, economic empowerment and autonomy of women; and advancing a culture of respect and recognition for gender equality, among others) and, as both sides rightly point out, the first step is childhood.

Of course, we are talking about abandoning industry-established patterns, such as associating and assigning a colour to each gender (pink for

¹⁰⁵ <https://elpais.com/planeta-futuro/red-de-expertos/2022-03-10/chile-y-la-redaccion-de-una-constitucion-feminista.html>

¹⁰⁶ <https://interactive.unwomen.org/multimedia/explainer/covid19/en/index.html>

¹⁰⁷ https://www.injuv.gob.cl/sites/default/files/sondeo_percepciones_juveniles_a_expectativas_a_futuro_injuv_2022.pdf

¹⁰⁸ https://minmujeryeg.gob.cl/?page_id=4195

girls, blue for boys) or a certain type of toy to a certain gender (dolls and household games for girls, cars and construction for boys). Marketing and advertisers will play an important role here, as it is not only the product itself that needs to be revised and updated in order to pursue a fairer and more egalitarian society, but also the way it is presented in society. Change must exist and must be perceived. Similarly, and although not directly related to gender, such trends are seen in other social aspects such as racial diversity or sexual orientation, promoting respect and normalisation towards all types of identities, people and functional diversities. There are numerous examples of these practices and guidelines¹⁰⁹ for parents and guardians of children when choosing an appropriate toy, as it is a quasi-global trend and countries inside and outside the European Union are committed to ending gender difference, including Chile¹¹⁰.

We can observe this thinking in the Chilean government's own actions from the Ministry of Women and Gender Equality, within the scope of the Chilean Gender Parity Initiative (IPG)¹¹¹, which tries to guide parents in an equal education free of prejudices for their children. **Private organisations are also working in this direction**, and there have been campaigns to raise awareness and promote gender equality. One such campaign was the viral **Tinku ball campaign, proposed by the non-profit organisation Futbolmas**, which is active throughout Latin America, Africa, and Europe. This campaign involved the sale of footballs, raising money for equality between boys and girls with the slogan "The ball *has no gender*" and was shared in Chile by many media outlets.¹¹²

¹⁰⁹ <https://violenciagenero.igualdad.gob.es/pactoEstado/docs/masquepinkblue.pdf>

¹¹⁰ <https://www.unicef.org/chile/media/3076/file/lacro-igualdad.pdf>

¹¹¹ <https://iniciativaparidadgenerochile.minmujeryeg.gob.cl/?p=8219>

¹¹² Photo extracted from the Futbolmas public Facebook page.



It is not only NGOs that are carrying out initiatives promoting this change in the toy sector; there are also private companies that are reacting to these trends. As a result of the British **campaign Lets Toys Be Toys**, the multinational toy company Toy Planet modified its toy catalogue in 2014, first digitally and then in paper format in 2016 after the good response from public opinion, offering more inclusive images that do not perpetuate gender roles. This company does not assign any of its toys to any of the genders and advertises and presents all kinds of children using them, also including models such as children with Down's Syndrome to make it clear that "all children can enjoy toys".

These trends, although European in origin, resonate throughout South America and are echoed in Chile¹¹³, so they are on their way to being implemented both by local companies and by foreign companies doing business in the country.

16.2. APPLICABLE TO CHILDREN'S CLOTHING AND FOOTWEAR

Focusing now on the children's clothing sector in Chile, **we cannot determine that the same "unisex" trends are followed as in toys**. Although some reference in this sense can be found in adult clothing, more present in the artistic world and the upper classes of society (see examples of internationally successful artists such as Harry Styles or Bad Bunny -the most

¹¹³ <https://www.elmostrador.cl/braga/2019/12/24/infancia-y-roles-de-genero-como-los-juguetes-pueden-reforzar-estereotipos-sexistas-en-la-aduldez/>

listened to artist through the *Spotify* platform in the last 3 years¹¹⁴ , using clothes that do not correspond to their gender), as well as an increasing "masculinisation" of the female wardrobe, accessing clothes such as trousers or suits, we cannot observe these trends in children's clothing.

While it is true that girls do wear trousers in the same way as boys, they do not follow the same designs, and if they have any kind of decoration on the clothing, they clearly differentiate one from the other (floral designs for girls, car-like designs for boys, for example). On the other hand, garments that were traditionally associated with women are not seen on the market for boys, such as headbands, skirts or dresses. Therefore, we can say that there is still a clear differentiation between the two genders in this aspect and that companies, if they want to keep up with the current trend, will have to take this into account.

However, it is true that **there are exceptions, as is the case with costumes**. Perhaps driven by the trend in the toy sector, there are fewer and fewer different labels for boys and girls, with each child being able to choose the costume they want, because for them it is a game and the idea of breaking down the gap between the two genders has taken hold.

17. SDG

According to the Brundtland Report, sustainable development is defined as development that meets the needs of the present without compromising the possibility of future generations to meet their own needs. This requires a combination of environmental protection, social inclusion and economic development.

The Sustainable Development Goals are seventeen medium-term goals that primarily aim to end poverty, protect the planet and ensure global

¹¹⁴ Source: Spotify

peace and prosperity by 2030.¹¹⁵ These goals are not new; they were previously set with the MDGs of 2000 (Millennium Development Goals) but were not successfully achieved. They also aim to realise human rights as well as gender equality.

These goals are not legally binding, but countries are expected to adopt them as their own. In Latin America, the Forum of Latin American and Caribbean countries on Sustainable Development is held annually to monitor and review the implementation of the goals.

