

Toymakers Go Bust in Financial Crisis

Contributed by Peter Bachmann
Friday, 17 October 2008

The Smart Union Group, one of the world's largest toymakers, has lost two major subcontractors after they declared bankruptcy, state media reports.

The two companies are located in Dongguan, in China's Southern Guangdong province, where half of the world's toys are manufactured. The subcontractors produced toys exclusively for the American market.

The two factories could not pay salaries in September and October to their 6,500 staff and have filed for bankruptcy, local officials in Zhangmutou say.

State media quote experts as saying that this is the first bankruptcy of major manufacturing companies related to the U.S. financial crisis. The Smart Union Group reportedly lost HKD200m in the first half of 2008.

Half Of Chinese Toy Exporters Close Down

<http://www.bizchina-update.com/content/view/1468/2/>