

Toys will be more expensive this Christmas, company boss warns

The price of toys will spike this Christmas as the cost of delays and shortages hit shoppers' pockets, according the boss of a British toy company.

As businesses try to recover some of the expense of shipping items to the UK, which has soared in the COVID-19 pandemic, parents might have to fork out even more for presents, warned Joel Berkowitz, founder of The London Toy Company.

"Toys this Christmas are going to be more expensive, and that's if they're even in stock," Mr Berkowitz said.

"We are massively affected by the shortages. We have clients wanting to place orders now and we just can't deliver it.

"It's killing our business. It's a complete mess."

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The problem starts at the ports in manufacturing countries such as China, where there is a lack of empty shipping containers – an after effect of a global shutdown on trade during the height of the pandemic.

Companies must wait at least three weeks to get their hands on a container, and then stump up the cash for shipping rates as much as eight times the normal rate.

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Congestion at UK ports and a lack of HGV drivers to transport the goods are exacerbating the delays.

As the tax on importing goods is calculated based in part on shipping costs, companies are being charged larger sums.

Mr Berkowitz said bringing in the usual 30 or so containers a year would previously have cost around £30,000. He expects the

price will soar this year to £150,000.

“Then even when they get here, we’re quoted a three-week delay to get a truck to take it from the port to our warehouse.

“It’s a whole chain reaction affecting every part of the shipping process. And it’s only going to get worse,” he added.

He is calling on the government to allow port workers and HGV drivers from Europe to work freely in the UK, and to hold “serious talks about the shipping process, and the companies that run it, which are being referred to as cartels”.

Mr Berkowitz blames the delays for hiking the price on new products they have developed this year, such as an electric underground train set, due to sell for £35-40, which will now likely cost around £50.

Nadim Ednan-Laperouse, founder and owner of UK based WOW Toys, which delivers toys across the world, said the situation was “totally unprecedented” in the 25 years of the business.

“The biggest problem of all is the shipping lanes, which are run by a handful of companies such as Cosco and Maersk, who have put their prices up massively because they have complete free reign.

“And the result is going to be a massive inflationary problem around the world. So I can’t understand why governments, including the UK’s, aren’t bringing pressure on them.”