These objectives apply to a multitude of areas of action and, applying them to the toy sector, **they materialised in the need for a sustainable production process, respectful of the maintenance of natural resources and measures to combat climate change, as well as encouraging responsible consumption on the part of consumers.**¹¹⁶



As we can see, for all the goals a certain level of challenge remains. In case of SDG such as reduced inequalities or industry, innovation and infrastructure, there is still a major challenge in Chile; in cases such as responsible consumption and good health and wellbeing there is still a significant challenge, and in cases like partnerships in the goals and affordable and clean energy the challenge has gotten better, but still remains.

It is important to point out that compared to the US and South Korea, many of the goals in Chile are on track to maintaining their achievement, such

¹¹⁵ <https://www.chileagenda2030.gob.cl/Recursos/recursos/preguntasfrecuentes/1#:~:text=%C2%BFWhat%20are%20the%20Objectives%20of%20prosperity%20for%20the%20a%C3%B1o%202030.>

¹¹⁶ <https://dashboards.sdindex.org/profiles/chile>

is the case with partnerships for the goals, sustainable cities, affordable and clean energy, no poverty and clean water and sanitation. Plus, compared to the other two countries, in Chile none of the goals achievement is decreasing. In any case, Chile scored 28 out of a 163 countries in the general SDG index rank, positioning itself even before the US and only one point behind Korea.

It is also relevant to point out the government's implication in the implementation of these goals. In case of Chile, even though the government hasn't issued an official statement endorsing their implementation, it still has carried out a voluntary national review (in 2017 and 2019) and these goals are being integrated into sectorial action plans. Additionally, indicators have been nationally identified to monitor their implementation and there is a lead government unit designed to coordinate the SG across ministries. All of these factors, excluding the fact that the SDG have not been mentioned in the latest central budget plan, indicate a certain interest from the country.

Companies have the requirement and responsibility to act according to sustainability criteria. In addition, governments and customers increasingly demand sustainability criteria from companies and make their consumption decisions on this basis.

Chile is currently working on implementing measures so as to obtain these SDG. In fact, with the *Agenda 2030*¹¹⁷ Chile aims to develop in several cross-cutting aspects for society and economy, such as the following:

Gender equality. Although Chile has made intermediate progress and there are still important challenges remain for the realisation of gender equality, during the last decades there have been the last decades there have been in several dimensions that allow us to envisage a that allow the country to envisage a more positive more positive scenario for 2030.

The educational sphere is one of these of them, and it has made it possible for young women in Chile young men in terms of educational in terms of educational outcomes. This is because the proportion of higher

¹¹⁷ <https://www.chileagenda2030.gob.cl/>

education graduates is higher among women (36.9 per cent) than among men (30.3%) aged 25-34. 25-34 years old. A situation that has changed recently, reversing the trend of previous generations. the trend of previous generations (men, 29.5% and women 29.1%, aged 35-54).

However, with a view to 2030, there are still important challenges and obstacles that must be faced with the final objective to obtain equality for both women and men, children and their environment.

<p>UN claims¹¹⁸: "The social and economic fallout from the COVID-19 pandemic has made the situation even bleaker. Progress in many areas, including time spent on unpaid care and domestic work, decision-making regarding sexual and reproductive health, and gender-responsive budgeting, is falling behind.</p> <p>Women's health services, already poorly funded, have faced major disruptions. Violence against women remains endemic. And despite women's leadership in responding to COVID-19, they still trail men in securing the decision-making positions they deserve".</p>	 <p>The graphic features a red square background. In the top left corner, the number '5' is displayed in a large white font, followed by the words 'GENDER EQUALITY' in a smaller white font. Centered in the square is a white icon consisting of a female symbol (a circle with a vertical line and a horizontal line) and a male symbol (a circle with a vertical line and an arrow), with a white equals sign (=) positioned between them.</p>
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Since Chilean population has been experiencing an increase in the commitment towards this subject, companies that implement this SDG will be able make a good impression on their customers. This can be made not only by producing toys that do not continue with traditional stereotypes, such as we have commented previously, but also with other measures like promoting women to directive roles inside the company and giving them the place they deserve in the decision making progress as equals to men, normally predominant in this hierarchy levels.

¹¹⁸ <https://www.un.org/sustainabledevelopment/gender-equality/>

Responsible consumption and production. It is calculated that every minute one million plastic bottles are bought, and five billion one-use plastic bags are wasted every year. Furthermore, a third of food is estimated to be thrown away or unsavable due to transport and not being available for its selling. All this accelerated pace has increased by 70% the footprint left in the period that goes from 2000 to 2017. Chile has a big commitment to this issue and has created a special committee (*Comité de Fomento a la Producción Limpia*) in charge of pollution-free production in the country. Also, legal actions have been taken. The better-known “REP” law enforces principal products producers to organize and finance their residual gestion derived from their activity once they are in the market.

<p>UN encourages countries to, by 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.</p> <p>For that, to encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle is vital.</p> <p>Promoting public procurement practices that are sustainable, in accordance with national policies and priorities is also crucial¹¹⁹</p>	 <p>The graphic features a gold square background. At the top left, the number '12' is displayed in a large, white, sans-serif font. To its right, the words 'RESPONSIBLE CONSUMPTION AND PRODUCTION' are written in a smaller, white, all-caps, sans-serif font. Below the text is a white circular arrow icon that forms an infinity symbol, with an arrowhead pointing to the right.</p>
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In order to reduce the amount of waste produced by its economic activity, companies of all sectors would need to analyse and consider their supply, production and distribution chains. Some redesign there could make a big impact that Chilean population, concerned with this matter as we have seen, would evaluate positively. Sector by sector, we can see:

- Toys. Using recycled plastics when avoiding its use cannot be done.

¹¹⁹ <https://www.un.org/sustainabledevelopment/sustainable-consumption-production/>

- Apparel and footwear. Water utilisation in the production chain is one key factor in the industry.
- Food. Many people will prefer food produced with km zero products.
- Books. Recycled paper could be used, giving another life to old books.

Climate action. Chile has progressed in the area thanks to different national plans and politics, aiming to face climate change in different subjects. We ought to underline the National Plan for Adaptation to Climate Change (*Plan Nacional de Adaptación al Cambio Climático*), some Sectorial Plans introduced since 2014, National Action Plan of Climate Change (PANCC) and National Strategy of Electromobility (which objective is to change all vehicles into zero emission by 2035).

<p>UN considers these three targets as fundamental in this matter:</p> <ul style="list-style-type: none"> - Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries. - Integrate climate change measures into national policies, strategies and planning. - Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning. 	 <p>The graphic features a dark green background. At the top left, the number '13' is written in a large, white, sans-serif font, followed by the words 'CLIMATE ACTION' in a smaller, white, sans-serif font. Below the text is a white eye-shaped icon. Inside the eye, a white silhouette of the Earth is centered, with the continents of North and South America visible.</p>
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Often, plastic, a very contaminant and non-biodegradable material, is used to manufacture toys. Therefore, implementing reutilising, recycling and circular economy measures will help companies to deal with climate change. Apparel also has a big impact on the planet due to the fast fashion model and the amount of waste that it is made, and measures can be taken in order to minimise this impact. For other sectors like books, using recycled paper would position companies as committed with facing climate change.

18. DIGITISATION

18.1. APPLIED TO COMPANIES.

According to the Organisation for Economic Co-operation and Development (OECD), **Chile is the country with the most entrepreneurs per capita in the world¹²⁰, but only 8% are sustained over time (their business survives 42 months of life)**. The main cause behind this systemic problem is the failure to adapt to digital technology.

According to the Santiago Chamber of Commerce (*Cámara de Comercio de Santiago*), the reasons why it repeatedly becomes impossible for companies to effectively implement this type of technology are the lack of financing, lengthy procedures and barriers to assimilating digital resources.

The different Chilean governments have been aware of this series of constant problems within the economy and have proposed measures to try to deal with this series of circumstances. **An attempt was already made to promote this implementation in the Digital Agenda 2020¹²¹, which was presented in 2015**. Recently, a variety of digital transformation strategies have been presented to continue working in this direction¹²² with a view to 2035.

The Chile Digital 2035 transformation strategy recognises that Chile is above the Latin American average in terms of citizens' internet use (87%), but there are still differences with countries such as South Korea, Germany and the United States.

However, digital commerce in the country has been boosted by the COVID-19 pandemic, as verified by data on the number of users and turnover totals. **Business to consumer (B2C) e-commerce is growing at a compound**

¹²⁰ <https://www.e-certchile.cl/noticias/chile-digital-el-estado-actual-de-la-digitalizacion>

¹²¹ <http://www.agendadigital.gob.cl/#/>

¹²² https://www.cepal.org/sites/default/files/events/files/estrategia_de_transformacion_digital_chile_2035.pdf

annual growth rate of 29%. However, obstacles remain in the Chilean market.

The main ones:

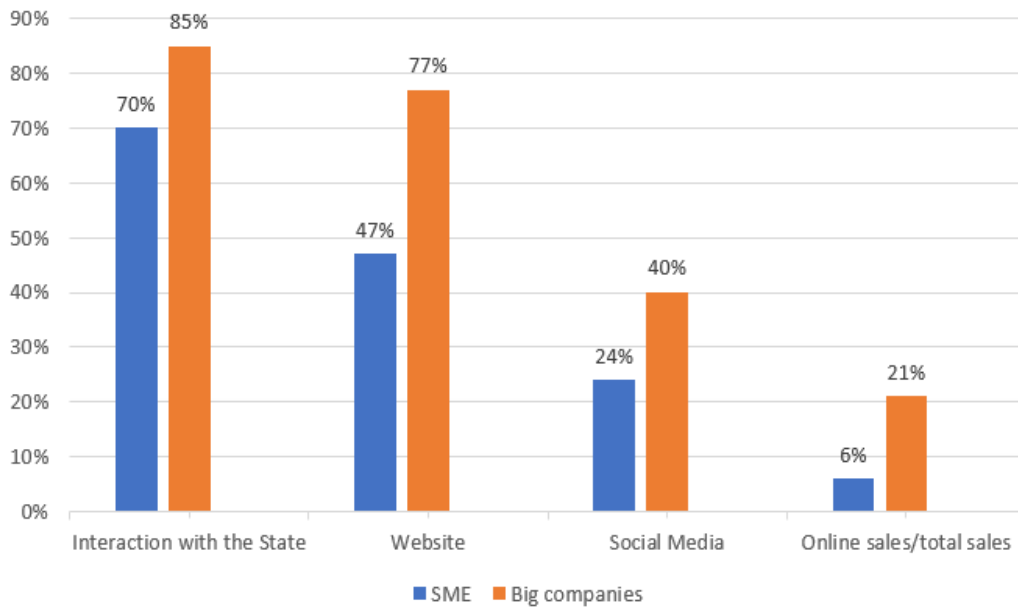
- Not physically seeing the product. Chilean consumers want to see the product with their own eyes when making a purchase (almost half of those surveyed by MasterCard on e-commerce argue this way).
- Fear and distrust associated with e-business. 34% of consumers felt this way about security in case the order did not arrive or about the fear of theft of their card details.
- Shipping costs. The extra cost to the final consumer held back 17% of consumers.

These aspects can be improved through mechanisms that provide security, consumer and data protection and privacy.

On the other hand, it is important for access to digital business that the population has access to financial services. To facilitate this access, Chile has adopted measures to bankarise the population since digital banking burst onto the scene in the 21st century, making Chile the most bankarised country in the Latin American region in 2019, such as the Means of Payment Law, which facilitates access to electronic means of payment for the low-income population.

In this aspect, beyond the possibility of accessing the internet, the quality of this access is relevant. According to statistics from the Ministry of Economy, Development and Tourism, in 2018, **91% of companies had internet access, which is the vast majority. However, the quality of access was not optimal**, as 60% of these companies had contracted speeds below 30 Megabytes per second (Mbps) and only 9% had contracted speeds above 100 Mbps. This is a constraint to digital commerce and service, an obstacle that could be addressed with access to finance and investment in infrastructure.

From the area of basic utilisation of Internet by large, small and medium-sized companies during 2018 in Chile, we observe the following graph:¹²³

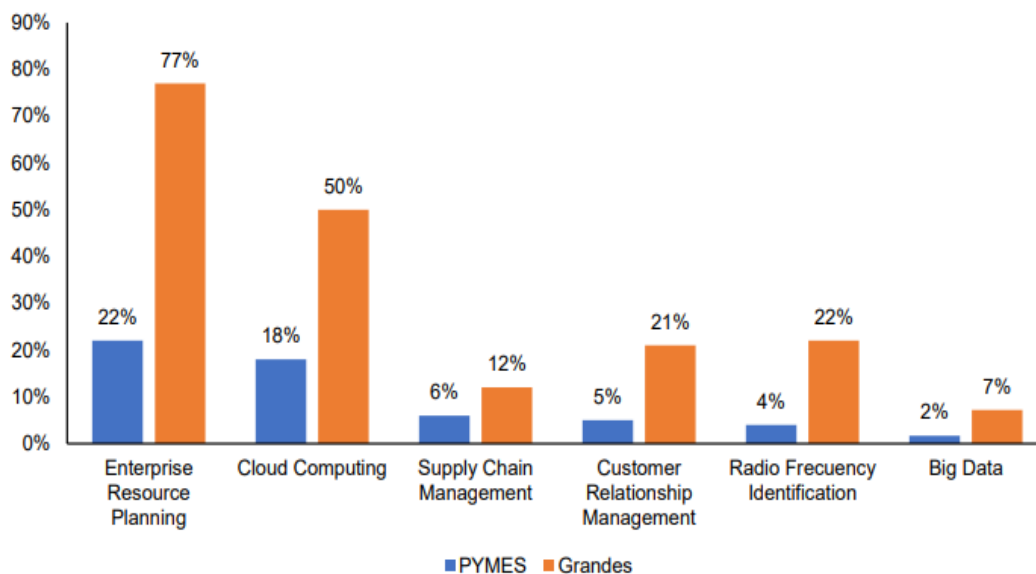


Orange graphics represent the bigger industries, whilst the blue ones represent the small and medium sized companies.

As we can see for all types of companies, the Internet is basically used to interact with the State, followed by maintaining a web page. The third column represents the use of social media, followed by commercial emails. Finally, the less used function by all types of companies are sales through e-commerce.

¹²³ Source: own elaboration with the data provided of the Survey realized on the Access and Use of TICS in companies in 2018, provided by the Ministry of Economy, Development and Tourism of Chile

Again, regarding medium and advanced use¹²⁴:



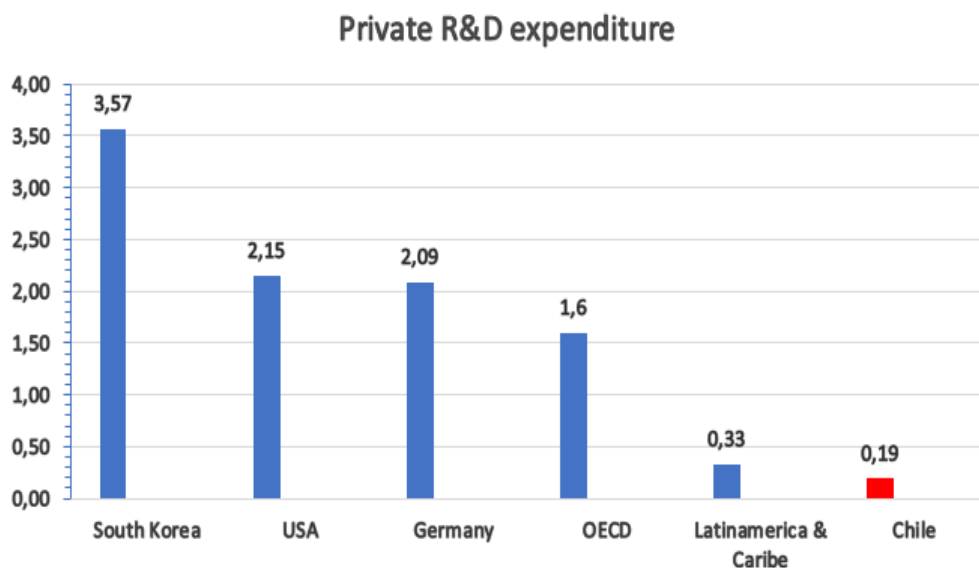
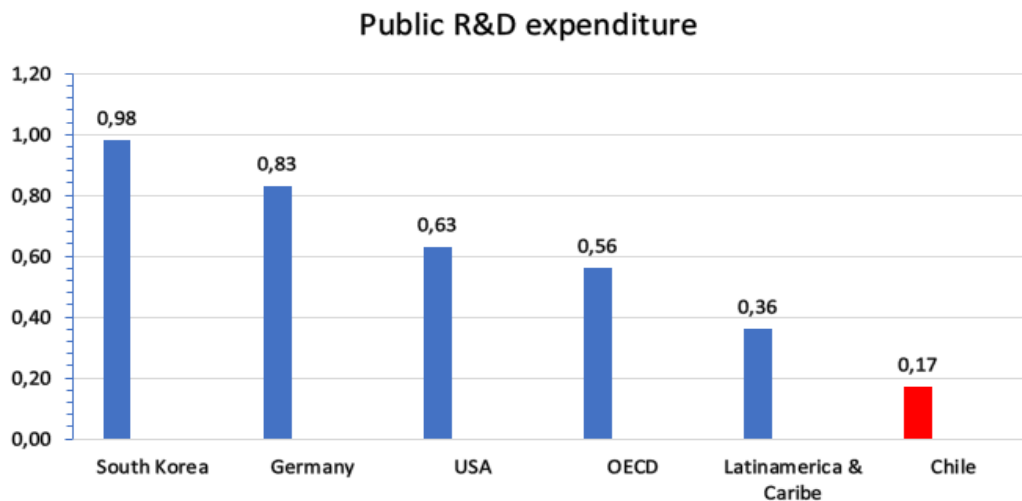
In this graph, the difference between medium/small companies (represented in blue) and large (represented in orange) is more pronounced. In any case, the main medium/high usage of the Internet is dedicated to enterprise resource planning, followed by cloud computing.

To finish with the general level, the investment made at a national level in Research and Development (R&D), as well as in innovation (**R&D&I**) is relevant. In these aspects, **Chile lags behind**, not only in comparison with the leading countries (Korea, Germany, etc.) or the OECD average, but also with the countries of Latin America and the Caribbean, both in terms of public and private R&D expenditure. This can be seen graphically:¹²⁵

¹²⁴ Source: own elaboration with the data provided of the Survey realized on the Access and Use of TICS in companies in 2018, provided by the Ministry of Economy, Development and Tourism of Chile

¹²⁵ Source: UNESO

As we can see in the first graph, the public expenditure in I+D in Chile represents 0,17% of GDP (vs 0,98% in South Korea and 0,63% in the United States). As for the private expenditure, in Chile it represents 0,19% of the country's GDP (vs 3,57% in South Korea and 2,15% in the United States).

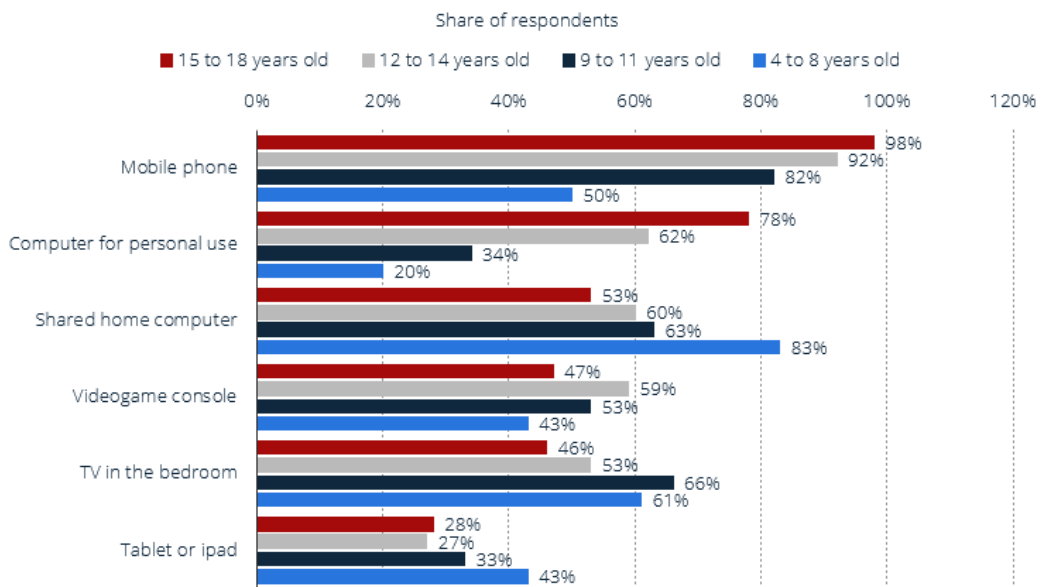


18.2. APPLIED TO CHILDREN AND TEENAGERS

It is also convenient to make a brief note about technology consume among children and teenagers in Chile to understand not only in terms of volume but also in terms of how digitalisation has penetrated in the country.

Different studies¹²⁶ show that for late teenagers the most used device is their own mobile phone, whilst for younger kids, aged 4 to 8, shared home computers are their most used tool.

The following graphic shows consumer electronic ownership among children and teenagers in 2020, in Chile.



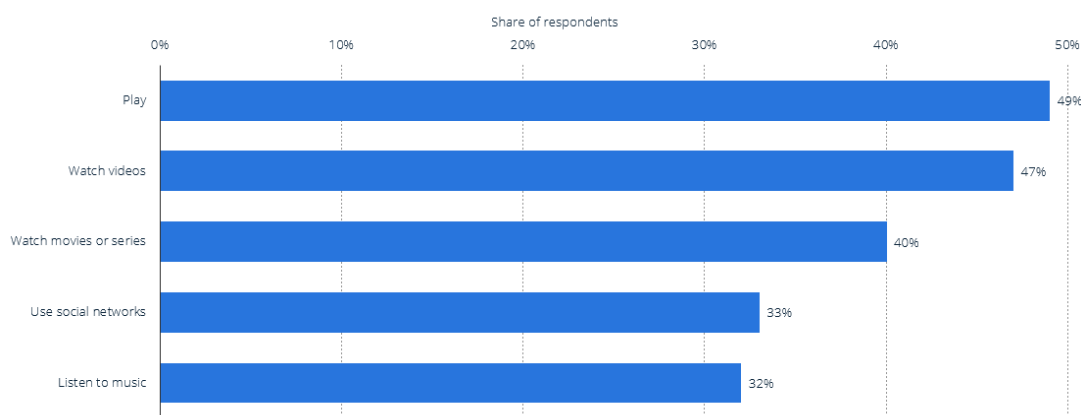
Note(s): Chile; May 12 to 18, 2020; 680 respondents; among mothers and fathers of children aged 4 to 18
 Further information regarding this statistic can be found on [page 8](#).
Source(s): VTR Comunicaciones; Website (Criteria); ID 762082

Proving Chile is a country where digitalisation is resulting in a deep process is parents' stance on their children using technology. Not only does digitalisation help businesses and professional work, but it also has benefits for infants and teenagers nowadays. In fact, the majority of parents surveyed recognise that they find several benefits, listing them in a survey made in 2020. 78% of them found technology as one big entertainment for their kids, while more than 74% recognised it is part of children's learning. Also communication is a big topic, both for children themselves as for parents

¹²⁶ Statista. Extracted from VTR comunicaciones, Website (Criteria)

towards their children (72% and 67%)¹²⁷. Deepening in social networks, in 2020, among all Chilean children, 44% accessed social networks by their own passwords, whilst 11% did it through their parents' (resulting in a more controlled interaction)¹²⁸.

Focusing on children, these are the areas¹²⁹ where they spend their time while accessing the internet, being “*playing*” the most done activity, followed by *watching videos*. The data is extracted from a survey carried out in 2019.



However, not only benefits are found in digitalisation. There are also **risks** for children when entering this reality, such as it has been shown in several studies and surveys. One of them, a survey made in 2019¹³⁰ found that the main risks children were exposed in the internet were:

- Playing online with strangers. Up to 54% of children experienced this on the internet during that year.
- Finding inappropriate, fake or offensive content in social media. A total of 38% minors were exposed to this risk.

¹²⁷ Statista: Extracted from VTR Comunicaciones, Criterria

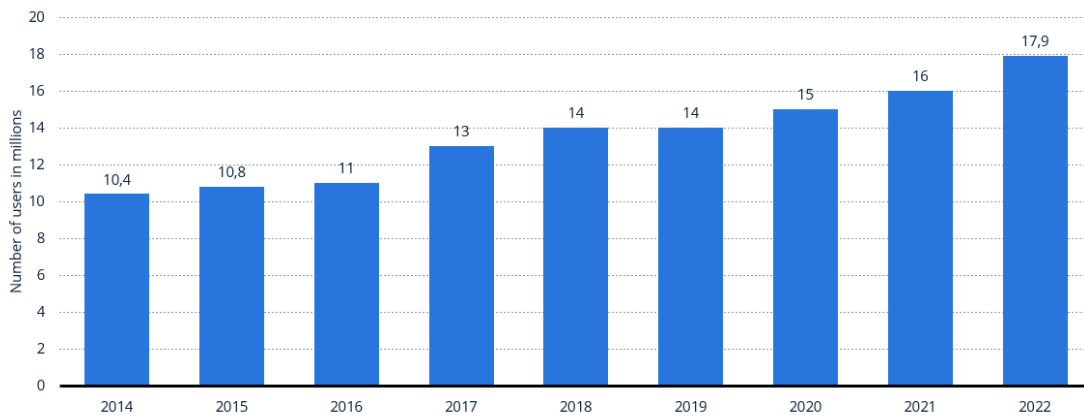
¹²⁸ Statista: Extracted from Kaspersky Lab, CORPA- Estudios de Mercado

¹²⁹ Statista: Extracted from VTR Comunicaciones, Subtel (Chile)

¹³⁰ Statista: Extracted from VTR Comunicaciones, Subtel (Chile), Ministerio de Desarrollo Social y Familia

- Running out of time for other activities due to the time spent online. Important issue when disattending important tasks related to education or exercising. 35% of children had this risk in 2019.
- Saw others getting bullied online. 28% of children recognise this behaviour while online.

Since social media has made a big impact in how societies all around the globe communicate, many studies and surveys have deepened in the subject, and Chile is not an exception. With more than 17 million users in 2022, Chile is immersed in an evolution process in terms of users of social media. As we can see in the chart, which compiles the number of active social media users in Chile (in millions), it has gradually evolved in the last years from around 10 million users in 2014 to the current figure¹³¹:



Description: As of January 2022, Chile was home to approximately 17.9 million active social media users, up from 16 million recorded in the previous year and 7.5 million more since the beginning of the analysed period. Likewise, the number of internet users in the South American country has increased over the years. [Read more](#)
 Notes: January 2022
 Sources: DataReportal; Hootsuite; We Are Social



¹³¹ Statista: Extracted from *Data Reportar, Hootsuite, We are Social*

19. CLUSTERS. ASSOCIATIONS. ALLIES

COMPANY AND COMMENTS	CONTACT DETAILS
GENERAL	
Fundación Infancia Chile. This is an NGO focused on children rights. Will not help with business, but collaboration with them would give the project the necessary social side.	https://fundacioninfancia.cl/wp/
Oficina Local de la Niñez (OLN). Depends directly on the Ministry of Social Development.	https://www.desarrollosocialyfamilia.gob.cl/programas-sociales/ninez/oficina-local-de-la-ninez-oln
UNICEF Chile.	https://www.unicef.es/
Comparte org. CEPAS foundation. Another NGO.	https://www.comparte.org/
Cámara de Comercio de Santiago. This is Chile's Commerce Chamber.	https://www.ccs.cl/
Cámara Española de Comercio en Chile. Spanish Chambero of Commerce.	https://camaco.es/
Cámara de Comercio Franco Chilena. French Chamber of Commerce in Chile.	https://www.camarafrancochilena.cl/
Eurochile Business Foundation. The Eurochile Business Foundation is a pioneering initiative of the European Community and the State of Chile. The foundation was created to serve as a bridge between Chile and the Member States of the European Union. A bridge for entrepreneurship, technology partnership and exchange of good	https://eurochile.cl/en/ info@eurochile.cl
TOY MARKET	
Asociación Gremial De Comerciantes De La Feria De Juguetes De Valparaíso - Asociaciones Gremiales de Chile. With over a hundred members, most of them women (relevant to gender perspective-oriented actions).	https://www.dateas.com/es/explora/asociaciones-gremiales-chile/asociacion-gremial-de-comerciantes-de-la-feria-del-juguete-navidad-dominical-y-turstica-1498
Asociación Nacional Chilena de los Amigos de la Infancia. This association "aims to promote and support, with material, economic or any other kind	http://amadechile.cl/

of aid, organisations, groups or companies that aim to ensure the physical, moral or spiritual well-being of children in Chile, (...); as well as to encourage all coordination and collaboration between them".	
APPAREL AND FOOTWEAR MARKET	
Docena. Is an agency specialised in 'suprarecycling'.	https://docena.net/
Falabella, Cencosud, Ripley and La Polar. They develop activities relevant to the sector such as malls all over South America ¹³² .	https://www.falabella.com/falabella-cl https://www.cencosud.com/ https://simple.ripley.cl/ https://www.lapolar.cl/
Asociación de Expertos en Derecho de la Moda Chile. For legal aspects involving fashion and design protection.	https://asociacionderechoymoda.com/
FEDECCAL F.G. Gathers 4 associations related to the footwear market.	https://www.fedeccal.cl/
CERET (Centro de Estudios del Retail) Centre of Retail Studies at University of Chile	https://www.ceret.cl/
Corporación Educacional Intech – a non-profit adult educational institution that promotes the inclusion and social integration of people	http://www.intech.cl/
SOFOFA (Sociedad de Formento Fabril) – a community with the objective of promoting the manufacturing industry in Chile	https://web.sofofa.cl/
BABY FOOD MARKET	
Canal Horeca. Food service association	https://canalhoreca.cl/
Achiga. Chilean gastronomic association.	https://www.achiga.cl/
BOOKS FOR CHILDREN	
Cámara Chilena del Libro.	https://camaradellibro.cl/
Editores de Chile Cooperativa de la Furia	https://cooperativafuria.cl
Corporación del Libro y de la Lectura (seeks to become a benchmark for the promotion of reading development in Chile and to be an agent of change in the face of the low reading and reading comprehension rates registered in the country)	https://www.libroylectura.cl/quienes-somos-2/
Sociedad de Escritores de Chile	https://www.sech.cl/
Consejo Nacional del Libro y la Lectura	https://www.cultura.gob.cl/libro-y-lectura/
RELEVANT CONTACTS IN CHILE	

¹³² <https://enriqueortegaburgos.com/multimarcas-de-chile-en-latinoamerica/>

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20. MAIN ASPECTS RELATED TO IMPLEMENTATION

This information helps businesses to think about some strategies and actions when arriving at the Chilean market. Some of them would be:

- **Position products as high quality.** To compete with other economies like China in costs would be difficult and would also imply the loss of key resources for European firms.
- Give products **progressivist perspective.** Not only benefit from the tendency in the country, but also impulse it.
- **Social awareness** is crucial in Chile. They are very collectivistic.
- Take advantage of sharing the same **language** (for Spanish products). This will bring the consumer closer to the different brands.
- **Advertising and TV programmes** have a massive impact on Chilean children. For marketing, this would be key.
- **Allies** will provide invaluable help. Build **strong relationships** with the Chilean industrial network.

20.1. SWOT STUDY

To implement some strategies in the Chilean market it is convenient to seek some opportunities and strengths of Chilean market for children, which can be analysed by a SWOT matrix:

<p style="text-align: center;">STRENGTHS</p> <ul style="list-style-type: none"> -Followers of European Trends (gender equality) -Digitised country -Access to online banking -Great impact of communication actions -No import taxes for EU countries 	<p style="text-align: center;">WEAKNESSES</p> <ul style="list-style-type: none"> -Low birth rate -Not a big market compared to other Latin American countries (over 17 million inhabitants compared to, for example, 46 million in Argentina).
<p style="text-align: center;">OPPORTUNITIES</p> <ul style="list-style-type: none"> - European countries are culturally similar to Chile - Chilean market perceives European products as high quality, also with high compromise with sustainability - Globalisation has homogenised trends in fashion and footwear - Most of TV programmes and films are seen worldwide, and these have massive impacts on children desire 	<p style="text-align: center;">THREATS</p> <ul style="list-style-type: none"> - Cheaper production costs in Asian countries - Geographical distance may increase transport costs - Circular economy is yet to be developed in the country - Generalised inflation

21. MAIN EVENTS IN CHILE

Event	Description	Web	Comments
Expo Bebé	Toys, clothing, hygiene products, food.	https://www.expobebe.cl/	It expects to have 8000+ visitants, this fair has been exposed for more than 27 years
Fair FISA	Multisectorial international fair which offers a kidexpo	https://www.fisa.cl/	The first and only multisectorial event in the history of Chile, more than 60 years old, estimates the arrival of more than 50 thousand people.
FestiGame	FestiGame is an event for all fans of video games, as it is a space of celebration for gamer people. It has gaming areas and different booths, in addition to discovering new releases from different big brands.	http://festigame.com/	It has an international scope, it was held for a few years but was stopped due to the pandemic, in 2022 it has reopened its doors and has attracted many participants.
Festikids	It is annual there are summer and winter edition of this fair, a lot of kids come and do a lot of activities		This is a fair for kids, not for selling products, but this could be a good place to show the brand to the kids and their families. People have to pay for entrance.

<p>Feria Internacional del Libro de Santiago (FILSA)</p>	<p>Every, from October through December, Santiago, Chile hosts the Santiago International Book Fair, which is organized by The Chilean Chamber for Books.</p>	<p>https://www.santiagoocultura.cl/events/filsa-2022/</p>	<p>This fair gives opportunity to increase the awareness about new titles and concepts within the industry as it is fully dedicated to books.</p>
<p>Feria Infantil y Juvenil (FILIJ)</p>	<p>Presence of more than 100 publishing funds with the best children's and youth books. In addition to musical, theatrical and dance presentations and workshops for children and young people.</p>	<p>https://ferialectura.org/</p>	<p>This fair is not so broad as the main topic is defined to present only children and youth books. On this way, it's easier to attract a particular audience of interest.</p>

22. CONCLUSION

Compared to other countries of South America, Chile was the fifth biggest toy market (after Brazil, Mexico, Argentina and Colombia), which was valued at 631 million. In any case and concerning the apparel market, since 2016 it has been steadily growing, showing a promising future. In any case, and just as with footwear, what customers find most important is practicality, comfortability and special offers. Spending on furniture and household equipment has also been steadily growing since 2013, with expectancy to continue this way until 2028. This has also been the case for children's books.

Regarding marketing and online commerce, it is important to point out that YouTube usage has been growing and 89% of Chilean children use this platform, positioning itself as the Southern American country where most children use YouTube. In case of E-commerce, this type of retail has grown 23% in 2021, with 63% of Chilean population accessing this sales channel. Clothes, electronics and shoes are the most popular items to buy online, whilst toys and baby products are rather bought offline.

Chilean population also shows a high level of commitment to sustainability, in fact it was ranked the most advanced Southern American country in this aspect, and the 28th worldwide, ahead of the US. This being said, it's a country that still struggles to eliminate the gender gap. In any case, and concerning the sectors of interest, many campaigns –private and public– have been promoting gender neutral toys and clothing. Regarding the SDG, Chile ranks slightly below South Korea but ahead of the US and shows implication to their implementation.

Finally, great opportunities rest in the Chilean market, such as the fact that European products are perceived as being of high quality and sustainable, that there are reduced import taxes for European products and the importance of European culture, especially in TV shows, videogames, etc. that influence Chilean children.

ANNEX. LEGISLATIVE FRAMEWORK

- INFANCY RELATED

- Decreto 14. aprueba reglamento del subsistema de protección integral a la infancia "chile crece contigo" de la ley n° 20.379
- Decreto 542. aprueba acuerdo entre el gobierno de Chile y el fondo internacional de socorro a la infancia de las Naciones Unidas.
- Decreto 1183. Promulga un acuerdo de cooperación técnica con el fondo de las Naciones Unidas para la infancia (Unicef).
- Ley 21090. crea la subsecretaría de la niñez, modifica la ley n° 20.530, sobre ministerio de desarrollo social, y modifica cuerpos legales que indica.

- TOYS

- Decreto 114. Aprueba el reglamento sobre seguridad de los juguetes.
- Decreto 135. modifica decreto n° 158 de 2003, que prohíbe el uso del tolueno en juguetes y artículos de uso infantil.
- Decreto 47. modifica decreto n°114, de 2005, reglamento sobre seguridad de los juguetes.

- APPAREL AND FOOTWEAR

- Decreto 2389. dicta norma sanitaria que indica respecto a la ropa usada importada.

- FOOD

- Ley n°20.606 sobre composición nutricional de los alimentos y su publicidad.
- Decreto 38 modifica decreto supremo n° 977, de 1996, del ministerio de salud, reglamento sanitario de los alimentos.

3.6 Market study:

Uncovering International opportunities

United States, South Korea & Chile

Developed by:

Consortia

KIDS Project Consortium is formed by:

