EU MARKET SURVEY 2005

Sports and camping goods

CBI
Centre for the Promotion of
Imports from developing countries

EU MARKET SURVEY 2005

SPORTS AND CAMPING GOODS

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Update of EU Market Survey Sports and Camping Goods (December 2003).

REPORT SUMMARY

This survey profiles the EU market for sports and camping goods, which includes all hardware articles (i.e. equipment and accessories) used for active sports, snow sports, water sports, fishing, camping and outdoor activities. It emphasises those items which are relevant to exporters from developing countries and highlights seven selected markets within the EU.
In **Part A**, up-to-date market information is given on consumption, production, imports/ exports, trade structure, prices and the major EU market access requirements. As an exporter, you need this basic information to draw up your Market Entry Strategy (MES) and Export Marketing Plan (EMP) in order to penetrate the competitive EU market successfully.

To assist you here, CBI has developed **Part B**, where the Export Marketing Guidelines provide relevance and a methodology for an external, internal and SWOT analysis. These analyses are needed for your decision - whether to export or not. Furthermore, essential guidelines are given on using your marketing tools effectively to build up this export venture. The appendices at the end of the survey include contact details of trade associations, trade press and other relevant organisations.

The survey excludes bicycles, motorbikes, cars, boats, caravans, sports bags, sports clothing and sports footwear. The sports goods, covered in this survey are categorised into the following product groups:

Product groups	
▪ **Fitness/gym**	▪ **Rackets**
▪ **Golf**	▪ **Sports gloves**
▪ **Snowsports**	▪ **Table tennis**
▪ **Skates**	▪ **Team/field sports**
▪ **Balls**	▪ **Camping goods**
▪ **Watersports**	▪ **Fishing tackle**
▪ **Horse riding**	

Sports participation
The sports goods market in the selected EU countries (Germany, France, United Kingdom, Italy, Spain, The Netherlands and Sweden), is closely related to sports participation. *Total participation* in these countries averaged 62 percent in 2003, with France having the largest rate of sports enthusiasts (66%) and southern countries having rates below 60 percent. *Regular participation* (i.e. at least once a week) averaged 41 percent, or 107 million adults in these countries, with many people being member of one of the 537,157 clubs.

The traditional forms of sport, such as swimming and football still have many participants in most EU countries. Competitive sports such as badminton, squash and some teamsports suffered from a shift to individual *soft sports* (e.g. fitness, jogging, golf) and recreational outdoor activities (e.g. trekking, climbing). On the other hand, football remains popular and recently some teamsports have regained the interest of young people of school age via media coverage.

Consumption
Total sports goods retail sales in the EU25 member countries was estimated at € 11,492 million in 2003, of which € 9,700 million (or 84%) was achieved in the seven selected countries, led by Germany and France. The EU is the second largest market for sports and camping goods in the world after the USA and is very fragmented due to the wide variety of sports played. *Camping goods and equipment for horse riding* are not included in these figures. In 2003, EU sales of camping goods (excluding rucksacks and seats for camping) valued € 1,120 million, led by the UK and Germany. EU sales of horse riding equipment are more difficult to measure, but are estimated to be worth over € 490 million.

Although, like many other major markets, growth levels have stalled or fallen back, rising participation by women, older people and increasingly middle-aged people have helped protect this market from more serious reversals. In 2004, the EU sports goods market started to rise again after virtually no change between 2002 and 2003. In the long run, the sports goods market will be more fragmented and will be stimulated by:

- ***Concern about health and appearance, driving increasing participation levels.***
- ***New sporting activities e.g, board sports, extreme forms of snow and watersports, Nordic walking***
- ***The ongoing increase in the number of retail outlets selling sports goods.***

Production

In 2003, there were 3,200 production companies in the selected countries, the majority of which produce specialised and high quality sports goods, each country having its own speciality. Production in the EU25 valued around € 3.51 billion and is controlled by a large number of small EU manufacturers, especially in Italy and Spain. Italy is major producer of ski boots, in-line skates, skis and watersports equipment, while fitness, camping and watersports equipment were sizeable categories in Spanish production. Fitness equipment is the main category in Germany, skis in France, whilst in the United Kingdom golf is the largest category.

According to the WFSGI (World Sports Federation), around 80 percent of most sports goods is outsourced in Asia, led by China and Taiwan. With rising standards of living and labour costs in Asia, EU suppliers are also looking for other developing countries, e.g. North Africa with cheaper production costs. More co-operation between the selected countries and Eastern Europe is expected, as many of these countries are themselves now part of the EU.

Imports

The EU is one of the leading importers of sports goods in the world, and in 2003 accounted for 909 thousand tonnes with a value of € 5,219 million. Total EU15 imports increased by 27 percent in volume and 7 percent in value. The 10 new EU countries accounted for a further € 303 million of imports. The United Kingdom is the largest EU importer, accounting for 19% of total EU volume imports: 172 thousand tonnes, with a value of € 964 million. The UK is followed by Germany (18% of EU imports) and France (16%).

Product groups

In 2003, fitness and team/field sports together accounted for 57 percent by volume (34% by value) of the EU15 total. In terms of value, other sizeable product groups were equipment for golf, snowsports, camping goods, fishing tackle, balls, watersports, skates and horse riding equipment, most of which are of relevance to exporters from developing countries. Between 2001 and 2003, equipment for team/field, balls, golf, fitness, camping goods and fishing tackle grew more than other groups.

Main supplying countries

Intra-EU supplying countries: In 2003, 40 percent of EU imports by value came from other EU countries with Germany representing 15 percent of intra-EU sports goods supplies followed by France (15%) and Italy (14%).

Extra-EU supplying countries: The greater part, or 60 percent of EU imports, came from non-EU sources, of which 27 percent came from China. In 2003, EU imports from China were € 1,409 million, or 424 thousand tonnes. The huge investments in technical and design expertise from EU manufacturers in China and improving communications have stimulated this expansion. The international focus continues to be on China, who are hosting the Olympic Games in 2008. The role of China in the supply of sports goods will continue to grow. Taiwan (fitness), South Korea (fishing tackle), USA (golf and fitness), Romania (skates) and other Eastern European countries are sizeable non-EU suppliers.

Developing countries

Next to China, suppliers from developing countries include Pakistan (balls and gloves), Thailand (skates and watersports) and India (saddlery). Between 2001 and 2003, the volume of imports from developing countries to the EU rose by 41 percent from 342 to 483 thousand tonnes, valued at € 1,833 million in 2003. The largest increases were in the supplies (by volume) from China (+44%), Pakistan (+46%), India (+37%), Vietnam (+72%), Philippines (+54%), Brazil (+100%), South Africa (+46%) and Turkey, while less was imported from Indonesia and Morocco.

Trade channels
Large manufacturers have their own distribution networks and sometimes sell direct to consumers by their *concept stores* or via *factory outlets*. The big brand manufacturers, such as *Nike* and *Adidas*, use exclusive importers (and own stores) in each country, which are engaged in sales and service. The actual distribution is controlled by their *distribution centres* in Belgium, The Netherlands and Germany.

The majority of sports goods continue to be supplied from manufacturers through importers/buying groups or through large retailers to consumers. In 2003, two-thirds of total retail sales of sports goods in the selected countries was achieved by 26,000 specialist outlets, most of which were linked to one *buying group***.** The two major groups, *Intersport* (focus on 'expertise in sports') or *Sport 2000* (focus on 'sports and lifestyle') together represented over 30 percent in the EU. In the 1990s, many small family-owned sports shops were forced to join, buying in large volumes in order to obtain similar discounts to sports chains. Chain stores and specialist stores connected to a buying group are prevalent in middle and northern EU countries, while smaller specialists' shops are typical in Italy and Spain. A further 10,000 outlets sell sports goods in the 10 new EU countries.

The share of ***chain stores*** (multiples, megastores or category killers), grew to an average share of 24 percent of EU sports retail sales in 2003 and are expected to rise further. They are dominant in France (*Décathlon, Go Sport*), UK (*JJB, JD Sports, Blacks*), Netherlands and Sweden. The sports specialist retailers are particularly strong in Italy and The Netherlands and were less significant in Germany and Spain, where department stores (*Karstadt* and *El Corte Inglés*) were important sports goods retailers. Other non-specialists such as hypermarkets (e.g. Carréfour, Metro) and discounters (e.g. Aldi) continue to expand their ranges. In the UK, sales by mail order companies was 9 percent of UK sports retail sales.

Opportunities for exporters in developing countries
The sports equipment market is clearly a global market, and customers are prepared to source the right items from anywhere in the world. Sometimes smaller suppliers are best placed to meet specific requirements. The sustained demand for equipment for fitness (weights, dumbbells, in-home trainers), horse riding, golf, new boarding and gliding activities will offer opportunities for *equipment* and *accessories*. Here, most exporters concentrate on the (OEM or ODM) production of outsourced equipment for EU manufacturers. Alternatively, exporters could also consider supplying sports goods direct to EU importers. In general, exporters must look for opportunities in areas in which they are strong, i.e. labour intensive sports goods, which are not too complex to manufacture and where brands still are of minor importance, such as:

Fitness	→	Simple in-home training equipment, small exercise equipment and martial arts equipment.
Teamsports	→	Balls*:* footballs (normal - promotional or special balls e.g. for calcetto or futsal), street basketballs, coloured beach volleyballs, rugby balls, waterpolo-balls or medicine balls.
	→	Gloves, protective equipment (e.g. head or mouth guards, knee/ankle pads), bats, sticks other team/field equipment (e.g. nets, goals, dome markers, disc cones, starting blocks).
Golf	→	Balls (also for promotional purposes), bags, putting mats, exercise sets, nets and golf carts.
Watersports	→	Swimming caps, headbands, spectacles, goggles, skimming boards, beach mats, accessories, belts and wallets.
Camping	→	Tents, mattresses, lanterns, knives, compasses, money belts, picnic mats, ropes.
Horse riding	→	Saddles, harnesses, whips, stirrups.

Other opportunities can be found in specific niche markets e.g. in *the ethnic minority population* or in *young people with a disability*, who sometimes need special or modified sports equipment. Women also often require equipment which differs from equipment specifically designed for men.

Threats and difficulties for exporters:

- ➔ The sports article should be well finished, made precisely according to importers' specifications, and meet quality standards of the demanding EU market, where strict safety standards are also required.
- ➔ Production capacity, keen pricing and fast delivery are needed to establish reliable relationships with importers or other buyers. Good communication (e-mail and personal contact) and flexibility are vital.
- ➔ The exporter must comply with International Codes of Conduct, meaning that the use of child labour is not allowed. Potential buyers and auditors from the World Federation of Sporting Goods Industry (WFSGI) may wish to inspect.

Further market research

This EU Market Survey serves as a basis for further market research: after you have read the survey it is important to further research your target markets, sales channels and potential customers in order to properly carry out your external analysis, and to know how to keep control of your marketing tools.

Market research depends on *secondary data* (data that has already been compiled and published) and *primary data* (information that you collect yourself). An example of secondary data is this EU Market Survey. Primary data is needed when secondary data is not sufficient for your needs as, for example, when you are researching which type of consumer might be interested in your sports goods.

Sources of information include (statistical) databanks, newspapers and magazines, market reports, (annual) reports from trade associations, along with shops in target countries, products or catalogues from your competitors, and conversations with suppliers, specialists, colleagues and even competitors. After you have collected your information you should analyse it.

In order to assess the attractiveness of a market, you should use a Research Action Plan and develop a classification or score system. Detailed information on market research can be found in CBI's manual *'Your guide to Market Research'.*

INTRODUCTION

This CBI survey consists of two parts: *EU Market Information and Market Access Requirements* (Part A), and *Export Marketing Guidelines* (Part B).

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Chapters 1 to 8 of Part A profile the EU market for Sports and Camping Goods. The emphasis of the survey lies on those products which are of importance to exporters from developing countries. The major national markets within the EU for those products are highlighted. Furthermore, statistical market information on consumption, production and trade, and information on trade structure and opportunities for exporters is provided. Chapter 9 subsequently describes the requirements which have to be fulfilled in order to gain access to this market. It is furthermore of vital importance that exporters comply with the requirements of the EU market in terms of product quality, packaging, labelling and social, health & safety and environmental standards.

After having read Part A, it is important for an exporter to analyse target markets, sales channels and potential customers in order to formulate export marketing and product strategies. Part B therefore aims to assist (potential) exporters from developing countries in their export decision- making process.

After having assessed the external (Chapter 10) and internal environment (Chapter 11), the (potential) exporter should be able to determine whether interesting export markets exist for his company. In fact, by matching external opportunities and internal capabilities, the exporter should be able to identify suitable target countries, market segments and target product(s) within these countries, and possible trade channels to export the selected products (Chapter 12).

Chapter 13 subsequently describes the marketing tools which can be of assistance in successfully achieving the identified export objectives.

The survey is interesting for both new exporters as well as exporters already engaged in exporting (to the EU market). Part B is especially interesting for more experienced organisations exporting to the EU for the first time and exporters looking for new EU markets, sales channels or customers.

New exporters are advised to read this publication together with the CBI's Export Planner, a guide that shows systematically how to set up export activities and the interactive tool on the CBI website "Export Marketing Plan".

PART A

EU MARKET INFORMATION AND

EU MARKET ACCESS REQUIREMENTS

1 PRODUCT CHARACTERISTICS

1.1 Product groups

The products covered in this survey are hardware articles used for active sports (individual and team sports), snow sports, water sports, fishing, horse riding, camping and outdoor activities (e.g. trekking, climbing). Larger items of equipment usually bought by institutions (e.g. sports schools), such as fitness equipment, are also included, although many of the figures available only show sales to consumers. All these hardware articles, mostly referred to as *sports goods*, are categorised into the following groups:

Product groups	Sports goods / equipment
Fitness / gym	- exercise bikes, treadmills, steppers, elliptical trainers, free weights, dumbbells;
Racket sports	- tennis, badminton and squash rackets;
Table tennis	- bats, balls, nets, tables;
Balls	- leather/non-leather, inflatable/non-inflatable; tennis, football, hockey, cricket, volleyball, basketball etc.;
Team / field sports	- equipment and accessories for cricket, polo and most other *team sports* such as hockey sticks, baseball or cricket bats, equipment for basketball (nets and stands), handball, volleyball, rugby etc;
Skates	- ice skates, roller skates, in-line skates, skateboards, kickboards, wakeboards, carveboards;
Golf	- clubs, balls, accessories, carriage (trolley, carts and bags);
Snowsports	- skis, bindings, boots and accessories;
Watersports	- sailboards, waterskis, surfboards, diving, snorkelling, spectacles, swimming caps etc.;
Sports gloves	- gloves used for baseball, cricket, ice hockey and other sports;
Camping goods	- tents, airbeds, mattresses, sleeping bags, camping accessories, climbing equipment, other equipment for recreational outdoor activities (cooking gear, lanterns etc.);
Fishing tackle	- rods, hooks, reels, nets.
Horse riding	- saddlery and animal harnesses and accessories such as leads, knee pads.

Team/field sports include a variety of small to very large items of equipment (e.g. nets for volleyball, stands for basketball, goals for hockey, football etc.) for team sports, which are played indoors as well as outdoors. This should not be confused with *outdoor equipment,* such as hiking or climbing equipment, which are meant for recreational outdoor activities and not for outdoor sports. Consequently, in this survey and in trade statistics, this type of outdoor equipment falls into the category of *camping goods*.

Bicycles, motorbikes, cars, motor boats, sailing boats, yachts, caravans, campers, sports bags, sports clothing and sports footwear are not covered in this survey. In some cases, reference is made to *sports clothing* and *sports footwear*, which were two fast growing sectors in the sports market in the 1990s. As sportswear is increasingly used as leisurewear, most specialist sports stores in EU countries emphasise sports clothing and footwear in their product range. This has been at the expense of the sales of sports equipment. Detailed information on sports clothing can be found in the Market Survey 'Outerwear', whereas information on sports footwear is given in the Market Survey 'Footwear'.

Definition of sports participation
The COMPASS project was undertaken by the EU sports federations in 2000 to create a uniform platform for monitoring sports participation in EU countries, since methodologies to measure participation varied from country to country. Compass defines sports as follows:

'Sports' are all forms of physical activity which, through casual or organised participation, aim at expressing or improving physical fitness and mental well-being, forming social relationships or obtaining results in competition at all levels.

The total sports participation of each country is broadly defined and includes all *regular* and *occasional* participants aged 6 years or older. ***Regular sports participation*** refers in most countries to adults (over 16 years) and excludes walking.

Regular:	Played 60 or more times in a year and refers to club members and to people practising sports for competition at a regular and high frequency.
Occasional:	Played less than 60 times in a year (i.e. less than once a week).

In this survey, the lists of sports or activities, which are considered important in each of the selected countries, are contained within the following major categories:

Individual activities	- golf, racket sports, skiing, athletics, darts, pétanque, martial arts
Fitness activities	- aerobics, dance, fitness, weight/working out, taebo, spinning, running
Team sports	- football, cricket, rugby, basketball, hockey, volleyball, polo
Watersports	- swimming, surfing, waterskiing, scuba diving, canoeing, rowing
Outdoor activities	- hiking (over 3 km), rambling, climbing, horse riding, fishing.

In France the term ***gliding sports*** (*'sports de glisse'*) is often used and refers to various kinds of new sensational sliding activities, popular among younger people. In some countries they are referred to as *extreme sports.* These activities can be:

- ***On snow***, e.g. snowboarding, carving, parabolic skiing, curling.
- ***On water***, e.g. sailing, (wind, kite or body) surfing, waterskiing, rafting.
- ***On the street***, e.g. in-line skating, roller skating, skateboarding, kick- or carveboarding.
- ***In the air***, e.g. delta flying, parachute jumping or paragliding.

1.2 Customs/statistical product classification

The classification system used for both Customs and statistical purposes in EU member countries is the Harmonised Commodity Description and Coding System (HS), which is used worldwide. The EU has a set of its own internal codes, referred to here as PRODCOM, which broadly mirror the HS codes. Table 1.1, from Eurostat, gives a list of the main codes for sports and camping goods. The more detailed HS code groups covered in this survey are given in Appendix 1. The major groups are given below:

HS Code	Product group	PRODCOM Code
9506	**Sports equipment**	**3640**
95061	Snowsports	3640113
95062	Watersports	3640120, 351212
95063	Golf	3640143
95064	Table tennis	3640145
95065	Rackets	3640146
95066	Balls (all types)	3640148
95067	Skates	3640115
950691	Fitness/gym	3640130
950699	Team/field sports	3640149
420321	Gloves for exercise sports	3640141
4201	Saddlery for horse riding	1920110
6306	**Camping goods** (inc outdoor equipment)	**17402**
63062	Tents	1740223
63064	Airbeds	1740227
630699	Miscellaneous camping goods	(inc in 1740227)
94043	Sleeping bags	1740243
9507	**Fishing tackle** (rods, hooks and reels)	3640153/55

2 INTRODUCTION TO THE EU MARKET

The European Union (EU) is the current name for the former European Community. Since January 1, 1995 the EU has consisted of 15 member states. Ten new countries joined the European Union in 2004. They are the Czech Republic, Estonia, Slovakia, Cyprus, Latvia, Lithuania, Malta, Slovenia, Poland and Hungary. Negotiations are in progress with a number of other candidate member states to join in 2007. In this survey, the EU will sometimes be referred to as the EU25, sometimes the former EU15, depending on the context. Specific reference is also made to the “10 new EU countries”.

Population and economy
In 2003, the EU25 population totalled 458 million, which is over 3 times the Japanese and 1.7 times the US population. The population of the selected EU markets in this survey represents 328 million people with over 130 million households. The EU has an ageing population structure with the proportion of 45+ olds rapidly increasing, especially in Spain, Italy and Germany. The densely populated areas in the EU are located in The Netherlands, Belgium, the Northwest of Germany, the Southwest of England and in northern Italy.

Table 2.1 Population and GDP of selected and new EU countries, 2003

Countries	Population *million*	Age 15-64 *%*	GDP (€) *estimation 2003*
Selected EU countries			
Germany	82.4	67.0	24,407
France	62.4	65.1	24,318
UK	60.3	66.3	24,495
Italy	58.1	66.9	23,699
Spain	40.3	68.0	19,455
The Netherlands	16.3	67.8	25,291
Sweden	9.0	65.2	23,717
New EU countries			
Poland	38.6	70.0	9,727
Czech Republic	10.2	70.9	13,884
Hungary	10.0	69.0	12,292
Slovakia	5.4	70.8	11,761
Lithuania	3.6	68.4	9,904
Latvia	2.3	69.2	8,931
Slovenia	2.0	70.6	16,183
Estonia	1.3	67.5	10,877
Cyprus	0.8	67.4	14,149
Malta	0.4	68.5	6,263
Currencies	€, UK £, SKr, DKr, CZK, EEK, SKK, CYP, LVL, LTL, MTL, SIT, PLN, HUF		
Exchange (2003)	€ 1 = US$ 1.13		

Source: The World Factbook 2004, Insee

Within Western Europe – covering 15 EU member countries, Iceland, Liechtenstein, Norway and Switzerland – more than 20 million enterprises are active. Small and medium-sized enterprises (SMEs) accounted for the lion’s share. In 2003, the average turnover per enterprise of SMEs and large enterprises amounted to € 600 thousand and € 260 million respectively.

EU harmonisation
The most important aspect of the process of unification (of the former EC countries), which affects trade, is the harmonisation of rules in the EU countries. As the unification allows free movement of capital, goods, services and people, the internal borders have been removed. Goods produced or imported into one member state can be moved around between the other member states without restrictions. A precondition for this free movement is uniformity in the rules and regulations concerning locally produced or imported products. Although the European Union is already a fact, not all the regulations have yet been harmonised. Work is in progress in the fields of environmental pollution, health, safety, quality and education. For more information about harmonisation of the regulations visit AccessGuide, CBI's database on European non-tariff trade barriers at http://www.cbi.nl/accessguide

Monetary unit: Euro
On January 1, 1999, the Euro (€) became the legal currency within twelve EU member states: Austria, Belgium, Finland, France, Germany, Italy, Ireland, Luxembourg, The Netherlands, Spain and Portugal. Greece became the 12th member state to adopt the Euro on January 1, 2001. In 2002, circulation of euro coins and banknotes replaced national currency in these countries. Denmark, United Kingdom and Sweden have decided not to participate in the Euro, at least for the time being.

The most recent Eurostat trade statistics quoted in this survey are from the year 2003. In this market survey, the € is the basic currency unit used to indicate value. For more general information on the EU market, please refer to the CBI's manual Exporting to the European Union.

Trade Statistics
Trade figures quoted in this survey must be interpreted and used with extreme caution. The collection of data regarding trade flows has become more difficult since the establishment of the single market on January 1, 1993. Until that date, trade was registered by means of compulsory customs procedures at border crossings. Since the removal of the intra-EU borders, this is no longer the case.

Statistical bodies such as Eurostat cannot now depend on the automatic generation of trade figures. In the case of intra-EU trade, statistical reporting is only compulsory for exporting and importing firms whose trade exceeds a certain annual value. The threshold varies considerably from country to country, but it is typically about € 100,000. As a consequence, although figures for trade between the EU and the rest of the world are accurately represented, trade within the EU is generally underestimated.

Furthermore, the information used in this market survey is obtained from a variety of different sources, e.g. national sports trade associations or trade press, using different definitions. Therefore, extreme care must be taken in the qualitative use and interpretation of quantitative data, both in the summary and throughout the text, as also in comparisons of different EU countries with regard to market approach, distribution structure, etc.

Table 2.2 Exchange rates of EU25 currencies in US$, 1998-2005

Country	Currency	1999	2000	2001	2002	2003	Feb 05
EU	€	1.063	0.920	0.900	0.946	1.125	1.297
Denmark	Dkr	0.14	0.12	0.12	0.13	0.15	0.17
Sweden	Skr	0.12	0.10	0.10	0.10	0.12	0.14
UK	GB£	1.61	1.52	1.44	1.50	1.63	1.88
Poland	PLN	0.25	0.23	0.24	0.24	0.26	0.33
Estonia	EEK	0.07	0.06	0.06	0.06	0.07	0.08
Czech Rep	CZK	0.03	0.03	0.03	0.03	0.04	0.04
Hungary	HUF	0.004	0.004	0.003	0.004	0.004	0.005
Slovakia	SKK	0.02	0.02	0.02	0.02	0.03	0.03
Lithuania	LTL	0.25	0.25	0.25	0.27	0.32	0.38
Latvia	LVL	1.72	1.64	1.59	1.61	1.75	1.85
Slovenia	SIT	0.006	0.005	0.004	0.004	0.005	0.005
Cyprus	CYP	1.85	1.61	1.56	1.64	1.92	2.22
Malta	MTL	2.5	2.3	2.2	2.3	2.6	3.0

Source: http://www.xe.com

The Selected Markets

This survey profiles the EU market for "Sports and Camping Goods" in which seven selected markets within the EU are highlighted. The countries selected for this survey are Germany, France, The United Kingdom, Italy, Spain, The Netherlands and Sweden, which are the largest consumers of sports goods in the European Union. In 2003, they accounted for over 84 percent of total EU25 purchases of sports goods, with Germany and France both taking a large share of over 20 percent each. The United Kingdom is the largest consumer of golf and fitness equipment, while France and Italy sets worldwide trends in snow sports and racket sports. Developing countries supplied 35 percent in value and 53 percent in volume of sports and camping goods to the EU in 2003, most of which were to these seven countries.

All seven selected countries within the EU have a high proportion of people who are active in sports. The emphasis on sports participation is less on competitive team sports and more on leisure and individual sports. With more leisure time, people tend to exercise or undertake outdoor activities in order to stay fit. Demographic changes mean that by the year 2020, the proportion of 45+ olds in most countries is expected to be more than 40 percent of their total population. Besides outdoor activities, fitness and golf are continuing to gain in popularity as well.

As far as the 10 new EU countries are concerned, the countries of Eastern Europe have a history of considerable state support for sport. Hence there is a well established market for a wide range of different sports equipment. Many of these countries also have established production facilities for sports equipment eg fitness equipment in Hungary.

3 CONSUMPTION

3.1 Market size

Sports participation

The use of sports equipment is closely related to participation in various kinds of sports. ***Over 60 percent of the population*** in the selected EU countries, representing over 200 million people, participate in some form of sporting activity. Germany had the largest number of sports participants (i.e. 50 million), which can be mainly attributed to its large population size. France had the highest rate of sports enthusiasts (52% of the French population), compared to Italy and Spain, which had the lowest rates as is shown in Figure 3.1. These total rates include *regular* (at least once a week) and *occasional* (less than once a week) participation by people of all ages.

Regular participation in the selected countries was lower with an average rate of 41 percent, representing 107 million adults (16 years or older) doing a sporting activity at least once a week. Many of these people were member of one of the 537,000 sports clubs in the seven countries. In this case, France and the United Kingdom had the highest rates of regular participants (see table in figure 3.1).

Figure 3.1 Sports participation in the selected EU countries in 2003
Total and regular participation (incl. number of clubs)

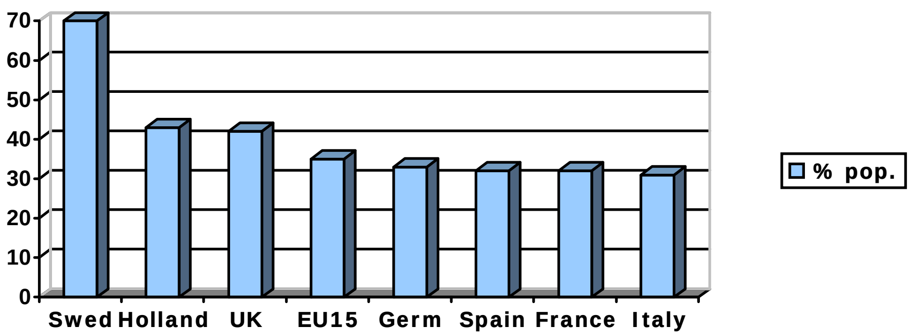
	Total participation million	% population	Regular participation million	% adults (16+)	Number of clubs
France	41	66%	26	52%	173,170
Germany	50	60%	26	40%	89,307
United Kingdom	40	66%	21	43%	85,000
Netherlands	10	62%	6	40%	29,760
Sweden	6	64%	3	40%	25,761
Spain	24	59%	10	32%	69,582
Italy	33	58%	15	31%	64,577
TOTAL	**204**	**62%**	**107**	**41%**	**537,157**

over 50% regular
over 40% regular
less than 40% regular

Source: Estimates derived from National Statistics and statistical yearbooks of the selected countries

These figures are in contrast to a Eurobarometer poll published in 2004 which highlighted the fact that Northern Europeans tend to do more sport and exercise than their southern counterparts, as the following table indicates:

Table 3.1 % of EU population practising sport at least once a week



Source: Eurobarometer, 2004

Link between health and exercise
The health lobby and medical profession in the EU have been active in all countries in promoting the benefits of maintaining fitness levels and an active lifestyle. The least physically active are in southern EU countries where more people tend to smoke. However, in northern EU countries, middle-aged people in particular have tended to stop smoking but, perhaps as a substitute, have started to eat more. To compensate they do some form of fitness or exercise. Italians have become more health aware as well. While smoking is still a major public health concern, it is predicted that the number of people who are significantly overweight, particularly children, may well be the greatest public health concern in the future. This is already a major issue in the USA.

Individuals rather than teams
Sports are done on a competitive, individual or recreational basis. People in most northern countries prefer to participate in individual (sports) activities, which demand less in terms of time or commitment. Participation in most sports – with some notable exceptions, have either declined or reached a plateau, with more consumers devoting their time to general fitness – swimming, walking or working out in a gym – rather than involving themselves in organised competitive sport.

Here, many sports clubs have suffered, lacking staff who do not want to commit time to these voluntary activities. Consolidation seems inevitable, with more clubs (e.g. swimming, tennis, basketball, handball and other team sports) closing down or merging with another club. However, consumers also seek out the sociability and relaxing environment of health clubs where they carry out their individual fitness activities in the company of others.

Major sports undertaken in selected EU countries
The traditional forms of sport, such as swimming and football still have large numbers of participants in most EU countries (see table 3.2). Competitive sports such as badminton, squash and some of the teamsports have suffered from a shift to individual less competitive sports and recreational activities such as golf and jogging. Note cycling is very popular in many EU countries, particularly France, Netherlands, Spain, Italy, but it has been excluded from this table as sales of cycles and cycling accessories are not included in this survey.

Fitness has been popular in all northern EU countries and is increasingly recognised by young and older people in all selected countries. In southern EU countries, ***outdoor activities*** e.g. climbing and wintersports, remain popular. People find these activities sociable. Doing things with friends and family remains important in southern EU countries.

Table 3.2 Top sports in the selected EU markets in 2003, by club membership and participation

Country	Sports
Germany	Gym, football, tennis, riding, fishing, table tennis, swimming, keep fit, walking
France	Football, tennis, judo, riding, basketball, swimming, walking, jogging, camping, keep fit, fishing.
United Kingdom	Gym, football, golf, tennis, fishing, walking/trekking, swimming, jogging.
Spain	Football, swimming, basketball, golf, jogging, fitness, hunting/riding, judo, fishing
Italy	Football, swimming, wintersports, tennis, fitness, watersports, volleyball, basketball, fishing, judo
Netherlands	Football, swimming, fitness, tennis, jogging, rollerblading/skating, fishing
Sweden	Football, skiing, gymnastics, floorball, athletics, riding, fishing

Source: TGI, Stat. Bundesamt, INSEE, ISTAT, Inébase, CBS, Stat Sweden

Participation by gender
Men in most countries are strongly represented in regular participation (especially in team sports), although the number of women participating either occasionally or regularly in sporting activities continues to increase (see table 3.3). Fitness, aerobics, dancing, running, swimming, gymnastics, volleyball, skating and horse riding were the most popular activities among women in all selected EU countries. In northern EU countries, contrary to some of the trends in male competitive sports, women's football is becoming popular. This has in part been stimulated by the intense media coverage which football receives on a regular basis. Women are also taking up golf in large numbers. Sweden has the highest proportion of sportswomen among the selected countries.

Table 3.3 Women's sports participation in the selected countries

2003	**Total Participation**		**Regular Participation**	
	million	*ratio women / men*	*million*	*ratio women / men*
Germany	23.0	46%	10.5	40%
France	19.3	47%	11.5	44%
UK	17.1	43%	11.0	40%
Italy	14.5	44%	5.7	38%
Spain	10.0	42%	3.6	36%
Netherlands	4.7	47%	2.3	40%
Sweden	3.0	49%	1.5	50%

Source: TGI, National Statistics of the selected countries

Participation by age
An increasing proportion of the older population are taking up sporting activities, particularly in Sweden, Germany and the United Kingdom. This is seen as one explanation for increasing life expectancy. The sports in question tend to be fitness related or "softer" sports such as golf. The younger age groups in most countries continue to participate more in football, (street) basketball, volleyball (Italy and Spain) or other team sports. Young people are interested in new individual activities, all of which are strongly related to lifestyle in terms of clothing, brands, celebrities and music, such as:

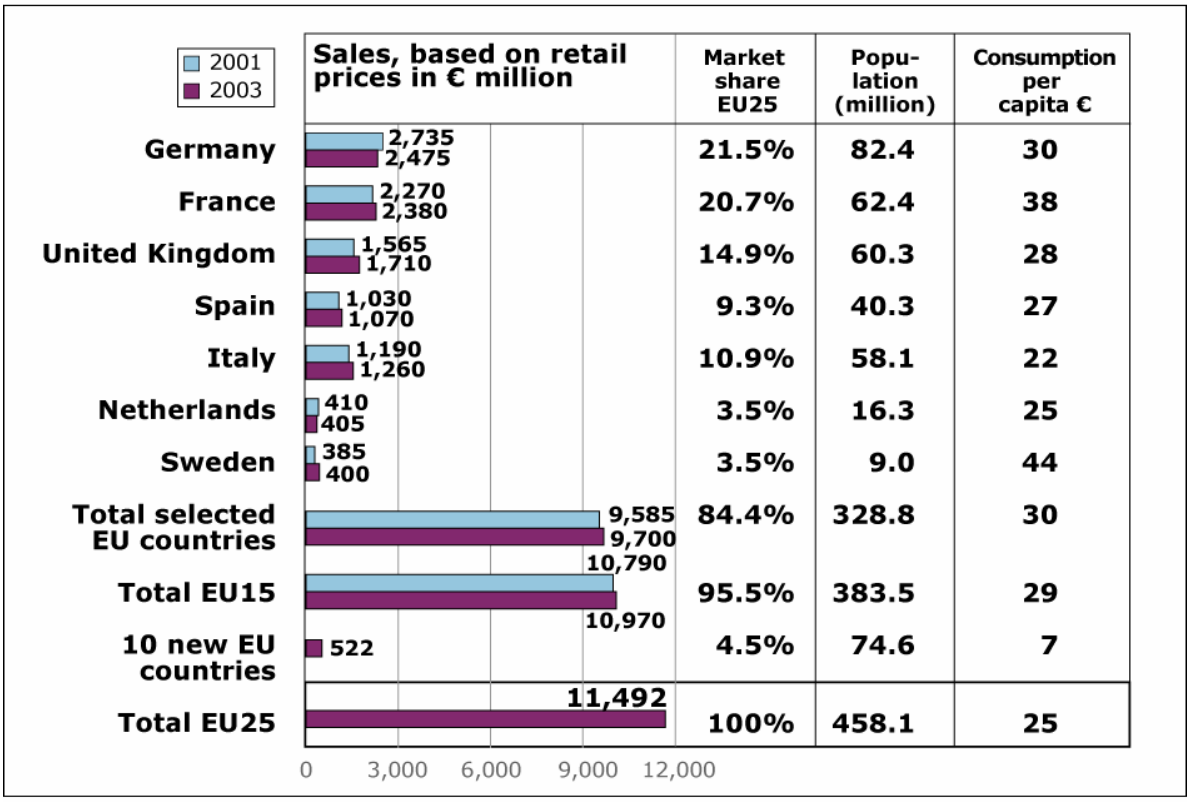
- **Adventurous outdoor activities** (e.g. rafting, climbing, delta flying, parachute jumping, paragliding, diving, surfing)
- **Alternative snowsports** (carving/snowboarding, curling, skeleton)
- **Extreme sports** (skateboarding, cross skating, wake or carveboarding) and street sports.

3.1.1 The EU Sports Market
The *total* European Sporting Goods Market in the selected EU countries – taking into account all three sectors (clothing, footwear and equipment) was € 37,000 million in 2003, of which € 9,700 million related to sports and camping goods equipment in the selected countries. Although sales in 2003 were marginally lower than 2002, mainly due to continuing falls in Germany, 2004 is forecast to be a better year. Greater sales of winter sports equipment, team/field, fitness and golf products are driving this growth.

The figures have been adjusted from previous surveys so that the figure for sports goods includes all categories including fishing tackle, but not camping goods or saddlery items for horse riding. Those figures are shown separately. Some countries also include cycling in their figures for sporting goods. For consistency, these figures have also been excluded. As is shown in figure 3.2, Germany, despite its falls in recent years, is still the largest market, worth € 2,475 million in 2003. France is close behind on € 2,380 million, 4.8 percent higher than 2003. The figures shown are best estimates based on the available sources. Between 2001 and 2003, with the exception of Germany and The Netherlands,

the consumption of sports goods still rose in other countries, especially in the United Kingdom and Italy with growth rates of 9.2 percent and 5.9 percent respectively.
The EU market for sports goods is more fragmented than the other major world markets. Total retail sales of sporting goods equipment in the EU15 member countries was estimated at € 10,970 million in 2003, of which € 9,700 million (or 88%) was achieved in the seven selected countries. Over 40 percent of this was from Germany and France. The EU is the second largest market for sports goods in the world following the USA. A further € 522 million of sporting goods were sold in the 10 new EU countries, the two major markets being Poland and the Czech Republic.

Figure 3.2 Consumption of sports goods in EU 25, 2001-2003



Source: VDS, FPS, Mintel, Keynote, HBD, Euromonitor, Sporting Goods Intelligence, Trade Estimates

The average consumption per capita on sports goods in the EU15 in 2003 was € 29, which was higher in Sweden, France and Germany as is shown in figure 3.2. Consumption levels in the 10 new EU countries was significantly lower at € 7 per capita. However, growth rates here, albeit slowing in the last couple of years, are still much higher than in the EU15.

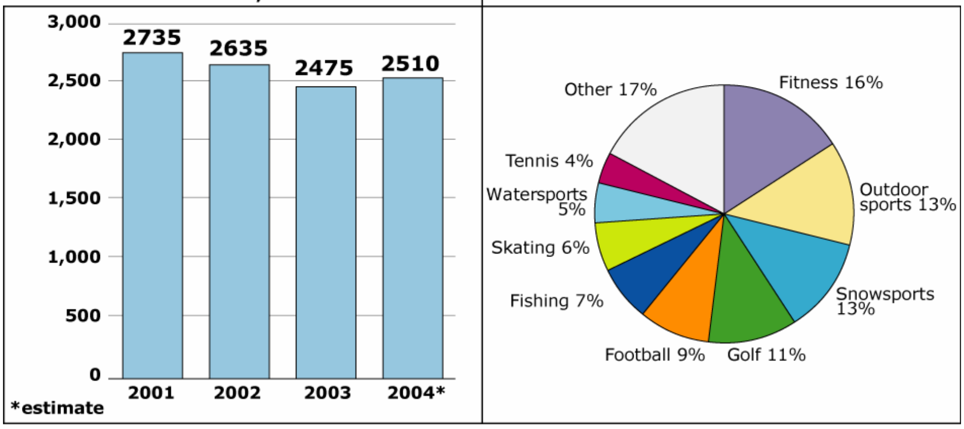
Between 2001 and 2003, consumption in the selected countries increased by just 1 percent. Although growth rates have reduced in the review period, consumer expenditure has continued to be stimulated in most countries by rising levels of participation in sports generally, by women, older people and increasingly middle-aged people. The outdoor market was strong. Fitness products continued to grow everywhere, particularly in Italy. A wider range of outlets are now selling sporting equipment, but perhaps most significantly, growth is driven by the media and celebrity endorsement of various sports, particularly new, more fashionable sports. Many commentators are speculating that media coverage for some sports, particularly football, is reaching saturation point. However, opportunities still exist in many other sports eg basketball, for growth via more media coverage.

3.1.2 Germany

Germany is the largest EU market for sports goods. In 2003, German retail sales were € 2,475 million, representing 22 percent of the EU25 market. German households spent € 30 per capita on sports goods, just above the EU15 average.

As is shown in figure 3.3, sales of sports goods decreased between 2001 and 2003. This was mainly because of the economic recession in Germany which affected all sectors, and was more prolonged than for other EU countries. The main sectors are fitness, golf and outdoor sporting activities. New snowsports such as carve skiing and snowboarding are also popular.

Figure 3.3 German consumption of sports goods. Value in € million, 2001-2004 | **Sports goods consumption by product As percent of total sales value, 2003**



Source: Mintel, VDS, Sports Marketing Surveys, Statistisches Bundesamt (2004)

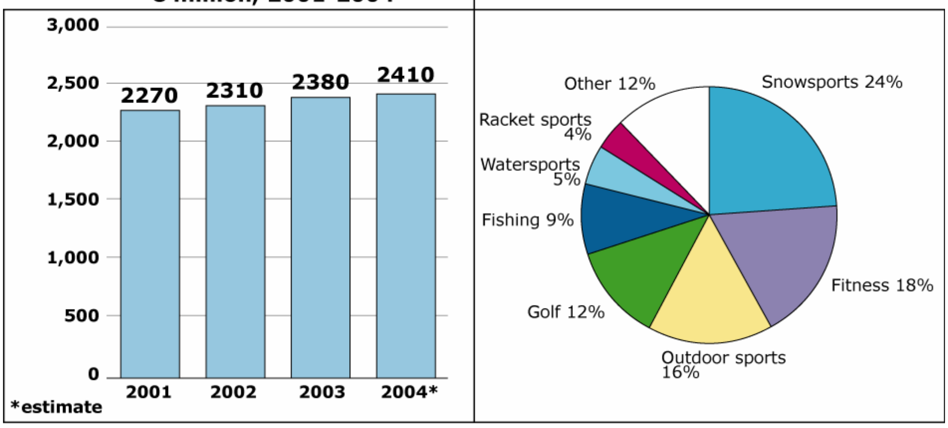
There are clear regional differences in sports participation, partly due to sports culture and disposable income. The former East Germans do not spend money on sports and are more active in e.g. swimming, athletics and table tennis.

The market performance is also poor due to increased sales of cheap equipment by discounters (Aldi, Tchibo). On the other hand, in-home fitness, golf, snowsports and outdoor equipment remain popular by the more affluent Germans. Technical innovations and (new) material, with a view to achieving more comfort in playing, especially for older consumers taking up sports later in life, is the principal route for new product development in Germany.

3.1.3 France

France has a high level of participation in sport within the selected EU countries and is the second largest market for sports goods in the EU with retail sales in 2003 valued at € 2,380 million, representing 21 percent of the EU25 market.

Figure 3.4 French consumption of sports goods. Value in € million, 2001-2004 | **Sports goods consumption by product As percent of total sales value, 2003**



Source: Mintel, FPS, Fifas, Eurostat (2004)

The French per capita expenditure of € 38 was second highest after Sweden (see figure 3.2). Cycling is the most popular sporting activity in France. As the country offers mountains, coasts and a favourable climate, people enjoy many kinds of water, snow, street and outdoor (gliding) activities, often referred to as ‘***sports de glisse***’.

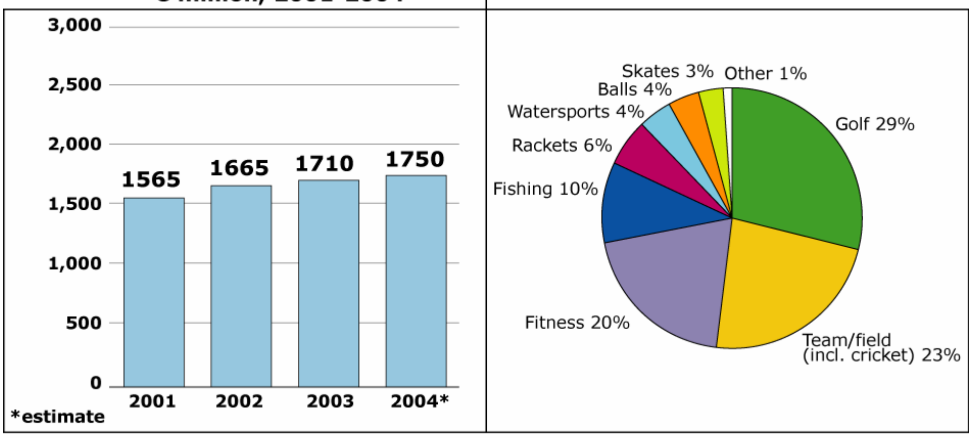
As is shown in figure 3.4, sales of sports goods in 2003 rose by 5 percent since 2001. The popularity of outdoor activities, in-line skating, snowboarding, fitness, golf, watersports (canoeing, surfing, sailing) and horse riding combined to provide a good market performance. Sales of tennis rackets declined due to falling demand. In 2003, equipment for snowsports, fitness and outdoor activities formed the largest segments in the French sports goods market. Young French sports enthusiasts are switching to more extreme and energetic sports. In general, serious sports consumers prefer performance and quality, and are concerned about how a product has been made (e.g. environmentally sound, no child labour), rather than choosing the lowest price.

3.1.4 United Kingdom

The ***United Kingdom*** was the third largest EU market for sports goods. In 2003, UK retail sales were € 1,710 million, 15 percent of the EU25 market. The per capita expenditure was slightly below its major competitors, but the overall performance was better, the market being 9 percent above its position in 2001. The UK sports goods market is highly fragmented, as there are many sports in the UK such as snooker, darts and cricket, all requiring their own specific equipment and accessories. Unlike other EU countries, sports participation levels have ceased to increase. Sports such as swimming, racket sports, snooker, darts, bowls and some team sports (cricket, hockey) have become less popular.

Figure 3.5 UK consumption of sports goods. Value in € million, 2001-2004

Sports goods consumption by product As percent of total sales value, 2003



Source: Mintel, Keynote, Sports Marketing Surveys (2004)

Golf is still the most popular sport in the UK, representing approximately 30 percent of the market in 2003. The other key activity, walking, has recovered much more quickly than expected from the Foot and Mouth disease outbreak in 2001.

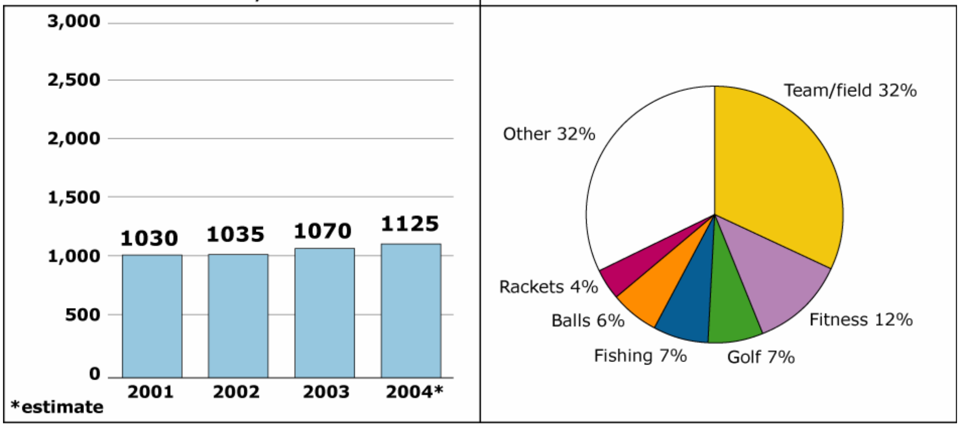
Young people are interested in 'fashionable' extreme sports such as abseiling or snowboarding, and street sports such as skating. As is shown in figure 3.5, sales of sports goods in the UK have not been affected by recession as much as their European counterparts. Future growth is expected to be slower. A growing demand is forecast for equipment for golf, in-home fitness, football, and outdoor activities. Fishing is one of the most popular pastimes in the UK and continues to be an important market.

3.1.5 Spain

In 2003, ***Spanish*** retail sales of sports goods was € 1,070 million, representing 9 percent of the EU25 market. Per capita consumption was € 27, just below the EU15 average of € 29. The sports goods market grew by 4 percent between 2001 and 2003.

Sports participation by Spanish people is on the increase due to a growing concern about health. This has stimulated sports goods sales. The International Olympic Committee commented in early 2005 of the significant progress of sport in Spain as Madrid hopes to host the 2012 Olympics.

Figure 3.6 Spanish consumption of sports goods. Value in € million, 2001-2004 | **Sports goods consumption by product As percent of total sales value, 2003**



Source: Mintel, Eurostat, Sports Panel (2004)

Football continues to be the most popular sport, but fitness and aerobic activities are increasing at a fast rate. Fitness equipment represented one third of the market (see fig 3.6) of all sports goods sold in Spain. Basketball enjoys high participation. Volleyballs and balls for other teamsports such as rugby and polo will increase in demand. Swimming has high participation levels, but is gradually declining as Spaniards have become interested in individual and recreational activities, especially climbing, fitness, outdoor activities and golf. Other sports which have seen increases are fishing and street sports, while tennis and surfing has declined.

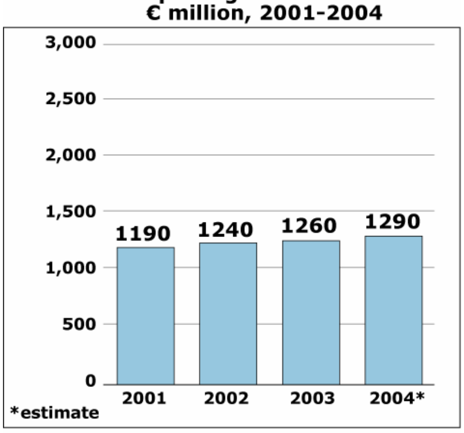
3.1.6 Italy

Italy is a large market for sportswear, but a smaller market for sports goods. In 2003 Italian sports goods sales were valued at € 1,260 million. Compared to the other EU markets, Italian households are the lowest spenders on sports goods, with a per capita expenditure of € 22 in 2003.

The sports goods market in Italy has grown faster than other European markets in recent years because of new sports and a growing popularity for recreational activities, undertaken not only by young people, but also by middle-aged and older people.

Between 2001 and 2003, sales of sports goods increased by 6 percent from € 1,190 to € 1,260 million (see figure 3.7). Team/field equipment represented over one third of the market, followed by snowsports and skating. The market for fitness equipment is also healthy, as is the market for watersports.

Figure 3.7 Italian consumption of sports goods. Value in € million, 2001-2004



Source: Mintel (2004)

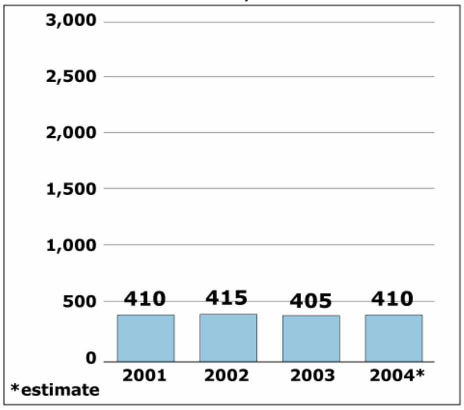
A recent survey by AC Nielsen for Assosport indicated that the number of people playing tennis had fallen by 40 percent since 1997. Skiing and horse riding, both traditionally strong Italian sports, had also fallen. The indoor personal regime activities of dance and martial arts - both of which increased their number of practitioners by 45 percent over the same time frame - were major winners. Trekking and hill walking saw numbers of adherents boosted 35 percent, while muscle development was also a favoured exercise, with 31 percent more people taking part.

Football is still the most popular sport. A large number of the newcomers to sport were women and also men over 40. A significant number had apparently been won over to some form of physical exercise, including swimming, aqua-gym activities, bodybuilding and aerobics.

3.1.7 Netherlands

The Netherlands is the sixth largest market for sports goods in the EU. In 2003, retail sales were valued at € 405 million, representing 3.5 percent of the EU25 market. Consumption per capita of € 25 is below the EU15 average.

Figure 3.8 Netherlands consumption of sports goods. Value in € million, 2001-2004



Source: Mintel, HBD (2004)

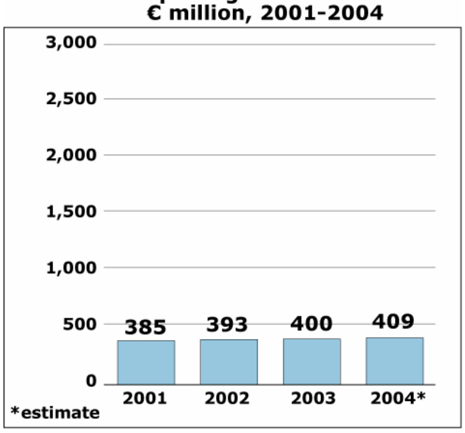
More than half of all athletes are members of one or several of the approximately 30,000 clubs, football and tennis clubs being the most popular. Roughly 1.5 million people opt for a different form of organisation. They hike, jog, swim, cycle, ride mountain bikes or motocross, either by themselves or in small groups. Another 1.5 million people maintain their fitness and health through weekly visits to a gym. A lot of sporting and leisure activities take place in unorganised associations. Skiing and skating are popular activities of this type and also, among younger people, surfing, skateboarding, snowboarding and rock-climbing. However, in the past few years, both the number of hours per week in which people engage in sports and the amount of physical activity engaged in during leisure time have fallen.

Equipment for team sports, fitness, in-line skating and watersports formed the largest categories. Golf is reported to be a fast growing sport in The Netherlands. As is shown in figure 3.8, sales of sports goods fell by one percent between 2001 and 2003, mainly because of the recession which has affected much of mainland Europe.

3.1.8 Sweden

In relation to its low population, Sweden is a large market for sporting goods. Valued at € 400 million in 2003, with a per capita expenditure of € 41, the Swedes are an outdoor nation who participate in a wide range of sporting activities.

Figure 3.9 Swedish consumption of sports goods. Value in € million, 2001-2004



Source: Eurostat, SGI (2004)

Virtually half of the entire market relates to golf products. Golf is a popular sport in Sweden, but football is the largest participation sport. Ice hockey is popular, as is “Bandy”, a team game using sticks which is similar to hockey. Floorball is also popular.

Outdoor pursuits are particularly popular. Hence, sports such as fishing and horse riding have many followers in Sweden. The fitness boom around Europe has also been shared in Sweden and fitness equipment is a large market. As you would expect, wintersports, particularly skiing and skating, have many followers. The Swedish sports goods market has grown by 4 percent between 2001 and 2003. It is forecast to continue to grow at similar rates in the near future.

3.1.9 The 10 new EU Countries

The 10 new EU countries differ from the EU15 in two key aspects. Firstly, consumers spend significantly less on sports equipment in these countries than the rest of the EU. This in itself presents opportunities for developing country exporters, as there are still significant growth opportunities in markets where many of the consumers already are interested in or participate in a variety of sports, without spending much on equipment. The other aspect is that a number of the new EU countries are used as production centres for some multi-national sports goods companies. This presents a challenge to developing country exporters, where some commentators are observing production moving closer to home markets.

Table 3.4 Consumption of sports goods in the 10 new EU Countries, value in € million

	2003	2004*	Population (millions)	Consumption per capita €
Czech Republic	200	214	10.2	20
Poland	150	161	38.6	4
Hungary	40	43	10.0	4
Slovakia	50	54	5.4	9
Slovenia	30	33	2.0	15
Lithuania	20	22	3.6	6
Latvia	15	16	2.3	7
Estonia	8	9	1.3	6
Cyprus	6	6	0.8	8
Malta	3	3	0.4	8
Total	**522**	**561**	**74.6**	**7**

**Estimate*

Source: Sporting Goods Intelligence, Trade Estimates

Total sales in 2003 were € 522 million, representing just 4.5 percent of EU25 sales (see table 3.4). The Czech Republic (€ 200 million) and Poland (€ 150 million) were the most significant markets in terms of size. However, per capita rates were high in the Czech Republic, but very low in Poland. Individual product group sales are difficult to estimate, but according to apparent consumption figures from Eurostat, the largest product groups were fitness, team/field, fishing, balls and skating. To give some specific examples:

- the ***Hungarian*** market for sports and fitness equipment has entered a new phase where participation in sports and fitness activities is growing widely. New sports are becoming popular such as golf, skiing and tennis. Consequently consumers are seeking more and better quality equipment. Hungary has a large number of fitness centres and spas, as well as traditional state supported sports clubs, which constitute a market for professional quality exercise equipment.

- In ***Poland***, the market for sporting goods is divided into two major segments: the brand market and the general sporting products market. Recently, demand has moved toward more expensive, better quality articles. It created a market for specialty sporting goods stores, with well-trained sales staff. Less expensive equipment is sold through supermarket chains.

- ***Czechs*** have a history of participating in organized mass sports such as hiking, skiing, canoeing, and cycling; various collective ball sports, such as football, volleyball, basketball and handball; and gymnastics. Nowadays, many hikers, bikers, canoeists, and skiers are not organized. 1 million Czechs spend weekends down-hill and cross-country skiing every winter. The number of registered skiers has remained stable at 30,000. While the numbers of registered athletes in most traditional sports have dropped during the past four years, a variety of new sports has been attracting new members. Aerobics, fitness, floorball, snowboarding and skateboarding; or sports that were considered bourgeois during the Communist regime, such as golf and horse riding, have flourished. The sports that have experienced the biggest membership drop are traditional team ball sports with the exception of football.

3.2 Market segmentation

Wintersport equipment, fitness, golf articles, team/field equipment, skates, and camping goods form the largest categories within the sports goods market. Some products such as motorized fitness equipment require high investments in R&D or in complex manufacturing systems. These products will not be covered in this section. On the other hand, developing countries dominate the supply of more *simple equipment for fitness (*e.g. small trainers, mats, dumbbells*)*, *team/field sports*, *balls, gloves* and *camping goods.* Many of these sports goods are OEM or ODM (Original Designed Manufacturing) supplies to EU manufacturers.

For each sports, relevant to exporters, an EU overview in terms of participants, clubs and major brands are described. A breakdown of equipment within some of these sports will be illustrated in one sample country. It should be noted here that these breakdowns may differ from country to country.

Fitness/Gym

30 percent of all fitness equipment in the world is sold in Europe. The people worldwide who are members of a club exceed 60 million. Fitness and body-building continue to take an increasing share of sporting activity in Europe, partly because of their fashionable image and partly because they can be undertaken at times to suit the participant.

The main reasons for taking it up were to stay healthy, relax and improve one's figure or physique. In 2003, *women* accounted for more than half of all fitness participants in all selected EU countries. Keep fit exercise, aerobics, yoga and, more recently, self-defence activities such as taebo and martial arts (karate, taekwondo) have become popular among women. *Power yoga*, which works by boosting body shape and wellness is a trend from the USA. The contents of a power yoga kit are items which developing country exporters may feel equipped to produce. It consists of a bag, mat, strap and yoga block.

Major activities undertaken by *men* are body-building, working out, weight training and martial arts. Over 100,000 people in Spain are members of a judo club. A further 60,000 were in a karate club. There has also been a large increase in the number of participants in the 40+ age group. Since fitness is increasingly recommended by doctors and physiotherapists, especially for overweight people, the number of both men and women participating is expected to continue to increase in the coming years. In addition, demand by certain ethnic minorities in most selected countries is growing as well.

In 2003, the number of registered participants in the selected EU countries was over 20 million people (see table 3.5). Note, these figures only relate to those who are members of commercial clubs. So, for example in the UK, there are a further 2,400 fitness facilities in the public sector, accounting for a further 2.5 million members. Those who participate in fitness activities on a regular (weekly) basis do so in fitness centres and clubs. There has been a growing number of frequent participants, who have become more educated and enthusiastic, increasing the demand for fitness and training equipment for in-home use. Exercises at home can be done cheaply and quickly, without spending time going to the gym. However, there are indications this increase is levelling off.

Table 3.5 Fitness clubs and value of equipment in € million, 2003

	Commercial Clubs	Participants registered	Sales € million
Germany	6,500	5,600,000	400
France	2,500	3,500,000	400
United Kingdom	2,000	3,600,000	350
Italy	6,000	3,000,000	180
Spain	3,500	2,000,000	120
Netherlands	1,700	1,500,000	70
Sweden	1,000	900,000	60
Total	**23,200**	**20,100,000**	**1,580**

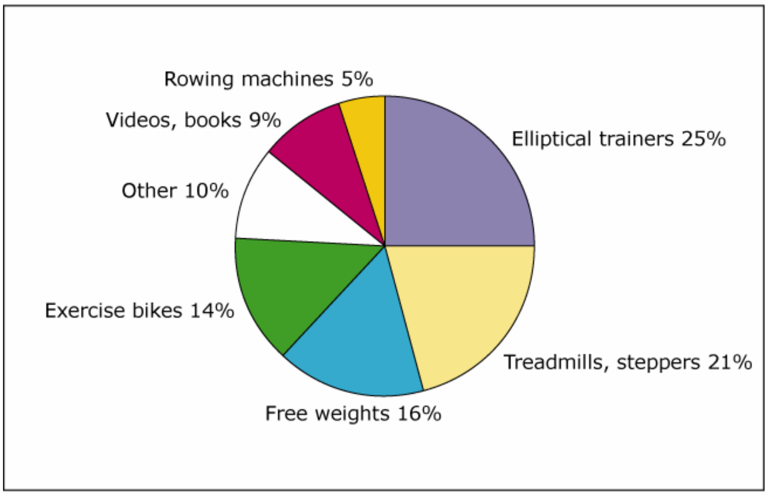
Source; SAZ, International Health, Racket & Sportsclub Association, Eurostat, Trade estimates (2004)

The estimated value of the fitness equipment market in the selected countries is € 1,580 million. This includes both home fitness and equipment in gyms and clubs. Germany, France and United Kingdom are the largest EU markets for fitness equipment, as is shown in table 3.5. 25 percent of French people who participate in sport engage in fitness activity. The German fitness equipment market reached in 2003 a total value of € 400 million, of which perhaps € 260 million was for in-home use. Some sports clubs are now open 24 hours a day, responding to demand from busy people who want to find time to stay fit.

The German market overall has been static compared with the previous year. There has been significant price pressure in the market. Any volume gains have been at the expense of heavy price discounting, as retailers such as Aldi have started selling the higher value items alongside the smaller, portable items. Cycle shops have also started to sell exercise equipment. Internet sales are also hitting specialist retailers hard.

Elliptical trainers accounted for 25 percent of all fitness equipment sold in Germany in 2003 (see fig 3.10) and along with the treadmills and steppers were the fastest growing segments. Within these segments, electronically controlled equipment requires top quality after sales service, as well as extremely knowledgeable sales staff. Market leaders for larger items are Kettler (Kettler, HKS, Metro), Bremshey (Tunturi, UNO) and Aicon (Proform, Healthrider, Weider, Weslo). Other well-known brands include Unifit, Life Fitness, Technogym, Icon Fitness, Lifestyle and Reebok. Consumers spend on average € 1,500 for such equipment.

Figure 3.10 German fitness equipment market by product, 2003 as percent of total sales value (= €400 million)



Within the more simple types of treadmills and trainers, there is a growing demand for back boards, belly exercisers (e.g. benches or hoops), biceps trainers or smaller home multi gyms. These portable items are relatively cheap and are often purchased on impulse. However, consumers are looking for higher quality home fitness equipment which approaches the quality found in studios.

Free weights are another large segment in the German fitness market (16%). There is an increased demand from women, who are convinced that long-term slimming is achieved by the regular use of dumbbells. The segment 'other equipment' includes many items, ranging from AB Toners, rollers, exercise mats, resistance equipment (e.g. small hand, thigh exercisers), jumping ropes, trampolines and fitness/martial arts related accessories (e.g. protective equipment, punch bags, flexabands). Within most of these segments, brands are still of minor importance.

A combination of a slow EU economy and a greater emphasis on fitness at all ages has produced an upsurge in high-fitness, low-cost sports, meaning running and walking. ***Nordic Walking*** has been developed as a new form of fitness training by Finnish sporting manufacturer, Exel, in co-operation with sports analysts and medical professionals. This recent phenomenon is rapidly becoming one of Europe's main outdoor activities, with an estimated 3.5 million people doing it regularly, urged on by some 3,000 instructors. The sport is defined as 'hiking with special poles' and provides gentle and easily-controllable exercise, so it presents a promising way of responding to the needs of beginners (or people with a stronger build) who view the sport as an ideal way to enter a new world of fitness, wellness and body shaping.

Nordic Walking has been the most high profile "new sport" for the last couple of years. A new "Nordic Treadmill" also enables people to practice it at home. Enthusiasts claim that it uses more of the body's muscles than cycling, swimming or running, increasing energy consumption and allowing more calories to be burned. The arms take more of the strain, making it popular with elderly enthusiasts. Other claims are that it can strengthen bones, combat the effects of osteoporosis, reduce neck and shoulder tension and alleviate symptoms of repetitive strain injury.

Team / field sports

Football is the most popular teamsport, well exceeding not only other teamsports but all other sports. In 2003, there were an estimated 128,000 clubs in the selected countries with a total number of 15 million members (see table 3.6). This will not include the large number of people who play on a less formal basis. For example, in the UK, 7 million adults and 5 million children play football regularly. The figure stated for Spain significantly understates the number of people who actually play. Football has grown in popularity in all selected countries in the past few years, largely driven by very heavy television coverage. The number of women playing football in Europe is increasing significantly. Sweden and Germany have had the most successful women's teams. The next big European tournament is in England in summer 2005, and the next Women's World Cup is in 2007. Women's football in Spain is growing rapidly.

Table 3.6 Football participation in the selected countries, 2003

	Clubs	Registered Participants
Germany	26,239	6,273,921
France	19,073	2,146,752
United Kingdom	42,000	2,000,000
Italy	18,577	1,050,000
Spain	16,683	671,581
Netherlands	3,000	1,050,000
Sweden	3,307	1,951,789*
Total	**128,879**	**15,144,043**

**Swedish figure is number of participants, not all of whom will be registered*

Source: French & Swedish FAs, Keynote, National Statistics Offices (2004)

Major brands of leather footballs are Mitre, Nike, Umbro, Patrick, Adidas, Puma, Donnay and Hummel. The Mitre top range includes a *'Fluo Flare'* ball for improved visibility. The 2006 World Cup will be held in Germany. This tournament always generates increased interest in football, both in terms of watching it, playing it and purchasing equipment. Germany will naturally benefit the most, but a surge in interest will also be seen across all selected EU markets due to its proximity. This is in addition to the major European football tournament, held every four years. The next tournament takes place in 2008. The venue will be shared between Austria and Switzerland.

Most leather footballs are produced under licence by the major brands in Asia. Manually stitched balls mainly come from Pakistan (Sialkot) and India. This is also the major source of fair trade footballs. Each year, approximately 40 million footballs are sold around the world. However in 2001, only 1.6 million of these balls carried one of the official FIFA quality labels. The principal purpose of this is to denote high quality and consistency. But they are also the indication of footballs made without child labour, as all manufacturers granted a licence to bear a FIFA quality label are contractually obliged to reject all child labour.

Approximately 75 percent of the world's hand-stitched footballs are made in Sialkot, Pakistan. A smaller proportion is also made in India. In 1997, FIFA signed an agreement aimed at preventing child exploitation. This agreement was also signed by the Sialkot Chamber of Commerce and Industry, ILO and UNICEF. Representatives of WFSGI and other child welfare organisations also attended the signing ceremony in Atlanta.

Machine stitched leather footballs, which are lower quality than manually stitched balls, mainly come from China. Many of these balls are used for *promotional purposes* e.g. use during company games, as a give away item etc. As mentioned earlier, football is strongly influenced by media coverage and during or before high-profile football matches, the sales of replica kits, footballs with special logos, gadgets and other sales promotion articles for fans increase enormously. For similar purposes, moulded (synthetic or PVC) or plastic balls are also being used. Most of these balls are sold at the cheaper end of the market e.g. in supermarkets, garages etc.

FIFA, the world football body (http://www.fifa.com) recognises the importance of football in society and is also heavily involved in promoting disabled sport, and is also involved in a number of high profile social campaigns, such as anti-racism.

Teamsports
Although individual sports have become more popular, football, basketball, volleyball, rugby and hockey have either sustained or increased their interest levels. Cricket is played in the UK. Although participation levels are in decline, cricket equipment is still a good market opportunity for developing country exporters, particularly those such as India and Pakistan where cricket is also played. The market for teamsports equipment is very large as it tends to include the cost of large items such as artificial pitches, goals and nets. From a Developing Country Exporter perspective, balls, padding, bats, sticks and related accessories are good opportunities. Many European governments focus their investment in sport in relation to how they see it benefiting the health of the nation. For this reason, team sports are still encouraged at a government level.

Basketball was played by an estimated 2 million registered participants in the selected countries in 2003. Indoor basketball is an important teamsport in France (426,711 players), the United Kingdom (300,000) and became more popular, especially among women, in Spain (291,000) and Italy (280,000). Basketball is the world’s fastest growing participation sport. More details can be found at the website of the International Basketball Association (http://www.fiba.com)

Street basketball has become fashionable, together with related products (clothing, music), as many young people copy trends from the USA. The main brands of basketball are Wilson, Spalding and Nike. Other equipment includes basketball stands, which are mainly imported from China, Taiwan or USA. Brands are here of minor importance.

Volleyball is widely played by young people in school as part of their physical education. In 2001, there were over 1 million registered volleyball players with more than half female. Germany has the highest number of players (509,000), In Italy 250,000 people were registered volleyball participants and 101,000 were in France. Membership has been on the increase due to greater television coverage. Well-known brands of volleyballs are Nike, Rucanor and Mikasa.

Beach volleyball has become fashionable with its brightly coloured balls, special outfit and related music (R&B), which makes it entertaining to play and to watch. Beach volleyball is also recognised as an Olympic sport. Beach volleyball is popular in Spain.

Handball is popular in Germany (830,000 particpants), France (320,000), Sweden (323,000) and Spain (90,000) and ***floorball*** is very popular in Sweden (415,000 participants).

Rugby is among the most popular sports watched on television in the United Kingdom. It has been boosted by England winning the Rugby World Cup in 2003. There were over

2,000 clubs in the UK with 305,000 members, of which 55 percent are under 25 and 30 percent between 25 and 34 years of age. In France, rugby has grown in popularity, with 256,000 members and 1,747 rugby clubs. Among the other selected EU countries, Italy had 35,000 registered participants, followed by Spain (15,000). Rugby balls are mainly sold by Mitre, Spalding, James Gilbert and Adidas. Protective equipment e.g. head or mouth guards, knee pads and gloves come from specialised US or Indian suppliers. The website of the England Rugby Union is a good point of contact (http://www.rfu.com)

Netball is less popular than years ago and is mainly restricted to the United Kingdom. Primarily played by girls, as with hockey, the reduction of schools offering the sport has contributed to the decline. There are no major tournaments covered by television, so the sport has suffered from competition from other televised sports.

Hockey is mainly played in the United Kingdom, where there are almost 2,000 clubs, The Netherlands and Germany. Hockey has declined in line with the general decline in interest in organised sports, and competition from other more popular televised sports. One reason is the reduction in the number of schools which play hockey. However, the number of players in The Netherlands rose between 2001 and 2002 from 146,000 to 155,700 participants. This can be attributed to the success of the (female) National Team. Of these players, about 35,000 children under the age of 13 play hockey. The global hockey market is worth € 410 million. The normal length of a hockey stick is 36.5 inches in light, medium and heavy weights. Small sticks for children are sold in sizes starting from 24 inch. More information on hockey can be found at http://www.fihockey.org

Ice hockey has always been popular in Russia and Scandinavia, but recently increased in other northern EU markets, primarily due to television coverage. Indoor ice hockey predominates as the climate does not allow outdoor ice hockey to be played in the selected EU countries, except Sweden where 410,000 people play. A further 165,000 people play in Germany. Most ice hockey stadiums share their facilities with ice skating. Technical developments in material (glass fibre, carbon, aramide fibres and advanced moulded composites instead of wood) and the more curved solid heads of hockey sticks have stimulated demand. Well-known brands are Grays, Dita, Stag and Slazenger.

Cricket is mostly played in the United Kingdom, played by over one million adults, down by 20 percent in recent years. Cricket suffers from lack of grassroots development. Although the international matches obtain high television coverage, the domestic games generate little spectator interest. This is explained by the length of time it takes to conclude a match, and the complexity of the rules. A large number of people from the Indian subcontinent follow cricket in the UK.

In the past few years, the market for cricket equipment has more or less stabilised at around € 15.5 million, which is still a sizeable part of the UK team sports equipment market. Furthermore, cricket equipment is potentially a good opportunity for Developing Country Exporters. The major brand for cricket balls is Alfred Reader and for bats Duncan Fearnley, but Dunlop- Slazenger are the market leaders across the sport as a whole, with both Dunlop and Slazenger brands being used for a wide range of cricket products, many of which are made in India and Pakistan. Other brands include Grays of Cambridge, Gunn & Moore and Kookaburra. More information on cricket can be obtained from http://www.icc-cricket.com

Other equipment for teamsports includes a wide variety of specialised articles such as nets, goals, disc cones, dome markers, whistles, starting blocks, protectives, gloves, bats or any other sports-related specialised equipment (also referred to as *Team and Field equipment*). Within this category, brands are of minor importance and most articles are made in China, NICs (e.g. Taiwan, Korea), India, Pakistan, Malaysia, Vietnam and increasingly in other developing countries.

Golf
According to the EGA (European Golf Association), there are well over 3 million registered adult golfers in 2004 in the selected countries, playing on almost 5,000 golf courses (see table 3.7). Around 70 percent of golfers are men, the highest proportion being 85 percent in the UK. This reflects particularly low levels of participation by women in Scotland and Wales. France (43%) and Germany (40%) have the highest proportion of female golfers.

The United Kingdom has the largest number of participants, i.e. 40 percent of all golfers in the selected EU countries, or 1.2 million participants. Participation in Scotland is high due to the number of low cost municipal golf courses. The UK market is quite mature and growth in the numbers of people playing golf has been slow. In relation to their population, Sweden has by far the greatest number of golfers. Golf is clearly the number one sport in Sweden in terms of participation. Golf statistics can be found at http://www.ega-golf.ch

Overall growth rates in terms of numbers of players and numbers of courses has been increasing by about 5 percent per year for the last few years. The golf industry is in a healthy position. More media coverage, an increasing number of tournaments and success by various European golfers have combined to encourage greater participation and higher expenditure on golf equipment. The general public now consider that 'golf can also be a sport for the man in the street', although the core market for golf continues to be men in their forties and over, and those in well-paid full-time employment. Golf enjoys growing popularity in all the selected markets, but participation levels remain relatively low in Italy.

Some of the selected countries (e.g. United Kingdom, Germany and France) have 'occasional golfers', who play on a pay-per-play basis with friends or colleagues or on holiday. This group has recently grown in number, as the club infrastructure in these countries has been more open than before.

Consumer spending on golf equipment in the United Kingdom amounted in 2003 to € 480 million, while in Germany spending has reached a value of € 260 million. In the same year, consumer spending on golf equipment in France was estimated to be around € 300 million, and € 200 million in Sweden (see table 3.7).

Table 3.7 Golf participation and equipment sales in the EU25, € million

2004	Clubs	Registered Participants	Sales € million
United Kingdom	2,618	1,269,224	480
Germany	648	483,172	260
France	548	359,141	300
Spain	266	233,708	80
Italy	229	76,717	N/a
Netherlands	139	251,000	N/a
Sweden	430	554,293	200
Total selected countries	**4,878**	**3,227,255**	**N/a**
Total EU15	**5,817**	**3,893,470**	**N/a**
10 new EU countries	102	32,972	N/a
Total EU25	**5,919**	**3,926,442**	**1,500**

Source: European Golf Association, Keynote 2004, Sports Marketing Surveys

In general, new golfers first borrow clubs from a friend or use second-hand equipment (especially in France and Spain), whereas in other countries (UK, Sweden, Germany), golfers constantly strive to improve their game and are often prepared to upgrade to new equipment. Both new technology and the introduction of new materials such as titanium are constantly improving equipment. International brands dominate the market such as the USA Fortune Brands (Titleist, Footjoy, Cobra), Etonic, Callaway, Taylor-Made (Adidas), Spalding, Copperidge, Maxfli, Wilson, Ping, Mizuno and Slazenger. For exporters from developing countries there may be opportunities for golf balls, bags, gloves and indoor practice sets.

Golf equipment is sold mostly at pro shops and increasingly at sports chain stores and discounters (e.g. Nevada Bob, American Golf Discount). These large volume buyers have lowered the market price for starter sets (club, bag and balls) making golf equipment more affordable to a wider range of people.

Racket Sports

Tennis is still one of the most popular sports although numbers have been falling in recent years. It combines individual play with sociability and competition. In 2003, the total number of people who played tennis in the selected EU countries was 16 million, led by Germany (6 million), followed by United Kingdom (4 million), Italy (2.5 million), France (1.5 million), Spain (1.2 million), The Netherlands (0.7 million) and Sweden (0.3 million). In some countries, notably in Germany, the number of women playing is rising faster than men. In marketing terms, this group should be a key target for equipment suppliers. A further 750,000 people play tennis in the 10 new EU countries, with the Czech Republic accounting for over half that number. More information on tennis can be found at http://www.tenniseurope.org

Head, Slazenger and Wilson are the dominant tennis racket brands. The latest rackets are strong, light and comfortable. The grip has an anti-vibrating effect, achieved with the insertion of polymer material between racket and grip. At the lower end of this market, titanium and hyper carbon rackets, often parallel imports, are more frequently sold by discounters. This, together with less people playing, has significantly reduced the total value of racket sales.

Squash became immensely popular throughout the 1980s and into the 1990s. Regarded as a fitness activity, it was played almost exclusively by men. By the late 1990s, popularity declined and in Germany and the United Kingdom many squash clubs have been converted into fitness or general leisure centres. 18,000 people were members of squash clubs in Germany in 2003, with 25,000 in France and 2,000 in Spain. The main brands of squash rackets include DSG, Wilson, Prince, Gray-Nicolls and Head. Dunlop is the main brand for squash balls. Eye protection is a possible area of opportunity.

Badminton, which was frequently played by younger couples, has also lost in popularity. Beach badminton, similar to beach volleyball, has benefited from the general increase in beach sports. 222,000 people played badminton in Germany in 2003, while 79,000 played in France. Success at the Olympic Games in Athens in 2004 has revitalised the game in the UK. The main brands in badminton rackets include Dunlop, Slazenger, Wilson, Carlton, Yonex and Prince.

Table tennis is played by 21 million people in Europe and is most popular in former East Germany which had 5 million participants in Germany in 2003. The decline in popularity over the years has resulted in decreasing sales of table tennis bats. The introduction of a larger ball with a slower spin, made rallies longer and table tennis more enjoyable to watch and easier for people to play. Well-known brands are Sunflex, Stiga and Joola.

Other Sports

In-line skating took off in the early 1990s and peaked in 2001 at 28 million participants in the selected EU markets. Inline skating in 2003 and 2004 experienced a drop in sales - the trade is blaming it on a lack of innovation. Indeed, associated with the success of Nordic Walking (see above), ***Nordic Blading*** could be the new discipline to create demand within the hardware-saturated skater community. Currently still a niche sport, Nordic Blading accounts for only about 5 percent among the 16 million inline skaters in Europe today, but more people are moving from recreational and fun skating to fitness skating, suggesting that greater enthusiasm for the Nordic discipline could push sales.

The popularity of in-line skates gave an enormous boost to the sports goods sector. The German market grew massively during the 1990s, but has declined since then. In other countries such as the UK and Italy, the craze has not developed to the same extent.

On the other hand, there are still many in-line skaters in France and The Netherlands, where the activity is regarded as a fashionable method of transportation. There are special routes for in-line skaters, including cycle lanes in The Netherlands, which offer ideal circumstances for skating. There are 5 million roller blade enthusiasts in France.

Innovations in in-line skates are required in order to keep interest of younger skaters, who tend to be more interested in skateboards. Brands for in-line skates include K2, which accounted for 50 percent of the German market in 2000 followed by Rollerblade (Bennetton), Salomon, Roces, Oxygen, Tecnica, Fila, Bauer (Nike), X-Cuse and Faze 7.

Kickboards are used for other skating related street sports. These boards require special parks which have equipment designed to enable the participant, usually a teenager or younger, to perform what can be described as gymnastic efforts assisted by their boards. These sports are new variations on ***skateboarding,*** which was introduced from the USA 25 years ago. ***Carveboarding*** has also become popular, especially in France, Italy and Spain. Major brands are X-Cuse, Fishbone and Neighborhood.

Skiing is particularly popular in France and Italy, accounting for a quarter of the equipment market in each country. The number of Britons who take ski holidays each year has broken through the one million barrier - largely because enthusiasts are using the internet and no-frills airlines to fix short breaks as a "top-up" to their main family winter holiday. There are some concerns in the industry that wintersports will reduce in coming years as winters are less cold, shortening the season.

The Ski and Snowboard Industry, however, is forecasting a continued increase in skiing holidays. America and Canada face a big invasion of European skiers cashing in on the weak dollar. The figures show a remarkable revival since 2000, when the total number of British ski holidays sank to barely 700,000 - partly because people dug their heels in to resist sky-high prices during the Millennium celebrations.

Downhill skiing still dominates snowsports holidays, but ***snowboarding*** now accounts for almost one quarter. Popularity has continued to be encouraged by technological developments which have made skis easier to use. Volcom and Nikita are hot board brands. The market is increasingly influenced by women’s lines, urban-inspired labels and music-rooted brands. Opportunities exist for developing country exporters for accessories in this market such as belts and wallets.

Freeskiing is becoming an alternative to snowboarding for some young people, and was particularly popular in France. ***Heli-skiing and heli-boarding*** are available in Italy. These are banned in France for environmental reasons. ***Ice-climbing, night-skiing and night snow-boarding*** are becoming popular in some resorts. Over one third of French sports equipment production is skiing related. 480,000 pairs of skis were sold in the most recent winter season, 3 percent up on the previous year and the highest for ten years.

Swimming has many participants and is very popular in all selected countries, particularly in France, Italy, and Spain where better climatic conditions favours outdoor swimming. Half the French population go swimming, more than any sport in France other than cycling. Like other traditional sports, swimming has suffered a reduction in popularity due to an increased interest in outdoor and fitness activities. The swimming market includes swimming caps, headbands, spectacles and goggles and was valued in the UK around € 50 million. More women than men participated in swimming in Germany.

The largest part of ***the watersports equipment market*** are articles for ***(scuba) diving, snorkelling, bodysurfing, windsurfing*** and a large variety of accessories (beach mats, waterproof bags, chairs etc.). Beach culture is such that new innovations will continue to appear. Sales of surfboards are not increasing at the same rate as snowboards but diving, snorkelling and other 'fun' beach activities e.g. water-ski, barefoot ski, wakeboard, hydro speed and jet-ski are still popular. Surfing, previously felt to be unsuitable due to the climate, is very fashionable in parts of the UK now.

The sale of watersports equipment is not restricted to summer, but is sold throughout the year, since younger and more affluent people tend to take frequent holidays to warm destinations in winter. For surfing sports, the variety in brands is enormous and for swimming accessories, O'Neill, Quicksilver, Speedo (Pentland Group), Arena, Billabong and Nike are popular. ***Kitesurfing*** is the latest and possibly the most dynamic boardsport of the moment - with a burgeoning community of young women discovering the sport.

Sailing has been popular for a long time in France, Italy, The Netherlands and Spain with many licensed sailors and windsurfers. As both are established activities, more sails, parts and accessories than boats or boards are sold in the equipment category.

Horse riding

Horse riding has grown in popularity in parallel with the increase in outdoor activities. The market for saddlery products in the selected countries is estimated to be at least € 490 million, with Germany and the UK being the largest markets. There are 4.5 million horses in the EU with over 6.5 million riders, over 4 million of which are from the selected countries. The figures in table 3.8 below are provided by the International Equestrian Federation (http://www.horsesport.org). Germany has the largest equestrian association in the world, and has 7,236 riding and coaching clubs. A further 25,000 people ride regularly in the new EU countries, the majority in the Czech Republic, Poland and Hungary.

However, the market is potentially much bigger in some of the countries where horses are also involved in the sport of hunting, which is excluded from this survey. This would increase numbers significantly in Italy and Spain. Hunting is also a big sport in Germany, and it has recently been banned in the UK for reasons of cruelty. Equestrian shows and competitions are well supported and are very popular channels for supplying equipment.

Functionality and safety are still the top priority when it comes to outfits and equipment – these aspects play an important role in new product developments. In terms of fashion, in addition to the classic colours of black, marine, brown and beige, bright and cheerful colour variations are gaining in significance for horse and rider.

Table 3.8 Horse riding participation in the selected countries

	Regular Riders	Jumping	Dressage	Eventing
Germany	1,500,000	50,000	50,000	50,000
France	400,000	50,000	20,000	20,000
UK	1,500,000	20,000	20,000	5,000
Italy	150,000	50,000	2,000	5,000
Spain	50,000	5,000	2,000	500
Netherlands	130,000	50,000	50,000	5,000
Sweden	250,000	20,000	20,000	5,000

Source: International Equestrian Federation (2002)

Camping Goods (including equipment for outdoor activities)

Camping and outdoor activities are enjoyed in a natural environment and often provide an escape from the fast-paced and increasingly urbanised environment. There is an increasing desire to go 'back to nature'. Another trend is the popularity of 'survival' weekends, organised by special outdoor travel agents or companies. The most common outdoor activities in the selected EU markets are:

- ***Walking and trekking activities***, such as *hiking* (walking 3 km or more often across country) and *rambling* (walking in low-level areas, such as valleys).
- ***Climbing*** (rock, ice or wall climbing, bouldering) is the largest sub-sector in outdoor activities, especially in France, Germany, the UK and Italy
- ***River sports*** such as canoeing, kayaking, rafting, pot holing and caving.
- ***Other adventurous outdoor*** activities, which include aerial sliding activities like delta flying, parachute jumping, paragliding and surf skiing.

Walking is most popular as most people can do; it is non-technical and appeals to all age groups. Nordic Walking has added an edge to normal walking. This encourages more outdoor experiences. Climbing tends to be done through a club and training and high levels of fitness are required. It tends to be specialist and highly fragmented. The European Outdoors Group (http://europeanoutdoorgroup.com) claims the market is growing due to the broader general trend towards healthy living, but the market for specialist products is static at best. The EU market for camping goods and outdoor equipment is very large and diverse. The figures quoted here are estimates based on Eurostat figures of the categories in question – tents, sleeping bags, airbeds, accessories and equipment, but excluding backpacks, rucksacks, footwear or technical equipment used by mountaineers.

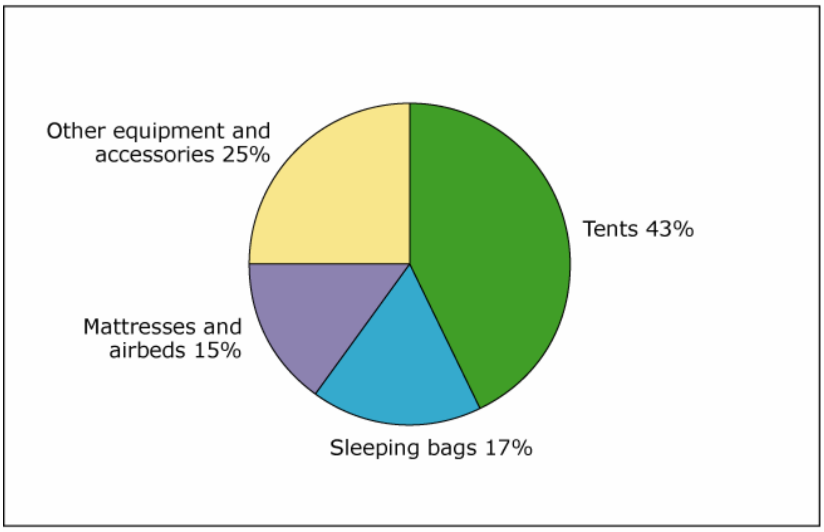
Table 3.9 Sales of camping goods in € million, 2003

	Participants climbing	Sales camping goods € million
United Kingdom	625,000	300
Germany	688,000	270
France	810,000	240
Italy	521,000	120
Spain	65,000	85
Netherlands	58,000	60
Sweden	90,000	45
Total	**2,857,000**	**1,120**

Source: SAZ, Eurostat, Trade Estimates

The market is valued at € 1,120 million, led by the United Kingdom, with estimated sales valued at € 300 million in 2003, followed by Germany and France (see table 3.9). Germany's younger generation are increasingly escaping the larger cities for sporting events of all kinds. Canyoning, ice climbing, trail running and downhill racing - with speed and outdoor action making it an individual choice between one sport and another. 49 percent of all German hikers and 43 percent of the country's mountain climbers are women. The trekking sector already has a share of 14 percent in the entire German sporting goods market. GPS receivers are popular. Campers, walkers and other outdoor enthusiasts spent an average of € 750 per head on outdoor clothing, footwear, tents and other equipment in the UK. The market appears to has recovered more quickly than expected from the foot and mouth crisis. As is shown in figure 3.11, tents were the largest part of the UK market.

Figure 3.11 UK Camping goods market by product, 2003 as percent of total value (= €300 million)



Source: Eurostat 2004, National Statistics

Dome, geometric and hoop ***tents*** are quickly and easily assembled by a single person and can be packed in a light, compact, easy to store unit. Well-known brands include Jack Wolfskin, J J Hawley, Vango, Mountain Craft, Vaude and Coleman.

Sleeping bags now have to meet a new European standard which will affect both brands and retailers across Europe. It redefines how to measure and display temperature ratings for sleeping bags. Vango and Stormshield are the major brands.

Other camping goods include camping stoves (Camping gaz, Coleman Epigaz, Primus), cooking sets (Trangia, MSR, Vango), foldable tables and chairs, self-inflatable mattresses (Coleman, Karrimor, Beacon), cooking gear, lanterns, compact binoculars, food, knives, compasses, money belts, mosquito nets, medical sets and other camping or trekking equipment. Sun protection cream is increasing.

Technical outdoor equipment includes equipment used by climbers and mountaineers. Within this group crampons, ropes/rope accessories and ice axes are the main segments.

Rucksacks and backpacks are a large product group worth € 100 million in the UK, but excluded from the figures. More variety in models, sizes, quality and designs have stimulated demand. The largest rucksacks have a capacity of 75 litres, with pockets and straps to attach accessories. Well-known brands are Lowe Alpine, Karrimor, Berghaus, Mountaincraft, North Face. Designs specifically for women are becoming more widespread.

Fishing Tackle

According to the European Anglers Alliance (http://www.eaa-europe.org), with an estimated 16 million participants in the selected EU countries, fishing is still an important leisure activity. A further 1.5 million people fish on a recreational basis in the 10 new EU countries. In 2003, sales of fishing tackle in the selected markets valued € 839 million, led by France and Germany (see table 3.10). This figure relates to rods, reels, hooks, nets and accessories, but excludes clothing and footwear for angling. It is one of the most popular sporting activities in the UK, but expenditure on equipment is relatively low.

Table 3.10 Fishing participation and fishing tackle market in the selected countries, 2003

	Recreational anglers	Members of angling clubs	Sales of fishing tackle € million
Germany	3,300,000	851,000	185
United Kingdom	4,000,000	400,000	165
France	4,000,000	1,800,000	220
Italy	900,000	170,000	80
Spain	800,000	93,262	75
Netherlands	1,500,000	362,819	74
Sweden	2,020,000	23,500	40
Total	**16,520,000**	**3,700,581**	**839**

Source: European Angling Association, Spanish National Statistics, HBD, Eurostat, Trade Estimates (2004)

Number of participants in most selected countries has decreased, due to:

- The growing popularity of other leisure activities.
- In some countries, reservoirs are stocked with fish, offering little challenge to anglers.
- The impact of foot-and mouth-disease.

Fishing tackle is mainly sold in specialised fishing tackle outlets and (sports) chain stores. The oversupply of all fishing equipment became critical when it was sold by department stores, foreign discounters and home direct sales companies, selling fishing tackle at low 'dumping' prices. Well-known brands include Daiwa, Shimano, Zebco, VMC, Shakespeare, Abu, Silstar, Albatross, Deboissy, Leeda and Peerless. To stimulate sales to younger consumers, a starter pack of tackle, sold at low prices has been successful, especially in France and the United Kingdom.

3.3 Consumption patterns and trends

Demand trends in the selected markets within the EU have been influenced not only by changes in sports participation, but also by changing consumer habits and the strong effects of short term fashions. Apart from these, the following factors influence consumer expenditure on sports goods:

Demography and economics
The ageing of the EU population will result in an increasing number of people aged 45 years and older, who will be an important target consumer group for the future sports goods trade. This group will have the time and income to lead a more active life as they believe that a healthy lifestyle will prolong their lifespan.

Older people are increasingly recommended to do sports or fitness. In Germany and Sweden, some insurance companies charge a lower premium for physically fit and healthy people. ***'Seniorensport'*** will be a major focus by local governments in the coming years. Older people are willing to buy or invest in new equipment and inform themselves more extensively than younger people. They want good quality, well-trained staff and reliable after sales service.

Young people are likely to spend more on sports goods and particularly fashionable sportswear. People between the ages of 35 and 50 have less time to spend on sports, partly due to the increasing number of households where both partners work, but they are affluent enough to purchase what they want. Women increasingly participate in sport. A result of this is sports shops just for women. “Sheactive” is one such outlet in London.

Fashion
Fashion and design have become extremely strong influences in all leisure and sporting goods. This trend has been reinforced by global developments, more women participating in sports and lifestyle marketing, which have generated the elements of fashion in sports goods. Young people in particular want to express themselves as individuals but, paradoxically, also want to be one of the crowd. This has resulted in limited edition ranges which have a very limited shelf-life and ranges which are endorsed by well known celebrities – either from the world of sport, fashion, music or the media.

Leisure time
Due to changes in work patterns, consumers have less spare time. Despite this, leisure activities have increased enormously over the past 10 years. People have more choice in what to do and when, so choose not to commit themselves to sports on regular days or times. They prefer to make more spontaneous choices, which explains the trend to more individual and less team sporting activities. With regards to sports participation, men tend do sports more frequently and for longer periods per week than women. Older age groups also spend more time on sports. 24 hour opening of health clubs is a trend now.

Growing sponsorship and media involvement
Events such as the Olympics and the World Cup enable the emergence of heroes in particular sports. This plays a part in encouraging sports participation. This link is reinforced by sponsorship and promotional campaigns. Television is a key medium with football, rugby, tennis and motorsports being most popular. The audience power of televised sports draws in major sponsorship agreements and advertising budgets. Brands of sports equipment benefit from this trend.

Mixing sports
This trend has seen the arrival of hybrid sports such as beachminton, tripple golf, ultimate frisbee, discgolf and floorball. It introduces the possibility of generating new products and sales by creating a new fashion from the merging of two established sports. One such new product at a recent trade fair was a boot for “Roller Soccer”. Other examples include a skate that can be used without the need for snow.

Sports locations
The growing availability of sports centres close to home or work has made it easier for

people to do sports whenever they like. Sports centres also perform a strong social function and provide additional service (modern atmosphere, fast food restaurants, shopping facilities, children's play areas). Some sports centres, particularly privately run ones have developed into retail outlets for sporting goods as well as a place to do sport.

Changing distribution patterns

Sports chain stores stimulated the popularity and fashion for wearing sports clothing and footwear in the 1990s. They frequently have specialist sectors within their store which receive high priority or are promoted by thematic corners or floors (e.g. urban sports, fitness, outdoor, winter sports). Their main target group is the recreational sportsman or woman and they sell the most popular brands in sports footwear and clothing, and offer a limited range of sports equipment. New media, the internet and communication via mobile phone will enable sports brand owners to reach the younger market more directly and in ways that older consumers might not appreciate.

Brands

Brand awareness has been a feature of the sports goods market for a long time because clear ranking systems have always existed in the world of sport. For the young, a brand is strongly associated with the group to which they want to belong and stands for a defined personality and status level. Throughout the year, heavy promotional efforts are made by large companies such as Adidas, Nike and Reebok, in order to retain market share. In sports equipment there are around 1,200 different brands, with each brand strongly associated with a field of sports.

Quality / price

More wealth will bring more demanding consumers who expect the best price, quality and service and will not accept compromises. They will not tolerate badly finished sports goods, which fall apart after a few months, or articles which are made of defective materials that deteriorate quickly. In all the selected EU countries, consumers are critical and expect value for money. Consumers are more knowledgeable because they are exposed to wider ranges of sports goods sold in more diverse retail outlets, by mail order, Internet and phone.

Ethics

Environmental friendliness has become important in purchasing decisions of consumers in most northern EU markets. Consumer awareness of social and ecological matters is increasing and is reflected in purchasing behaviour. Consumers are increasingly reluctant to buy products if they know that non-sustainable resources are being undermined, or if child labour has been used in manufacturing. The French sports industry, for example has set up an ethical and environmental code of conduct for members to adhere to. The WFSGI and IOC have recently agreed to collaborate in an initiative, "Sporting Goods To Go", intended to facilitate the transport of donated sports equipment to disadvantaged youth in developing countries.

Sales patterns

The traditional nature of summer sports and winter sports in terms of seasonal sales patterns is changing. Manufacturers are trying to achieve consistent sales throughout the year by extending the seasons for certain sports, encouraging people to travel abroad to places where they can practice their favourite sport at different times. Manufacturers have been buying smaller manufacturers specialist in other sports. This is designed to spread their risk in terms of their market representation and also to ensure they can generate solid sales throughout the year.

The unpredictable climate in EU countries can have a serious effect on seasonal sales of specific sporting equipment. Warm winters with little snow mean greatly reduced demand for snowsports equipment. A cool summer reduces demand for watersports articles. Because of the growth in the number of the large sports centres, fitness centres and in the number of people playing sports at home, sports in general has become less weather sensitive than in the past.

4 PRODUCTION

4.1 EU Production of sports goods

Production of sports goods in 2003, according to Eurostat figures which are also used by National Statistics Offices throughout the EU, amounted to € 3.51bn in the EU25, of which over 98 percent was produced in the former EU15. There were 3,200 companies, employing over 35,000 people, involved in the production of sports goods in the selected countries, most of which produce specialised and high quality goods. A major feature of some production is the outsourcing of part or all production and/or assembly to lower cost sub-contractors in other parts of the world, notably Asia.

Table 4.1 Production of sports goods in the selected EU countries, 2003

	Companies	Employees	Major products by areas of sports
Spain	500	8,000	Team/field, fitness, watersports, saddlery, camping goods
Italy	650	5,500	Team/field, skates, fitness, watersports, snowsports
Germany	700	7,900	Fitness, team/field, saddlery, snowsports, camping goods
France	560	7,200	Snowsports, team/field, fitness, fishing tackle, saddlery
UK	420	6,500	Golf, team/field, saddlery, fitness, fishing tackle,
Netherlands	30	400	Camping goods
Sweden	325	1,000	Team/field, fishing tackle, fitness, camping goods

Source: National Statistics, Trade Estimates 2004

Between 2001 and 2003, production increased by almost 2 percent overall, although decreases in Germany were offset by increases in other countries, notably Spain and the United Kingdom. Broadly speaking, this small increase in value hides a continuing decrease in volume as imports continue to increase.

Overall increases in the production of team/field, fishing, camping goods, golf and watersports were in contrast to lower production of saddlery, skates, fitness equipment and balls. The key difference between production in the new EU countries and the existing EU countries was the limited nature of the production. Although some production was for domestic consumption, much was for re-export for large multi-national sporting goods countries. Hungary was the largest producer, being primarily involved in camping goods, fitness, sports gloves, team/field, balls and table tennis production. Production of team/field equipment was primarily in the Czech Republic. Poland was involved in camping goods, saddlery and fitness equipment. Production is expected to increase in these countries in the coming years. A limited amount of production (mainly team/field) took place in the Baltic countries.

Table 4.2 Value of production of sports goods in the selected EU countries, 2001-2003, € million

	2001	2002	2003	% of EU25
Spain	162	181	205	5.8
Italy	736	742	749	21.3
Germany	523	508	501	14.3
France	602	619	637	18.1
UK	530	589	568	16.2
Netherlands	42	58	67	1.9
Sweden	66	84	83	2.4
Total EU15	**3,397**	**3,507**	**3,448**	**98.1**
10 new EU	56	63	66	1.9
Total EU25	**3,452**	**3,570**	**3,514**	**100.0**

Source: Eurostat 2004, National Statistics

4.2 Production in selected countries

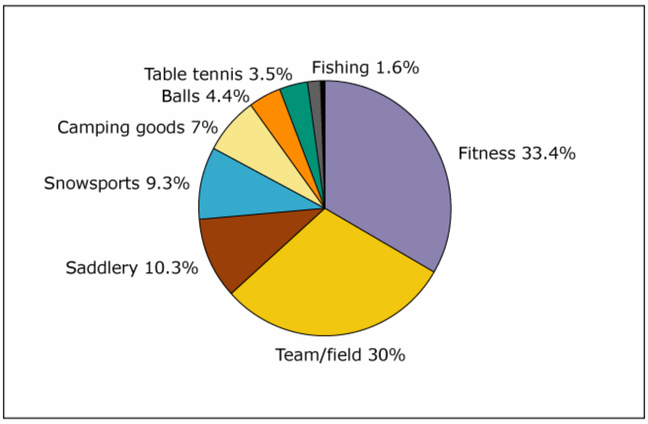
4.2.1 Germany

German sports goods production has declined from € 523 million in 2001 to € 501 million in 2003. It now lies behind Italy, France and the UK in the value of its sports goods production, accounting for just 14.3 percent of EU25 production. Indications are that this decline will not continue into 2004.

Fitness and team/field equipment accounted for over 60 percent of all production in 2003. However fitness equipment declined from 2001 while team/field equipment increased by over 12 percent. Other important product groups were saddlery, snowsports, camping goods and balls (see figure 4.1).

The industry has suffered in recent times from the economic difficulties in Germany and the transfer of some production overseas.

Figure 4.1 Production of sports goods in Germany, 2003 as percent of total value



Source: Eurostat 2004, National Statistics

700 companies in Germany were involved in the production of sports equipment.

Sports	Major products in Germany
▪ **Fitness**	: Studio/bodybuilding, gym and electronic training equipment.
▪ **Outdoor**	: Camping equipment such as tents, rucksacks, sleeping bags and accessories.
▪ **Team/field**	: Football, hockey, athletics equipment.
▪ **Other**	: Saddlery, ski poles and bindings, balls and table tennis equipment.

Most German manufacturers of sports goods specialise in the manufacture of a few products or in particular sectors requiring special machinery and expertise. Whilst their reputation for quality is high, manufacturers increasingly have to outsource some processes to Asia and Eastern Europe in order to stay competitive in price and design

4.2.2 France

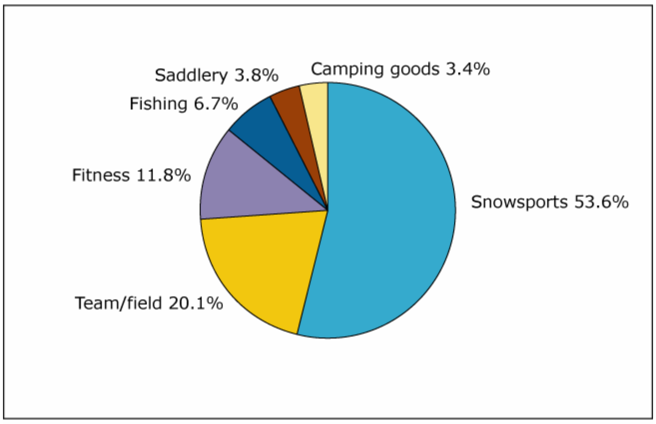
France produced € 637 million of sports goods in 2003, a 6 percent increase since 2001. Over half of this was ski equipment (see figure 4.2), an increase of almost 12 percent over 2001.

Rossignol, probably France's largest producer in this market, has a sizeable amount produced in countries where labour costs are lower.

Production of items for horse riding increased significantly in 2003, while camping goods production decreased.

For fitness, *Care* based in the Paris area, was a large French fitness equipment producer, followed by LPI and around 10 sizeable companies.

Figure 4.2 Production of sports goods in France, 2003 as percent of total value



Source: Eurostat 2004

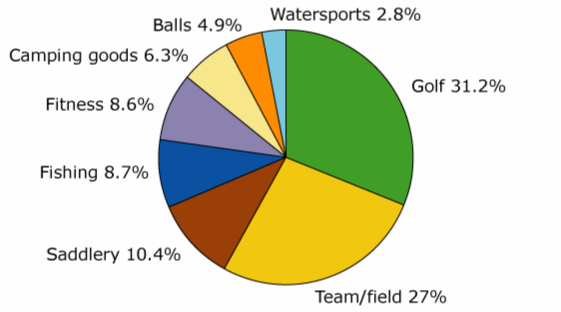
560 companies employ over 7,200 people in sports goods production in France.

4.2.3 United Kingdom

The UK is an important producer and exporter of sports goods within the EU, particularly of golf equipment. There were over 400 companies producing sports goods in 2003, representing production worth € 568 million.

Golf equipment represented almost one third of all sports goods production. Team/field, saddlery, fitness and fishing equipment were also important sectors. Production of saddlery and balls were down in 2003 compared with the previous year, but other categories were up (see figure 4.3).

Figure 4.3 Production of sports goods in the United Kingdom, 2003 as percent of total value



Source: Eurostat 2004

Most companies specialise in making equipment and accessories for at least 30 different kinds of sports. The leaders are shown in table 4.3, of which golf and fitness equipment, and balls suppliers predominate. It should be noted that an average UK sports goods supplier exports around 25 – 30 percent of its turnover. Grays of Cambridge, the world's largest supplier of cricket equipment, have taken over the rugby company James Gilbert. This is a good example of companies needing to join together to defend their markets from overseas competition. Dunlop Slazenger is a major manufacturer and exporter and easily the UK's largest sports equipment company.

Table 4.3 Leading UK suppliers of sports equipment, 2003

Company	Product group	Brands
Acushnet Europe	Golf	Titleist, Footjoy
Adidas (UK)	Golf, football, rugby	Adidas, Taylormade
Amer Sports UK	Golf, racket, US sports	Wilson
Bolton Stirland	Fitness	Tunturi
Callaway	Golf	Callaway, Top Flite
Daiwa Sports	Fishing, Golf	Daiwa
Donnay UK	Golf, rackets	Donnay
Dunlop Slazenger	Golf, rackets, cricket, hockey	Dunlop, Slazenger, Carlton
Grays of Cambridge	Cricket, hockey, squash, rugby	Gray-Nicholls, James Gilbert
Hippo Holdings	Golf	Howson, Hippo
House of Hardy	Fishing	Hardy's
Head UK	Rackets, skiing	Head
MacGregor Golf	Golf	MacGregor
Mitre Sports	Footballs, rugby balls	Mitre
Mizuno UK	Golf	Mizuno
Sheakspeare	Fishing tackle	Shakespeare
Unicorn Products	Darts, cricket, hockey, bowls	Unicorn, Botra, Gunn& Moore
Yonex UK	Badminton	Yonex
York Barbell UK	Fitness	York

Source: Keynote (2004)

Most companies specialise, and they tend to have a small number of employees with a turnover of less than € 1.5 million. These are either traditional well-established companies, or newer high-tech producers. Since sports participation in the UK is fairly static, exports are becoming increasingly important. The large UK multisports suppliers like Dunlop Slazenger, Wilson and the Pentland Group are significant exporters.

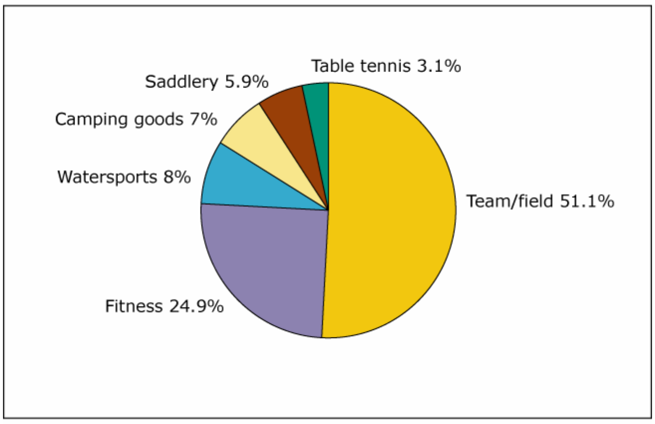
4.2.4 Spain

The Spanish sporting goods industry employs 8,000 people, more than any other in the EU, although they accounted for just 5.8 percent of the value of EU25 production 2003.

Spain has a long tradition in the production of clothing and footwear, especially made of leather and canvas, which form three-quarters of total production.

In 2003, production of Spanish sports goods manufacturers valued € 205 million. As is shown in figure 4.4, team/field was the largest category, representing 51.1 percent of total sports goods production. Fitness was the other significant category, accounting for almost 30 percent of all production.

Figure 4.4 Production of sports goods in Spain, 2003 as percent of total value



Source: Eurostat 2004, National Statistics

Early indications for 2004 suggest a decline in fitness production but a continuing increase in team/field equipment. It already accounted for over half of all production in 2003.

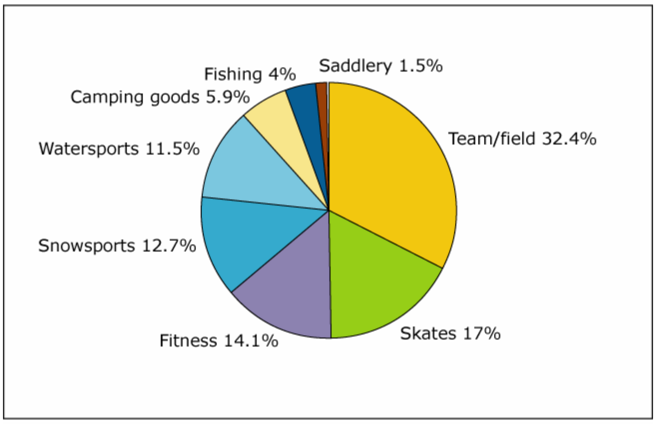
Most Spanish companies are located in the C/A/B area (Cataluña, Aragón and Balearic Islands), which is in the North East. 20 percent of companies were subcontracting sports goods, being further processed abroad, while 10 percent had their products made under licence by companies in South America or Asia. According to a survey done by Sports Panel, almost 75 percent of Spanish companies are involved in exporting.

4.2.5 Italy

Valued at € 749m in 2003, Italian sports goods production is the largest within the selected EU countries. A significant proportion of this was exported, indicating that Italian firms represent about one fifth of the global sporting goods market. Sports goods produced in Italy are the highest value of any EU country, and have remained broadly unchanged between 2001 and 2003. The biggest sector is team/field with a value of € 243 million, accounting for almost one third of all sports goods production.

Italy dominates the production of skates in the EU. Roller skate production is five times greater than the production of ice skates. Overall they represent 17 percent of the production value of Italian sports goods.

Figure 4.5 Production of sports goods in Italy, 2003 as percent of total value



Source: Eurostat 2004

Fitness equipment accounted for 14 percent of production. The camping goods sector showed the biggest increase over 2001, whilst watersports production registered the greatest decrease.

Sports	Major products in Italy
▪ **Fitness**	Studio bodybuilding, home fitness eqt (Tunturi, Forza Fitness).
▪ **Skating**	In-line skates (Roces, Rollerblade-Benetton), roller skates, boards.
▪ **Snowsports**	Skis, safety bindings and poles, snowboards and monoskis.
▪ **Watersports**	Surf and sailboards, inflatable boats, waterskis, diving eqt.
▪ **Other**	Gymnastic articles, balls, tents and fishing tackle (rods).

4.2.6 Netherlands

Production of sports goods in The Netherlands is very limited. In 2003, there were around 30 suppliers. Eurostat records € 67 million of production, in the categories of camping goods, fitness and team/field equipment. Some well-known Dutch suppliers include *Rucanor* and *Point Break Europe* (with the brand *Brunotti*) that both produce equipment which sells all over the world. Long established Dutch manufacturers include *Viking* and *Zandsta*, producing ice-skates and in-line skates. There is also limited production of water sports articles. In the 1980s, surfboards were produced but, after the declining popularity of windsurfing, the output volume fell from 300,000 units in 1985 to a few thousand by the end of the 1990s.

4.2.7 Sweden

Production of sports goods in Sweden amounted to € 83 million in 2003, an increase of 26 percent over 2001. Production is concentrated on a few items of which team/field equipment was the most important, valued at € 44 million in 2003. Sweden was the fourth biggest producer of fishing equipment in the EU, after the United Kingdom, France and Italy. Sweden exports some of its fishing tackle to its neighbouring Scandinavian countries. Fitness equipment was the other category of note. Protective equipment for ice hockey is included in this category. 325 companies are engaged in the production of sports goods, which is high in relation to the size of the country.

4.2.8 The 10 New EU Countries

Production of sports goods in the 10 new EU countries amounted to € 63 million in 2002, an increase of 13 percent over 2001. Over half of this production is carried out in Hungary, which also produces the widest range of sports goods – notably fitness, team/field, camping equipment, as well as balls, sports gloves and table tennis equipment. The Polish sporting goods production is worth € 13 million, low for its size, while other production is carried out in the Czech Republic, Slovakia and the Baltic States. No production figures are recorded by Eurostat for Slovenia, Malta or Cyprus. Although not scheduled to join the EU until 2007, Romania is also a significant producer of sports goods.

Outsourced Manufacturing

Most sports goods suppliers act as importers, concentrating on the marketing of their brand and sourcing their products in countries where manufacturing is either cheaper or better. According to the WFSGI (World Federation of Sporting Goods Industries) over 80 percent of most sports goods are outsourced in developing countries especially in Asia, with the exception of snowsports, golf and watersports equipment.

The major manufacturing countries in Asia for sports equipment are: China, Taiwan, South Korea, Pakistan, India, Thailand, Malaysia, Vietnam, Philippines and Indonesia, which have an established reputation and expertise for the production of sports goods. Most goods are supplied OEM, and recently ODM:

- **OEM** (Original Equipment Manufacturing) → The product is tailor-made according to customers' specifications. OEM equipment is usually supplied on a continuous base (e.g. quantities fixed per year) or sometimes on a by-order basis.

- **ODM** (Original Design Manufacturing) → The product is made according to customers' design. China and Taiwan have developed their own sports goods (fitness equipment), which need to be redesigned for the EU market. Another example is promotional or event related footballs.

Recently several new forms of supply by an exporter from a developing country have been introduced, such as a *licence agreement*. Here a product is jointly developed between e.g. an Asian manufacturer and EU supplier (i.e. manufacturer, importer, retailer or buying group). Sometimes it is agreed that the Asian manufacturer can sell this product in his own country, providing him with more security to produce over a longer period of time.

All these forms of co-operation between manufacturers from developing countries and EU suppliers must comply with the ***Code of Conduct***, produced by the WFSGI. This code provides standards and ethical conditions for the production and joint development of sports goods in a socially responsible way. The aim of this code is to establish long-term business relationships and sustainable development in the manufacturing country. More information can be found at http://www.wfsgi.org or http://www.wsforum.org.

Rising living standards and labour costs in some Asian countries has led many EU suppliers to look for other countries (in Asia or elsewhere) with even cheaper production costs, especially for high volume items. A further reason for EU suppliers to look for new sources is to try to identify producers who do not use child labour.

In the past few years, Eastern Europe has made significant gains at the expense of Asia. As this region is closer to the EU market, transportation costs are low, compensating for higher material costs. Another advantage of buying from neighbouring countries is their ability to respond quickly to faster changing market needs. This process has been stimulated further by the entrance of 10 countries to the EU in 2004.

The Euro is increasingly used by Eastern EU countries as well, reducing the risks of currency conversion, as is now the case with the dollar.

These advantages apply to a lesser extent to production contracted to some North African countries (Tunisia, Morocco, Egypt) and Southern European countries (Italy, Portugal and Spain). In Southern Europe, the more exclusive, high quality ranges of sports and camping goods are produced. As supply lines are short, small orders can be placed and delivery made within a short period. For importers and buying groups, this is a good alternative to the less flexible large brand manufacturers.

5 IMPORTS

Trade statistics in this Chapter are from Eurostat (http://europa.eu.int/comm/eurostat), based on information from the Customs and EU companies given on a voluntarily basis. Particularly in the case of intra-EU trade not all transactions are registered, such as those by smaller companies and from non-EU sources (see remarks on trade statistics in Chapter 2). On the other hand, figures on trade between the EU and the rest of the world (Extra-EU) are registered and are, therefore, better represented in these statistics. Still, they must be treated with extreme caution and only give an indication of trends in the international sports goods trade.

It should be also noted that the presence of the distribution centres of Nike, Adidas, Reebok, Asics in Belgium and The Netherlands means that there are large volumes of sports goods which are re-exported from these countries to other EU markets.

The statistics specify total imports, divided into volumes/values sourced from non-EU countries (extra-EU) with the values/volumes coming from developing countries, as defined by the OECD (see Appendix 4). Appendix 2 lists import statistics of the EU and the selected markets and gives detailed breakdowns of trade statistics by product group. The figures quoted in the next section relate to the former EU15. Specific figures for the 10 new EU countries are only available for 2003 and appear in a later section.

5.1 Total imports

5.1.1 Total Imports by the EU

The EU is among the leading importers of sports goods in the world and in 2003 accounted for over 909 thousand tonnes with a value of € 5,219 million. Total EU15 imports increased by 27 percent in volume and by 7 percent in value, most of the increase coming through in 2003.

The UK is the largest EU importer, accounting for over 18 percent of total EU15 imports: 171 thousand tonnes, with a value of € 964 million in 2003. The UK is followed by Germany (17% of EU imports in 2003), France (16%), Italy (8%) and Netherlands (8%). In terms of volume, all countries in the EU15 increased their imports of sports goods between 2001 and 2003, especially UK, France, Netherlands, Belgium and Luxembourg, as shown in table 5.1.

Table 5.1 Imports of sports goods by EU country, 2001-2003 in tonnes and € 1,000

	2001		2002		2003	
	value €	volume	value €	volume	value €	volume
Total	**4,871,247**	**714,060**	**5,098,906**	**766,386**	**5,219,377**	**909,466**
UK	910,727	**125,536**	1,016,556	**154,116**	964,171	**171,877**
Germany	957,089	**161,308**	870,471	**143,758**	893,314	**171,338**
France	787,608	**114,510**	797,529	**126,076**	847,949	**144,003**
Italy	419,826	**56,364**	405,056	**57,155**	418,769	**63,243**
Netherlands	334,154	**51,064**	379,363	**57,301**	417,573	**80,670**
Austria	310,742	**34,884**	311,735	**35,552**	312,176	**38,963**
Spain	262,168	**40,039**	303,681	**46,021**	305,090	**50,802**
Belgium/Lux.	286,457	**51,739**	350,944	**65,845**	398,101	**85,814**
Sweden	199,829	**22,093**	230,741	**26,317**	224,604	**30,526**
Denmark	139,905	**17,982**	148,386	**20,027**	150,112	**23,078**
Finland	94,763	**8,847**	97,290	**10,026**	105,218	**12,265**
Ireland	70,474	**5,193**	75,154	**6,376**	73,216	**8,615**
Portugal	53,407	**8,377**	56,026	**8,311**	51,818	**8,459**
Greece	44,098	**16,124**	55,987	**9,507**	57,266	**19,812**

Source: Eurostat (2004)

The sources of sports goods can vary considerably from year to year according to the product in demand (e.g. ice skates during freezing periods). Even if orders from retailers have to be placed far in advance, levels of stock held by importers in their EU warehouses or distribution centres still can vary from period to period. An overview of Intra-EU and other sources of EU imports can be found in Appendix 2 (*EU imports by sourcing country*).

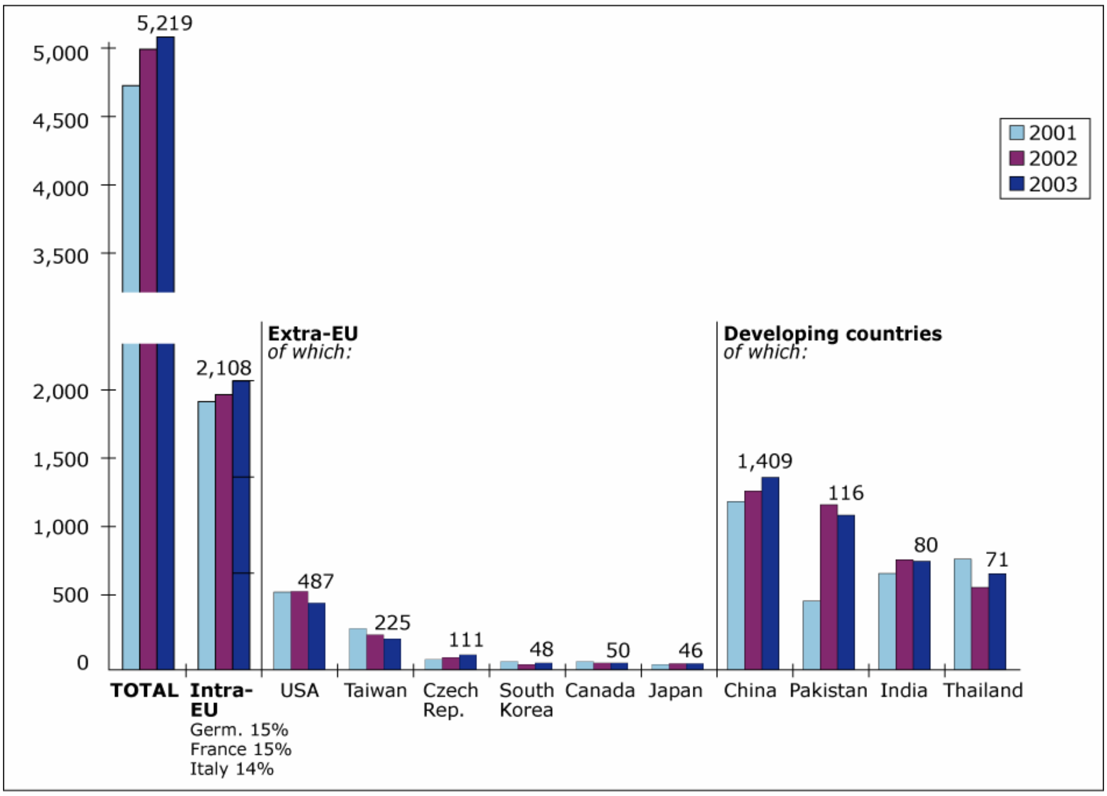
Intra-EU supplying countries
In 2003, 40 percent of EU imports by value came from other EU countries. The principal EU supplier was France, with 38,851 tonnes worth € 322 million, representing 15 percent of total Intra-EU sports goods supplies (see fig 5.1). The major items supplied were team/field and fitness equipment. Germany was the next largest importer in the EU (15%). Germany is an important supplier of fitness and snowsports equipment, as well as camping goods to other EU countries, then by Italy (14% - snowsports, team/field and fitness equipment), Spain (fitness equipment) and the UK (golf, fitness equipment). Intra-EU supplies increased by 7 percent in value between 2001 and 2003, from € 4,871 to 5,219 million, and by 27 percent in volume. This trend can be largely attributed to increased supplies of camping goods throughout the EU, as well as team/field equipment and balls.

Extra-EU supplying countries
60 percent of EU imports came from non-EU sources, of which 45 percent came from China. In the last decade, China and other Asian countries have expanded their exports to the EU very rapidly. Between 2001 and 2003, China increased its supplies by 15 percent in value and by 43 percent in volume terms. China is the single largest sports goods supplier to the EU. In 2003, EU imports from China were € 1,409 million, or 424 thousand tonnes. In terms of value, Chinese supplies were almost three times that of the USA (€ 487 million) the second largest supplier to the EU. In volume terms, China supplied nine times as much sports equipment to the EU as the USA. This also highlights the significant price differential between each country.

China already has a long history in sports (e.g. table tennis, racket sports, martial arts) and has a reputation for the production of equipment for new sports e.g. fitness, outdoor activities, which have also gained popularity in the domestic market. Chinese production of all sorts of sports goods is concentrated in the Shanghai, Jiangsu, Fujian Provinces, and are directly exported from these regions. The huge investments in technical and design expertise from EU manufacturers in China and easier communication within the country and to the outside world have stimulated this expansion. With the next Olympic Games in China in 2008, the role of China in the supply of sports goods will continue to increase.

Taiwan (fitness and golf), the Czech Republic (rackets), Canada (camping goods), Japan (golf) and Romania (skates) and increasingly other Eastern European countries are other sizeable non-EU suppliers. Major suppliers from developing countries were Pakistan (balls), India (saddlery) and Thailand (watersports).

Figure 5.1 Main suppliers of sports goods to the EU, 2001-2003
Value in € million



Source: Eurostat (2004)

The figures below show the major trends and suppliers in each market.

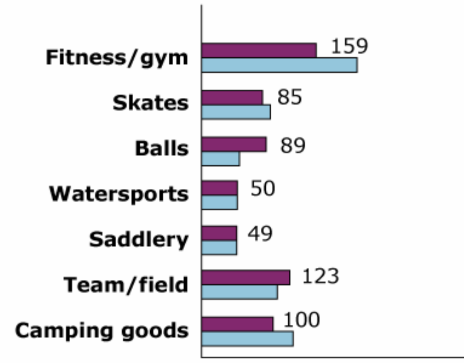
5.1.2 Germany

Germany was the second largest EU importer of sports goods and accounted for 19 percent of the EU total. In 2003, Germany imported 171 thousand tonnes valued at € 893 million.

30 percent came from Intra-EU sources, as is shown in figure 5.2. A substantial part, i.e. 46 percent of imports came from Developing Countries, which are mainly China, Pakistan and India. Imports from the Czech Republic were significant.

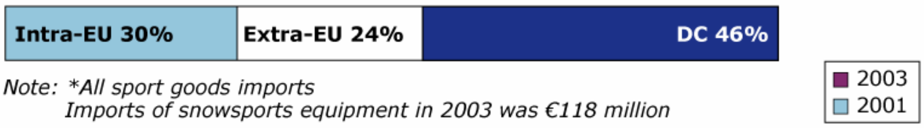
Between 2001 and 2003, the volume of German imports rose by 6 percent, whereas the value of imports varied by product group. The greatest increases were registered in balls and team/field equipment.

Figure 5.2 German sports goods by value in € million, 2001-2003



	Main suppliers	Share DC
Fitness/gym	China 48%, Taiwan 16%, USA 6%	51%
Skates	China 67%, Italy 10%, France 9%	74%
Balls	China 30%, Pakistan 28%, Netherlands 22%	69%
Watersports	China 19%, Italy 15%, Thailand 8%	33%
Saddlery	India 25%, China 17%, USA 7%	52%
Team/field	China 27%, Czech Rep 12%, USA 7%	31%
Camping goods	China 60%, Netherlands 11%, Czech Rep 7%	68%

Total in 2003: €893 (171 thousand tonnes)*



*Note: *All sport goods imports*
Imports of snowsports equipment in 2003 was €118 million

Source: Eurostat (2004)

Imports of watersports and saddlery were static, whereas skates, camping goods and fitness equipment were less in demand. Compared to the other countries, Germany is a large importer of equipment for fitness, skates, watersports, team / field and camping goods, as is shown in figure 5.2.

The main suppliers of sports goods to Germany were China (36% of total value of imports), The Netherlands (9%), Austria (6%), the Czech Republic (6%) and France (5%). Other suppliers include Taiwan (4%), USA (4%), Italy (4%), the United Kingdom (3%) and Pakistan (3%).

Between 2001 and 2003, supplies from China, The Netherlands, Poland, the Czech Republic and Pakistan to Germany increased substantially, especially team/field equipment.

The main suppliers to Germany by product group are shown in figure 5.2, with the share of developing countries, which is high for each group compared to the other selected EU markets.

In 2001, imports from developing countries valued € 412 million, which were led by China and at a distance, Pakistan (4% of supplies by value) and India (2%). Between 2001 and 2003 imports from developing countries rose by 23% in terms of value. Less significant suppliers from developing countries include Thailand, Vietnam, Malaysia, Bangladesh and Brazil.

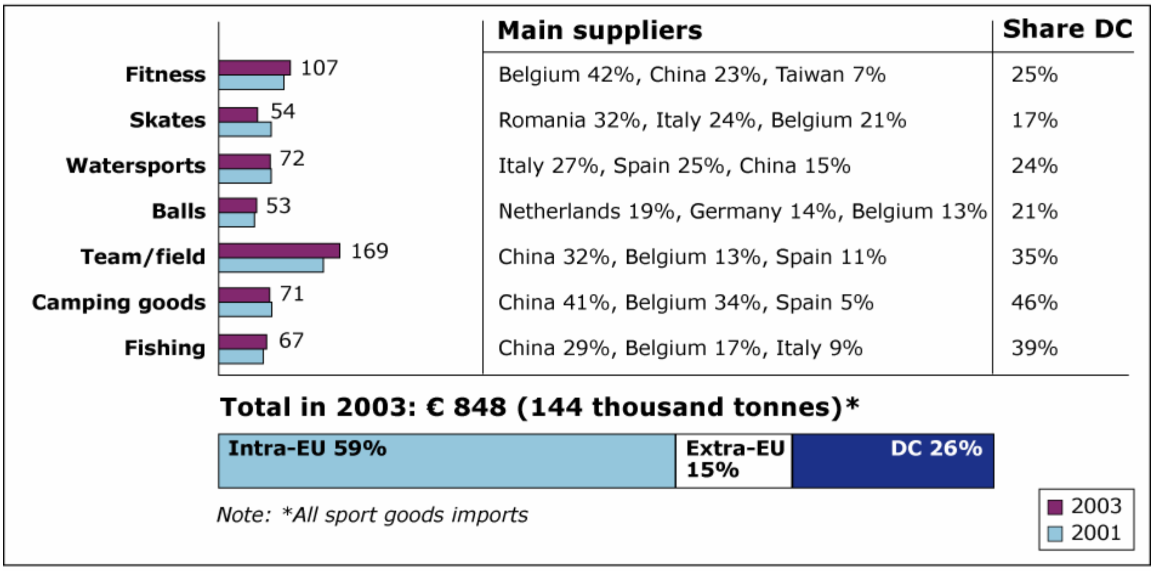
5.1.3 France

France accounted for 16 percent of EU sports goods imports in 2003, a total volume of 144 thousand tonnes, valued at € 848 million.

In contrast to the UK, France imported more than half, i.e. 59 percent, of their sports goods from Intra-EU and only 15 percent from Extra-EU sources, while 26 percent came from Developing Countries (see figure 5.3).

Compared to other EU countries, France is a large importer of snowsports equipment, skates, team/field, watersports, table tennis equipment, camping goods and fishing tackle.

Figure 5.3 France sports goods by value in € million, 2001-2003



Source: Eurostat (2004)

French imports of sports goods increased by 26 percent in volume terms between 2001 and 2003, while the value of imports rose by 8 percent.

Demand for equipment for snowsports (not shown in figure 5.3), fitness, team/field sports, saddlery and fishing equipment has grown. In terms of volume, golf rose to 1,472 tonnes. On the other hand, French table tennis imports fell in the period under review.

In 2003, most French sports goods came from China (21% of total value of imports), Belgium (17%), Italy (10%), Spain (10%), Germany (6%), Austria (6%), The Netherlands (4%), Romania (4%), United Kingdom (4%), USA (3%), Taiwan (2%), and Canada (1%).

Supplies from most of these countries, especially from China (+40% by volume), Belgium (+39%), The Netherlands (+30%), Romania (+105%) and Vietnam (+245%), increased in the period under review.

The main suppliers by product group are shown in figure 5.3, with the share of developing countries for each group.

Imports from developing countries valued € 224 million in 2003 and rose between 2001 and 2003 by 15 percent in terms of volume. Supplies from Pakistan fell, but on the other hand, Brazil significantly increased its imports, while India fell somewhat to 872 tonnes. Imports from Vietnam and Thailand also increased.

Other suppliers from developing countries include Malaysia, Mongolia, Indonesia and Argentina.

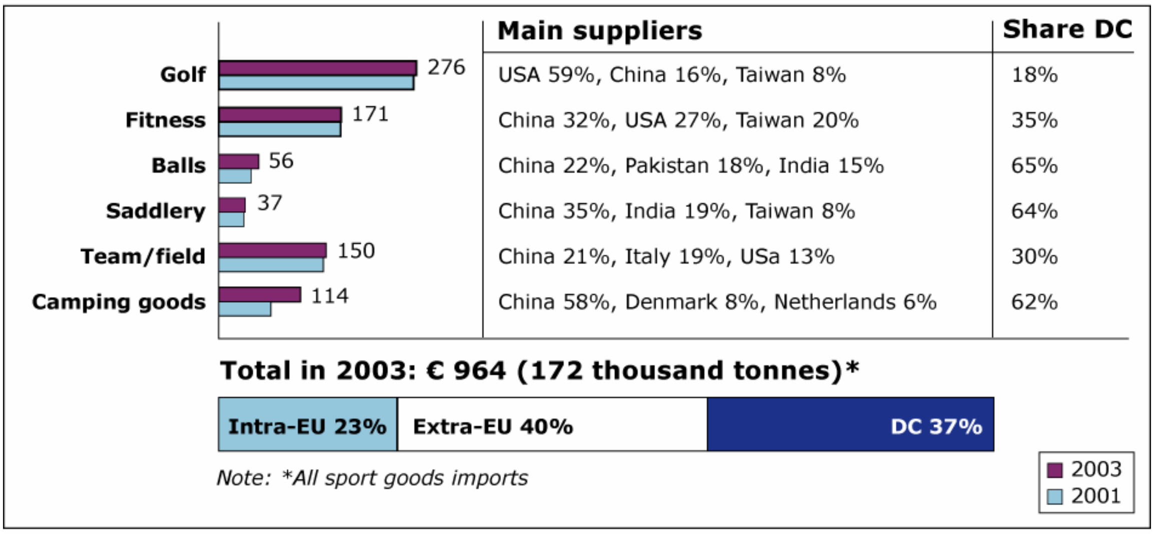
5.1.4 United Kingdom

The United Kingdom is the largest EU importer of sports goods and accounted for 18 percent of the total value of EU imports in 2003. In the same year, the United Kingdom imported 172 thousand tonnes with a value of € 964 million.

As is shown in figure 5.4, around 77 percent of imports came from Extra-EU sources. Between 2001 and 2003, UK imports increased by 6 percent in terms of value, whereas the volume of UK imports rose by 36 percent, from 126 to 172 thousand tonnes in 2003.

Imports of golf equipment valued € 276 million, thereby representing 29 percent of the UK total, which is high compared to the other EU countries. In the past few years, importers could benefit from the strength of the Pound Sterling.

Figure 5.4 UK sports goods by value in € million, 2001-2003



Source: Eurostat (2004)

Since 2001, UK imports of golf equipment increased by 10 percent in terms of volume. It should be noted here that around 20 percent of golf equipment is re-exported to other EU countries.

Between 2001 and 2003, UK imports by value of most product groups increased, particularly camping (+56%), balls (+24%), team/field sports (+3%), and saddlery (+6%).

The main suppliers of sports goods to the United Kingdom are China (29% of total value of imports), USA (26%), Taiwan (7%), The Netherlands (6%), Italy (5%), Germany (4%), France (3%), and India (3%). Other significant suppliers are Pakistan, Japan, Canada, Denmark and Thailand.

The main suppliers by product group are shown in figure 5.4, with the share of developing countries, which is high particularly for gloves, balls, camping goods and saddlery.

UK imports of sports goods from developing countries valued € 354 million, an increase of 11 percent over 2001 imports. In terms of volume, imports from developing countries increased by 45 percent between 2001 and 2003, mainly from China, Thailand, Pakistan and India. Other suppliers from developing countries include Vietnam, Brazil, Philippines and Malaysia.

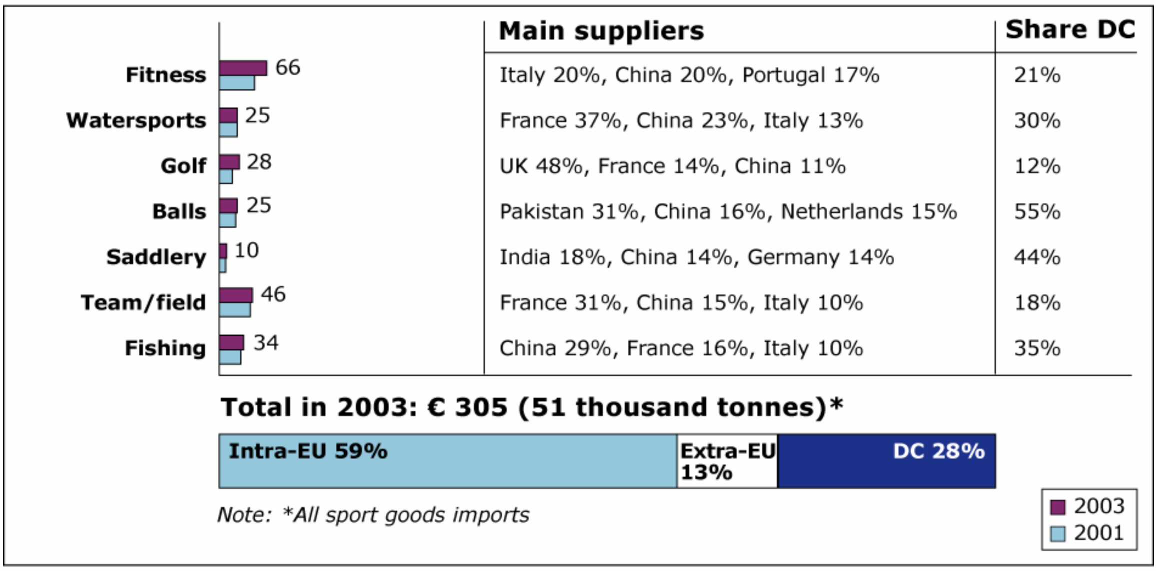
5.1.5 Spain

In 2003, Spanish imports of sports goods were 51 thousand tonnes, or € 305 million, which represented 6 percent of total EU imports. Much of Spanish sports goods demand is covered by domestic production (e.g. balls, watersports).

Spain imported 59 percent of its sports goods from other EU countries, 13 percent from Extra-EU sources, while 28 percent came from developing countries. Between 2001 and 2003, Spanish imports increased by 35 percent by value and 28 percent by volume.

Equipment for fitness, golf, team/field, fishing and balls increased in demand. In terms of volume, imports of all product groups, except camping and table tennis increased.

Figure 5.5 Spanish sports goods by value in € million, 2001-2003



Source: Eurostat (2004)

20 percent by value of Spanish imports came from China. Other large suppliers to Spain include France (21%), Italy (10%), the United Kingdom (6%), Belgium (5%), Portugal (5%), Germany (4%), USA (4%), Pakistan (4%), The Netherlands (4%) and Taiwan (3%),

Imports of sports goods from developing countries was valued at € 86 million. In terms of volume, imports from developing countries rose by 32 percent between 2001 and 2003, largely attributed to more supplies from China, while supplies from Malaysia and Philippines decreased. On the other hand, imports from Pakistan, Vietnam, Thailand, India, Argentina and Morocco rose in the period under review.

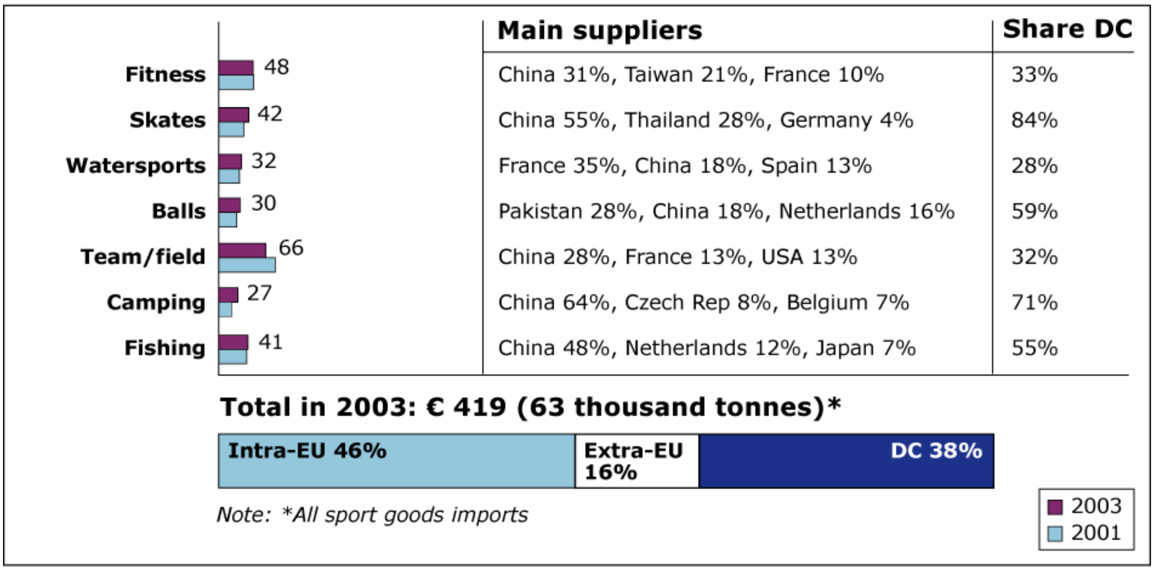
5.1.6 Italy

Italian sports goods production accounts for a reasonable part of domestic demand e.g. fitness, skates, snowsports, waterports. However, many of these articles are outsourced and are imported in increasing quantities from Asian or Eastern European countries.

In 2003, Italy imported 63 thousand tonnes with a value of € 419 million, representing 8 percent of total EU imports of sports goods.

Around 46 percent of Italian imports was sourced from other EU countries, while 38 percent came from Developing Countries (see figure 5.6).

Figure 5.6 Italian sports goods by value in € million, 2001-2003



Source: Eurostat (2004)

Like France, Italy is a large importer of snowsports equipment, skates, watersports, team/field equipment and fishing tackle.

Between 2001 and 2003, Italian imports of skates increased by 20 percent in terms of value. Balls (+20%), watersports (+10%), camping goods (+50%) and fishing equipment (+23%) also increased during the period under review.

This is partly due to a shift of production to China, and to a lesser extent, parts of Eastern Europe by Italian manufacturers (e.g. Benetton, Invicta, Technica and Tacchini).

Imports of fitness and team/field equipment decreased over the review period.

In 2003, most Italian sports goods came from China (28% of total value of imports). Other suppliers were France (14%), Germany (10%), Austria (8%), Taiwan (4%), USA (4%), Thailand (4%), The Netherlands (4%), Belgium (3%), the United Kingdom (3%), Pakistan (3%), Spain (3%), Romania, Slovenia, Ukraine, India, South Korea, Japan and Canada.

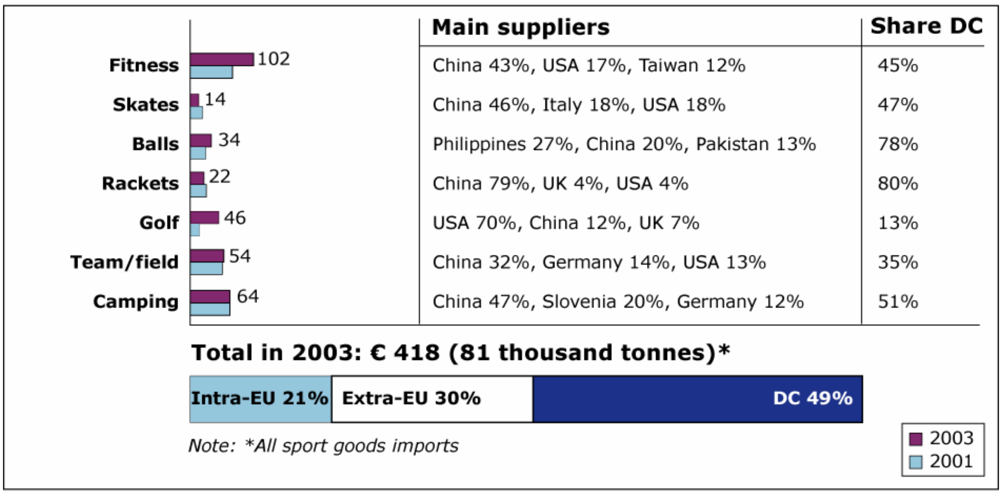
In the review period, imports from most countries rose especially from China (+24%) and France (+12%), whereas less was imported from Hungary, USA and Taiwan.

Imports of sports goods from developing countries valued € 158 million, an increase of 11 percent by value over 2001 imports, when overall imports were static. Apart from China, imports increased from other supplying developing countries - Pakistan (+15%), Thailand (+80%), India (+5%), and Tunisia (+23%). However, less was imported from Philippines (-65%), Malaysia (-43%) and Vietnam (-24%).

5.1.7 The Netherlands

In 2003, imports amounted to 81 thousand tonnes, with a value of € 418 million. The Netherlands accounted for 8 percent of total EU sports goods imports, a high share relative to its size, which can be mainly attributed to re-exports to other EU countries (roughly 40% in 2003). European distribution centres for Adidas, Reebok and Asics are based here. In 2003, The Netherlands imported 21 percent from other EU countries, 30 percent from Extra-EU sources, and 49 percent came from Developing Countries. Between 2001 and 2003, Dutch sports goods imports increased by 25 percent in value and by 59 percent in volume.

Figure 5.7 Dutch sports goods by value in € million, 2001-2003



Source: Eurostat (2004)

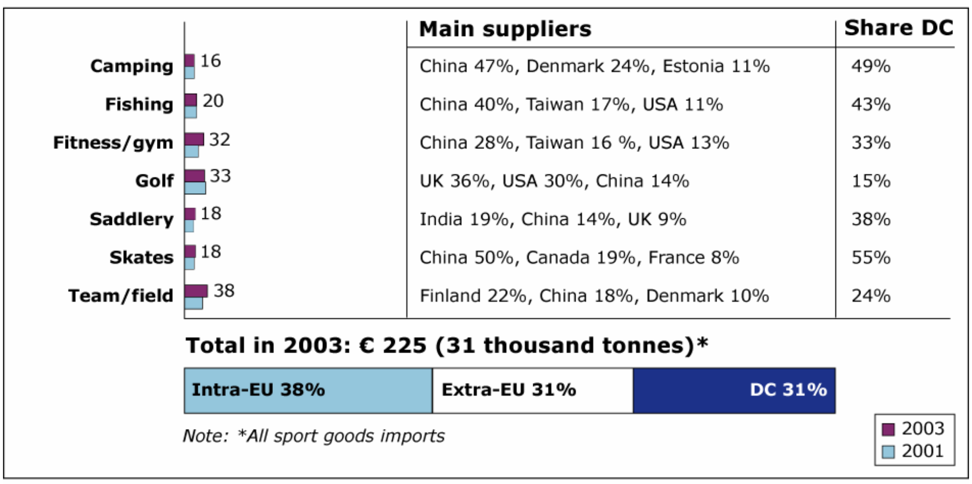
Most groups except skates rose in the period under review. Most sports goods came from China (38% of total value of imports). In terms of volume, Dutch imports from China rose by 60 percent between 2001 and 2003. Other main suppliers were USA (15% of total imports), Taiwan (9%), Germany (8%), Belgium, Italy, Slovenia, Poland and the Czech Republic. Main developing country suppliers were Pakistan, Thailand, Malaysia, India and Philippines.

5.1.8 Sweden

In 2003, Swedish imports of sports goods were 31 thousand tonnes, or € 225 million, which represented 4 percent of total EU imports. Sweden imported 38 percent of its sports goods from other EU countries, 31 percent from Extra-EU sources, and 31 percent came from developing countries. Between 2001 and 2003, Swedish imports increased by 13 percent by value and 41 percent by volume.

Equipment for fitness, team/field, saddlery and skates increased in demand. In terms of volume, imports of all product groups, except golf, rackets, gloves and table tennis increased.

Figure 5.8 Swedish sports goods by value in € million, 2001-2003



Source: Eurostat (2004)

25 percent by value of Swedish imports came from China. Other large suppliers to Sweden include USA (10%), the United Kingdom (7%), Denmark (7%), Taiwan (6%), Finland (6%), France (5%), Italy (4%), Germany (3%), Austria (3%) and Canada (3%).

Imports of sports goods from developing countries was valued at € 70 million. In terms of volume, imports from developing countries rose by 55 percent between 2001 and 2003, largely attributed to more supplies from China. Imports from Pakistan, India, Indonesia, Thailand, India, and Mexico also increased.

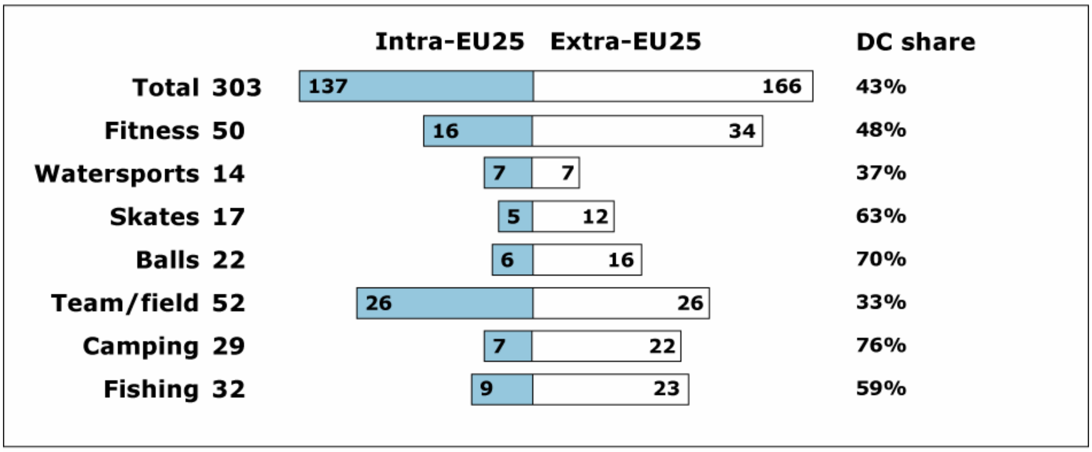
5.1.9 The 10 new EU Countries

Data for the 10 new EU countries is currently available for 2003, so comparisons with earlier years cannot be made. The 10 new EU countries accounted for 5.5 percent of sports goods imports into the EU25.

Total sports goods imports into the 10 new EU countries were valued at € 303 million in 2003, or 58,000 tonnes. Team/field and fitness equipment were the largest categories. 45 percent of imports were from EU25 countries. The dominant supplier was Austria, followed by Germany, Italy and France.

Although they vary by new EU country, the main Developing Country suppliers were China followed by Pakistan, Thailand, India, Malaysia, Philippines, Vietnam and Indonesia. Although team/field items accounted for the largest proportion, they represented just 33 percent from Developing Countries, compared with 76 percent for camping goods and 70 percent for balls.

Figure 5.9 10 New EU Countries Sports Goods Imports, 2003
Value in € million



Source: Eurostat (2004)

The ***Czech Republic*** was the largest importer, importing € 85 million, mainly from China (33%), Austria (14%) and Germany (14%). ***Poland*** accounted for 23 percent of all sports goods imports to the 10 new EU countries in 2003, valued at € 71 million. Main suppliers to Poland were China (44%), Austria (9%), France (7%) and Germany (7%). ***Hungary*** imported € 50 million, mainly from China, Italy and Germany, while ***Slovenia*** imported € 27 million, primarily from China, Austria and Italy. ***Slovakia*** imported € 26 million mainly from China.

5.2 Imports by product group

EU total by product group

The main product groups of sports goods imported by the EU and the development between 2001 and 2003 are shown in table 5.2. Fitness and team/field sports together formed more than half, i.e. 57 percent by volume (33% by value), of the EU total.

In terms of value, other sizeable product groups were equipment for golf, snowsports, balls, camping and fishing tackle, most of which are of relevance to exporters from developing countries, as well as saddlery. Camping goods itself represented 14 percent by volume of EU imports.

Table 5.2 Imports of sports goods by product group, 2001-2003 in tonnes and € 1,000

	2001		2002		2003	
	value €	volume	value €	volume	value €	volume
Total	**4,871,247**	**714,060**	**5,098,906**	**766,386**	**5,219,377**	**909,466**
Extra-EU	3,033,049	**512,045**	3,078,595	**550,388**	3,111,431	**654,836**
Dev. countries	1,635,391	**341,602**	1,719,764	**382,856**	1,832,906	**482,968**
Fitness/gym	849,421	**244,682**	877,233	**269,280**	904,932	**323,185**
Golf	498,426	**20,922**	597,949	**34,990**	567,123	**35,446**
Snowsports	496,650	**25,654**	494,184	**26,273**	537,717	**29,159**
Skates	315,329	**33,490**	248,758	**27,765**	276,667	**37,216**
Watersports	292,045	**23,453**	310,563	**31,165**	298,661	**29,631**
Balls	287,662	**39,779**	347,251	**45,964**	372,914	**53,861**
Saddlery	219,935	**20,982**	236,564	**19,141**	229,040	**21,828**
Rackets	196,619	**9,657**	192,497	**9,725**	167,487	**11,066**
Sports gloves	52,623	**1,820**	56,817	**2,107**	52,549	**2,144**
Table tennis	45,370	**7,974**	42,697	**9,418**	43,139	**12,161**
Team/field sports	777,764	**168,973**	798,117	**164,076**	868,240	**197,256**
Camping goods	477,137	**97,125**	496,651	**103,671**	509,224	**130,159**
Fishing tackle	362,266	**19,729**	399,626	**22,811**	391,684	**26,353**

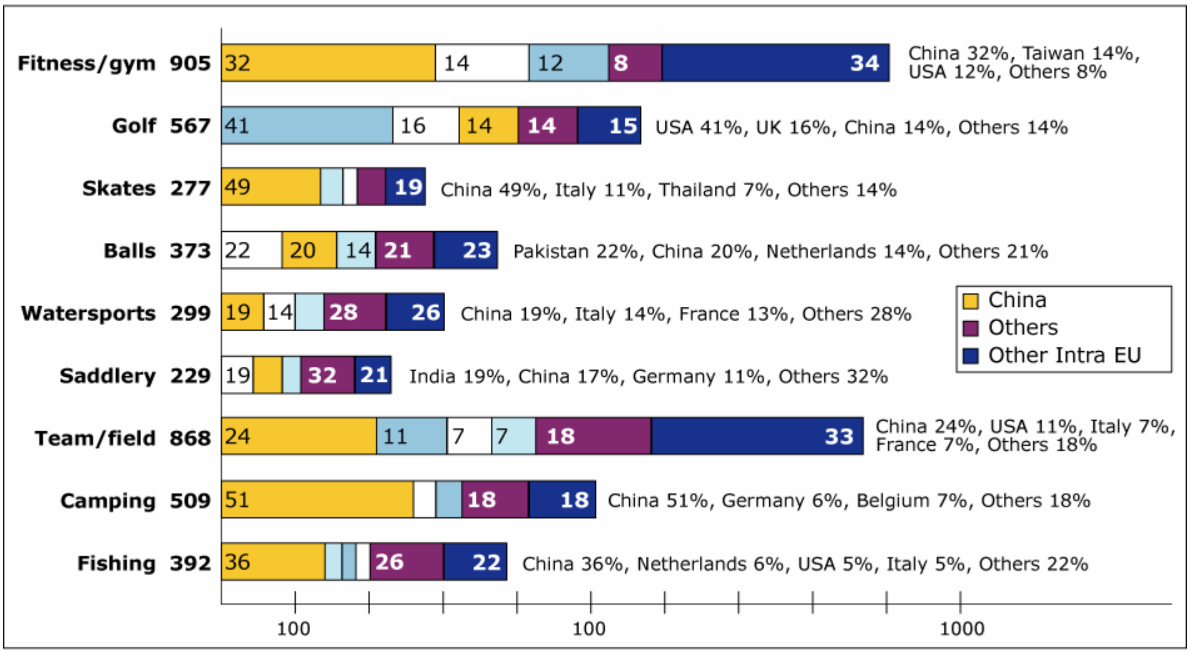
Source: Eurostat (2004)

In period under review, EU imports of all sports goods increased by 27 percent in volume terms, i.e. from 714 to 909 thousand tonnes. Equipment for fitness, golf, snowsports, rackets, balls, fishing tackle, team/field and camping goods were more in demand. In terms of value, EU imports increased by 21 percent, from € 4,871 to 5,219 million.

In trade statistics a distinction is made according to the different sporting activities with their related sports goods, which are further divided in terms of the material used.

Specific information about supplies from developing countries can be found in Appendix 2 - *EU imports of selected product groups by source*. The share of developing countries in snowsports equipment was only 6 percent and is therefore excluded. The focus in this section will be on those groups of relevance to exporters from Developing Countries.

Figure 5.10 EU sports goods by productgroup, 2003
Main suppliers as percent of total value (€ million)



Source: Eurostat (2004)

Fitness/gym

This product group includes fitness and training equipment for in-home use such as elliptical trainers, exercise bikes, treadmill/steppers, free weights, other equipment (e.g. stomach exercisers, AB Toners, rollers, exercise mats) and resistance equipment (small wrist, hand, thigh exercisers, chest expanders). Larger items of equipment, usually bought by institutions or fitness centres, are also included here.

In 2003, fitness equipment accounted for 17 percent of total EU imports of sports goods, representing a value of € 905 million. In terms of volume, this product group accounted for 36 percent of total imports of sports goods. Between 2001 and 2003, EU imports increased by 7 percent in value, and by 32 percent in volume. This clearly reflects downward pressure on prices as well as an increase in consumer participation of a range of individual fitness activities. All selected EU countries registered zero or negative value increases of fitness equipment in this period.

As shown in figure 5.10, in 2003, 34 percent of EU imports of fitness equipment came from other EU countries, (Italy, Germany, the United Kingdom and via Belgium and The Netherlands), while 29 percent came from China. The USA, Taiwan, Canada, Malaysia, Thailand, Poland and the Czech Republic are other important suppliers.

Fitness / gym *Main suppliers*		➔ **Intra-EU**	**34%** (Germany, Belgium, Italy)	
		➔ **China**	**32%**	
EU imports 2003 : € 905 million		➔ **Taiwan**	**14%**	
323,185 tonnes				
EU imports trend 2001 and 2003 ➔		*increase by 32% from 244,682 to 323,185t*		
	Increasing from:		***Decreasing supplies from:***	
Main suppliers:	Belgium	(+ 122%)	Taiwan	(- 30%)
	USA	(+ 6%)	Italy	(-14%)
	Germany	(+ 52%)		
Dev. countries:	China	(+ 50%)	Thailand	(-53%)
	Vietnam	(+ 670%)	South Africa	(-147%)
	Pakistan	(+ 55%)	Malaysia	(- 4%)
	India	(+ 50%)	Morocco	(-85%)
	Turkey	(+ 12%)		

Supplies from developing countries rose substantially between 2001 and 2003, especially from China, Pakistan and India. Smaller sources that grew in importance were Vietnam, Turkey, and Indonesia. In the period of review, EU imports from all these countries have risen, whereas EU fitness equipment imports from Malaysia, Thailand, Morocco and South Africa declined.

Table 5.3 EU imports of fitness equipment

	Volume	Share	Value	Share
Exercise Apparatus with adjustments	157,439	49	493	54
Other exercise equipment	165,746	51	412	46
Total fitness equipment	**323,185**	**100%**	**905**	**100%**

Note: EU imports of 2003 are given in tonnes and € million.

Source: Eurostat (2004)

Golf

Within the EU sports goods imports, golf equipment was another growing product group and represented in 2003 a value of € 567 million. EU imports were led by the United Kingdom, which represented 52 percent of total EU golf imports in that year. In terms of value, *golf clubs* formed the largest sub-category, i.e. 51 percent of EU golf imports, while by volume golf clubs accounted for 17 percent, at 6,176 tonnes.

Between 2001 and 2003, the imported volume of golf clubs increased by 25 percent, while imports by value increased from € 235 to 290 million indicating falling values of golf clubs, which were increasingly sourced in China in the period under review.

In terms of volume, *golf balls* formed the largest sub-category (61%), as is shown in table 5.4. EU imports of golf balls rose by 126 percent in the period under review from 9,489 to 21,487 tonnes, reaching a value of € 118 million in 2003. Imports of *other golf equipment* (e.g. putters, bags, carts, parts and accessories), which formed nearly 28 percent of EU imports, rose by 20 percent in volume and 9 percent in value between 2001 and 2003.

Table 5.4 EU imports of golf equipment

	Volume	Share	Value	Share
Golf clubs	6,176	17%	290	51%
Golf balls	21,487	61%	118	21%
Other golf equipment	7,783	22%	159	28%
Total golf equipment	**35,446**	**100%**	**567**	**100%**

Note: EU imports of 2003 are given in tonnes and € million.

Source: Eurostat (2004)

The USA supplied 41 percent of golf equipment to the EU, i.e. € 232 million (see figure 5.10). In terms of volume, EU imports of golf equipment from the USA rose by 142 percent, from 7,944 to 19,236 tonnes in the period under review. Other large suppliers of golf equipment were the United Kingdom, China, Taiwan and France. These figures are underpinned by increased television coverage of international golf events.

In 2003, the share of developing countries in supplies of golf equipment by value was rather low (around 16%), whereas by volume the share was 21 percent, which was dominated by China. Between 2001 and 2003 supplies of golf equipment from China rose from 3,980 to 6,630 tonnes, an increase of 66 percent.

Apart from China, other developing countries included Thailand (-48% by volume), India (+136%), Malaysia (+73%), Pakistan (+655%), Vietnam, Indonesia, South

Africa, Philippines and Mexico. Most of these countries supplied other golf equipment (trolleys, carts, bags, accessories) and golf balls.

Skates
In 2003, skates accounted for 5 percent of total EU imports, representing a value of € 277 million, the majority of which were roller and in-line skates (see table 5.5). Since in-line skating has been a trend from 1996 onwards, imports of these skates, particularly by Germany, the United Kingdom and France grew enormously. In the late 1990s, the popularity of in-line skating declined, resulting in oversupply and high stock levels at importers, and retailers selling them at very low prices.

Table 5.5 EU imports of skates

	Volume	*Share*	*Value*	*Share*
Ice skates	3,503	9%	33	12%
Roller / In-line skates	31,835	86%	224	81%
Parts for skates	1,878	5%	20	7%
Total skates	**37,216**	**100%**	**277**	**100%**

Note: EU imports of 2003 are given in tonnes and € million.
Source: Eurostat (2004)

Between 2001 and 2003, the value of EU imports of skates decreased by 12 percent. In terms of volume, EU imports of skates increased by 11 percent, from 33,490 to 37,216 tonnes, a reversal of previous years' volume declines. This can be partly attributed to the sustained popularity of in-line skating in France, Germany, Italy and The Netherlands, and lower import prices.

With regards to the other sub-categories *ice-skates* and *parts for skates*, EU imports increased by 13 percent in terms of volume in the period under review.

Imports from the major supplier, China (49% of total value), decreased from € 158 to 136 million. This compares with a volume increase of 8 percent over the same period. Other significant non-EU suppliers for skates included Thailand, Romania, Canada, USA, Taiwan and Hong Kong.

In 2003, the share of Developing Countries in supplies of skates (by volume) was 64 percent, the majority of which is supplied by China. Apart from China, other Developing Countries supplying skates to the EU included Thailand (6% of total volume of EU imports), Malaysia (0.2%), and smaller supplying countries such as Tunisia, Mexico, and India.

Balls
In 2003, balls represented 7 percent of all EU imported sports goods with a total value of € 373 million. Within this product group, the largest sub-category were *inflatable balls* (footballs, volleyballs, handballs, rugby balls - all made of leather, and plastic balls*)*. Inflatable balls accounted for 65 percent (by value) of the total EU imports of balls, as is shown in table 5.6.

Between 2001 and 2003, all EU countries imported more inflatable balls. The manual stitched leather balls from Pakistan and India are suffering at the expense of cheaper machine-stitched leather balls from China. Overall, the EU imports of inflatable balls increased 45 percent by volume and 33 percent by value, from € 186 to 248 million in the period under review. However, their overall share of the category reduced as tennis balls increased their share.

Tennis balls accounted for 20 percent of all imported balls by value and between 2001 and 2003, EU imports of tennis balls increased from 7,179 to 9,624 tonnes. In 2003, the EU imported tennis balls were valued at € 74 million, compared with € 56 million in 2001. Imports of the sub-category *other balls* include cricket, polo, hockey, baseball etc., and increased by 13 percent in volume in the period under review.

Table 5.6 EU imports of balls

	Volume	Share	Value	Share
Tennis balls	9,624	18%	74	20%
Inflatable balls	33,518	62%	248	66%
Other balls	10,719	20%	51	14%
Total balls	**53,861**	**100%**	**373**	**100%**

Note: EU imports of 2003 are given in tonnes and € million.

Source: Eurostat (2004)

In 2003, 37 percent of EU imports of balls came from other EU countries, as is shown in figure 5.8. Within the EU, Ireland, Germany, Italy and the distribution centres of Nike in Belgium and Adidas in The Netherlands supplied most inflatable balls to other EU countries.

Pakistan, the largest football manufacturer in the world, accounted for 22 percent of total value supplies of balls to the EU in 2003. Other important non-EU sources include China (20% of supplies), Thailand (5%) and India (5%). There is a move from Pakistan to China in the supply of balls driven by lower costs.

In terms of volume, the share of developing countries in supplies of balls was 64 percent. Smaller supplying countries include Thailand (5%), Philippines (5%), Indonesia, Morocco, Vietnam, Mexico, Malaysia, Cambodia and Venezuela. Statistics concerning the development of EU imports of balls can be found in Appendix 2.

Watersports

Demand for watersports equipment in the EU increased by 26 percent in terms of volume, from 23,453 to 29,631 tonnes in the period under review. In 2003, watersports equipment accounted for 6 percent of total EU imports, representing a value of € 299 million. Within the EU, Italy and France were the largest importers.

Waterskis and surfboards accounted for more than half of total EU imports of watersports equipment, as is shown in table 5.7. Between 2001 and 2003 imports of this sub-category increased by 26 percent in volume terms reaching 16,200 tonnes in 2003. In the same period EU imports of *inflatable vessels,* the second largest sub-category, increased by 34 percent, from 8,169 to 10,939 tonnes. Imports of *sailboards* increased by 2 percent.

Table 5.7 EU imports of watersports equipment

	Volume	Share	Value	Share
Sailboards	2,491	8%	54	18%
Waterskis, surfboards	16,201	55%	156	52%
Inflatable vessels	10,939	35%	89	30%
Total watersports equipment	**29,631**	**100%**	**299**	**100%**

Note: EU imports of 2003 are given in tonnes and € million.

Source: Eurostat (2004)

More watersports equipment (41% by volume) was imported from China, followed by Italy, France, Spain and USA, all of which increased their supplies to the EU, with the exception of France. In 2003, around 53 percent of the value of EU watersports equipment imports came from other EU countries, as is shown in figure 5.8. In the same year, China supplied 19 percent of watersports equipment (by value) to the EU. Other supplying developing countries include Thailand (+55%), Sri Lanka, Vietnam, South Africa, Tunisia, Indonesia, Malaysia, Mexico, Venezuela, Turkey and Costa Rica.

Racket Sports
Rackets/table tennis: EU imports of rackets increased by 15 percent in terms of volume, at 11,066 tonnes in 2003, valued at € 167 million. As with golf and skating equipment, the average prices of rackets decreased. This was primarily due to the declining popularity of squash and badminton and an oversupply of titanium rackets. On the other hand, recent innovations in rackets by Wilson (anti vibrating effect - see Chapter 3.2) have stimulated demand. *Tennis rackets* formed 68 percent of total EU imported rackets, valued at € 113 million, a 15 percent decrease over € 133 million in 2001.

Between 2001 and 2003, Germany increased their imports of rackets. In terms of volume, China supplied 71 percent of all rackets to the EU, followed at a distance by the Czech Republic, Taiwan, The Netherlands, Belgium, Italy, France and Austria. Suppliers from developing countries include Argentina, Thailand, Vietnam, Pakistan, Indonesia and India. As is shown in Appendix 2 - Rackets, supplies from South Africa and Argentina dropped substantially in the period under review. Imports of *table tennis* equipment increased by 52 percent, from 7,974 to 12,161 tonnes between 2001 and 2003, and valued at € 43 million, with Germany and China as the leading suppliers.

Sports Gloves
This product group includes all leather and synthetic gloves used for teamsports (especially cricket, rugby), snowsports, skating, golf, watersports and martial arts and includes all gloves which are usually bought by institutions or sports centres.

In 2003, EU imports of sports gloves represented a value of € 53 million and 2,144 tonnes. Between 2001 and 2003, EU imports of gloves were static in value, while in terms of volume, imports increased by 18 percent. Within the selected EU countries, The Netherlands and Germany are the largest importers.

Most gloves (43% by volume) were imported from Pakistan (+16%), followed by China (+58%), India (+16%) and Indonesia. Other supplying developing countries included Thailand, Vietnam, Sri Lanka, Philippines, Malaysia, Mexico and Morocco.

Saddlery
This includes saddles and harnesses, primarily used in horse riding. This would include leads, knee pads, muzzles, saddle cloths, saddle bags and similar items. For the period under review, this category was valued at € 229 million, an increase of 4 percent since 2001. 21,828 tonnes were imported in 2003, also an increase of 4 percent since 2001.

China (29%) and India (25%) were the most significant importing countries. Germany and the United Kingdom were the largest importers within the EU. A number of Eastern European countries are notable importers, including Ukraine, Romania, Poland and the Czech Republic. Other significant developing country importers were Argentina, Vietnam, Pakistan and Tunisia.

Team/field sports
This group includes all equipment used for athletics and team sports. Eurostat only identifies the sub-category cricket/polo equipment, which accounted for less than 1 percent of this whole product group. Team/field equipment includes a variety of specialised articles such as nets, goals, disc cones, dome markers, whistles, starting blocks, protectives, bats or any other team sports-related specialised equipment. This product group also includes equipment for swimming and paddling pools.

In 2003 this category accounted for 17 percent of all EU sports goods imports, valued at € 868 million. Between 2001 and 2003, EU imports of team/field sports increased by 9 percent in value and by 17 percent in terms of volume. As shown in figure 5.8, around 47 percent of EU imports came from other EU countries, (France, The Netherlands, Germany, Italy, Sweden and Denmark), while 24 percent came from China. The USA, Canada, the Czech Republic and Taiwan are important non-EU suppliers.

In 2003, the volume share of Developing Countries in supplies of team/field sports equipment was 42 percent (83,432 tonnes), China dominated and between 2001 and 2003, their supplies rose from 55,901 to 75,914 tonnes, an increase of 36 percent.

Other Developing Countries included Pakistan, India (both 0.5% of volume), Indonesia, Malaysia, Thailand, Sri Lanka, Vietnam, South Africa, Morocco, Mexico, Argentina, Brazil, Turkey and Philippines.

Team / field sports	***Main suppliers:***		**➔ Intra-EU**	47% (France, Italy)
			➔ China	**24%**
EU imports in 2003 : € 868 million			**➔ USA**	11%
197,256 tonnes				
Trend in EU imports 2001 and 2003 ➔ increase by 17% from 168,793 to 197,256t				
	Increasing supplies from:		***Decreasing supplies from:***	
Main suppliers:	China	(+ 36%)	Netherlands	(-16%)
	Italy	(+ 34%)	France	(-13%)
			Germany	(-42%)
			USA	(-18%)
Developing countries:	Pakistan	(+ 107%)	Indonesia	(-71%)
	India	(+53%)	Tunisia	(-90%)
	Vietnam	(+ 141%)	South Africa	(-1%)
	Thailand	(+ 42%)		
	Malaysia	(+ 101%)		

Camping Goods (including equipment for outdoor activities)
EU imports of camping goods grew along with the growing popularity of the recreational outdoor activities in all selected EU countries. In 2003, EU camping goods imports represented a value of € 509 million, or 10 percent of imports. Between 2001 and 2003, EU imports of camping goods increased by 7 percent in value and 34 percent in volume terms.

Tents accounted for 52 percent of the total value of EU imports of camping goods, as is shown in table 5.8. Tents manufactured from synthetic fibres formed the largest part within this sub-category and EU imports between 2001 and 2003 have grown by 27 percent (volume terms). EU imports of *tents made of textiles* increased by 40 percent and *tents made of cotton* fell by 14 percent.

Sleeping bags accounted for some 22 percent of EU camping goods' imports (by value), which increased by 8 percent between 2001 and 2003, to a total value of € 113 million. Imports of *air mattresses* increased by 26 percent, although cotton *air mattresses* declined by 25 percent in the period under review.

Table 5.8 EU imports of camping goods

	Volume	***Share***	***Value***	***Share***
Tents (cotton)	3,262	2%	19	4%
Tents (synthetic fibres)	43,313	33%	217	43%
Tents (textile)	6,306	5%	31	6%
Air mattresses (cotton)	2,631	2%	6	1%
Air mattresses (textile)	7,195	6%	23	5%
Miscellaneous camping (cotton)	5,991	5%	22	4%
Miscellaneous camping (textile)	36,366	28%	78	15%
Sleeping bags	25,095	19%	113	22%
Total camping goods	**130,159**	**100%**	**509**	**100%**

Note: EU imports of 2003 are given in tonnes and € million
Source: Eurostat (2004)

51 percent of camping goods came from China, while other EU countries (Germany, Belgium, France, The Netherlands and Denmark) supplied 31 percent to the EU, as is shown in figure 5.8. Eastern European countries e.g. Poland, the Czech Republic, and Slovenia are other sizeable suppliers to the EU. Developing country supplies of camping goods other than China included Vietnam (2% of EU imported volume in 2003), Brazil, Bangladesh, India, Pakistan, Indonesia, Thailand, Malaysia, Turkey, Tunisia, Sri Lanka, Philippines and El Salvador. Between 2001 and 2003, EU imports from most of these

countries rose, whereas EU imports from Thailand, Sri Lanka and Philippines decreased.

Fishing Tackle
Demand for fishing tackle in the EU has increased by 20 percent in terms of value, from € 362 to 435 million between 2001 and 2003, partly due to oversupply of fishing rods sold at very low prices. EU imports of all sub-categories increased in terms of volume, especially *fishing hooks* (+88%) in the period under review. Nevertheless, decreasing values of imported fishing tackle in relation to volumes indicate falling prices in all sub-categories. As is shown in table 5.9, fishing lines account for the biggest share of EU fishing tackle imports (around 42% by value), followed by rods and reels.

Table 5.9 EU imports of fishing tackle

	Volume	*Share*	*Value*	*Share*
Fishing rods	7,000	27%	119	30%
Fishing hooks	1,758	7%	33	8%
Fishing reels	3,747	14%	77	20%
Fishing lines	13,848	52%	163	42%
Total fishing tackle	**26,353**	**100%**	**392**	**100%**

Note: EU imports of 2003 are given in tonnes and € million.

Source: Eurostat (2004)

EU suppliers, especially Italy, France, the United Kingdom, Germany, and The Netherlands accounted for 33 percent of total EU imports of fishing tackle. Significant non-EU suppliers included China (36% of supplies), South Korea (5%), USA (5%), Japan (5%) and Taiwan. Suppliers from developing countries were Malaysia, India, Philippines, Thailand, Tunisia, Madagascar, Kenya, Vietnam and South Africa.

5.2.1 The 10 new EU Countries

While there is some local production, the 10 new EU Countries are sizeable importers of sports goods, 45 percent of which was imported from the EU25 in 2003. The Eastern EU countries represented 85 percent of these imports, with 11 percent from the Baltic States. The Czech Republic is the largest new EU Country importer of sports goods, but on a per capita basis, Slovenia is the highest, as per table 5.10.

Table 5.10 Sports Goods imports by the 10 new EU Countries, 2003 € million

	Eastern EU countries					Baltic States				
	Pol	**Czech**	**Hung**	**Slvak**	**Slven**	**Latv**	**Eston**	**Lithua**	**Cyprus**	**Malt**
Total	**71**	**85**	**50**	**26**	**27**	**12**	**9**	**11**	**9**	**4**
Intra-EU 25	26	41	18	14	17	7	4	4	4	2
Extra-EU 25	45	44	32	12	10	5	5	7	5	2
Team/field	8	17	10	5	4	2	1	2	2	0.3
Fitness	10	9	14	3	3	2	2	2	3	1
Fishing	10	4	7	2	1	2	1	2	1	1
Camping	8	7	5	2	3	1	1	1	1	0.3
Balls	7	5	3	2	1	1	1	1	1	0.2
Skates	4	4	2	3	2	1	1	1	0.1	0.03
Watersports	4	3	2	1	1	1	1	1	1	0.5

Source: Eurostat (2004)

The Eastern EU countries are significant importers of team/field and fitness equipment, as well as fishing tackle and camping goods. Almost 30 percent of Hungary's imports are fitness equipment. Team/field equipment is also a notable contributor to imports in Hungary and the Czech Republic. While Cyprus and Malta account for just 4 percent of the 10 new EU Country imports, on a per capita basis they rate highly.

5.3 The role of developing countries

China, Pakistan, India and Thailand dominate the supply of sports goods. In 2003, they accounted for 95 percent of volume supplies to the EU from developing countries. In the past few years, Malaysia, Vietnam, Philippines, and Indonesia have become important suppliers. In other continents such as Latin America and Africa, it is difficult for exporters to obtain a significant position because:

- In most countries, sports goods are handmade and labour intensive. Production capacity, the level of technology, flexibility, good communications, product innovations and variety in design are limited.
- EU importers continue to contract foreign manufacturers in Asian (especially China) and Eastern European countries, which are 'closer' and more flexible in terms of meeting their specific requirements.
- It is hard and expensive for many developing countries to meet the high quality requirements (ISO) and strict safety standards often demanded in the EU market.

Between 2001 and 2003, exports from developing countries to the EU showed a steady increase. The volume of imports rose by 41 percent from 342 to 483 thousand tonnes, valued at € 1,832 million in 2003. The largest increases were supplies from China, Pakistan, India, Philippines, South Africa, Brazil, Argentina, Mexico and Turkey, while less was imported from Sri Lanka, Indonesia and Tunisia, as is shown in table 5.11.

Table 5.11 Largest increases in supplies of sports goods from Developing Countries to the EU, 2001-2003, in tonnes and € 1,000

	2001		2002		2003		vol incr %
	value €	volume	value €	volume	value €	volume	2001- 03
TOTAL	**4,871,247**	**714,060**	**5,098,906**	**766,386**	**5,219,377**	**909,466**	**+ 27%**
Dev. counts	**1,635,391**	**341,602**	**1,719,614**	**382,856**	**1,832,906**	**482,968**	**+41%**
Asia	***1,561,451***	***336,156***	***1,666,090***	***378,085***	***1,775,190***	***476,050***	**+42%**
China	1,223,768	**296,823**	1,300,888	**334,449**	1,408,699	**424,325**	**+ 43%**
Pakistan	99,033	**10,963**	122,785	**14,953**	116,422	**16,058**	**+ 46%**
India	71,141	**8,838**	81,312	**10,659**	80,134	**12,070**	**+ 37%**
Thailand	80,843	**6,813**	62,993	**5,226**	70,674	**6,857**	**+1%**
Malaysia	23,274	**5,612**	27,225	**5,527**	24,247	**5,778**	**+3%**
Vietnam	26,898	**3,301**	29,640	**3,455**	30,061	**5,664**	**+72%**
Philippines	15,030	**1,779**	17,241	**2,084**	21,193	**2,732**	**+54%**
Indonesia	11,680	**1,448**	14,545	**1,217**	11,452	**1,360**	**-1%**
Sri Lanka	8,660	**424**	7,977	**312**	6,398	**220**	**- 48%**
Bangladesh	706	**124**	780	**85**	5,517	**864**	**+597%**
Africa	***24,450***	***1,838***	***28,615***	***2,078***	***25,074***	***1,979***	***+ 8%***
Tunisia	12,597	**667**	14,162	**705**	10,437	**727**	**+ 9%**
Morocco	4,071	**432**	4,845	**334**	4,404	**212**	**-51%**
South Africa	4,123	**627**	5,573	**878**	6,420	**918**	**+46%**
Madagascar	1,995	**54**	2,452	**52**	1,851	**41**	**-24%**
Latin Amer.	***18,294***	***1,179***	***18,895***	***1,540***	***19,956***	***1,928***	***+63%***
Brazil	2,948	**437**	4,427	**736**	4,475	**874**	**+100%**
Argentina	8,977	**214**	6,750	**272**	6,447	**304**	**+42%**
Mexico	2,245	**161**	3,922	**257**	5,506	**325**	**+102%**
Colombia	671	**77**	981	**91**	898	**146**	**+90%**
El Salvador	640	**50**	532	**54**	511	**56**	**+ 11%**
Paraguay	658	**24**	846	**31**	858	**33**	**+37%**
Other	***31,196***	***2,429***	***6,164***	***1,153***	***12,686***	***3,011***	***+24%***
Turkey	3,590	**639**	4,376	**854**	6,004	**1,037**	**+62%**

Source: Eurostat (2004)

Import statistics by developing countries to the EU can be found in Appendix 2.

Between 2001 and 2003, the EU imported more of all product groups, especially equipment for fitness, balls, rackets, golf, saddlery, team/field sports, camping goods and fishing tackle from developing countries. China now dominates the supply of most product groups, as is shown in table 5.12.

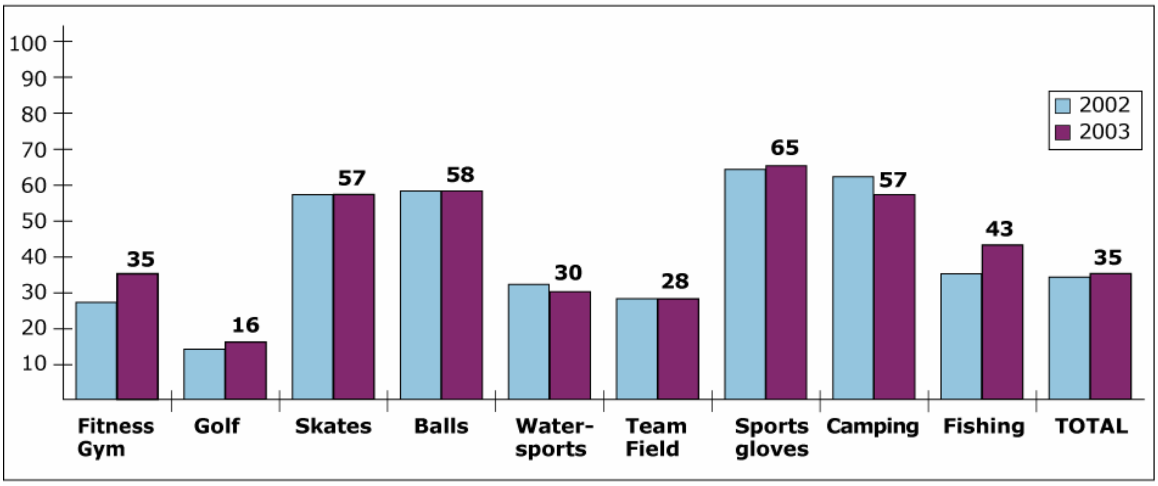
Table 5.12 EU imports from Developing Countries by product group, 2003

Product group	DC supplies Million €	Major supplies from Developing Countries to the EU % of total EU import value of each product group
Fitness/gym	316	China (32%), Malaysia (1%), Thailand (0.3%), Pakistan (0.5%), India (0.2%), Turkey (0.2%),
Balls	218	Pakistan (22%), China (20%), India (4%), Thailand (4%), Philippines (4%), Indonesia (1%), Morocco (1%), Vietnam (1%), Malaysia (0.1%), Mexico (0.1%),
Skates	157	China (49%), Thailand (7%), Malaysia, Tunisia, Mexico, Pakistan, India, Indonesia, Vietnam, Cambodia
Watersports	91	China (19%), Thailand (7%), Sri Lanka (2%), South Africa (1%), Tunisia (0.5%), Malaysia (0.3%), Vietnam (0.2%), Venezuela (0.2%).
Golf	91	China (14%), Thailand (0.6%), India (0.5%), Malaysia, Pakistan, Vietnam, Indonesia, Mauritius, South Africa, Philippines, Mexico,
Sports gloves	34	Pakistan (26%), China (21%), Indonesia (7%), India (4%), Thailand (2%), Vietnam (3%), Sri Lanka (0.5%), Philippines, Morocco, Mexico
Team / field sports	245	China (24%), Pakistan (1%), India (0.8%), Malaysia (0.3%), Thailand (0.3 %), Mexico (0.3%), South Africa (0.1%), Vietnam (0.3%), Turkey, Philippines
Camping goods	290	China (51%), Vietnam (2%), Brazil (0.7%), Indonesia (0.2%), India (0.2%), Pakistan (0.1%), Turkey (0.2%), Bangladesh (0.9%), Tunisia (0.1%), Colombia
Fishing tackle	170	China (36%), Malaysia (2%), India (2%), Thailand (1%), Philippines (1%), Tunisia (0.3%), Madagascar (0.5%), Kenya (0.2%), Vietnam (0.2%)

Source: Eurostat (2004)

The share from developing countries in the total value of EU imports of sports goods increased from 34 to 35 percent between 2001 and 2003. This share increased for most product groups, particularly in equipment for fitness, saddlery, golf and fishing. The categories in decline were rackets and camping goods. The shares in the period of review in the supplies from developing countries by product group are shown in figure 5.11.

Figure 5.11 Share of developing countries in EU sports goods imports, 2001-2003 As percent of total supply (value in €) by product group



Source: Eurostat (2004)

5.3.1 The 10 new EU Countries

Almost 43 percent of all sports goods imports by the 10 new EU Countries came from Developing Countries, valued at € 129 million. The highest proportions were made to Poland and Hungary where Developing Countries accounted for over half of their total sports goods imports. Poland, the Czech Republic and Hungary are the largest importers from Developing Countries, accounting for 75 percent of all imports from Developing Countries. Of the Baltic States, Lithuania had the highest proportion of their imports from Developing Countries.

Fitness accounted for 19 percent of sports goods imports from Developing Countries at a value of almost € 24 million in 2003. Hungary accounted for almost 30 percent of all Developing Country imports of fitness equipment. Poland and the Czech Republic accounted for most of the remainder. China was the dominant supplier, followed by Malaysia.

Camping goods accounted for 17 percent of imports from Developing Countries, primarily destined for Poland and the Czech Republic. Hungary imported about half the amount of these countries. China is overwhelmingly dominant as the source of supply.

Fishing accounted for 15 percent of imports from Developing Countries. Almost 40 percent of this was imported into Poland. Hungary was the next biggest importer, followed by the Czech Republic. The overwhelming supplier was China, although supplies were imported from Malaysia, India, Thailand and Philippines.

Team / field imports were 13 percent of all Developing Country imports, valued at € 17 million. The Czech Republic was the biggest importer (from China primarily) with € 5.3 million, followed by Poland (€ 4.3 million from China with smaller supplies coming from Pakistan).

Poland imported 40 percent of all **balls** from Developing Countries, whilst the tradition of **skating** in the Czech Republic and Slovakia saw those countries dominating the imports.

Table 5.13 Sports Goods imports from Developing Countries by the 10 new EU Countries, 2003, in € million

	Eastern EU Countries					Baltic States				
	Pol	**Czeh**	**Hung**	**Slvak**	**Slven**	**Latv**	**Eston**	**Lithua**	**Cyprus**	**Malt**
Total	**71**	**85**	**50**	**26**	**27**	**12**	**9**	**11**	**9**	**4**
Extra-EU 25	45	44	32	12	10	5	5	7	5	2
Dev. countries	***37***	***33***	***26***	***10***	***7***	***3***	***3***	***5***	***2***	***1***
Team/field	4.3	5.3	3.8	1.1	0.7	0.3	0.2	0.7	0.3	0.1
Fitness	6.5	5.2	6.9	1.5	1.6	0.3	0.5	0.4	0.6	0.3
Fishing	7.0	3.3	4.6	1.0	0.3	0.6	0.4	1.1	0.2	0.3
Camping goods	6.7	6.1	3.3	1.6	1.5	0.6	0.7	1.2	0.2	0.1
Balls	6.1	2.9	2.3	1.1	1.0	0.3	0.4	0.7	0.4	0.2
Skates	2.5	3.5	1.2	1.9	0.8	0.4	0.3	0.4	0.04	0.01
Watersports	1.4	1.1	0.7	0.4	0.5	0.3	0.3	0.3	0.2	0.1
Share DCs in imports (val)	*52%*	*39%*	*52%*	*38%*	*26%*	*25%*	*35%*	*48%*	*25%*	*30%*

Source: Eurostat (2004)

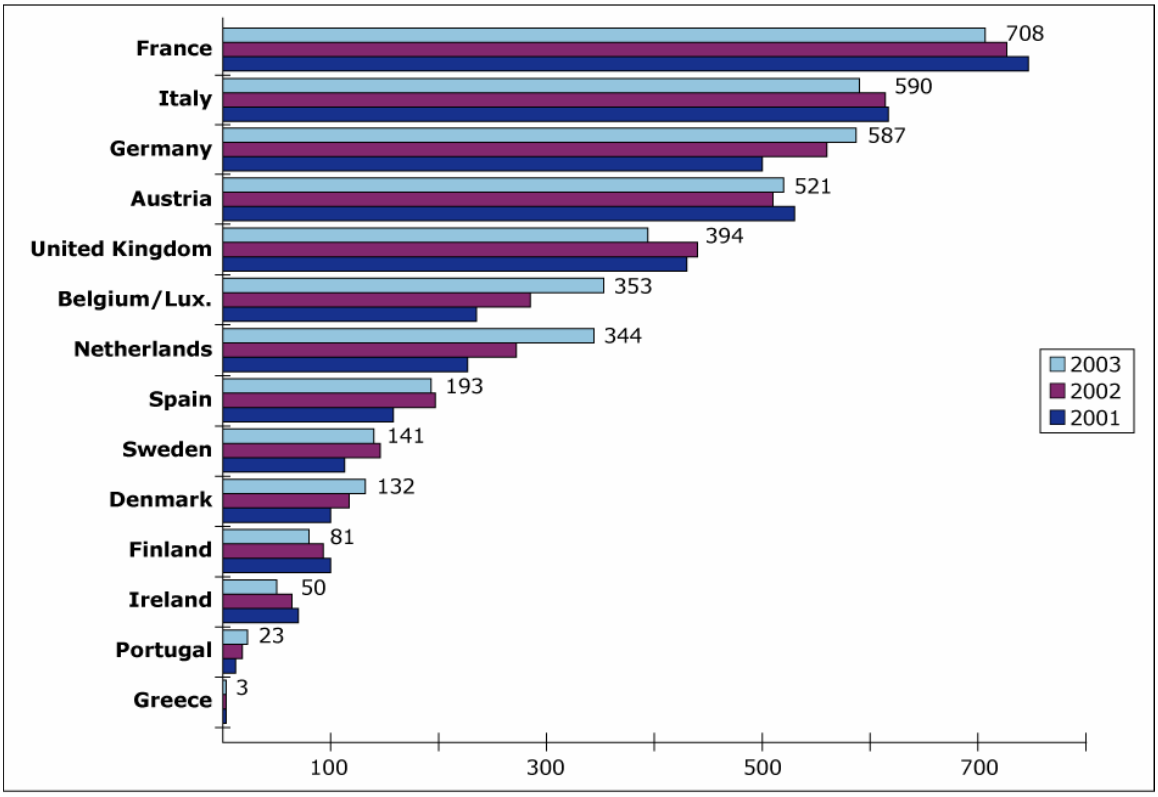
6 EXPORTS

6.1 Total exports by the EU

The EU is among the leading exporters of sports goods in the world. France and Italy are the largest exporters within the EU, reflecting their international leadership role. In 2003, the EU15 exported 427 thousand tonnes with a value of € 4,118 million. A further 29 thousand tonnes valued at € 217 million were exported by the 10 new EU Countries.

EU exports of sports goods were led by France, as an important producer of fitness, snowsports and camping goods. In 2003, French sports goods exports accounted for 17 percent of the EU total by value. This represented 57,712 tonnes, valued at € 708 million. France was followed by Italy (14% of EU exports by value), Germany (14%), Austria (13%), the United Kingdom (10%), Belgium (9%), The Netherlands (8%), Spain (5%), Sweden (3%), Denmark (3%) and Finland (2%).

Figure 6.1 EU exports of sports goods, 2001-2003
Value in € million



Source: Eurostat (2004)

Between 2001 and 2003, EU15 exports increased by 22 percent in volume and by 7 percent in value. As shown in figure 6.1, exports by value increased in Germany, Belgium and The Netherlands. Volume decreases of exports in France (-4%), Italy (-4%) and the United Kingdom (-9%), contrasted with volume increases in Spain (+22%) and Sweden (+25%).

Appendix 2 lists export statistics for the EU (by country and by product group). The most important sports goods exported by the EU in 2003 were: equipment for snowsports (23% of total EU sports goods export value), team/field sports (17%), fitness (13%), watersports (8%), golf (7%), fishing tackle (7%), camping goods (6%), balls (5%), saddlery (4%) and skates (4%). Exports to non-EU destinations increased in volume by 8 percent between 2001 and 2003. However, the value of Extra-EU exports decreased by 5 percent. Weaker exports to the USA, Latin America and Japan have offset gains to South Korea, China and Eastern Europe over this period.

6.2 Exports by the selected countries within the EU

6.2.1 Germany

As the third largest exporter of sports goods in the EU, Germany exported a value of € 587 million in 2003, which represented 14 percent of total EU exports. The most important product groups within German exports were equipment for snowsports, fitness, team/field sports, saddlery and camping goods. Between 2001 and 2003, German exports increased by 16 percent in terms of value, with the largest increases in exports of fitness, snowsports equipment and camping goods. Major destinations of German exports were other EU countries, particularly Austria and Switzerland, as well as extra-EU counties such as USA, Russia and Japan.

6.2.2 France

France was the largest exporter of sports goods, exporting a value of € 708 million or 17 percent of total EU exports in 2003. The most important product groups within the French exports were equipment for snowsports, outdoor sports, watersports, fishing tackle and skates, with large increases in exports of equipment for watersports, fitness, and rackets. Exports of camping goods decreased between 2001 and 2003. Major destinations of French exports were USA, Japan, Italy, Spain, Germany and other EU countries. Switzerland, Canada, Poland and South Korea were other important non-EU destinations.

6.2.3 United Kingdom

In 2003, the United Kingdom exported 20,600 tonnes of sports goods with a total value of € 394 million, or 10 percent of total EU exports. The UK is a sizeable exporter of sports goods owing to the presence of many specialised manufacturers of sports equipment and it re-exports much golf equipment, saddlery and fishing tackle. These articles and equipment for fitness and team/field sports were the most important product groups exported. Between 2001 and 2003 the volume of British exports decreased by 15 percent, as less golf equipment was exported. Major destinations of UK exports were other EU countries, USA, Canada, Japan and Australia.

6.2.4 Spain

Spain exported sports goods valued at € 193 million in 2003. Within Spanish exports, the most important product groups were equipment for outdoor sports, snowsports, fitness, and watersports. Large increases in exports of skis, snowboards, surf/sail boards, and equipment for table tennis and team/field sports were registered. Exports of camping goods, rackets and balls decreased in the period under review. Major destinations of Spanish exports were France, Portugal and other EU countries, as well as USA, Andorra and Japan.

6.2.5 Italy

Italy had a 14 percent share of all sports goods exports and exported a volume of 61,691 tonnes, valued at € 590 million in 2003. Within the Italian exports, the most important product groups were equipment for outdoor sports, watersports, fitness and skates, as well as snowsports. Between 2001 and 2003, Italy exported more fitness equipment, skates and other watersports articles. Exports of saddlery, camping goods, snowsports and golf equipment decreased in the period under review. Major destinations of Italian exports were USA, France, Germany, the United Kingdom, Spain and other EU countries.

6.2.6 The Netherlands

The Netherlands exported a total volume of 39,361 tonnes of sports goods valued at € 344 million in 2003.The Netherlands was a sizeable exporter of sports goods primarily because of re-exporting by large distribution centres owned by Adidas, Reebok and Asics. In 2003, around 45 percent of Dutch exports were re-exports to other countries. The most important product groups were fitness/gym, balls, team/field, golf, fishing tackle and camping goods, with large increases in exports of fitness equipment, balls, golf and fishing tackle. Major destinations of Dutch exports were other EU countries, particularly Germany, as well as USA and Russia.

6.2.7 Sweden

Sweden had a 3 percent share of all sports goods exports and exported a volume of 13,912 tonnes, valued at € 141 million in 2003. Within Swedish exports, the most important product groups were equipment for outdoor sports, fishing tackle, fitness and skates, as well as camping equipment. Between 2001 and 2003, Sweden exported more balls, camping goods, fishing and fitness articles, skates, snowsports and team/field equipment. Exports of watersports equipment decreased in the period under review. Major destinations for Swedish exports were USA, Finland, the United Kingdom, Denmark, Germany, Japan and other EU countries.

6.2.8 The 10 new EU Countries

In 2003 sports goods exports from the 10 new EU Countries amounted to € 217 million, of which 24 percent was camping goods and 22 percent was team/field. 74 percent of exports were made to EU25 countries led by Germany and Austria. Over 10 percent of all exports were to the USA. Just 1 percent of these exports were made to Developing Countries.

The ***Czech Republic*** is the largest exporter, accounting for 46 percent of the total. Over half of all their exports are camping goods and team/field equipment. Germany receives most of their exports, followed by the USA and Austria.

Poland accounted for 18 percent of the 10 new EU Countries' exports, the vast majority being camping goods destined for The Netherlands and Germany. Other major exports were team/field equipment (€ 5.2m), fishing (€ 5.4m) and fitness equipment (€ 4.6m).

The ***Baltic States*** account for 7 percent of all the 10 new EU Countries' exports, of which Estonia is most active, particularly to Sweden and Finland. ***Malta & Cyprus*** have negligible sports goods exports.

Table 6.1 Sports Goods exports by the 10 new EU Countries, 2003, in € million

	Eastern EU countries					Baltic States				
	Pol	Czeh	Hung	Slven	Slvak	Lithua	Eston	Latv	Cyprus	Malt
Total	**38**	**101**	**12**	**40**	**9**	**1.5**	**12**	**1.5**	**0.2**	**1.0**
Extra-EU25	4.2	31.3	3.8	10.0	2.1	1.0	9.2	1.0	-	0.1
Team/field	5.2	30.6	2.1	1.4	6.5	0.2	1.3	0.6	0.1	0.04
Fitness	4.6	2.7	4.1	0.7	0.2	0.2	1.0	0.02	0.01	0.1
Fishing	5.4	1.8	2.0	0.1	0.1	0.5	0.3	0.5	-	-
Camping goods	16.4	21.2	1.0	10.5	0.2	0.1	2.1	-	-	-
Balls	0.3	2.6	0.7	0.1	0.1	0.1	0.3	-	0.1	-
Skates	0.06	3.4	0.3	0.4	0.07	0.05	0.2	-	-	-
Watersports	0.3	4.3	0.2	0.07	0.2	0.1	1.2	0.3	-	0.1

Source: Eurostat (2004)

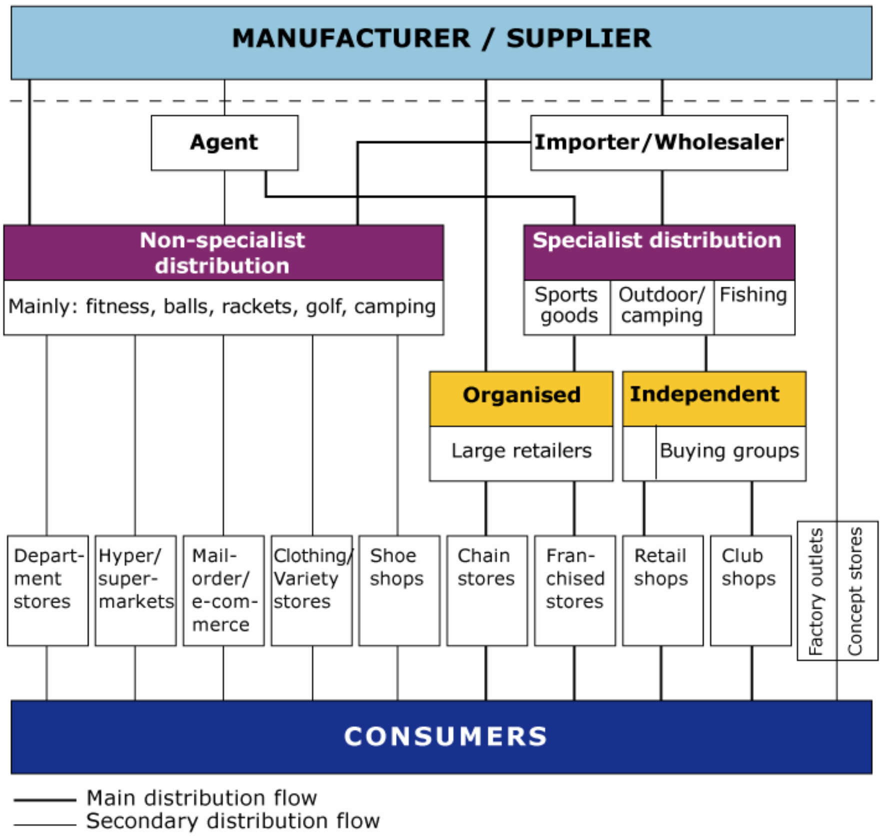
An overview of EU exports by country and product group can be found at the end of Appendix 2.

7 TRADE STRUCTURE

7.1 EU trade channels

Large manufacturers/suppliers have their own distribution networks and sell directly to consumers. Smaller manufacturers operate through importers/wholesalers and/or agents. In the past few years, sports goods have become much more widely available within all the selected EU markets. The key drivers have been increased demand for sports goods in the mid 1990s and rising sales by non-specialised retail outlets such as clothing stores, department stores, hyper- and supermarkets. In 2003, sales of sports goods by these non-specialists was around 30%. The distribution structure for sports goods is shown below:

Figure 7.1 Typical distribution structure when exporting sports goods direct to the EU



Note: Sports goods includes here sports equipment, clothing and footwear

Manufacturers/suppliers

Over 80% of sport goods are produced outside the EU, mainly in Asian countries, especially China. Most brand manufacturers/suppliers have their headquarters in the USA or in the EU. Powerful international brands dominate. Brands such as Nike, Reebok, Adidas and Puma have become recognisable international symbols of quality, prestige and technical innovation. Symbols such as Nike's "swoosh" device and Adidas' three stripes are instantly recognisable, transcending linguistic and cultural boundaries.

The major brands have all moved into retail with a network of concept stores. Nike has the Niketown model with stores in London and Berlin, as well as a network of franchised stores in France, Germany and the United Kingdom. Germany's Puma has stores in Milan, Rome, London and Paris. Italy's Fila has the Fila Sport Life Store network with stores in Milan and Paris. Niche brands such as surf and boardwear specialist Quiksilver are becoming more recognisable. They have their own network of stores around Europe.

Brand manufacturers have their own exclusive importers in each country who are engaged in sales and service. The actual distribution of the goods is controlled by their *distribution centre*. For example, Nike has its distribution centre for all EU countries in Belgium (Laakdal), while Adidas has its centre in The Netherlands (Moerdijk). Amer, which owns the Wilson brand, is opening a new European distribution centre at Uberherrn in Germany, close to the French border.

Most centres have advanced order control systems and are able to supply sports goods to any EU country within 48 hours. Deliveries can be made to importers/wholesalers, buying groups, large retailers or to their own *concept stores.* Concept/*flagship* or *single brand stores* are strongly represented in France and Italy and are expanding in the other EU countries. Most are smaller stores in sports resorts, sized between 80 and 150 m².

Factory outlets, established by manufacturers to sell 'out of date articles' from unsold stock direct to consumers, are growing in importance in the EU. Due to a lack of adequate legislation, they are a serious threat to sports retailers, especially in southern EU countries. Here, FOC (Factory Outlet Centre) schemes are being built closer to major cities and there is no clear definition of the goods that are allowed to be sold in these centres.

Brand manufacturers act more like *suppliers* now since they hardly produce any articles by themselves. Adidas-Salomon (Germany) and Nike (USA) dominate the EU sports goods market, although it was announced in March 2005 that Quiksilver is setting out to rival these giants by buying the loss-making French ski-maker Rossignol. They aim to represent in outdoor what Nike and Adidas represent in teamsports.

Adidas-Salomon: Founded by Adolf Dassler, the company originated in Germany and has a long history in football and athletic footwear. In 1998, Adidas acquired Salomon, France's largest manufacturer of golf (Taylor Made) and ski equipment. Adidas is the official sponsor of the 2006 football world cup. Most goods are made in Asia (China, Pakistan, India, Taiwan, Vietnam, Indonesia), Eastern Europe and North Africa (Morocco). In Europe they have one small factory for footballs. See also http://www.adidas.com

Nike started in the 1970s as running shoe specialists and now their product range now includes sports footwear, clothing, caps, some equipment (e.g. balls, golf), bags and sport-related accessories. The popularity of brands, the Americanisation in Europe and their aggressive marketing have all been crucial to their success. In London, they opened their concept store Niketown (6,395 m²), while similar stores have opened up in Berlin (4,500 m²)and Paris. Similar to Adidas, most goods are made in Asia (China, Pakistan, India, Taiwan, Vietnam), Latin America, Eastern Europe and North Africa. See also http://www.nike.com

Importers/wholesalers

Importers purchase directly from foreign manufacturers, sell the sports goods in their own country and are familiar with the local market situation. Those importers who are not exclusively tied to a brand manufacturer usually buy and sell the goods, take care of import/export procedures and hold items in stock. Many importers sell directly to retailers through permanent exhibition centres, while others have their own sales staff who visit retailers on a regular basis and take orders.

Wholesalers often supply independent sports shops and play a major role in the supply of sports equipment. They either specialise or carry a wide variety of products or brands. The trend of bigger retailers and buying groups going outside the traditional distribution system, along with the development of parallel imports and brand imitations, has caused wholesalers to reconsider their position in the distribution structure. This has encouraged wholesalers, who were losing part of their business, to operate on a regional basis.

Agents

These are mainly independent companies which negotiate and settle business on the instructions of their principals and act as intermediaries between buyer and seller. They do not buy or sell on their own account and work on a commission basis. Most agents represent more than one exporter, although competition is avoided. Agents are more common in southern EU countries.

Buying Groups
These groups act as purchasing agents for their individual members (retail shops) and act as financial intermediaries between suppliers and retailers. Before each season starts, sports collections are selected by committees which are made up of members of the buying group. The largest European buying group is *Intersport*, with 3,300 member outlets in the selected EU countries (sales in 2003: € 4,000 million). Their family focussed stores offer much *'expert advice'* on sports.

Sport 2000 is the second largest buying group with sales of € 2,600 million achieved by 2,400 stores. These stores are more fashion focussed and recently larger sized Sport Point Stores (1,000 m²) were opened up in Germany, France and The Netherlands in order to compete with clothing stores. Other major buying groups include *Twinner/Technicien du Sports*, mainly operating in France, Italy and Spain.

The objective of the buying group is to make it possible for its members to deal with the growing power of large sports chain stores. As a group, they also have the necessary buying power to obtain greater discounts from suppliers. Many retailers in most of the selected EU countries are connected to buying groups.

Retailers
As was shown in figure 7.1, the structure of sports goods distribution can be broadly divided as follows:

- ***Specialist distribution***, where all retailers specialise in sports goods or in sub-sectors such as outdoor/camping goods or fishing tackle. In 2003, the share of retail sales accounted for by specialist retailers in the six selected countries averaged 70%. Specialists can be *organised* or *independent*. *Organised* retailers are the large chain stores, franchised stores and concept stores. *Independent* retailers are smaller shops, which are more common in southern EU countries.
- ***Non-specialist distribution***, are all outlets mainly selling other items, but which include sports goods. For example, department stores, hypermarkets, supermarkets, clothing variety stores, shoe shops, mail order companies. In 2003, the share in EU sports goods sales by non-specialist retailers was around 30% and is expected to grow further in the coming years.

Retailers – specialised outlets
In 2003, the floor space of a retail outlet averaged over 1,000 m², instead of 200 m² thirty years ago. In Italy and Spain, however, the market share of small outlets is still high.

Chain stores are stores with the same name under central management. Along with the growth of out-of-town shopping centres, sports chain stores, or ***category killers***, are now well represented in all selected countries. They can be also found in the high street and in location e.g. at wintersports, mountain or watersports resorts. The more ***general type of chain stores*** (or megastores) carry the major brands, have sports-specific sections, offer a broad range and offer additional services e.g. test areas or restaurants. Their main target groups are recreational sportsmen or women.

The number of smaller ***regional chain stores***, operating in a specific area has grown fast in France, Italy and Spain. ***Specialised chain stores*** in e.g. outdoor/camping, fishing, skating, golf, expanded in all countries.

In 2003, *Décathlon* was the largest chain store operation with huge outlets (sized between 2,000 and 10,000 m²). Decathlon is followed by *JJB sports* (UK), *John David Group* (UK), *Sports World* (UK) and *Go Sport* (France), and the department stores *Karstadt* (Germany) and *El Corte Inglés* (Spain).

Concentration in the sports goods trade has increased rapidly during the past few years. Significant chain store retailers have reached saturation point in their own country due to local planning restrictions in respect of shopping centres and have looked abroad for expansion.

Independent sports shops are distinguished in two categories, both having different product mixes:

- ***Single sport shops****,* which sell mostly equipment. Nowadays they also stock clothing to attract customers. This type of shop can be also found on the spot and is fairly common for golf (*pro-shops*), horse riding, tennis, snowsports, skateboards and includes *clubs shops* (football, fitness).
- ***Fashionable sports shops***, which have an emphasis on branded sports clothing and footwear. Due to changes in the sports goods market, some of these shops have been forced to sell more sportswear than equipment, while others have reduced their risks by becoming members of a buying group.

Franchised stores are more common in France. Recently they have opted for more specialisation in one particular field of sports e.g. sliding sports (e.g. Quai 30) or fishing (Europêche with 140 outlets).

Retailers – non-specialised outlets

The success of chain stores stimulated the total sports goods market, which in turn attracted the attention of non-specialised outlets e.g. department stores, hypermarkets and discounters. The increased sales made by all these outlets in the past few years illustrates the trend for sportswear to be increasingly worn as leisurewear. They started to sell sports footwear, particularly fast moving items, followed by trainers, replica kits, other popular sports clothing and sports goods (*fitness, balls, rackets, camping goods*). In 2003, non-specialist retailers accounted for 30% of sports goods sales.

Department stores are important in the sports goods market by selling sports equipment and, more recently, sportswear. The German Karstadt (170 stores), Kaufhof (120) and the Spanish El Corte Inglés (60) are leaders in the EU sports goods market. They have sportswear departments and concessions in their stores, including their own brand. Department stores in other countries e.g. Galeries Lafayette (France), John Lewis (UK), Coin (Italy) and V&D (The Netherlands) also carry a wide range of sports goods.

Hypermarkets, supermarkets and discounters have grown in importance. They have had a major influence on the increased price competition in the whole market, with discounters selling at low prices. Like most department stores, they concentrate on fast-moving sports goods and seasonal items, which require minimal advice and service. Some large retail organisations e.g. Carréfour (France), Metro and Aldi (Germany), who produce their own sports goods (mostly sportswear), are integrating manufacturing with mainstream fashion retailing to increase their profit margins.

Mail order increased its share in the sports market, especially in the UK. Catalogues are more fashion focussed and offer the leading brands of sportswear and some sports equipment (outdoor, fitness, golf). Fitness equipment is also sold through television from US manufacturers. In the selected countries, major mail order companies include Argos (UK), Otto, Neckermann, Quelle (Germany) and Trois Suisses, Camif and La Redoute (France). In addition, large sports retailers (Décathlon, Go Sport, Sport Scheck) and specialists in rugby (*Rugby Shop*), tennis (*Tennis Pro*) offer their own mail order services on the Internet. Catalogues can be downloaded from Internet sites, picked up in-store or mailed to consumers. The mail order business has now shifted to e-commerce.

The internet is becoming a significant source of information as well as direct purchase. Mail order companies and retailers have created Internet sites for sportswear and equipment. With technological improvements such as interactive TV, this sales channel is likely to grow. However, there are still many consumers who prefer to be able to try out items before they buy and are suspicious about giving their credit card number.

Retailers versus suppliers

The increasingly concentrated and powerful retail sector has strengthened its position. This has had a negative impact on suppliers, smaller EU manufacturers, and importers who are being squeezed out in some cases. Large retailers source direct from any country or buy overstocked items at very low prices. Décathlon produce their own labelled sports equipment, clothing and footwear, mainly in France.

For their part, suppliers compete by offering their own discount policies to different retailers (or buying groups), and expand their own concept stores. In addition, suppliers tend to pressurise retailers to order earlier and in large quantities. These developments created a growing mistrust from retailers against suppliers. The main problems for both were summarised in a survey by SRE Magazine as follows:

- **Suppliers' discount policies** - (for retailers).
- **Suppliers' competition by FOCs** - (for retailers).
- **Price wars initiated by discounters** - (for both suppliers and retailers)
- **Competition from large chain stores** - (for both suppliers and smaller retailers).
- **Competition from non-specialists** - (for both suppliers and retailers).
- **Suppliers' pressure to order early** - (for retailers).
- **Supplier's licensed sales to a few retailers** - (for retailers).
- **Low margins/high costs** - (for both suppliers and retailers).

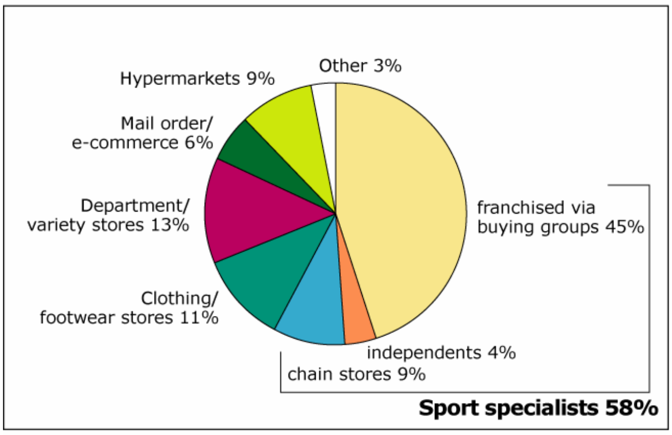
7.1.1 Trade Channels in the selected countries

The supply chain situation is next described in the seven selected countries, followed by an overview of the supply chain in the 10 new EU countries. The key differences between these countries and the former EU15 are also highlighted.

7.1.2 Germany

Sports specialists account for 58 percent of retail sales, dominated by small specialist independent retailers that are affiliated to buying groups. The German retail trade is dominated by the buying group Intersport (http://www.intersport.de) which has over 1,700 outlets.

Figure 7.2 Share of Retail Distribution of sports equipment in Germany, 2003, percent value



Source: Mintel, VDS, Euromonitor

Intersport is an international sports buying group with representation in most European countries. Their presence in Germany represents almost half of their total European operation. Intersport have recently signed a partnership agreement with Adidas to be their main partner for the 2006 Football World Cup which is taking place in Germany. Sport 2000 (http://www.sport2000.de) is another European buying group that has more members in Germany than other countries.

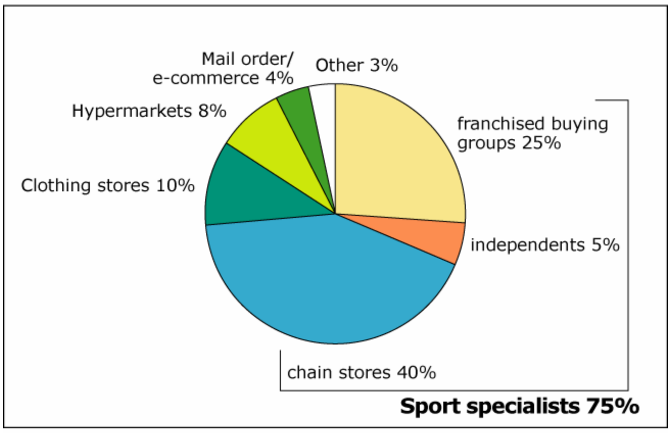
There are remarkably few specialist multiple chains, although KarstadtSport (http://www.karstadtsport.de) and Sportarena (Kaufhof) (http://www.galeria-kaufhof.de) each have a strong market position. Their parent companies are department stores. KarstadtSport owns 114 Runners Point and 17 Golf House outlets, but has recently put them up for sale. Other specialist retailers of note are SportScheck (http://www.sportscheck.com) and Decathlon (http://www.decathlon.de). Mail order accounts for 6 percent in Germany and this channel is a greater threat than other non-specialists to the specialist sector. Young people are increasingly buying online. The largest operator is Otto Versand (http://www.otto.de) which also owns Sportscheck.

There are over 8,000 outlets in Germany selling sports goods of which half of these are sports specialists.

7.1.3 France

France is a large sports equipment market in per capita terms, and it is dominated by sports specialists who account for 75 percent of retail distribution. Intersport (http://www.intersport.fr) is also strong in France with 462 outlets, including Sport Expert, Sport Leader and La Halle du Sport. Sport 2000 (http://www.sport2000.fr) accounts for 414 outlets and is planning to open a new format targeted more specifically at women. Another major buying group in France, particularly noted in the ski equipment market is Twinner – Technicien du Sport, also known as Groupe SED (http://www.twinner.org). They operate 238 outlets. Go Sport also includes the chain Courir and between them operate over 300 outlets (http://www.groupegosport.com).

Figure 7.3 Share of Retail Distribution of sports equipment in France, 2003, percent value



Source: Mintel, FPS, Euromonitor

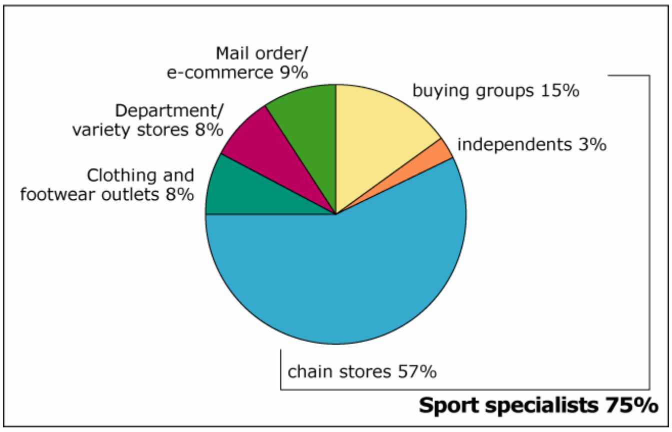
Decathlon (http://www.decathlon.fr) is the largest multiple retailer of sports goods in France with 220 outlets. Its market leading position gives it almost 30 percent of the market. Sports specialists will face continued competition from other channels, particularly hypermarkets and mail order. Department stores are not seen as a threat. Group SED and Sport 2000 merged in 2004 to enable them to better compete with rivals Decathlon, Intersport and Go Sport.

There are 7,950 outlets selling sports goods in France, of which 4,800 are specialists.

7.1.4 United Kingdom

Sports specialists are highly represented in the UK, accounting for 75 percent of sales of sports equipment. The market is dominated by chain stores, particularly JJB Sports (http://www.jjb.co.uk) with 425 outlets; John David Group, formerly JD Sports, (http://www.jdsports.co.uk) (350 outlets) Allsports (http://www.allsports.co.uk) with 270 outlets and Blacks Leisure, (http://www.blacksleisure.co.uk), particularly strong in outdoor sports and board/extreme sports with 375 outlets and. Decathlon, Footlocker and The Athlete's Foot all have a presence. Some of these outlets have alienated many genuine sports enthusiasts with their emphasis on fashion.

Figure 7.4 Share of Retail Distribution of sports equipment in the UK, 2003, percent value



Source: Mintel, Keynote, Euromonitor

Buying groups are also present. Sport 2000 has an affiliated partner, called Sports World (formerly Sports Soccer) which is a discount sports specialist. They operate 125 outlets. Associated Independent Stores, the largest, voluntary, non-food buying group of its kind in Britain, now owns the exclusive rights to the Intersport trademark in the UK.

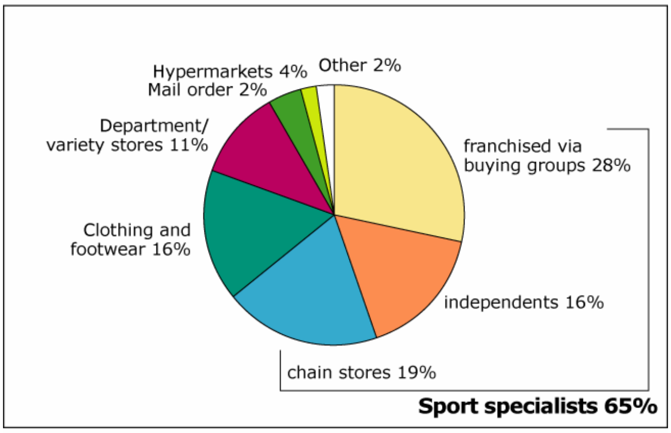
The department store channel is important for sports equipment. The largest is the John Lewis Partnership (http://www.johnlewis.com). Mail order is also an important sector in the UK, accounting for 10 percent of sales. In this sector, Argos (http://www.argos.co.uk) dominates. They emphasise home gym and keep fit items.

There are 3,500 specialist sports goods outlets in the UK.

7.1.5 Spain

The Spanish market is expected to outperform the European average over the next couple of years. Its relatively young population is a positive factor, as are increasing levels of sports participation. 65 percent of retail sales of sports goods in Spain are sold via specialist sports outlets. The strongest non-specialist channels are clothing and footwear shops and department stores, notably El Corte Ingles (http://www.elcorteingles.es). Whilst it is not a specialist, El Corte Ingles is the largest retailer of sports goods in Spain thanks to its very substantial sports halls operating in each of its department stores. 60 of their outlets sell significant amounts of sports goods. It continues to open new stores, but the French retailer Decathlon is expanding its presence in Spain. It may develop a specialist sports format itself, rather like another Spanish retailer, Grupo Eroski (http://www.eroski.es) has done with the creation of Forum Sport.

Figure 7.5 Share of Retail Distribution of sports equipment in Spain, 2003, percent value



Source: Mintel, Euromonitor

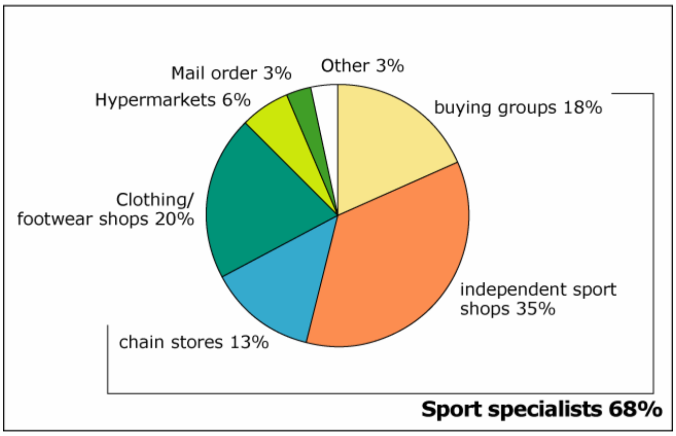
The two major buying groups, Intersport and Sport 2000 have both been successful in entering the highly fragmented Spanish market. Intersport has 320 outlets, many well placed close to ski resorts. Sport 2000 operates 200 outlets with the local partner Detail Sport. The independent lobby is very strong in Spain where there are no fewer than 17 different sports buying groups. However their position is coming under threat from the growth of multiple chains such as Foot Locker and Coronel Tapiocca (http://www.coroneltapiocca.com) that specializes in outdoor sports. Hypermarkets and the Internet will also challenge the independents in the coming years.

Over 5,000 outlets sell sports goods in Spain, of which over 3,500 may be specialists.

7.1.6 Italy

There are a very large number of small independent outlets that sell sports goods in Italy, amongst other things. More consolidation is expected in this market in coming years. At present, sports specialists account for 68 percent of sales of sports goods. The large sports retailer Giacomelli (http://www.giacomellisport.com) which also owned the Longoni chain, has recently been purchased after going into administration at the end of 2003. The retail market in Italy is improving and further expansion is expected from groups such as Decathlon and Footlocker.

Figure 7.6 Share of Retail Distribution of sports equipment in Italy, 2003, percent value



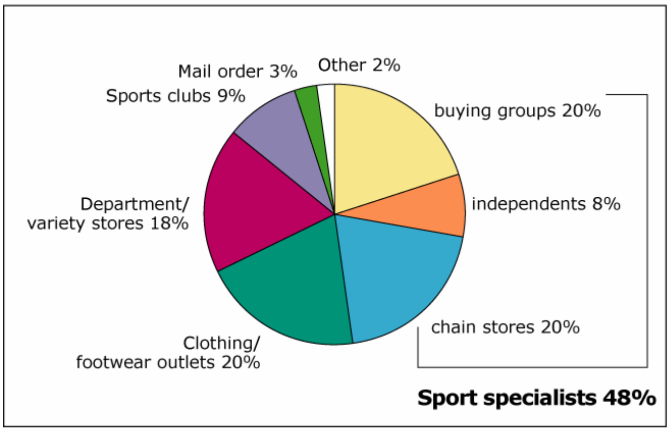
Source: Mintel, Euromonitor

Buying groups are important in Italy. Intersport (http://www.intersport.it) has merged with the Italian sports chain Cisalfa so the combined group now has over 450 outlets. Prior to this, Cisalfa had itself been expanding fast through acquisitions. As well as trading under its own banner, other names included Big Gym and Este Sport. Sport 2000 (http://www.sport2000.it) is also active in Italy, working with Sport Alliance, representing 130 outlets. They have replaced Selezione Sport that suffered when Giacomelli had financial problems.

Of the 25,000 outlets that sell sports goods in Italy, no more than 4,000 could be considered to be specialist sports outlets.

7.1.7 Netherlands

Figure 7.7 Share of Retail Distribution of sports equipment in The Netherlands, 2003, percent value



Source: Mintel, HBD, Euromonitor

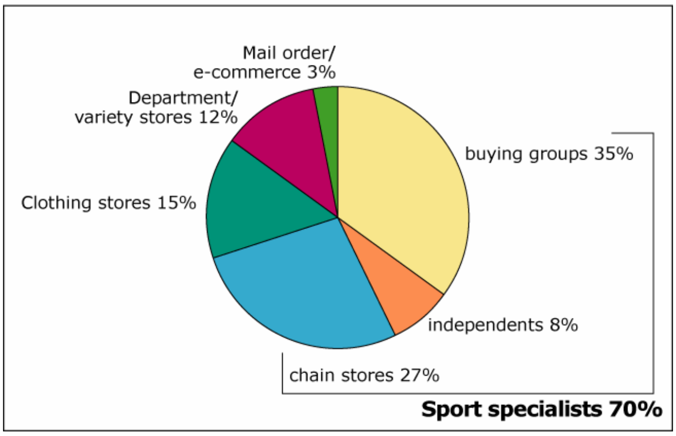
Netherlands probably has the lowest proportion of sports goods sales accounted for by specialist outlets (48%). Retailing has been tough in the Netherlands in the last couple of years, but they have performed better than Germany. Sports participation is high so that should help the sector.

The country's two largest non-food buying groups, Euretco (http://www.euretco.nl) and Intres (http://www.intres.nl) both have big interests with their respective links with Sport 2000 (100 outlets) and Intersport (250 outlets), but also with other sports fascias (Runnerworld, Sportpoint/Euretco and GOS Sport, Coach Sport/Intres). The German-based buying group Garant Schuh (http://www.garantschuh.de) has a presence using the Fairplay and Outdoor names. Other major sports retailers are Aktie Sport, Perry Sport and Bever Zwerfsport.

A high proportion of sports equipment is purchased via sports clubs. Department stores and variety stores are an important sector. Of the 4,300 outlets that sell sports goods, 3,000 are specialists.

7.1.8 Sweden

Figure 7.8 Share of Retail Distribution of sports equipment in Sweden, 2003, percent value



Source: Mintel, Euromonitor, SIDA

The Swedish economy has continued to grow recently when some of the other major European economies have been stagnant. Against this background, the retail environment for sports goods has been reasonably positive. One of the key aspects of retailing is inter-Scandinavian cooperation.

70 percent of sports goods are sold through the specialist sector. Buying groups are well established in Sweden. Intersport operates 140 outlets, and boasts the largest store in Northern Scandinavia. Team Sportia, part of Sport 2000, operates a similar number of outlets. Other major retailers are Sportringen (http://www.sportringen.se) with 89 outlets, Stadium with 79 outlets, and Friluftsbolaget (http://www.friluftsbolaget.se) with 29 stores. There are a couple of other specialists which cater for specific sports, such as Golfstore, and Fenix Outdoor (http://www.fenixoutdoor.se) which sells outdoor and camping equipment.

Outside of the specialist sector, one of the major consumer co-operatives, jointly owned with other Scandinavian co-operatives (http://www.coop.se) has a chain of 43 hypermarkets (called Coop Forum) that sell sports goods. Another department store chain called Domus sells sports goods. Mail order is not very large in Sweden but it is growing quite quickly and this segment is forecast to become more important.

3,200 outlets sell sports goods in Sweden.

7.1.9 The 10 new EU Countries

The 10 new EU countries offer significant opportunities for exporters from Developing Countries. They are closest to the Southern European countries in that the trade is dominated by small independent outlets. However, many of the major international sports chains are already established. Decathlon is the largest sports retailer in Poland. Drapa Sport, Giga Sport, and JB Sport are the largest retail stores in the Czech market.

The extent of the strength of the independent sector is emphasised by the relative lack of buying groups. However in the last couple of years, there have been a number of developments. The French Groupe Go Sport are in Poland. Prior to being sold, Giacomelli had outlets in Hungary, Slovakia, Poland, Estonia and Latvia. Associated Independent Stores (AIS), the UK buying group has outlets in Cyprus. Intersport has 20 stores in The Czech Republic, 12 in Slovenia, and it has recently opened in Slovakia. Sport 2000, in an agreement with Garant Schuh, is now in Hungary, The Czech Republic and Poland, as well as Estonia, Lithuania, and Slovenia.

To tap emerging opportunities in the new countries, it is recommended that exporters link up with regional distributors located in The Czech Republic, Hungary and Poland. For those with little knowledge about Eastern Europe and the Mediterranean, the appointment of sales agents and trading firms based in Western Europe is a viable option.

Sports specialists account for approximately 70% of retail distribution in the 10 new EU countries and something in the range of 10-15% is accounted for by supermarkets and hypermarkets, of which the major European retailers are already well-established. An indication of the main outlets in each country appears in table 7.1:

Table 7.1 Sports outlets in the 10 new EU Countries

Country	Total outlets	Name of major sports outlets
Poland	2,000	Decathlon, Go Sport, Giacomelli, Sport 2000, Campus
Czech Rep	3,300	Giacomelli, Drapa Sport, JB Sport, Intersport, Hudy, Hervis,
Hungary	1,650	Sport 2000, Giacomelli, Decathlon, Hervis, Szinga Sport, Intersport
Slovenia	800	Intersport, Sport 2000
Slovakia	1,250	Intersport
Lithuania	650	
Estonia	350	Sportland, Kesko
Latvia	500	Kesko
Cyprus	N/a	AIG
Malta	N/a	

Source: Mintel, Euromonitor, Trade Estimates

7.2 Distribution channels for developing country exporters

In the case of outsourcing or OEM supplies, as described in Chapter 4, the EU manufacturer/supplier takes care of the distribution of the goods. However, it is recommended that exporters should be familiar with the various distribution channels, how to supply them and be aware of the current issues between suppliers and retailers, as mentioned earlier. In an environment of increasing competition between suppliers and retailers, and ongoing inflexibility of suppliers, exporters can offer a good alternative.

Exporters can also benefit by supplying direct to EU retailers (e.g. Décathlon, JJB Sports, Karstadt, Aldi), who are constantly looking for new sources for their private labelled sports goods.

In the case of direct sales of sports goods, exporters should be aware that distribution channels in the selected EU markets are different. Each market has its own preferred distribution system. For example, the United Kingdom has a diversified system, with multiples and mail order leading the sales of sports goods.

French distribution is characterised by the presence of many franchised stores. German distribution is divided into eight main areas and, in order to cover the whole market, it may be necessary to have a wholesaler in each area. For the geographically small Dutch market, one importer-wholesaler can handle national distribution very effectively. Although large in size, distribution in the Swedish market can be achieved via small numbers of contacts, due to the relatively small population. Distribution in the southern markets of Italy and Spain is far more fragmented than in the north. Taking these differences into consideration, the following channels provide the safest and most effective method of distribution for exporters from developing countries:

- **Distribution by use of an importer in each country.**
- **Distribution through chain stores, buying groups, department stores or hypermarkets.**
- **Distribution through mail order.**

The relative importance of each channel has already been described in section 7.1. The advantages and disadvantages of each channel can be found in Chapter 10.3.

Fair Trade organisations are another possibility for exporters. Although it is still a relatively small sector, there is growing consumer interest. These organisations operate for the benefit of small producers, farmers, co-operatives and exporters from developing countries by providing an outlet for their products in EU countries. This sector is also benefiting from the drive towards greater corporate responsibility, particularly in the sports goods sector. Many consumers are choosing to buy from sources where there is a much shorter link to the producer, and where the origins of a particular product are more transparent and traceable. The main fair trade retailers in Europe are members of the European Fair Trade Association (http://www.eftafairtrade.org).

For example, in The Netherlands, the Fair Trade organisation has six shops and supplies to 300 'Wereldwinkels' (Third World Shops) in the country. All of these shops sell products from developing countries ranging from food, clothing to handicrafts. They have recently started to sell some sports articles e.g. footballs and volleyballs which have been produced under fair trade conditions in Pakistan. Oxfam has an extensive retail network around much of Europe and may provide an opportunity.

The Fair Trade organisation buys only products, which are made under humane and acceptable working conditions (they employ no child labour, for example) and for which a 'fair' price is being paid. These products tend to be sold at a slightly higher price in the respective EU markets, but the producer is guaranteed to receive a higher proportion of the selling price. Sports balls produced in this way have been sold in reasonable quantities in Italy, as well as Germany and the United Kingdom.

8 PRICES

8.1 Price developments

In general, EU prices of sports goods have declined and are competitive, compared to those in the USA. In principle, importers control the recommended retail prices fairly closely, but parallel imports, an oversupply of goods and the increasing importance of discounters have moved the balance in favour of consumers. This was particularly the case for the more fashion-led sports clothing and footwear, but also for equipment such as skates, skis, gloves, rackets, golf clubs and golf balls.

Price cutting and early clearance sales have become regular features of the trade. Moreover, competition between stores has intensified because of the excessive number of non-specialist outlets where sports goods are sold (e.g. discounters, hypermarkets, FOCs etc.). In addition, large retailers who benefit from economies of scale and increased efficiency are in a position to exert much pressure on prices and margins.

Much sports equipment is still sold at regular prices. Serious sports participants look for value for money and regard product performance, technical innovations and comfort in playing to be more important than price. Some retail prices of sports goods are given in table 8.1. Note, in price checking one of the major sporting goods outlets, a major clearance sale was taking place, offering discounts of between 50 and 70 percent on most lines. Perhaps this is a sign of the competitive nature of the market at present.

Table 8.1 Retail prices of selected sports goods in the United Kingdom, 2005

Product	Main Brands	Retail price in € (incl. 17.5% VAT)
Croquet set	*Jaques*	200 – 500
Snowboards	*Best, Explorer, Salomon, Travis Rice*	50 - 250
Rackets (tennis)	*Dunlop, Slazenger, Head, Prince, Wilson, Donnay, Karakal*	20 – 250
Rackets (squash)	*Dunlop, Head, Prince, Wilson, Donnay, Yonex*	12 – 180
Rackets (badminton)	*Carlton, Yonex, Wilson, Prince, Donnay*	12 – 150
Cricket Bats	*Slazenger, Fearnley, Gray Nicholl*	5 – 40
Squash & tennis balls	*Yonex, Wilson, Slazenger, Donnay, Carlton, Mavis*	10 – 20
Table tennis bats	*Dunlop, Tiga, Donnay*	6 – 25
Golf clubs	*Callaway, Taylor Made, Forgan, Nike, King Cobra*	80 – 700
Golf bags	*Triton, Wilson, Dunlop, Nike, Donnay, Top Flight, Adidas*	20 – 150
Golf balls, tees	*Ultra, Pinnacle, Top Flight, The Master's, Spalding, Maxfli*	1 – 20
Helmets, support/protection	*LP Support, No Fear, Kooga, Umbro, Nike, Diadora*	3 – 30
Footballs	*Mitre, Adidas, Nike, Umbro, Donnay, Diadora*	3 – 70
Rugby Balls	*Gilbert, Kooga, Mitre*	6 – 25
Sports gloves	*Nike, Addidas, Diadora, Wilson, Mitre, Uhlsport*	5 – 50
In-line skates	*Phoenix, Stateside, British Knight, Donnay*	30 – 150
Skateboards	*Streetline, Rangers, Stateside, British Knight*	40 – 90
Fitness exercise bikes	*Reebok, Horizon, Trimline, Tunturi*	200 – 1,000
Fitness power training eqt.	*Trimline, Horizon, Reebok, Tunturi, Nordictrack*	500 – 3,000
Grips, ropes, wristwear, thigh toners	*Bally, Uwin, Reydon, Reebok*	20 – 40
Fitness mats, workout kits	*Gaiam, Reebok, Marcy, Gold's Gym, Donnay*	5 – 70
Sleeping bags	*Kozi-tec, Micro-dot, Vango, Hi-Gear*	30 – 75
Tents	*Eurohike, Vango, Coleman, Storm Shield*	60 – 500
Fishing rods	*Harrison, Browning, Fox, Daiwa*	70 – 350
Monitors, counters	*Oregon Scientific, Tanita, Polar*	10 – 180

Source: Store checks (Lilywhites, JD Sports, John Lewis, LD Mountain Centre) Feb. 2005

More consolidation, more sub-brands
Aside from the increasing use of discounting, a further key price driver appears to be greater manufacturers' control over the supply chain. This is manifesting itself in a reduced number of major suppliers, but a proliferation of sub-brands within each major manufacturer. Hence consumers appear to have more choice but in fact that choice is coming from a smaller number of suppliers.

As the Euro becomes more widely used, it will show the discrepancies in pricing between various EU countries. This will result in more competition in all product categories. Southern EU countries will be seen to have lower prices. The Euro will create more transparency and make it easier for retailers to source products from EU countries at the lowest possible price and without conversion costs. Differences in VAT, however, are still large, ranging from 16% in Germany to over 22% in Scandinavian countries.

For sports goods, there are still significant differences in prices within EU countries. For example, the difference in consumer price in 2005 between the cheapest country (Greece) and the most expensive country (Sweden) is estimated by the trade at around 25%.

In order to comply with these differences and the increasing pressure on prices, it is vital that promising new products from exporters of developing countries offer extra value. A new product can be of interest to a buyer either because it is a unique product or is a novelty, or because it could appeal to a particular market segment, in which case the price is of secondary importance.

8.2 Sources of price information

The best way to obtain information about prices and price levels in the EU is by visiting one of the major trade fairs or permanent trade fairs. Alternatively, comparisons can be found in prices given in catalogues from sports chain stores, mail order houses, department stores or from company web sites. Window-shopping in the prospective market place, at several retail shops, is another good way of getting information about prices, fashions, colours, qualities and promotions. Important sources of price information on sports goods are listed below. The addresses can be found in Appendix 3.2.

WFSGI - World Federation of Sports Goods Industry	→	Major issues and trends in prices of sports goods http://www.wfsgi.org
EFTTA - EU Fishing Tackle Trade Association	→	Major issues in prices of fishing tackle in the EU http://www.eftta.com
Sport-Scheck	→	German large chain store of sports goods http://www.sportscheck.com
JJB Sports	→	UK large chain store of sports goods http://www.jjb.com
Perry Sport	→	Dutch chain store of sports goods http://www.perrysport.nl

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9 EU MARKET ACCESS REQUIREMENTS

9.1 Non-tariff trade barriers

More detailed information on each of the following sections can be found at http://www.cbi.nl/accessguide. Needless to say, proper consideration of each of the following issues that are raised can provide considerable competitive advantage for exporters.

9.1.1 Product legislation

EU product legislation on environmental and consumer health and safety issues is compulsory for all producers and distributors to adhere to. Although there is no specific legislation in respect of sports goods, the General Product Safety Directive 2001/95/EC, effective since January 2004, reinforces the general requirement to market safe products and improve product safety measures to ensure a coherent, high level of protection for EU consumers. This directive applies to all products unless the product is subject to specific safety requirements of its own.

Where specific directives are in force the products must carry CE marking. This stands for "Conformité Européenne" and indicates that the product complies with set requirements for safety, health, environment and consumer protection. However, the CE mark is not intended as a guarantee of quality for the consumer. There are no particular directives for sports goods, but Directive 88/378/EEC on the safety of toys makes some reference. Although sports equipment is specifically excluded from the directive, skates and skateboards sold to children must bear the marking “Warning – protective equipment should be worn.” The product must be tested either by the producer himself or by a recognised testing institute (notified body).

The General Product Safety Directive defines a 'safe product' as follows: a product that under reasonably foreseeable conditions of use does not present any risk or minimum risk compatible with the product’s use. Manufacturers must provide consumers with the necessary information in order to assess a product’s inherent threat, particularly when this is not obvious. For example, this may relate to a potential risk of back injury in the use of certain sports articles. However limited risks consistent with the use of the product and from the perspective of a high level of protection for the health and safety of persons are regarded as acceptable when taking into account the following aspects:

- The characteristics of the product.
- The effect of this on other products.
- The way in which the product is offered.
- The categories of consumer.

On the basis of the EU directive on liability, a manufacturer, or his representative in the EU, can be held liable for compensation to person and property caused by a product that turns out to be not as safe as expected. When a relationship between the lack of product safety and the cause of an injury can be proved, a financial compensation can be demanded from the manufacturer for suffering incurred. As the importer will be regarded as the supplier, he will require a contract with the exporter to cover his exposure to any of the above-mentioned potential risks.

In the case of CE marking, standards are used to show compliance with the specific directive. Harmonised standards are based on an amalgamation of existing national standards and ISO standards. These are published by CEN. Producers are not obliged to use them as they are not officially part of the legislation, however use of these standards is the most sensible way to show compliance. Sometimes an ISO standard has become the European standard. An overview of CEN standards can be found on the Internet sites of the CEN. Addresses of CEN and national standards organisations can be found in Appendix 3.1.

Electrical equipment: In the case of electrically operated sports (fitness equipment) or camping goods (heated sleeping bags), there are two directives (92/31/EEG and

93/68/EEG) on electromagnetic compatibility (EMC-directives). They cover electrical material safety and electromagnetic compatibility and apply in all EU member countries.

Synthetic materials: There are no EU directives for the fire safety of synthetic materials (e.g. sleeping bags, tents), although within the clothing and sporting industry safety standards for synthetic materials are being discussed. In this respect, the Personal Protective Equipment Directive (PPE - 89/686/EEC), is currently being reviewed by FESI (Federation of the European Sporting Goods Industry), which represents the interests of EU sports goods manufacturers. The aim of this review is to harmonise product quality and safety within all EU member countries, so that products correspond to the same level of protection, wherever they are purchased. Unlike a directive, a standard is not enshrined in legislation, but it is expected that manufacturers should comply. From January 2005 a new EN standard 13537 came into effect covering the testing and publication of temperature ratings for Sleeping Bags.

The technical committee of the CEN harmonisation (TC85) on eye protective equipment has a standard for personal eye protection for ski goggles for downhill skiing. The technical committee (TC158) on head protection has standards for helmets for equestrian activities, helmets for canoeing and white water sports, head and face protection for ice hockey and protective clothing for roller sports. See Appendix 3.1 for the address of CEN standards bodies.

9.1.2 Market Requirements

Social market requirements

Social issues are now very important in international trade. They concern both general labour conditions, such as minimum wage, and health and safety of employees. Minimum social conditions are now being demanded by many EU trading partners. Importers and retailers do not want their names placed in connection with “sweat shops” or child labour. The use of child labour in the production of sports goods is a serious cause for concern in many EU countries. Widespread publicity has raised consumer and importers' awareness of the issue and has had a negative impact on sales.

The use of child labour in production has been a serious issue in the sports industry. The World Federation of the Sporting Goods Industry (WFSGI) developed, together with the NGOs UNICEF and Save the Children, an International Code of Conduct with ethical standards to which football manufacturers should comply.
More than 85 brands only buy footballs from Pakistan or India carrying a label, which guarantees that these balls are made without child labour. The WFSGI also has a monitoring system with inspectors regularly visiting factories, without giving prior notice. For more information see: http://www.wfsgi.org

Pakistan produced 35 million footballs in 2002, roughly 75 percent of the total world output. In one district, Sialkot, 7,700 children between the ages of 5 and 14 years old are the main producers of footballs of the well-known brands Nike, Adidas and Reebok. Leading producers in the sporting goods industry, NGOs, government representatives, ILO, UNICEF and other international organisations met in Atlanta in 1996 to explore how the sporting goods industry could contribute to the eradication of child labour. The industry has moved a long way since then:

- The 2004 Global Forum for Sports and the Environment was held in Lahore, Pakistan
- Organised by the United Nations Environment Programme (UNEP), the Global Sports Alliance (GSA) and the Pakistan-based Irfan Group of Companies, it explored ways the sporting goods industry can enshrine sustainable development in their activities
- The Lahore/Sialkot Declaration on Corporate Environmental Responsibility resulted
- It acknowledges that it is inspired by the social progress achieved in many places, including Sialkot, where child labour has been eliminated from the soccer ball industry.

More than 50 leading brand manufacturers only buy soccer balls from Pakistan carrying a label which guarantees that they are made without child labour. In addition, some well-known brand manufacturers/importers have their own standards. An example is balls made in compliance with the '*Reebok Human Rights Production Standards*'. Most EU sports trade associations support the Agreement.

The organisation responsible for issuing the fair trade label throughout Europe (http://www.fairtrade.net) certifies the use of their label on certain stitched balls from Pakistan and has published standards for their production. One large manufacturer in Pakistan who contracts out the stitching of the balls to special stitching centres, where children do not work and where normal salaries (per piece) are paid, makes these soccer balls. The balls have been well received by consumers who also regard this issue as a serious one. The International Labour Organisation is also involved in similar initiatives.

More promotion to increase consumer awareness of the child labour issue in the production of soccer balls and other sports goods is expected. The soccer ball programme serves as an example for other sports goods or sportswear (e.g. sports shirts). For more detailed information on this issue the WFSGI, ILO or any sports trade association can be contacted. Addresses can be found in Appendix 3.6.

Exporters who can guarantee and prove that their products are made without child labour will not only have a competitive advantage over other products, but will also have a much better chance of establishing a long-term business relationship. In addition, the EU has added a 'social clause' to the Generalised System of Preferences (GSP), which allows for special import tariff reductions for products that are produced in a humane way.

It should, however, be noted that producers and exporters in developing countries can never be subject to EU legislation regarding labour conditions. Companies in developing countries only have to comply with legislation in the 'home' country. However, social issues are becoming increasingly important. As in other industrial sectors, sports trade associations in some EU countries are currently exploring the possibility of developing a model code of ethical conduct for the production of some sports goods. Another development is the introduction of a certified environmental management system (SA 8000) according ISO 14001, which is internationally recognised.

Environmental market requirements

Awareness of environmental problems has increased in the past few years and has become an important issue in the international sports goods trade. In respect of environmental aspects, sports goods are a complicated product group. Not only are there a wide variety of products, but an extensive range of materials is also used.

Environmentally conscious product development is of great economic importance: there is a growing demand for sustainable products in most consumer markets. Moreover, environmental legislation governing both domestic and foreign products has an effect on the competitiveness of trade and industry. New opportunities are afforded to those businesses that are able to take advantage of this trend.

Most sports goods are often put on the market indirectly, through importers. In most cases, this makes the importer responsible for the product. Importers might therefore encourage or even force their overseas suppliers to meet certain environmental standards. Legally binding guarantees are sometimes required by importers.

Although some environmental legislation may not yet be compulsory, it is now an opportunity for exporters to meet these requirements as much as they can. Although costly or arduous to implement, they undoubtedly provide a competitive advantage. An example of this would be ISO 14000 certification. These represent standards of environmental management. This certification is highly valued by some buyers.

Quality related market requirements
The EU harmonisation committee CEN TC 136 is coordinating the harmonisation of standards and testing procedures for sports goods. In 2005, there were standards for a number of items of sports equipment, including:

- various items of gymnastic equipment – horses and bucks, horizontal bars, wall bars, lattice ladders and climbing frames, balancing beams, hanging rings, trampolines, parallel bars, asymmetric bars, vaulting boxes.
- sports mats – gymnastic mats, pole vault and high jump mats, judo mats.
- playing field equipment – basketball equipment, volleyball equipment, badminton equipment, tennis equipment, football goals, handball goals, hockey goals
- table tennis equipment.
- roller sports equipment – skateboards, inline skates, roller skates.
- stationary training equipment - strength training equipment, strength training benches, pedal crank training equipment, treadmills, rowing machines, steppers, stair climbers, elliptical trainers.

Standards are also under development for exercise bicycles and camping tents.

Each country still has some freedom to introduce new legislation and standards, but these cannot become trade barriers within the single EU market. Germany has been especially active in developing various standards for sports goods. The DIN (Deutscher Institut für Normierung) has standards on gymnastic, climbing, diving equipment and camping goods.

Because new standards are constantly under preparation, exporters to a specific EU market are recommended to check the required quality standards very carefully with the relevant standard organisations and importers. Each EU country has its own standards organisation of which the addresses can be found in Appendix 3.1.

With regard to equipment for professional games and playgrounds, balls and other articles approved by the relevant sports federations are allowed. Examples are tennis balls, tested and approved by the ITF (International Tennis Federation) or footballs approved by FIFA. Although these are not national regulations, such testing and approval procedures should be observed by the exporter. For more information on market requirements, see CBI's AccessGuide at http://www.cbi.nl/accessguide

9.1.3 Occupational Health and Safety

Exporters to the EU are not obliged to comply with legislation on labour conditions in EU countries, but they do have to comply with legislation in their home country. As occupational health and safety issues (OHS) are becoming increasingly important in the EU, European legislation on working conditions may serve as an example on how standards for occupational health and safety can be set.

A number of operations are performed in the process of manufacturing sports goods. Welding, polishing, painting, leather treatment etc., may all present risks for workers' safety and health in the work place. Manufacturers can take preventive measures by observing general aspects like physical straining (in order to prevent injuries) and optimise the facilities in the workplace as much as possible. Manufacturers can take preventive measures in the following areas:

Physical straining →	To prevent injuries, use lifting aids, adjustable worktables and support tables.
Safety →	Use safe welding masks, which should be amply available.
Chemical safety →	Employees should be protected from gases released from welding or from material like nickel, which can cause lung and nose cancer
Workplace facilities →	Take care that workspaces and walkways are clean, well-lit and tidy and that there is sufficient ventilation.

Employees should be instructed properly and they should be provided with tight-fitting clothes and special protective wear. Further information on labour conditions can be obtained from the International Labour Organisation, which is the UN organisation dealing with all aspects of work; the address can be found in Appendix 3.6. For more information on occupational health and safety, see http://www.cbi.nl/accessguide

9.1.4 Environmentally sound production

Industries in developing countries, as well as their European counterparts, have to respond to ever changing and increasing environmental pressures and may well need to transform their management and production styles. This requires new approaches in companies, ranging from new management and employee awareness and commitment to integrate environmental issues fully into the production process, product development, and research and market strategies of the company.

Many companies are already improving process efficiency, including waste minimisation, and energy, water, and (raw) materials efficiency. The next steps are towards a more integrated approach to cleaner technologies and the production of more environmentally acceptable products. All involve measures to prevent pollution.

Experience in both developed and developing countries shows that environmentally sound production not only results in a cleaner environment, but also in substantial savings for industry and society. Some cleaner production measures do not even involve any cost. If investments are needed, the savings achieved in terms of material and labour costs are often more than sufficient to offset initial higher investment costs. It is estimated that 70% of all current wastes and emissions from industrial processes can be prevented by the use of technically sound and economically profitable procedures.

The main materials used for the production of sports and camping goods are metal, plastics, rubber, textiles and leather. Each of these materials and their environmental impacts will be discussed below.

Metals
The use of coolants and lubricants has by far the greatest environmental impact. These substances may contain all kinds of chemical additives and mineral or synthetic oils, for instance VOCs (Volatile Organic Compounds), and are considered to be hazardous to the environment. Between 85 and 90% of the metal-treatment liquids is emitted into the environment. One way to decrease the consumption of coolants and lubricants is to avoid them in the first place. Dry metal removal can be an option in turning, milling and drilling bronze, aluminium, steel, carbon steel and stainless steel. Unfortunately, the use of cooling lubricants cannot usually be avoided. Environmentally sound compounds, such as vegetable oils, can be easily obtained in many countries at relatively low cost.

Plastics
Many harmful substances are used in the production process. The following table provides an overview of harmful monomers and raw materials used in the production of polymers.

Polymer	Harmful substances
PS	benzene, ethylbenzene, styrene
PVC	chlorine, 1,2-dichloro-ethane, vinylchlorine, mercury
PUR	propene- end ethane-oxide, ethylene glycol, adipine-acid, phosgene, toluene di-iso cyanate TDI, toluene diamine, toluene, diphenylmethane, isocyanate MDI, benzene
ABS	acrilonitril, butadiene, styrene
PC	bisfenol A, phosgene, dichloro-methane, pyridine
POM	formaldehyde, ethane oxide, diethylene ether
PPE	2,6-dimethylfenol

Many of the additives used in the production process of plastics are harmful to the environment, especially pigments, fire-retardants and heat-stabilisers. Additives that are not burned in waste disposal installations, like heavy metals, will end up in the environment. The pigments cadmium and lead chromate and the fire retardant antimony are non-degradable substances that have a significant impact on the environment. The production of plastics will be more environmentally sound when manufacturers use less heavy metals, organobromide and organochlorine compounds. Research is being carried out to develop substitutes for additives which are less damaging to the environment. The re-use of plastics helps to prevent environmental degradation and pollution.

Rubber
Natural rubber is a viscous, soft and tacky substance. Virgin rubber (natural as well as synthetic) is not suitable for direct use. To give rubber the required properties (elasticity, strength, hardness etc.), a number of additives must be introduced during processing. Spilling of additives can be reduced by adding non-rubber compounds to the rubber mixture at such a speed that they are absorbed directly into the rubber layer. Furthermore, optimisation of the mixing process is important, as this saves energy. The air emission of volatile additives and dust can be decreased by the application of a closed compounding unit and a closed transport system for powdered and liquid compounds.

Textiles
Textile processing is characterised by the vast amount of water required and by the variety of chemicals used in a long sequence of wet processing stages, which generate much waste. Environmental problems associated with textiles are typically those associated with water pollution caused by the discharge of untreated effluents. Liquid wastes from washing operations contain a substantial organic and suspended pollution load, such as fibres and grease. Effluents are generally hot, alkaline, strong-smelling and coloured by chemicals used in dyeing processes. Some of the chemicals discharged are toxic and can lower the dissolved oxygen of receiving waters, threaten aquatic life and damage general water quality downstream. Dyeing and printing of textiles have a major environmental impact. The best alternative is not to dye the fabric, but, if it is essential, there are many more environmentally sound processes and dyes commercially available.

Use of pigments and dyes
Pigments may contain heavy metals, such as chromium, copper, lead and cadmium, which are highly toxic to humans. Heavy metals used as pigments can often be replaced by less harmful substances. Azo dyes are often used in the colouring process (particularly of leather and textiles). Some azo colouring agents have carcinogenic properties or may form amines (breakdown products), which have carcinogenic and mutagenic properties.

Germany was the first country to introduce legislative requirements that restrict the presence of certain hazardous azo dyes in textile and leather products. After the introduction of the harmonised EU Directive on azocolourants, Germany amended its national legislation in January 2004. This means that Germany has directly transposed the EU Directive on restricted use of azo dyes in textile and leather articles. In total, around 120 azo dyes are prohibited. Other substances, which are banned (or only allowed in limited amounts) in certain countries of the EU are: pentachlorophenol, certain flame retardants, PCBs and PCTs, asbestos, cadmium, formaldehyde and nickel. The importer is the best source of information on this issue.
For more information on environmentally sound production, see CBI's AccessGuide at http://www.cbi.nl/accessguide

9.1.5 Packaging, marking and labelling

In most cases, consignments from developing countries have a long distance to travel, so it is very important that the sports goods are properly packed. Given the sometimes expensive nature of the product, it is clear that its retail packaging should be carefully planned. Whether buying exclusive or bulk items, there should be no need for importers or buyers to repair sports or camping goods damaged because of bad packaging.

EU packaging standards

To harmonise the different forms of legislation on packaging and packaging waste in EU countries, the Packaging Waste Directive (94/62/EC) has been introduced. This was updated in 2004 by the directive 2004/12/EC that also incorporates broadly a maximum 10 year delay period for the 10 new EC members. The directive regulates minimum standards. Currently packaging materials brought into the EU will require a recovery quota of 50 - 65% and will regulate the presence of four heavy metals (mercury, lead, cadmium and hexavalent chromium). By 2008, this will be a minimum of 60%.

At least 25-45% of the material brought into the market must be recycled (increasing to 55-80% by 2008), with a minimum of 15% for each material.

In most of the selected EU countries, a so-called *Packaging Convention* has been reached between representatives of the industry and the relevant government ministries. According to this new law, each individual retailer, producer and packer in the sports and camping goods branch are obliged to:

- Report annually how they intend to reduce their waste.
- Take necessary steps to ensure that 65% of their packaging waste can be re-used and that 45% can be recycled.
- Report the quantity of packaging waste produced on a regular basis.

Because it is hard for an individual company to comply with the regulations, trade federations monitor compliance on behalf of their members. However, all companies with more then 4 employees and who produce more then 50,000-kg of packaging annually must report. The *green dot* systems have been introduced in Germany (Grüne Punkt), Belgium, Austria and France and are strategies that legally compel all organisations to take effective measures for recycling and waste reduction in packaging.

Because the regulations are constantly changing, exporters are advised to check the latest regulations and requirements regarding packaging. If these are not met, it may reduce the competitiveness of the final product, as the importer will be confronted with additional costs and time-consuming investigations and procedures. For example, new legislation on wood packaging such as pallets has recently been introduced.

In general, an exporter can make his contribution by taking the following precautions:

- ➔ Take care that packaging materials (transport packaging, surrounding and sales packaging) are limited and re-usable or recyclable and use as much packaging of the same kind as possible.
- ➔ Try to use (recycled) paper, cardboard, polythene or polypropylene, if it is necessary to pack products individually.
- ➔ Try to pack products together as much as possible and use (recycled) cardboard boxes. Composite materials that are difficult to recycle should be avoided.
- ➔ Try to combine products and make larger shipments instead of shipping frequently in small quantities.
- ➔ Try to develop re-usable and multi-functional foils with, for example, snap fasteners so that consumers can use this foil for other domestic or packaging purposes.

Export packaging

It is essential that the outer packaging protects the goods during storage, transport and distribution, so that they arrive at their final destination in Europe in a condition suitable for sale. The main forms of damage likely to occur to sports goods are scratching, abrasion, printing (the transfer of markings from a packaging material to a polished finish), soiling and discoloration and moisture, dehydration and temperature damage.

With regard to the method of packaging, in most cases, the importers or buyers will specify whether the items are to be individually carded, boxed or wrapped in bulk. The type and design of packaging is chosen to match the quality and value of the sports goods.

When packing articles for export, pay attention to the following:

Key areas for the attention of exporters:

- Select a reliable method of transport for valuable items, e.g. sea or air freight, but not normal post. It is recommended that you use the same transport company as the importer or buyer, as they may benefit from discounts.
- Follow the packing instructions from the buyer or importer exactly, including all the details specified, even to the position of a sticker or label.
- Pack the articles in such a way as to minimise the opportunity for damage during storage and during transport, e.g. packing fragile articles in plastic bags or bubbled plastic, within a small box.

Marking and labelling

Packages in transit should be marked clearly with the name and address of the exporter and importer, the country of origin, the port of trans-shipment and information on the contents, so that the importer can identify exactly which batch of product(s) has arrived.

The importer will also usually request that the article number is marked on the outside of the packaging, so that the shipment can be distributed without opening the containers. The use of bar codes, which can be read by sensors, is now widespread in European wholesale and retail distribution, especially in distribution centres. This method of marking means that distribution can be performed automatically.

Unless the product is part of a promoted brand-named collection, the importer will also specify whether he requires his own company's packaging, perhaps a private label for a multiple retail client, or neutral packaging which he can modify according to his customers' requirements. Importers or buyers frequently supply their own labels with the order.

For more information on packaging, see CBI's AccessGuide at http://www.cbi.nl/accessguide

9.2 Tariffs and quotas

Broadly speaking tariffs in the 10 new EU countries are higher than in existing member countries. Hence these tariffs will come down over a period of time in order to come into line with the standard rates that apply across the EU. This will provide further opportunities to export to these new member countries. In some instances the differences are quite significant. Import duties for sports goods range from 0 up to 17%, as is shown in table 9.1 overleaf.

Table 9.1 EU import duties by product group (as % of the CIF value)

HS Code		Product description	Import duty (GCT)	Preferential tariff (RGSP)
950611	**Sports**	Skis	3.7	0
950612		Ski bindings	3.7	0
950619		Ski sticks and equipment	2.7	0
6402129		Ski boots	17.0	11.9
95062		Water sports	2.7	0
95063		Golf	2.7	0
95064		Table tennis	2.7	0
950651		Tennis rackets	4.7	0
950659		Other rackets	2.7	0
95066		Balls	2.7	0
9506691		Balls for cricket and polo	0	0
9506701		Ice skates	0	0
950673		Roller skates	2.7	0
950679		Parts and accessories of skates	2.7	0
9506911		Fitness equipment	2.7	0
9506991		Equipment for cricket and polo	0	0
950699		Equipment for other outdoor sports	2.7	0
4201		Saddlery	2.7	0
420321		Sports Gloves	9.0	0
63062/64	**Camping**	Tents, airbeds	12.0	9.6
63069		Miscellaneous camping	12.0	9.6
94043		Sleeping bags	3.7	2.3
95071	**Fishing**	Rods	3.7	0
		Hooks (unmounted)	3.7	0
		Hooks (mounted)	1.7	0
		Reels and lines	3.7	0

Value Added Tax (VAT) for all sports and camping goods ranges from 17 - 25%

Sport goods, fishing tackle and sleeping bags from China and Thailand receive no tariff preference, nor do tents and airbeds from China, Macao, Malaysia and Thailand.

Source: Belastingdienst Douane 2004

If there is no special trade agreement in force between countries, the general import tariffs apply. For developing countries, a preferential trade agreement is established where import tariffs for sports goods are reduced under the Generalised System of Preferences (GSP) or the Cotonou Arrangement for the ACP countries (Africa, Caribbean and Pacific). The GSP does not apply if sports goods are produced in large quantities such as China and Thailand. At present, showing the Customs Authority Certificate of Origin ('form A') can reduce the import duty payable as sports goods and a permanent reduction is being considered. In addition, a Movement Certificate EUR 1 is required to show where the products have been produced (the country of origin). Most imported goods are subject to an 'ad valorum' duty, which means that the duties are levied as a percentage of their value.

There are no quantitative restrictions for imports of sports goods. Up-to-date information on tariffs and a list of least developed countries can be obtained from Customs authorities in The Netherlands, through their on-line system, known as TARIC at http://www.douane.nl. The relevant information numbers are given in Appendix 3.6. The HS code of the item must be always mentioned- see Chapter 1.2.

PART B

EXPORT MARKETING GUIDELINES: ANALYSIS & STRATEGY

The decision to export sports goods is a major one. In order to succeed, your export business should be built on firm foundations. Exporting to the EU can bring tremendous benefits, but it also will bring new pressures and ask much of your resources and skills.

Part B overviews the main topics to consider when exporting, and identifies which areas of business need concentrated preparation in order to take on the challenge. In a highly fragmented EU sports goods market, it is very important to make a detailed analysis as to whether to export or not. By reviewing your current situation, you can recognise market opportunities and your own strengths. At the same time, you can develop a sports product range for your target markets and assess whether your business needs to adapt. In this way, many problems that may arise later can be avoided. The purpose of Part B is to assist decision-making and provide an insight into a systematic export marketing process.

Part B distinguishes the following steps in the export marketing process:

1. ***External analysis*** (Market Audit, Chapter 10) and ***Internal analysis*** (Company Audit, Chapter 11).
2. ***SWOT analysis*** (Chapter 12).
3. ***Decision making & formulation of objectives*** (Chapter 12).
4. ***The marketing actions*** - input for Market Entry Strategy & Export Marketing Plan (Chapter 13).

In step 1 - ***external analysis*** - relevant topics in the EU sports goods marketplace will be covered such as: market developments and opportunities, which products to export, to which EU markets, who are the main competitors, via which channels, at what prices..

Exporters can investigate each topic by gathering information on the key questions. When sufficient information is obtained by market research, target markets can be identified and selected. Some relevant information has already been provided in Part A and some sources for further research can be also found in Appendices 3 and 5.

An ***internal analysis*** should clarify whether an exporter could use his resources without jeopardizing domestic sales efforts. It should also indicate if and how his company could enter these target markets.

In step 2, *the* ***SWOT analysis***, opportunities and threats (from external analysis) and the exporters' strengths and weaknesses (from internal analysis) are summarized. The result of the SWOT analysis should inform the exporter if he is well placed to export his sports goods. He may decide positively if there are more market opportunities (than threats) and if his company is strong enough to start this venture.

In step 3, *the* export ***decision is made.*** The exporter sets his ***objectives*** for EU sports target markets.

Step 4 covers the ***marketing actions*** that the exporter should take in order to successfully penetrate these target markets.

Most topics in Part B relate to the External and Internal Analyses in step 1. The four steps form the basis for exporters to draw up their Market Entry Strategy (MES) and plan their activities in an Export Marketing Plan (EMP). More information on general issues relating to export marketing can be found in CBI's *Export Planner*. Information and methodologies on carrying out market research can be found in CBI's manual *'Your guide to Market Research*'.

10 EXTERNAL ANALYSIS: MARKET AUDIT

An external analysis or market audit should help select the best sports goods markets or niches that have the greatest chances for success. Start by taking a broad view by learning about EU countries and gathering information from each country on the following topics:

- ***General data*** - population trends, sports participation levels
- ***Typical motives for buying sports goods*** - e.g. major sporting event
- ***Economic data*** - disposable income, consumer confidence, unemployment, debt.
- ***Household expenditure*** - expenditure or retail sales on other sports related items
- ***Market size*** of the product group and/or specific item in value and volume for the past few years.
- ***Trade flows*** – identifying upcoming EU markets and competitor supplying countries
- ***Market developments*** - trading up towards better materials and designs, and the importance of brands.
- ***Production developments*** - trends in shifting production to China, Thailand, India
- ***Consumer trends and lifestyles***, main and new users of sports goods, differences between southern, northern and new member EU countries in terms of preferred sport or leisure activity. Who are the celebrities, trendsetters/opinion leaders?
- ***Sporting goods trends*** - new looks, designs, materials, colours, items, type of product, applications and how, when these are used according to the latest trends
- ***Consumers buying behaviour*** – how and where do sporting enthusiasts buy sports goods? Other target groups e.g. teenagers, older people, women? What does each group regard as most important?
- ***Market niches and opportunities***.
- ***Main competitors.***

The information given in Part A of this survey and the additional data collected on these topics already provide a picture of which countries are more difficult and which countries are easier to enter.

Next, the exporter should try to set priorities and choose target markets for his specific sports goods items in terms of primary, secondary and tertiary markets (see section 12.2). Here he could assess the sales channels, i.e. how to get his items to consumers in each of these markets. For example, he may choose to export direct to a primary market using an importer or exclusive agent. Alternatively, he may export indirectly through e.g. contract manufacturing to a customer in a secondary market. This option requires less investment in terms of design, logistics and marketing.

Once the priorities are set, he could narrow down his view and segment his chosen markets further by region, product group, consumer type (income, age, preferred sport etc.). He should investigate the local (seasonal) trends, mass-market designs, prices and margins and collect as much information as possible on competitors operating in the same segment.

10.1 Market development and opportunities

Market Development

Desk research
Much information on these topics can be collected by desk research, especially by using the Internet. General information, including marriage and economic data can be found at the National Statistics Offices in each country. For sports goods, there are some useful trade portals, trade associations and trade magazines, most of which are connected to the Internet and offer an online database**.**

Data collection in EU markets
Trade statistics are usually available for most EU countries and give a general indication as to which markets may be growing. In these statistics, products are often subdivided into very broad categories e.g. according to type of sport (e.g. fitness, competitive/team

sports). In many cases, your specific item is within a larger product group, still leaving questions to be resolved.

Market data is often available for large EU sports goods markets such as Germany, the United Kingdom and France, which have up-to date information sources. However, these countries often provide their information according to different definitions, making it difficult to make comparisons.

Information sources → Market development and trends

Information on market size and developments is included in this market survey, at portal sites (http://www.ipso.com or http://www.sports-data.com, http://www.wfsgi.org , http://www.wsforum.org) and can be found at websites of trade associations, trade press and on some country or product specific sports goods websites. Addresses are given in Appendices 3.1 – 3.5.

Sports trade press e.g. Sport Premier Magazine, SAZ in Germany, Sporting Goods Intelligence, Sports Business and CMD in Spain, as well as trade fair organisers IPSO (Munich) and MICAM (Milan) provide much information on market sizes, developments and sports goods trends.

Another source of inspiration is watching live sport on TV in the target country. A high degree of sports participation is encouraged by TV viewing.

You can find sports goods market reports on http://www.usatrade.gov or http://www.marketsearch-dir.com that are not too expensive. Some commercial business information providers produce reports on sports goods. Some of these reports are useful and can be bought in part or by chapter. However it is important to check if they really cover your specific item, as they are expensive. The most important providers are:

http://www.globind.com
http://www.snapdata.com
http://www.mintel.com
http://www.euromonitor.com
http://www.marketresearch.com
http://www.keynote.co.uk

How to collect market data?

Retail sales: Total sales by retail outlets in value (€) are measured at current or constant end-user prices. In e.g. the European Retail Handbook (published by Mintel), sports goods are mentioned as part of leisure expenditure. Even if the product category is not further sub-divided, it is a good method of comparing countries. When collecting data from various sources, *check at least three years* (if possible) and be aware that some sources report retail sales with sales tax included, while others don't.

Consumption or consumer expenditure, is calculated based on a large sample survey commissioned by National Statistics Offices (usually every 4 years) or by large research companies. Up-to-date statistics on consumer expenditure on sports goods is relatively easy to find in the UK, France (at a cost) and Germany but more difficult in Spain, Italy, The Netherlands and Scandinavia. Euromonitor provides consumption per capita figures for the EU countries, but this needs to be checked with other sources.

Industry sales: Often sports trade associations e.g. the European Golf Association, provide trade and sales statistics. The statistics include sales to export markets, which need to be deducted in order to calculate the national sales. Sometimes the prices given are wholesale or factory level, as opposed to retail.

Field research

Additional information can be collected by field research. Begin by talking with other exporters, especially those who already export sports goods to EU markets. There might be a way combine research resources and enter EU markets together. Visiting exhibitions in the EU, and interviewing key people such as importers, wholesalers, editors of trade magazines or managers of trade associations can be very enlightening. You may discover hidden feelings people have towards your company, country or product.

Store checks are especially important. For example, look at specialist sports shops or chains on the high street or at department stores. In addition to sports magazines and store checks, watching people on the high street provides a good indication of the local fashion, as sport is so closely linked with leisure wear.

How to interpret forecasts?
There is a great deal of information available on trends and forecasts, especially for fashionable sports goods such as skateboards, surfboards, small fitness equipment. The challenge is to translate these forecasts into potential products. Consider the following points after you have looked into forecasts and start to make/design new sports goods for export markets:

1. Define your consumer target group	➔ This can be done in terms of product group or by user characteristics (see section 3.2).
2. Define your core expertise *(see Chapter 11.1)*	➔ Your original designs. Your technical speciality or special skills. Your use of materials. A combination of the above.
3. Products for different sports	➔ Forecasts refer to new fashions for a particular sport, which comprises the equipment and its related outfit i.e. clothing and footwear.
4. Style is important	➔ Styling and functionality is important for sports goods
5. Forecasts can be overstated	➔ Forecasts give an indication of which ideas may be translated into commercial products in terms of design and size. Forecasts can be used as an indication of markets for future products, but should be treated with caution.

Opportunities

Sports participation
The emphasis in sports participation continues to be less on competitive team sports and more on *leisure and individual sporting activities (soft sports)*. By 2020, the proportion of 45+ olds in the population of most selected EU countries is expected to be more than 40 percent. These older people want to stay in good health by keeping fit in a variety of ways. This means an ageing profile in participation.

Mixed market opportunities:
The global economy is gradually coming out of a downturn. This has affected the sports goods market and depressed demand for more expensive articles. However, opportunities in new EU member countries and increases in levels of sports participation will ensure sustained demand for camping goods, equipment for fitness (weights, dumbbells, in-home trainers), water sports and gliding sports. For all sports goods, stimulants to the future market are:

- ***Increased sales to women and older people***, where design is most important.
- ***Global media coverage of sporting events continues to increase***
- ***New technological improvements*** in sports equipment eg improved material, comfort in playing, product safety (e.g. in carve skis) and intelligence in equipment.

These developments offer opportunities for *equipment* and *accessories*, which can be supplied direct or OEM by exporters from developing countries.

Sub-contracting (OEM or ODM-supply) or strategic alliances:
Some EU manufacturers/suppliers look for new low-cost countries to outsource production of high volume items, while others look for sports specific or labour intensive items. Both cases offer opportunities for new suppliers or partners, who could also be exporters from developing countries. The EU sports goods industry has been threatened by enormous price competition from large supplying countries like China and Taiwan. Consequently, the EU industry now concentrates on the marketing of the goods and is constantly looking for new partners, producing their brands or private labels, with whom they can form a strategic alliance. Inputs in terms of design and material are often made by the EU company.

Opportunities in growing niche markets - by product
Exporters must seek their opportunities in areas in which they are strong, i.e. labour intensive sports goods, which are not too complex to manufacture and ***where brands still are of minor importance*** such as:

Fitness:
- → ***Simple in-home training equipment***, ranging from home gyms, AB Toners, rollers, free weights, belly exercisers such as benches and collapsible hoops.
- → ***Small exercise equipment*** such as resistance equipment (e.g. small wrist, hand, thigh exercisers, chest expanders), jumping ropes, trampolines.
- → ***Martial arts equipment*** e.g. punch bags for boxing, punch ball sets, sticks (for e.g. kendo) and all sorts of protective equipment.
- → ***Fitness related accessories*** such as exercise mats, protective equipment, see earlier example of power yoga kits.

Team sports
- → ***Balls:*** footballs (normal - promotional or special balls e.g. for calcetto or futsal), street basketballs, coloured beach volleyballs, rugby balls, water-polo balls or medicine balls. Most of these balls are of leather and manually stitched, which should be made without child labour. Machine made or plastic balls, for special events or *promotional purposes* is an important niche in the ball market for exporters from developing countries.
- → ***Gloves:*** made of leather and used for football (e.g. all weather gloves), rugby, cricket, golf or (ice) hockey.
- → ***Protective equipment:*** head or mouth guards, knee/ankle pads, shoulder pads used for rugby, cricket, (ice) hockey and smaller pads used in football, basketball or handball. Also similar items to protect injuries whilst still playing.
- → ***Bats or sticks:*** used for cricket, (ice) hockey or baseball.
- → ***Team/field equipment:*** used for all team sports such as nets, goals, dome markers, whistles, disc cones, starting blocks or any other sports-related specialised equipment.

Golf
- → ***Balls*** (also for promotional purposes), bags, gloves, putting mats, indoor exercise sets, practice nets and golf carts.

Other sports
- → ***Racket sports:*** Rackets, balls, shuttlecocks and racket sports accessories
- → ***Skating:*** Roller skates, cross skates, skateboards and (inline) skating related protectives, gloves and accessories.
- → ***Water sports:*** Swimming caps, headbands, spectacles, goggles, skimming boards, beach and surfing accessories such as beach mats, waterproof bags and beach chairs (also for promotional purposes).
- → ***Horse riding:*** saddles, harnesses, traces, leads, knee-pads, muzzles, saddle bags.
- → ***Camping goods:*** Tents, rucksacks, foldable tables and chairs, self-inflatable mattresses, cooking gear, lanterns, compact binoculars, knives, compasses, money belts, mosquito nets, picnic mats and other camping or trekking equipment (protectives, and gloves etc.). Crampons, ropes/rope accessories and ice axes for climbing.
- → ***Fishing tackle:*** rods, reels hooks, nets, baits and accessories.

Opportunities in growing niche markets - by consumer groups

- ***Eastern European Consumers.*** There are a large number of consumers in the new EU member countries of Eastern Europe where there is a strong state encouragement of sport. Many Eastern Europeans have also recently moved to various countries in Western Europe. Fitness/gym and football are of particular interest in these countries.
- ***Young people with a disability*** who favour swimming/diving, football (or goalball), gymnastics, trampolining, martial arts (e.g. judo), horse riding and basketball. In some of these sports, special or modified equipment is required, which is more labour intensive to produce.

Threats and difficulties for exporters:

- → The sports article should be well finished, made precisely according to importers' specifications, and meet the quality standards of the demanding EU market, where strict safety standards are also required.
- → Production capacity, keen pricing and fast delivery are essential to maintain relationships with importers or other buyers. Good communication (e-mail and personal contact) and flexibility are vital.
- → The increased requirement from EU importers and the industry for quick delivery, means greater stockholding and exporters tying up more cash
- → The exporter must be able to comply to the International Code of Conduct.

Although there is a trend towards greater similarity between markets, some of the above opportunities and requirements still differ in each of the selected EU markets - see Chapter 3. Once they have been clarified, the next step is to identify similar niches in other target countries and assess if and how they should be approached.

10.2 Competitive analysis

When target countries have more or less been identified, the next step is to find out how many competitors operate in these markets, how they sell their products, through which channels and at what prices. In each product group, you will find different competitors, varying from well-known brand names to other exporters from developing countries.

The large exporters from China, India and south-east Asian countries have already established their business in most of the selected EU markets (see also Chapters 4 and 5). As these suppliers are technologically advanced and can benefit from economies of scale and well-organised delivery systems, competition for exporters from (smaller) developing countries will be difficult.

For most exporters from other developing countries, the primary focus should be on quality and on a particular niche market. Here, try to find out as much as possible on direct competitors operating in the same niche, by finding out the relevance of the following questions:

Are there many competitors?
Make a list of all your direct competitors and if there are many, try to assess if it would still be worthwhile entering your target market, or whether there are niches. For example, in camping equipment, you will find many competitors. But you can narrow your focus by e.g. concentrating on the market for older people, offering as your specialty camping items where there might be an emphasis on luxury rather than efficiency. Here there may be fewer competitors.

Who are your competitors?
Once the main competitors have been clarified, collect as much information as you can in terms of their sports goods ranges, material, styles, designs, colours etc. and check the opinions of your business contacts on these competitors in your target markets.

Will new competitors enter your market?
Keep abreast of forecasts (in equipment & accessories) and trends. Many competitors are likely to enter the market early, particularly when a variation of an established sport is expected to become a new craze. Find out through your contacts if any new companies have emerged in your target markets that could be future competitors.

How do competitors sell and where?
Find out which trade channels are used by your competitors, in which countries or regions and possible reasons. Ask your business contacts about your competitors. If possible, visit competitors' company websites or check (sites) of retail outlets who sell their ranges, in order to find out how products are priced and distributed.

Your competitors' strengths and weakness?
Find out how long competitors have been operating in the EU markets and, most importantly, what their strengths and weaknesses are, sub-divided by country.

Monitor activities in the sports goods industry
By visiting trade fairs (international or local), congresses, seminars etc. you can meet potential buyers and/or learn about developments in their market. These also provide opportunities to find out more about competitors. It is important to take the time to attend trade fairs to see what your competitors are doing, and how they present and promote their items.

When investigating competitors in more detail, you could use a *checklist*, trying to collect as much information as possible by desk (internet) and field research:

Company details
- Headquarters and organisation
- Total number of employees
- Their resources

Export activity *(if possible)*
- Export sales
- Countries in which export sales are made and local resources in each country
- Target market segments and main target groups

Products
- Sports goods categories, material, design, style
- Design ability and flexibility
- Positioning and brands

Distribution
- Distribution channels used (nationwide or particular regions)
- Key distributors (e.g. importers or exclusive agents)

Prices and discounts *(if possible)*
- Price of items in the range
- Discount structure

Promotion
- Presentation of products at exhibitions or in store
- Brochures, catalogues, website, promotional themes
- Other information you can find at exhibitions, store checks,

Relationships/partnerships *(if possible)*
- Licences
- Joint ventures

• **Information sources → Competitors**

Desk research: Information about manufacturers and main players can be found in Chapter 4 of this market survey. Also check business directories (or platforms), which can be found on sports goods portals http://www.ipso.com – see also Appendix 5.

You will also find information in trade magazines, trade fair catalogues (often available on-line at the website of the trade fair organizer), competitors' websites, annual reports or brochures with their product ranges. Parts of reports from on-line business information providers who also offer company profiles at a charge may be helpful.

There are also generic business directories. The most important generic on-line directories are Europages and Kompass. The business directories offer multiple search filters, like product group, market, company type, company size etc. Use of the business directories is free of charge. Dunn & Bradstreet provides financial information on any (registered) company in the EU.
http://www.europages.com http://www.kompass.com http://www.dnb.com

Field research: at exhibitions, store checks, through (potential) customers/buyers or a contact in your target market, who can check e.g. prices or promotional material.

10.3 Sales channel assessment

When a clear appreciation of the market developments, opportunities and direct competitors in the target markets is obtained, the next step is to identify the best way to enter these markets. Depending on your strengths, you may choose the same sales channel as your competitors. You may choose a different channel. Do not feel that you have to adopt the same approach. It mainly depends on the opportunity in your target market, the type of products and the investment required to successfully sell in this channel.

For example, if you are considering exporting rackets and have found opportunities in the schools market, you could prioritise the largest markets such as Germany and France. In both countries, these items are mainly sold in shops but schools buy from specialist wholesalers. So an importer who specialises in this market would be a good option.

Possibilities for market entry

Depending on the investment and the degree of risk, there are a number of ways of dealing with different levels of strategic involvement in target markets. Some of the possibilities are:

PRODUCING	***Indirect approach***	
	with investment	**minimal investment**
	▪ Licensing	▪ Assembly
	▪ Franchising	▪ Joint Ventures
	▪ Contract manufacture	▪ Acquisition
	▪ Strategic alliance	▪ Strategic alliance

EXPORTING	***Direct approach***
	▪ Agents
	▪ Importers
	▪ Retailers (specialised / non-specialised)
	▪ Domestic manufacturers

The indirect approach is a low-risk option, using the International market as an extension of domestic production, e.g. manufacturing leather balls for an EU supplier. However a direct approach requires a long-term strategic view, based on a good understanding of the target markets. In this respect, EU markets differ from the US market in terms of consumer preferences, colours and designs. EU countries also have a highly diverse distribution network for sports goods.

There are enough opportunities for exporters from developing countries by taking the direct approach. Selling direct via the Internet is an increasingly frequent method. In the next matrix, a selection is made of the most common choices of trading partners for each kind of (potential) exporting company:

Trade channel: / Market entry / product:	Manufacturer	Importer	Retailer specialised	Retailer non-special	Agent
Overseas production					
Exporting direct → Machine made	X	X	X	x	X
→ Hand made	X	X	X	X	X
→ Other items	X	X	x	X	X

The direct approach

When exporting direct, choose the best distributor (see also Chapter 7) by gathering information on the potential sales channels. Find out if your sports good could complement their specialism. Find out details of importers or agents (e.g. on their websites), their product range, to whom they supply, and their distribution coverage in your target country.

- **Key questions on distribution channels**

- Do I want to establish a long term relationship?
- If yes, an importer would be the best option - what sort of importer (e.g. specialist or general etc.)?
- If no, what would be the best channels for a *'one off'* i.e. large incidental order (e.g. department store, buying group, hypermarket, mail order company?)
- What are their advantages/disadvantages? How can I get in touch with them?
- Do these partners serve retail outlets frequently visited by my target group?
- What are suitable in-store themes in which my products will fit?
- What are the latest trends in distribution? Can this influence my business?

- **Key questions on Buyers / Customers:**

- Am I really dealing with the right buyer – is he serving my target group?
- How many accounts does his company serve, with how many sales people? For example, the average is 3-4 sales personnel to cover around 150 accounts, each in an area of about 200 km.
- In case of long-term business, why would they switch to your range? Who are their competitors?
- What is most important for them: - Competitive price? - The type of item, its style, looks or special material? - Design capability? - Good communication, flexibility, fast response time?
- What is the buying policy of large retailers? Do they have branches in other target markets?

Information sources → Sales channels

Information can be found in Chapter 7 and at trade associations and Chambers of Commerce. In addition, check local trade magazines that regularly interview store managers and other key personnel in the supply chain.

During visits, you could do some store checks, get an idea of in-store themes and get the opinions of store managers. It is useful to know beforehand if your item fits into the store style when approaching buyers. If you are unable to do it yourself, ask local people to visit stores on your behalf.

You could find buyers through exhibition catalogues (e.g. on the Internet), trade portals and at sites of business platforms (by sector – by country/region).

Most sports goods items are handled by ***importers*** who supply specialised retailers or buying groups. Sometimes a buying group may act as an importer by purchasing direct from manufacturers. Importers have a good knowledge of the market and provide the safest and most effective means of distribution for exporters from developing countries. Generally, importers who operate a sales network that covers an entire country expect exclusive representation agreements. They tend to be quite specialized in their own field.

Distribution by an importer:	
Advantages	➔ quantity requirements manageable for smaller producers, ➔ Not usually sale or return basis ➔ Travel costs divided when visiting more than one importer. ➔ If working relationship is successful, more business will follow
Disadvantages	➔ Exporters receive a relatively small proportion of the final price. ➔ Importers may require exclusivity in the sale of the item. ➔ Lack of control over final distribution outlets

Golf equipment is usually handled by specialised importers, exclusive agents or is imported direct by large retailers or central buying groups. The main retail outlets are specialist golf stores, specialist sporting goods, department stores, etc. (see Chapter 7).

Other sporting goods can usually be found in specialised sports shops, department stores, and in a variety of other outlets, such as clothing stores, mail order or catalogue showrooms, super or hypermarkets, shoe shops, market stalls, etc. This makes the distribution on importer level very diverse and complex. Sports goods sold in ***non-specialised outlets*** such as clothing shops and hypermarkets grew very quickly for the following reasons:

* Sport is complementary to clothing and part of a lifestyle.
* Some products provide a relatively high gross margin for retailers.

Sporting goods stores (e.g. Intersport, JD Sports) and hypermarkets (e.g. Carrefour) have items produced according to their own design and specifications under their own or a designer label. Their advanced stock control systems, using barcodes enables them to integrate production, buying, distribution and selling. Most organizations buy directly.

Distribution through department stores, chain stores and retailers:	
Advantages	➔ Higher selling price than to importers. ➔ Production linked to receipt of the order avoiding wastage ➔ Payments are more secure, because L/Cs or similar methods are used.
Disadvantages	➔ Difficult to establish a relationship with buyers, as they often change or are hard to contact. ➔ Some insist on sale or return ➔ Special conditions are required in labelling, packaging or pre-packing ranges for individual chain store members. ➔ In the case of poor service or product quality, late delivery or wrong follow up of instructions by the exporter, buyers could make claims or cancel the order.

Distribution by mail order / home shopping	
Advantages	➔ Volumes usually of manageable quantities ➔ Items can be sold at a higher price than to importers. ➔ Additional publicity gained by featuring of items in catalogue
Disadvantages	➔ These companies may require exclusivity in the sale of the item. ➔ They often order items instead of product lines. ➔ Exporters are required to keep the ordered items in stock when offered for sale, at their own risk.

More channels in one country
By selecting any one trade channel, this often automatically excludes other channels. It is not realistic to expect to have a relationship with a department or chain store and also enter the market with the same line of products through an importer. This potential for competition, or seeing the same product at different prices in different outlet types, makes this practice unacceptable to most trade partners.

It would be feasible if each customer specialised in clearly different products or markets. So, an exporter can sell goods in one country to an importer who is specialised in products for sports shops and to another who specialises in leisure items, or he can sell a line to an importer in The Netherlands and sell the same line to a department store in Germany. However, markets are becoming more homogeneous so this is less likely to happen.

10.4 Logistic requirements

When the choice of how to enter the EU target markets has been made, the next step is to look for the most efficient and safest way to deliver the items on time. Here the exporter has to compete with EU countries who benefit from simplified transport procedures, as many custom formalities have been removed. In addition, China and other Asian countries are able to deliver more quickly nowadays.

Order control
Most sports goods importers and agents organise transport and stock keeping in the conventional way. It depends on the volume, and whether it is mass-produced or a specialty item. Larger fitness equipment tends to have a slow turnover, but short lead times are increasingly required for most sports goods. Trends come and go more rapidly nowadays.

Most chain stores and retail buying groups work with centralized warehouses and distribution centres e.g. in The Netherlands and in Belgium. They use state of the art order control systems that minimize stock levels and are increasingly based on just-in-time production, combined with electronic ordering. Delivery after a confirmed order by large retailers is now expected to be between 30-45 days, sometimes less. Longer lead times need to be negotiated.

Reducing stock
The current oversupply of some goods and intensified price competition have resulted in retailers holding less stock and, at the same time, having less out of stocks. There is a trend towards continuous replenishment. In general, purchasing policies are aimed at:

- ➔ Less pre-seasonal orders.
- ➔ More variety in sports goods per season (according to the latest trends).
- ➔ Investment in seasonal planning and control.
- ➔ Increased co-operation with suppliers e.g. quick response and EDI (Electronic Data Interchange).
- ➔ Fewer suppliers.

Transportation
Some sports goods are sent by airfreight or by courier, whereas more bulky and volume lines from further a field are sent mainly by sea freight that can easily take 1-2 months. In order to reach the destination country, there are many formalities and much documentation (e.g. insurance) required related to the risk of theft, tariffs and terms of delivery.

There is a risk of items being damaged e.g. in transit by dampness or mishandling. The main forms of damage likely to occur to sports goods are breaking, scratching, printing damage (the transfer of markings from a packaging material to a finished product), soiling, discoloration and moisture, dehydration and temperature damage. Therefore, packaging of items is extremely important, as explained in Chapter 9.

- **Information sources** → **Logistic requirements**

Freight forwarders and carriers usually provide information on rates, frequencies, possible combined containers. A cargo & logistics database can be found at http://www.shipguide.com or a list of all freight forwarders can be found at the directory http://www.forwarders.com or http://www.fiata.com or for airfreight http://www.iata.org

Information on packaging can be found in Chapter 9.1 of this market survey and in the CBI manual 'Packaging Requirements'. Details on tariffs can be found in Chapter 9.2 and the usual terms of delivery are explained in Chapter 13.4 of this survey

10.5 Price structure

Prices

Bad pricing is one of the main reasons why attempts at exporting can fail. When entering the target markets, successful pricing is a key topic in the market entry strategy. In fact, pricing is the only part of the strategy that can raise revenue for exporters. All other activities generate costs.

The price is the first point of comparison when evaluating your product against the competition. As described in Chapter 8.1, prices in the low-end and cheaper middle range-levels are under more pressure, coupled with an oversupply of cheap imports. Price cutting and early clearance sales have become regular features of the trade. Increased demand from younger people has resulted in more lower-priced items.

Pricing should be based on cost of materials and labour, and should cover all overheads. When pricing in this way, many items may often be more expensive than the competition, making them difficult to sell. In order to compete, some items may even have to be sold below cost. Although this loss may be compensated by a high margin on other items, it would be wise to reconsider your target market or sales channel. This is not a sustainable strategy but may be necessary in some instances to gain market entry. As a developing country exporter it would be the best to concentrate on the exclusiveness of your product range, eg by introducing originally or unusually styled product, which you know already would appeal to your target group. If they recognise your USP, the price is less important.

- **Key issues on price structure** (see example of calculation in table 10.1)

- ***Retail prices***: List up the prices of competitor's products in primary markets.
- ***The trade channels*** with typical mark-ups of each channel and retail category.
- ***The number of in-between parties*** involved in the sale of your products.
- ***The production costs, incoterms, import duties, VAT*** level and other cost.
- ***Additional costs*** for product adaptation, design, packaging, marketing and promotion
- ***The most 'reasonable' or 'tactical' price level*** according to some of your local contacts in the field (agents, other exporters from your country, store managers).

Other sources to collect price information can be found in Chapter 8.2.

Margins

Margins within the sports goods market are variable when compared to those of other consumer goods. High margins are in part justified by costly stocks that retailers have to maintain and by the high risk factor of high value products such as fitness equipment. Many sporting goods operate on very low margins and can only be justified by high volumes and quick turnover.

To generate an adequate profit, the margins on *golf equipment* for the low-end segment are lower than the more specialist segment. The underlying reason for this is that the margin is applied to very low prices and therefore represents a smaller amount of money, while the amount of work involved in handling it remains the same.

In the past few years, buying has become more concentrated. The growth of some larger brands, and the growth of retail chains that have centralised purchasing for a large number of outlets, have produced a situation where a relatively small number of buyers have relatively large purchasing power. As well as being able to force producers to make increases in quality and service, large buyers are also able to force exporters to accept prices that may not be economic for them.

In the past, sports goods retailers have enjoyed high margins but more recently, there has been downward pressure on many prices, with the possible exception of the specialist enthusiast sector. Retailers and brand owners have had to accept lower margins as they face greater competition from other sources. Consequently, they have been looking to control their overheads and forcing their own suppliers to cut their own costs.
Both manufacturer/suppliers and retailers have many costs for design, R&D, marketing, promotion, advertising, administration, and distribution. In most sports goods, raw material and manufacturing only account for around one third of the cost – sometimes less.

In general, margins of large organised outlets are higher than those of smaller shops, with the exception of highly specialised shops (e.g. golf pro shops). Chain stores and super-stores prefer to buy direct from manufacturers. They carry a wide assortment in large outlets (floor spaces over 2,000 m²), often at expensive locations and have many sales staff. This is all reflected in a higher margin.

Because of these differences, retail mark-ups for sports goods vary from 60% to 130%, with an average of about 100%. This mark-up includes value-added tax (VAT), which ranges from 16 to 21% on sports goods in the selected EU markets. Actual retail margins can vary widely around these averages depending on:

- The kind and exclusivity of the sports article.
- The level of demand.
- The necessity of selling-out this article.
- The type of store through which these articles are sold.

In a similar way, importer/wholesaler mark-ups average between 40 and 70%, with the margins on lower priced articles slightly higher than those on higher priced articles do. The typical average commission rate for an agent is 10 to 15%. Depending on the number of parties who handle the product, the net price achieved by an exporter can be multiplied by a factor of 3 - 4 times. An example of a calculation of the final consumer price of sports goods is given below. In this case, an importer or wholesaler handles the product.

Table 10.1 Calculation of final consumer price

	Low Margin	High Margin
Export price (FOB)	***100***	***100***
Import duties*	3	3
Other cost (e.g. transport, insurance, banking services)	3	3
Landed cost price (CIF)	*106*	*106*
Importer's/wholesalers mark up (low: 40%, high 70%)	42	74
Importer's/wholesaler's selling price	*148*	*180*
Retailer's mark up including VAT (e.g. 19%) (eg 100% in both cases)	148	148
Final consumer or retail price	**296**	**328**
Ratio FOB - Consumer price (multiplying coefficient)	***3.0***	***3.3***

** If the GSP tariff is applicable for your country, the import duty can be reduced to zero.*

10.6 Product profiles

This section gives product profiles of two key sports goods: fitness/gym equipment and golf equipment. These products offer good prospects to most exporters from developing countries. Each profile gives an overview of the market requirements, market structure and main suppliers with much of the information already given in Part A and Part B (Chapter 9). These profiles serve as a sample and are meant to encourage exporters to also make profiles for their specific product.

PRODUCT PROFILE – FITNESS/GYM EQUIPMENT

1. Product name: fitness/gym

Main items **Exercise bikes**, **free weights, treadmill /steppers, other equipment** (e.g. stomach exercisers, AB Toners, rollers, exercise mats) **resistance equipment** (wrist, hand, thigh exercisers, chest expanders).
Main material: **Iron, metal, stainless steel, plastic, rubber and synthetic material**

2. Market requirements:

European quality standards: The *product quality* standard: S 52 310 for gymnastic equipment. Exporters are recommended to check the required quality standards very carefully with the relevant national standard organisation and with trade associations. The general product *safety standard* (Directive 92/59/EC), where the products carry the CE mark. In the case of electrically operated fitness equipment, there are two directives (92/31/EEG and 93/68/EEG) on *electromagnetic compatibility* (EMC-directives).

Average sizes: Sizes of the many different kinds of articles vary enormously. In general, it is always important to agree exactly to the requested length, width and thickness of the article by your customer.

Minimum labelling:

- name and full address of importer and exporter;
- country of origin;
- port of trans-shipment;
- information on the contents
- article number (barcode, if relevant).

Packaging: To avoid damage during transport, pack the article in plastic bags or bubbled PVC, put in a box. Other instructions on labelling etc. by your customer must be followed accurately.
Import regulation (besides the general information stated in Section 1.2): Relevant import documents:

- AWB or Bill of Loading
- Proforma invoice
- EUR 1 form for ACP countries
- FORM A for other countries

3. Market Structure:

Average prices: (retail)

Exercise bikes	€ 180 - 270
Large training equipment	€ 200 - 900
Resistance equipment (smaller)	€ 6 -12

Main markets: The main EU markets are Germany, United Kingdom, France, Italy, Spain and The Netherlands.

Market trends:
Fitness rapidly increased in popularity, partly because of its modern, fashionable image and partly because it can be done at any time. There has been an increase in the number of participants in fitness activities in the 40+ age group. As there is a growing number of frequent participants, who are more educated and enthusiastic, there is increasing demand for fitness and training equipment for in-home use.

Free weights is a fast growing segment of the in-home fitness market, mainly because of an increased demand from women, who believe that long-term slimming seems more likely to be achieved by the regular use of dumbbells.

Sales of exercise bikes and treadmill /steppers have increased as well. Demand for other fitness equipment, especially smaller articles, is increasing. These portable items are relatively cheap and are often purchased on impulse by those with specific health or weight worries.

4. Main suppliers:

The largest producing countries of fitness equipment are China, Taiwan, USA, Germany, and Italy.

The leading non-EU suppliers of fitness equipment are China, Taiwan and USA.

Other suppliers from developing countries include: Malaysia, Thailand, Pakistan, India, Turkey, Vietnam and Argentina.

5. How to improve the quality:
Material: Solid and durable material should be used to have the best performance of the article concerned.
Finishing: The finishing of articles becomes more important to buyers and consumers.
Design: Articles that provide more comfort in exercising are growing in importance. In addition, easy-storage and multi-functionality are important in home fitness equipment.
Buyers' instructions on sizes and colours (indicated in Pantone colours) should be followed precisely by the exporter. A minor discrepancy could be fatal to the perceived product quality.

PRODUCT PROFILE – GOLF EQUIPMENT		
1. Product name Golf	Main items: **Clubs (irons, woods), putters, balls, bags and accessories.** Main material: **Metal, stainless steel, titanium, leather, plastic and rubber**	
2. Market requirements: European quality standards: Exporters are Recommended to check the required quality standards with the relevant national standard organisation and with trade associations. Average sizes: Sizes of the many different kinds of articles vary enormously. In general, it is always important to agree exactly to the requested length, width and thickness of the article by your customer. Minimum labelling: • name and full address of importer and exporter; • country of origin; • port of trans-shipment; • information on the contents • article number (barcode, if relevant). Packaging: To avoid damage during transport, pack the article in plastic bags or bubbled PVC, put in a box. Other instructions on labelling etc. by your customer must be followed accurately. Packaging of thin wood or triplex of more expensive articles is recommended to avoid theft during transport. Import regulation (besides the general information stated in Section 1.2): Relevant import documents: • AWB or Bill of Loading • Proforma invoice • EUR 1 form for ACP countries • FORM A for other countries	**3. Market structure:** Average prices: (retail) Golf balls (15 pcs.) € 20 - 30 Putters € 20 - 40 Golf bags € 55 - 70 Golf clubs (irons and woods) €225 - 315 Main markets: The main EU markets are United Kingdom, Germany, France, Spain and The Netherlands. All markets are growing. Market trends: Interest in golf increased dramatically as there was more coverage by media, communicating to the general public that 'golf can be a sport for the normal man too'. Golf has become popular in most of the selected EU countries. In general, the club infrastructure has been more open than before. Around 70% of golfers are men, while in Germany and The Netherlands there is a high proportion of female players. Even if it is easier to play golf on a casual basis without having to join a club, expensive equipment is still needed. Both new technology and the introduction of new materials such as titanium are constantly improving equipment, as golfers constantly strive to improve their game and are often prepared to upgrade to new equipment. Lost balls and damaged tees make regular trips to the golf shop necessary, exposing golfers to the new ranges. For exporters from developing countries there may be good opportunities for golf balls, bags and gloves.	**4. Main suppliers:** The largest producing countries of golf equipment are USA, China, Taiwan, Japan and United Kingdom. The leading non-EU suppliers of golf equipment are USA, China, Taiwan, Japan and South Korea. Other suppliers from developing countries include: Thailand, Malaysia, India, Pakistan, Mexico and Philippines
5. How to improve the quality: Material: Solid and durable, but lightweight material should be used in order to have the best performance of the article concerned. The latest golf clubs are made of titanium. Fittings, locks and clasps must be of a good quality eg clasps or fittings of golf bags must open and close easily. Finishing: The finishing of articles becomes more important to buyers and consumers. Buyers' instructions on sizes and colours (indicated in Pantone colours) should be followed precisely by the exporter. A minor discrepancy could be fatal to the perceived product quality.		

11 INTERNAL ANALYSIS: COMPANY AUDIT

After having done the external analysis, where market opportunities are clarified and priorities are set for potential EU export markets, an internal analysis should tell the exporter if he can take up the challenge. An internal analysis must clarify which resources and additional investments are required to enter his target markets successfully without threatening his existing business.

Based on the internal analysis, the exporter can get an insight into his strengths and weaknesses by reviewing the following topics: product range, design, product standards, production capacity, logistics, sales force, financial strength and capabilities.

11.1 Product range and design

Product range
In a fragmented EU sports goods market with consumers increasingly more demanding on design, quality and price, it is crucial for an exporter to create a range which is distinctive, innovative and appealing to consumer target groups, as described in Chapter 3.2.

Understanding your target group
Most people in the EU countries are attracted by designs from trend setting countries such as France, Italy, UK and USA, which include seasonal trends and short-term fashions.

When creating your product range, it is important to know that it has become more and more difficult to relate specific products to clearly defined consumer groups. Trends seem to be related to the timing of key international sporting events, or lifestyle changes. For example, in the summer, young people may want to play tennis and buy equipment to do so, but if there is a major football tournament happening at this time then there will be a noticeable fall off in sales of tennis equipment.

It is also important to realize that the life cycle of many sports goods has become shorter. Driven by the speed of the 24-hour economy, items that are popular today may be out of fashion soon afterwards. Sports goods trends for older people move more slowly than trends for younger people.

When you have gathered information on trends and forecasts (see Chapter 10.1), the next step is to translate them into products. Does your range look right? Is it something new?

Product positioning and USP
Positioning refers to how you want consumers or buyers to think about your products compared to those sold by your competitors. This depends on the type of product and type of consumer. For example, are they slightly or very interested in new equipment trends, designs or brands? There are differences by country as well. For instance, water sports may be regarded as well established in France, while in the UK they are much less popular.

In today's increasingly global market place, it is more difficult to be distinctive. Exporters from developing countries are perfectly capable of producing high quality sports goods. There is a continual demand for new products. As trends change so quickly nowadays, flexibility and ongoing innovation in new products are expected by consumers and buyers. One supplier of sports goods aimed at the youth market states that they keep 10,000 items in their showroom and produce over 500 new designs each month. Try to find out your main point of difference and on what basis you could excel.

A few points of difference are:
- ***Skills*** : Specially-made goods created by imaginative finishing or material combinations
- ***Country*** : Sports goods which are distinctive to their country of origin.
- ***Material*** : The use of unique materials or use of a unique combination of materials.
- ***Design*** : Become specialist in goods which are unique or specific to your own culture.
- ***Price*** : Whatever price point you work to, make sure that you are providing best value rather than lowest price.

It is very important to match your particular expertise with a particular target group or seasonal trend. Here collaborating with a retailer or manufacturer in the country intended for export would help give a range local relevance.

Product adaptation
Depending on the type and style of product, you may have to adapt your current range for the export market in order to achieve a good product-market match. This will require an investment in terms of design, finish etc. So here you will need to be sure that the costs of adapting your manufacturing will be justified by the potential sales from your target markets.

Flexibility
Be aware of the differences in consumer tastes between different EU countries. A small variation in terms of material or colour (pantone) can be crucial, especially with young sports enthusiasts.

- **Key questions on product range:**

- What is the specialty of my company and how do I stand out from competitors?
- Which consumer target group would be interested most in my sports goods?
- Are there large differences in target groups per country?
- What is required to adapt my product for my target markets?
- What is the best positioning strategy for my sports goods range?
- How to make my product concept - which items and complementary products?
- Can products of other exporters in my neighbourhood complement this range?
- What should be the design, shape, size and colour?
- Do I need an in-house designer or work with a well-known designer in target market?
- How brand sensitive is the market?

- **Information sources → Product range:**

Information about product segments, consumer target groups and trends can be found in Chapter 3.2 of this market survey. Additional information can be found in trade and consumer magazines e.g. Sport Premiere Magazine in France, Sports Business in the UK, Sport und Mode in Germany.

In addition, forecasts can be found at CBI's download plaza (http://www.cbi.nl) and from the International fairs in Munich (IPSO), Milan (MICAM) and Anglet, France (GLISSEXPO). Another source of inspiration is watching live sport on TV in the target country. A high degree of sports participation is encouraged by TV viewing.

You could buy some competitive products or during exhibitions study how competitive products are presented. During visits, you could ask buyers or talk with editors of magazines about the latest developments in sports goods. Alternatively, store checks or asking the opinions of some people you know in your target market may help.

Product Design
The right design and styling is critical in developing new products. Looking for new shapes and applications should be never ending. Buyers are curious to know what is new in your range. This keeps the relationship alive. Retailers expect new products every six months as a minimum. Hence, keep up with this pace e.g. by having your own design department, working together with designers or e.g. trainees from design schools in your target markets.

Basic considerations in new designs are:
- *Product and production efficiency*
- *Fashion, colour, material, appeal and styling*
- *Inspiration*
- *Quality standards*
- *Environment*
- *Product profitability.*

Before introducing the new product, it may be worth registering its design in order to prevent competitors from copying the product (see Chapter 13.1) - a common occurrence in the many industries.

Exporters can also work to designs specified by importers or retailers. It is less risky for new exporters to the EU to work this way. The more fashionable sports goods products designed by exporters are particularly risky because they may quickly become outdated due to changes in trends - or their designs may not match the European designs. But even if the design is specified by the customer, other product-related design aspects regarding colour, size, materials, and finish must also meet the market requirements.

Sports goods sizes and colours: Since national preferences and (seasonal) fashion trends can vary, it is always important to agree with the customer/importer the precise dimensions of each article.

With regard to colours, it is recommended that the international Pantone coding system is always used to avoid misunderstanding, and that colours and finishes are defined and counter-sampled before agreement on the final order. The choice of (non-toxic) colouring substances and finishes should also be carefully monitored in relation to the increasingly stricter EU environmental regulations that restrict the use of materials that can be harmful to health or the environment.

Product design: Exporters from developing countries need to be aware of the design function of their article, which can be based on the latest trends or on interest from a particular consumer target group.

More information on registration of designs and brands in the EU is given on the Internet site of the Dutch design and brand registration office (Nederlands Octrooibureau); the address is given in Appendix 3.6.

If the exporter's article strongly resembles the design or shape of an existing item or well known brand, they can be prosecuted. Even if there are some slight differences, the original designer of the item is protected. This will cause serious problems for the importer, who will make his claim against the exporter who has produced the imitation product. Besides, copies of existing sports or camping goods are always regarded as cheaper items and are perceived as low quality goods with a short life cycle.

Counterfeiting: A serious problem in the sports industry is the existence of counterfeit or *imitated* products, i.e. illegal branded sportswear or sports equipment, which is often produced in Asia or the EU and sold at low prices in Germany and other EU countries. In 2003, sales of these counterfeit products caused damage to the sports industry estimated at around € 45 million, with many items being sold through the Internet. Major sources of manufacture for these items were the Czech Republic, Poland and Turkey where whole factories were often set up in reconstructed old Russian barracks, for example. The main brand imitated was Adidas, followed by Reebok, Nike, Timberland and O'Neill. In Germany (e.g. Die Deutsche Vereinigung zur Bekämpfung von Produktpiraterie), the United Kingdom, France and The Netherlands, anti counterfeiting organisations are currently taking measures to reduce or stop sales of these imitated sports goods.

Designs specified by importers

Exporters can also work to designs specified by importers or retailers. It is less risky for new exporters to the EU to work this way. The more fashionable sports and camping goods designed by exporters are particularly risky because they may quickly be outdated owing to changes in trends - or their designs may not match the European designs. But even if the design is specified by the customer, other product-related design aspects regarding colour, size, materials and finish must also meet the market requirements.

11.2 Product standards, quality and production capacity

Product standards and quality

Although buyers are always looking for new and improved lines of merchandise, they tend to stay with their established suppliers. Exporters must prove that their company and products are absolutely reliable before buyers will consider them as new suppliers. The strong manufacturing industries of the EU, China, South Korea and Taiwan produce sports goods of excellent quality and the standards demanded by trade buyers are similarly high. Consumers look for items of good quality, which are reliable, of a well-known brand and which can be used for a long time.

Small deficiencies in quality could be a big problem for the buyer. The costs of correcting problems can be high in EU countries.

- **Key questions on product standards**

- Which standards exist in my target markets? (Quality, Safety, Environmental)
- How crucial are they for my type of product? How can I meet them? What are the costs?
- Any issues in terms of safety?
- Can I easily source reliable raw material in my immediate neighbourhood?
- What are the packaging requirements in my target markets? What are the costs?

Information on voluntary and compulsory quality standards can be found in Chapter 9.1.

Buyers check whether the product adheres to international standards and to the standards in their own country.

After-sales service: Sports or camping goods from developing countries are often destined for the low-end and middle range market segments. In the middle range segment in particular, a good after-sales service is very important, since the responsibility for faulty goods cannot be fully accepted either by the retailer or importer. If something is wrong with a higher value article, it is generally too costly for the retailer or importer to provide a replacement, so the exporter must be able to deal with this situation quickly and efficiently.

Production capacity

The sports goods sector in industrialised countries is generally characterised by the availability of good quality raw materials, low production costs and a flexible labour force and good designers working with computer aided systems (CAD/CAM). In the EU, China, Thailand, India and other Asian countries, sports goods can be made in large quantities.

Sports goods from most other developing country exporters are in small quantities and it is still difficult for them to obtain a significant share in the international sports goods trade. Here, most manufacturing is more basic, i.e. items are handmade and labour intensive.

However, the major problems in production capacity are more quality related, for example, a limited level of technology, flexibility and variety in design. It is also difficult for many developing countries to produce certain levels of finishing of sufficient quality.

In addition, manufacturers in developing countries have difficulty in supplying product of a constant quality, size and finish. In many cases, manufacturers make a basic part of the product but often require material from outside sources in order to finish the item. This makes it hard to control quality and to avoid deficiencies – if a similar item is required.

Nevertheless, control the quality at each step in the production process. This reduces the rejection rate of the final item. Besides, constant vigilance makes your employees and outside suppliers pay more attention to quality. Take good care about the quality of finish of your products. This is extremely important, as it is the first impression given to importers and consumers.

- **Key questions on production capacity:**

- Is there enough spare capacity for extra orders? Is there any flexibility in production?
- Can I make the new items with the current machinery? Is extra skilled workforce required?
- What will be the cost of setting up additional production capacity?
- Will the export order hinder order for the domestic market?
- Can I guarantee a consistent supply and get all raw materials in time?
- Is the factory clean and tidy enough for the workers and are factory and machinery representative enough for foreign inspectors/buyers?
- Do I have enough storage facilities for extra production for foreign markets?

11.3 Logistics

When manufacturing in larger volumes e.g. for large retailers, department stores or mail order companies, lead times are short. As mentioned in Chapter 10.4, there is a trend towards keeping stock levels as low as possible with more frequent deliveries during the year. This requires the production of smaller lots of items with shorter life cycles and more flexibility to produce lines according to specification and supply these items 'Just In Time'.

Some products are sent by air and bulky items are shipped by sea freight. Airfreight usually takes a few days, depending on destination. In the case of sea freight, which may take between 8 – 10 weeks from e.g. an Asian to an EU country, transport requires careful planning. Freight services must be high quality, safe and, at the same time affordable.

Select a reliable method of transport for higher value items, e.g. courier, airfreight. Do not use the normal post. When using a courier, it is recommended that you use the same courier as the importer or buyer, since they can benefit from discounts.

When starting an export business, you must not only estimate costs accurately before entering into a contract, but also ensure that the shipping facilities in your country can guarantee delivery within the contractual time frame. Are the shipping facilities reliable? – this is particularly difficult to control if you are not near to a port or airport. Other problems may occur when products have to travel a long distance overland before reaching the port, and/or has to be stored for a while due to a delayed shipping schedule. In these cases, having a reliable shipping agent is essential. More information on delivery terms can be found in Chapter 13.4.

The best solution would be to use a shipping agent or freight forwarder to arrange transportation services on your behalf. As they are familiar with import and export regulations, they can simplify the shipping process. It is important to use a forwarder that is experienced in handling sports goods to minimise the risk of damage and who can provide good advice on safe export packaging.

They also must have experience and preferably speak the language of the destination country. They must also provide assistance in handling all documentation, including export licensing. Freight forwarders are cost effective to use, because they can negotiate the best rates. They usually operate on a fee basis paid by the exporter.

- **Key questions on logistics:**

- How often are you able to deliver product to your target markets?
- What lot sizes do you generally produce or are you able to produce?
- What combinations of items can be made for different customers?
- How to shorten the physical distance (if any) between factory and port or airport?
- What is the safest way to insure the items, and what costs are involved?
- How to reduce the risk of possible theft of the items?
- What are the typical costs of transportation, document handling?

11.4 Marketing and sales

When exporting sports goods, a combination of marketing tools (product, price, place and promotion) is required to keep control over your export venture. How to use your marketing tools and build up a long-term business relationship with partners in your target market will be covered in Chapter 13.

When exporting for the first time, this demands an investment in terms of time, money and skills. You may consider recruiting a new experienced member of staff to co-ordinate your marketing strategy. There will certainly be a need for someone to spend periods away in the target markets depending on the volume of your export business.

- **Key questions on marketing and sales:**

- Who will be (full-time) responsible for managing the export sales and marketing functions?
- How well can he/she do the job?
- What sort of additional training is needed (strategic/sales skills/language/ technical/ trends)?
- Who do you know in the target markets?
- What sort of procedures will be needed to carry on your usual business when visiting the target markets?
- How do you feel about having to travel a great deal and spend considerable periods away from home?
- Are you open to other cultures with business practices quite different to your own?
- What sort of additional management information systems will be needed in order to monitor the new overseas target markets?
- What sort of promotional material is available for overseas markets?

Perhaps you have existing contacts in your target markets, e.g. relatives, friends, suppliers etc. They may gather information, monitor progress and follow up leads.

All marketing planning, sales and promotional activities involved in exporting take place in the sales or marketing department – depending on the size of your business. This department is responsible for the marketing and sales of products in the domestic and foreign markets, as well as for all operational and quality control issues. A simple sales organisation usually consists of office personnel and a field force.

Office personnel	Field force
▪ Handling correspondence ▪ Handling offers and orders ▪ Issuing forwarding instructions ▪ Issuing and checking invoices ▪ Controlling schedules ▪ Keeping customer records ▪ Expediting product samples ▪ Keeping sales statistics ▪ Evaluating markets ▪ Dispatching goods ▪ Quality control	▪ Selling ▪ Visiting customers ▪ Presenting new products ▪ Discussing and implementing campaigns ▪ Discussing listings ▪ Holding yearly reviews with customers ▪ Implementing selling prices

The marketing and planning is usually controlled by the company management, based on the activities and achievements of the sales department. An essential tool used in sales departments is a detailed and up-to-date customer database. The customer database contains the following information:

- Basic data on the customer (e.g. long-term information - name, address, telephone number, etc.);

- Changing data on the customer (information resulting from business with the customer such as telephone calls, offers, sales statistics, etc.).

The customer database gives a sales person a review of the most important customer information when planning a telephone call. If possible, the customer database should be computerised, because this simplifies changes, updating, sorting and selection procedures. If this is not possible, customer information should be kept on file cards (see samples).

Customer Data Sheet			
Company:	....	Customer no.: _ _ _ _ _ _ _ _	
Street:	....	Customer class*: oA oB oC	
P.O. Box:	....	First contact date: _ _ / _ _ / _ _	
Postal code:	....	Sales person:	
Town:	....	Customer type:..........................	
Country:	....	(agent, importer, retailer)	
Tel.:	....	Sales last year:	
Fax:	....	Sales planned this year:	
E-mail:	....	Method of payment:	
Bank:	....	Delivery conditions:	
Bank address:	....	Remarks:	
Account No:	....	....	
Contact persons:			
1 Title:	First name:	Name:	
Function:	Tel.:	Fax:	
2 Title:	First name:	Name:	
Function:	Tel.:	Fax:	
Contact record:			
1. Contact date: -- / -- / --			
2. Sort of contact (tel., visit, e-mail)			
3. Issues agreed – topics to follow up			

* Classify customers by importance to your company (sales, quality of relation, etc).

Customer specific information *(personal)**			
	hobbies	*when and where met*	*family*
Mr.	e.g. he likes old cars	- last met at GLISEXPO	- his son likes travelling
Mrs.........	e.g. good tennis player	- will visit Mauritius	- husband likes Indian food
Mr.........	etc.		
Mrs.......... etc.	* This information is important, but should not be emphasised in the conversation, especially not at the start of a relationship. These topics could come up in a more social situation.		

11.5 Financing

As with any other approach to business expansion, direct exporting will involve a considerable investment, not only in time and effort, but also money. Before you get close to obtaining that first export order, you will incur costs for market research, design and travelling. Further down the road you will need to have sufficient working capital to span the gap between the time you pay out for day-to-day running costs, raw materials, freight charges and insurance, and the time you receive payment from your customers. Here your bank could be a useful source of information. They can provide you more information than just the financial issues.

- **Key questions on financing:**

- What do you need to invest in order to get a clear idea of your export opportunities?
- How much would be the cost for additional resources (machinery/designer etc.)? How can you fund these extra costs?
- In case of seasonal products, can you invest regularly in new designs necessary to remain competitive?
- Is capital from other sources necessary for financing the operation? Any funds available?
- How much will the export sales and marketing costs be and how will this be funded?

In the case of outsourced or licensed manufacturing, less investment is required for exporters. Here, the financing is limited to the production process, the purchase of raw material and the possible finishing.

11.6 Capabilities

Commitment to export
In addition to an in-house staff with international experience, your company should be able to generate the physical and administrative infrastructure to deal with increased activities from exporting - not only in dealing with orders but also with processing Customs and shipping documentation. If this type of infrastructure is limited, then it is a weakness in developing sustained export activities.

Export experiences
It is important to learn from experience. If the company has tried but failed to penetrate an export market previously, this should be analysed to determine where things went wrong.

Language and culture
Alongside knowledge of export procedures and regulations, it is essential for you and other staff in your company to know the language of your target market. Although English is often accepted, good knowledge of the local languages is a competitive advantage and you may become aware of hidden feelings faster. Be aware that in France, Italy, Spain and Greece you must speak the local language. There are even regions in e.g. Spain such as Cataluña, The Basque country or Andalucia where people strongly stick to their own language.

In addition, each EU country has its own culture and business manners. For example, Germans are perfectionists; Dutch people are very direct, while French people are formal but become milder once they know you better. Italians are people with good taste (especially for designs), while Spaniards take their time in decision-making – and pushing them too much has often the opposite effect.

Try to get familiar with the local business customs. Literature on this is available in bookstores. You can also find information at embassies or local Chambers of Commerce. If necessary, translators can be found through embassies or via commercial translation offices in your target country.

12 DECISION MAKING

12.1 SWOT Analysis

After the External (Market Audit) and Internal analyses (Company Audit) have been done, the exporter can set out his position in the EU sports goods market and assess where his company may need improvement in order to compete effectively in his target markets. One widely used planning technique is to summarise the findings from Chapters 11 and 12 into a SWOT matrix, taking the following two points of view:

- ***Opportunities and threats in the marketplace***
  From your external analysis, you have an idea which EU countries to approach. It is now time to start summarising all opportunities and threats you have found on matters such as: market development, your target group, market niches, trends in fashion, sports goods design, production trends, sports goods trade flows, price developments, non-tariff barriers (e.g. environmental issues) or any other relevant topic. These summary conclusions should provide you with enough insight into the opportunities and threats in the EU market.

- ***Your own strengths and weaknesses***
  The internal analysis you have done should provide you with insight into your own strengths and weaknesses. Topics to be assessed include: your specialty, your sports goods range, design capabilities, product standards, production capacity, flexibility, logistics, sales force, financial strengths and the capabilities, experience and commitment of your company to approach overseas markets.

This SWOT matrix below only serves as an example. Here a combination is made by market and by sales channel. You could do your own SWOT analysis tailored to your specific situation and either consider your target market or your sales channel. It depends on the type and size of your company, your target countries, the type of sports goods and trends in fashion etc..

Opportunities	***Threats***
- Trend towards more in-home exercising. - Consumers looking for reasonable prices. - East European sports enthusiasts with more disposable income. - EU manufacturers require products which involve intensive labour and skills. - ………………………………………………. - ……………………………………………….	- Pressure on prices of items from developing countries, especially machine-made items. - Consumers increasingly demanding in terms of quality, designs and brands. - Trendy sports increasingly short lived. - …………………………………………… - ……………………………………………
Strengths	***Weaknesses***
- Specific design based on cultural heritage. - Low labour cost, flexible production system and export experience to the Dutch market. - Strong domestic tradition in the sport. - The use of special materials in designs. - ………………………………………………. - ……………………………………………….	- Limited production capacity, for machine-made items. - Difficult to find good experienced labour. - Keeping up with fast pace of innovation. - Low own financial resources. - …………………………………………… - …………………………………………… - ……………………………………………

Optimise your strengths and see how to overcome weaknesses in the future and how to deal with threats in the market place. The result of your SWOT analysis, the possibility to overcome your weaknesses and the degree of risk when entering target markets, are crucial for your decision - whether or not to start exporting to the EU -.

12.2 Strategic Options and Objectives

From your SWOT Analysis, you should gain enough confidence to know if you are able to export to the EU sports goods target markets with more opportunities (than threats) and if your company is strong enough to start this venture. In order to export:

✓ You know if and how your specialty could appeal to your target group and how to adapt or restyle your sports goods range for export markets.

✓ You may decide to concentrate on a few growing target markets, especially if your company is new to exporting. You can divide markets into:

- ***Primary markets***, where you can expect a relatively fast pay back against investment at a relatively low risk. Also referred to as *pilot* or *target markets.*
- ***Secondary markets*** expose your company to a greater risk. But if you have enough resources and approach them with caution, they are still capable of generating profit. You could target these markets after you have gained more experience in the EU.
- ***Tertiary markets*** may be interesting to approach actively in the future. But for the time being you prefer to produce for EU manufacturers.

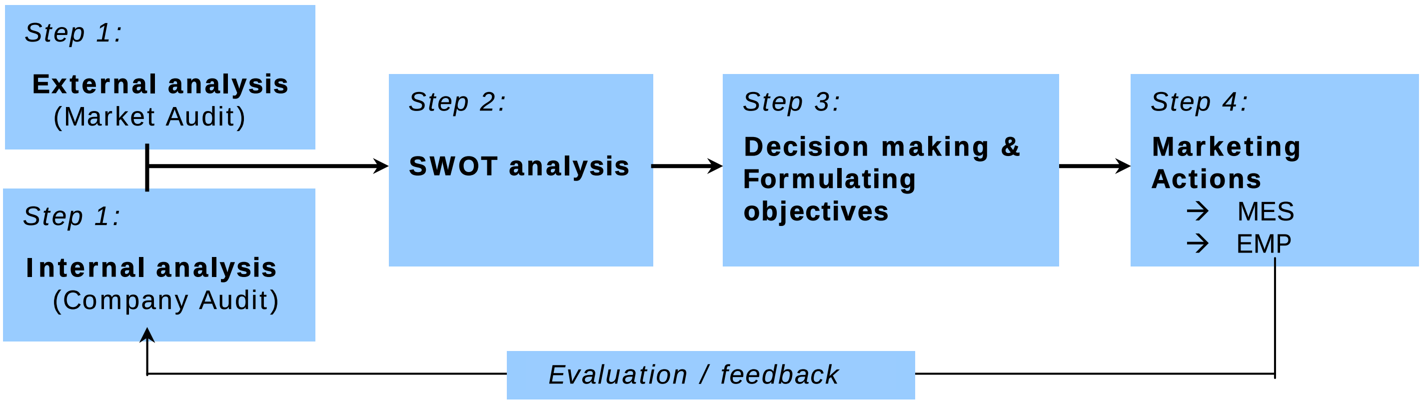
✓ You know the best sales channels when entering the chosen markets.

✓ You know the risks, threats and difficulties and what strategy and tactics are required to tackle them and take this up as a challenge.

Once you are confident about your sports goods range for export markets, establishing or expanding your export business should not harm your current business. In other words, does an export marketing venture fit into your company's objectives? In order to answer this question, you will have to ask yourself:

- What does your company want to gain from exporting?
- Is the export goal consistent with other company goals?
- Will the export business give you a satisfactory return on investment? Maybe your investment would be better used expanding your domestic business

Companies can waste a lot of time and money trying to enter markets that do not have enough potential or are not suitable for their product. So try first to become familiar with the EU market, set your priorities to a few markets, focus on one or a few target groups and be well prepared in order to succeed in export marketing.



Once you have made a positive decision, you are ready to formulate your objectives in a *Market Entry Strategy (MES)* for your target markets and plan your activities in an *Export Marketing Plan (EMP).* With the marketing actions and tools covered in Chapter 13, you should be able to draw up the MES and EMP. General export marketing information can be found in CBI's *Export Planner* and general information and methodologies for doing your own market research can be found in CBI's manual '*Your guide to Market Research*'.

13 EXPORT MARKETING

Once the decision to export sports goods to the EU is taken, you next have to find out how to build up this export business successfully. This Chapter provides a general view on using your marketing tools effectively, in order to establish a business relationship with prospective buyers or trade partners in EU markets. The marketing tools are covered here in the following way:

- Matching the products and the product range.
- Building up a relationship with a suitable trading partner.
- Drawing up a general or a specific offer (pricing issues).
- Handling the contract (terms and fulfilment).
- Sales promotion, advertising, communication, sales organisation and trade fairs.

13.1 Matching the products and product range

You have already reviewed your product range and possible adaptation of items in terms of material, design and colour for primary markets in Chapter 11.

Creating a point of difference or specialty
Based on the information collected in your external and internal analysis, you may be aware of most sports goods ranges by competitor suppliers e.g. in China and other Asian countries. Try to distinguish your product from mass produced products by creating a special range, based on your skills, country, material or specific design. It is important that your range conveys this expertise or its authenticity, which could match the chosen target group and be up with one of the seasonal fashion trends. A conversation or co-operation with a supplier in your target market is crucial in order to give your range a 'local touch' or avoid a local error.

More variety in sports goods products
In the past ten years, sports goods have become far more fashionable, with a greater variety of styles. An overview of the most common varieties is given in Table 13.1.

Table 13.1 Type of sports goods products and their varieties

Type of product	*Variety*
Fitness/gym	Exercise bikes, free weights, treadmill/steppers, other equipment e.g. stomach exercisers, AB toners, rollers, exercise mats, resistance equipment e.g. wrist, hand, thigh exercisers
Golf	Clubs (irons and woods), putters, balls, bags, accessories
Water sports	Water skis, surfboards, sailboards, inflatable vessels, headbands, spectacles, articles/accessories for diving, surfing and snorkelling
Balls	Inflatable balls (football, rugby, basketball, volleyball, handball, polo), tennis, squash, hockey and cricket balls
Camping goods	Tents, sleeping bags, mattresses, cooking gear, binoculars, instant food, mosquito nets, medical sets and technical outdoor equipment e.g. crampons, ice axes, ropes, accessories
Skates	Ice skates & roller skates, skating boots, parts and accessories for ice and roller skates
Snow sports	Skis, ski fastenings and bindings, ski equipment, ski sticks
Team/field sports	Cricket & polo equipment, articles & equipment for baseball, hockey, sleds, toboggans, other articles & equipment for indoor and outdoor sports, swimming and paddling pools
Sports gloves	Gloves for general physical exercise or any other sports, made of leather or other material
Fishing tackle	Rods, hooks, other line tackle, fishing nets, reels
Horse riding	Saddles, harnesses, traces, leads, knee pads, muzzles, saddle cloths, saddle bags

Creating a concept and product range
When creating new items, you should try to present a *product concept* and offer a range of products that fit the concept you have chosen. Most buyers prefer to make a selection from different items, within an idea or concept matching their target group or fit into the latest trend for the coming season, e.g. in department stores. Buyers are more easily persuaded of the merits of a concept. Once they believe in it, they are more likely to take particular items within this concept. You could test this range of sports goods products with some of your current buyers beforehand.

Copying
As already mentioned in Chapter 11.1 - Product design -, try to avoid copying an existing sports goods range. Copying is still a common issue and can have a very disturbing effect on your business relationships, especially on products sold in markets under exclusive arrangements. Copies are always regarded to be cheap and of a low quality. Apart from the irritation it causes with your buyers, it also ruins the good name of the original item.

As competition in the EU market has intensified, your range could be copied and launched on the market by someone else. Before introducing the new product, it may be worth registering its design in order to prevent competitors' copying the product. In this respect, it is important to know which laws exist on patents and trademarks; where to apply and what the costs to register are. The violation of copyright laws may result in a penalty of thousands of Euros for one item. In addition, the news will spread fast and seriously harm the reputation of the offender.

Protection of your items
In order to protect your range, you could contact a legal representative in your target market. You can request them to certify e.g. pictures or photocopies of your products. Here you will need a certification stamp of the tax authorities. You could also get the stamp direct from the tax authorities. This stamp gives you a tool to intimidate the offender and you could start up legal proceedings, with or without the help of the local legal representative. It is important to check their costs beforehand.

More information on registration of designs and brands in the EU, is given on the Internet site of the Dutch design and brand registration office (Nederlands Octrooibureau) – address see Appendix 3.6.

Outsourcing
When exporting to secondary or tertiary markets, you should give buyers a clear idea on the raw material (also whether handmade or not), the available production facilities, production process, production capacity, flexibility, delivery, and the possibilities for supplying extra parts or special finishing according to the requirements of your prospective partner.

Packaging
Special transport packaging is necessary to ensure that your products arrive in perfect condition at their destination. Unsuitable packaging can cause the product to be damaged – see Chapter 9.1. When packing for export, pay attention to the following key areas:

Key areas for attention:

- ➔ Follow the packing instructions from the buyer or importer exactly, including all the details specified, even to the position of a sticker or label. Mistakes or discrepancies may result in a consignment being rejected or repacked by the importer.
- ➔ Pack the product in such a way as to minimise the opportunity for damage during storage and during transport, such as packing fragile articles in plastic bags, soft paper or bubbled plastic within a small box.
- ➔ On the other hand, when sending items by courier or air freight, try to avoid excessive volume in order to keep the freight charges as low as possible.

13.2 Building up a relationship with a suitable trade partner

Researching trade partners
Among many potential customers/buyers, you must identify those who match your specialty and product range, who are suitable to build up a long or short-term business relationship. Check your potential customer's financial status and credibility. At the end of the identification phase, you should have selected the names and addresses of suitable trading partners. Some sources to find information on potential trade partners are:

In your own country:

- The foreign-trade Chamber of Commerce of your target country.
- The Economic Affairs departments or the official representative (Embassy or Consulate) of your target country.

In your target countries:

- CBI's linkplaza (http://www.cbi.nl) or check CBI's company matching database or export development programmes for sports goods.
- Business support organisations.
- Trade associations / Trade press / National trade platforms or portals (see Appendix 3).
- Your own country's public and private trade promotion bodies.
- Your own country's diplomatic and consular representatives.
- Chambers of Commerce.
- Trade fair organisers (catalogues).

Be aware that sources of information often only answer written inquiries and may take some time in sending a reply. A detailed inquiry improves the chance of precise information and prevents future misunderstandings. Also, take the cultural differences between EU markets into consideration in your approach (see also Chapter 11.5).

Evaluate names and addresses you receive, using the following criteria:

- Is the importer active in the target country you selected? Which other countries?
- To which channels/retailers does he supply? Can you still approach large retailers yourself – even if you are in business with his company?
- Does the importer focus his activities on your item-related specialty?
- Are they interested in a long-term relationship or are only interested in 'one shot'?
- Do you have enough sound information about the reliability of this partner?
- Check your potential buyers' financial status credibility by credit rating reports by Dunn and Bradstreet (http://www.dnb.com), otherwise try to negotiate a LC (letter of credit).
- Is the information on his company complete (contact person, address, tel. and fax, e-mail).

Using these criteria, draw up a priority list of the contact addresses you have received. In your search, try to select trade partners who are a good match with your company. For example, if they are too big and you have a limited capacity, they may not be suitable partners.

Searching partners at trade fairs
While the option of employing a full time European agent is not affordable for some exporters, it is essential to make sure that potential trade partners are at least given the opportunity to see what can be available to them.

Trade fairs are tremendously important means for buyers to meet potential new suppliers. However, a key point to note is that although there is a surplus of suppliers in most sports goods sectors, good buyers need also to change their range on a regular basis. So, they are always looking for new products, if not new sources of supply.

Approaching trade partners
There is a difference in business approach between manufacturers and buyers. In general, EU manufacturers make sports goods with an appreciation for the use of the product, whereas buyers often regard them as a commodity for making money. The EU sports goods industry tends to be dominated by men in high executive positions.

Irrespective of the kind of trade partner, try to ensure that you contact them at *the right time*, and *in the right manner* to give yourself the best opportunity to succeed. Usually in April/May buyers purchase their winter lines, which should be delivered in June/July. More information on the seasons can be found at the end of Chapter 3.3 ('Sales patterns').

Good communication
In a new relationship try to answer questions as soon as possible. E-mail, telephone and fax are indispensable. If you receive a question and need a few days to formulate your answer, let your buyer know that you have received it and are working on it and let him know when you will be able to give him the answer. Good communication is extremely important in starting relationships (see also Chapter 11.6).

Samples
Buyers often take a careful approach when starting a 'new adventure' with a developing country exporter. You may have to send samples before they give you an order. Sample shipments are very costly and you should judge from his/her explanation as to why they require a sample before confirming an order. If you promise to do so, and then act quickly, you will create trust with him/her. If you send it by courier, send a copy of the airway bill number and an advance notice (by e-mail) to the buyer, after you have sent the samples. Look after samples carefully when taking them on business trips.

Mail order companies may ask for samples long before the delivery date for their catalogue. In this case, you should have already negotiated a fixed order with them.

Trial orders
Buyers usually place a trial order and first want to check the following:

➔ How the products will be delivered. The delivery date of an order is always specified at the time of purchase. Be aware that failure to meet the specified delivery will usually result in cancellation of the order. If you cannot finish something by a deadline, say so early on.

➔ How the exporter can meet their particular needs in terms of e.g. packaging, adaptation of models, product finish etc.

➔ Never ship poorer quality goods than those demanded and agreed upon. If you are unable to produce the required finish, it would be better to say so and discuss the possibility with the buyer to have certain items supplied from elsewhere.

➔ How smooth communication will be between your company and themselves and other people in their company.

Those exporters who can give a professional follow-up on these first contacts and particular requests are likely to receive substantial orders later on. Even if they do not purchase from you in the first instance, it important to develop ongoing relationships with these buyers.

13.3 Pricing and drawing up an offer

Pricing

Setting the right price for sports goods is difficult. Some retail prices have been given in Chapter 8. The difference between the highest and lowest price in most product categories is very wide. Information on how the price is usually set in the sports goods trade was provided in Chapter 10.5. In general, some of the following questions should be considered when setting a price:

How much does it cost to manufacture your product?

- Production costs not only include costs for production, but also for raw material, design, packaging, distribution and promotion.
- Allow for the costs of any unsold product.

How will you sell your product?

- Do you sell your products directly to customers in the EU?
- Are you producing on a contract basis for an EU manufacturer/supplier?

What is the price of your competitors' products?

- What do competitors charge and are their products e.g. in terms of material and volume the same as yours?
- The checklist in Chapter 10.2 and the price structure in Chapter 10.5, will give you an idea of the prices they charge.
- What could be the upper limit of your price range, comparing your products to competitors'.

What is the potential demand for your product?

- How unique is your product range or concept?
- To price according to demand you have to know more about the size and nature of your customer base and their feelings about pricing.
- Consider market trends, niches and opportunities - see Chapters 3 & 10.1

In order to comply with the increasing pressure on prices, it is vital that promising new items from developing country exporters offer extra value. A new product can be of interest to a buyer either because it is a unique product, or because it could appeal to a particular target group, fashion trend or craze, in which case the price is of secondary importance.

However, still try to monitor your price in relation to your costs of production, your competitors and your customers. Depending on these factors, you can set your *minimum* and *definite export prices*. Once the price is agreed, try to make adjustments e.g. every year.

Try to work always with a fixed price list and avoid bargaining. You could offer quantity discounts as the cost price of an item is lower at higher quantities of production. Most buyers, especially Dutch buyers do not accept your prices. They always try to negotiate a discount. If they continue to insist, you could consider a discount on the value of the order e.g. 5% on € 5,000 or 10% on € 10,000. Be sure here to add this amount to your prices before you provide an initial quotation.

Drawing up an offer

There are two different kinds of offers:

- ➔ **General offer – *or company introduction***
- ➔ **Specific offer.**

Drawing up a general offer

- The purpose of a general offer is to attract the interest of prospective buyers or trade partners who you do not know well.
- A general offer consists of sending a short profile of your own company and an overview of your product range with a price indication.
- In a personal letter, briefly introduce your company and inform the prospective buyer of the advantages of starting up a business relationship with your company, what are your USP's etc.

Drawing up a specific offer

A specific offer is legally binding for a certain period of time and is often based on a specific request from the prospective buyer or trade partner. You must therefore be capable of fulfilling its terms of contract. You should make a specific offer only when you know the business partner personally or after you have made the initial contact.

Written offer:

- Name of the person responsible in your company.
- Exact description of the goods offered (preferably using an internationally valid quality standard specification).
- Quantity or quantities.
- Price of the goods offered in accordance with the Incoterms 2000 (ICC publication, if applicable, split up by delivery quantities or quality) – see http://www.iccwbo.org/incoterms/faq.asp
- Possible delivery date and terms of delivery.
- Terms of Payment.
- The validity period of the offer, the waiver and/or extension of the offer.

General remarks

Recommended action for both kinds of offer:

- A telephone call to ask whether the offer (and the samples, if applicable) has/have arrived.
- An invitation to visit your company.
- Possibly propose a visit to the country of destination. In that case:
  - If necessary, hire an interpreter.
  - Ask your own consulate or other intermediaries for assistance.

Booking the order

In case you do not need to make an offer and can book an order straight away, write it on your letterhead (with your companies' logo and contact details). Make sure that you have explained your terms to the buyer and put them on your order sheet. Make sure the buyer signs the order.

Several buyers, especially large companies, use their own order sheets. Be careful that if you have accepted the order written on the buyer's sheet, this implies that you have accepted the order according to his conditions, which are often being printed on the order sheet. So, always try to study these conditions before you sign the order. On any agreed buying conditions make sure that you quickly send the buyer a confirmation or Pro Forma invoice with detailed information of what exactly you have agreed to during the writing of the order.

13.4 Handling the contract

When handling the contract, you should consider the *terms* and the *fulfilment*:

Contract terms:

- Conclude the delivery conditions according to international guidelines (e.g. Incoterms 2000)
- In the case of trial orders, which are delivered for the first time, sometimes a credit note for the charged costs of making the samples is sent to the buyer.

Failure to deliver on time is likely to be subject to penalties. A failure in delivery can result in cancellation of the order. So exporters should be absolutely sure they can meet delivery dates without delays, before they enter into a contract. Trading relations between exporter and importer are based on trust, and they can only be built up by meeting the high expectations of the importer.

Contract fulfilment:

- Procure the delivery documents in good time.
- Comply strictly with all parts of the supply agreement. A *standard contract* made by the International Chamber of Commerce (ICC) could be a good reference in order to know which subjects should be covered in a contract.
- If you cannot comply with any part of the agreement (e.g. delivery delays or quality problems), inform the customer clearly and in good time.
- Co-operate on a partnership basis and seek a common solution even if conflicts arise.
- Fulfilling the contract should have a high priority, particularly when delivering for the first time.
- Mention the total annual sales (in value) and the expected sales progress in the next coming years.
- Termination of the contract should be clarified (when, why and how).

Payment methods and delivery terms

In the sports goods trade, the payment method chosen will depend on negotiations between buyer and seller in which both will try to achieve the best conditions for themselves. This implies that exporters prefer to be paid before shipping the products, while buyers prefer to pay as late as possible, after arrival, inspection or even sale of the items.

Common methods of payment
Red clause or down payment Here the importer or buyer orders the goods and pays 50% of the invoice in advance (instead of a LC). The remaining 50% is paid after the goods have been loaded for shipment. This method is used when orders are valued up to € 1,000. ***Documents against payment (D/P)*** Also known as cash against documents (CAD). The buyer takes possession of the goods only after payment. This method is not so popular; the costs are about 1%, but vary by country and by bank. This method is used when orders are valued between € 1,000 and 5,000. ***Letter of credit (L/C)*** The irrevocable L/C is very often used at the beginning of a business relationship when the importer and exporter do not yet know each other very well. The L/C is irrevocable and will always be paid when the documents are in exact conformity with the stipulations in the L/C. The costs vary between countries (e.g. 5%) and depend on the bank. The cost of an L/C is higher than the D/P method. Payment by L/C is widely used in the EU when dealing with exporters from outside Europe. As this method is rather complicated and time consuming, it is mostly used when orders exceed a value of € 5,000. Do not start production until you receive the L/C. Check the conditions stated in the L/C against what is on the order sheet (e.g. the requested delivery time). Only after this, proceed with the order. During the process of the order, check at regular intervals to see if everything is still going as planned. Correct delivery is so important because you are going to be paid from a L/C in which all conditions must be followed to the letter, otherwise payment is not guaranteed. ***Clean payment*** This is the most common method within the EU. The basic condition here is that both parties know each other well. The process is fast and reliable, depending on the credit-worthiness of the importer. The bank carries out the transactions through the Swift electronic data system and the transfer costs are not very high. ***Cheques*** Bank guaranteed cheques are generally no problem, though cashing them may take some time, up to six weeks. Not all personal cheques are accepted.

More details of the payment methods and delivery terms can be found in CBI's *Export Planner*. When dealing with every (new) supplier, the importer considers very carefully which method of payment should be agreed upon. The same applies to the delivery terms.

Most common delivery terms
• **FOB** (Free on Board): the buyer arranges for transportation and insurance. FOB must specify the port of departure. • **CFR** (Cost & Freight): the exporter pays the freight, the buyer arranges for the insurance. • **CIF** (Cost, Insurance & Freight): the exporter pays the freight and the insurance. In all cases, once the products have crossed the ships' rails in the port of departure, the risk transfers from the exporter to the importer or buyer. For sports goods, CIF is often used. Details can be found at the Incoterms 2000 of the ICC – see also http://www.iccwbo.org

13.5 Sales promotion and organisation

Sales Promotion

A first start when exporting can be made by using trade fairs, websites, free publicity and some advertising in trade magazines, if budget is available. In addition, sales promotion can be done at a reasonable cost in order to develop new customers and keep in touch with your current customers. For example by a newsletter (by e-mail), you can show them that you are actively following e.g. the latest fashion trends in the EU or are well-aware of the latest developments in new material, certification etc. In your correspondence, a constant, prompt and reliable communication is vital to build and keep up the relationship with customers.

When developing new customers:

- Take good care of prospective customers. For example, expressions of thanks after
- you have met them and keep them regularly informed on the product range, etc.
- Brochures on your company and the product range are useful to promote sales.
- Ask existing customers for letters of reference. Such recommendations are particularly important for new contacts.

Expanding supply quantities:

- In some cases, you may be able to increase supply quantities to existing customers.
- Always answer a letter of inquiry. If you cannot supply this contact, say so, explaining that you will get in touch with him for the next campaign.

The message

Your product message

Sales promotion requires a large investment. However, starting on a very small scale, your product range could already convey a basic message, in terms of style, design, colour and presentation. Your product range will have been developed based on market research, to appeal to your chosen target group.

Presenting the message to others

It is very important to present your product range as confidently and clearly as possible to prospective customers or any other related parties in the supply chain through your own personal selling. In this presentation try to explain what you have found out from your external analysis e.g.:

- Who your target group is.
- What your sports good could do for them in terms of their own concept or USP.
- Why your product is better than competitive products.
- Where they could go to get it.

Apart from buyers or customers, it is also important to communicate your range to all other people involved in the sale of your products. Once you are in business with the buyer, sales people in the supply chain e.g. retail sales staff need to understand this range well. A written explanation would be the best way to prevent misunderstandings that may result in wrong information being provided to consumers. This is especially important in the case of very unique material, craftsmanship or cultural heritage – all of which may be quite unfamiliar to EU people.

Importance of language and style

If you or your importer does any form of promotion, the language is an important issue to consider. Always try to put any form in the local language and be aware of the different interpretations of humour, colour and 'good taste'.

In addition, the style of your range must be reflected in any promotional presentation. This means in store and by all people involved in the sale of your product.
More information can be found in CBI's manual *'Your Image Builder'*.

Advertising

Advertising is another tool aimed at increasing the sale of your range. This is relatively expensive. Always try to combine an advertisement in e.g. a trade magazine with free publicity, which usually has a much higher credibility than an advertisement. In order to get the best out of your investment, you will have to clarify:

A clearly defined target group	➔	Who could buy my products?
A well-formulated message	➔	What do I want to tell the customer?

Costs and dispersion losses

Two parameters are used to measure the costs of any communication measure:

Cost per contact	➔	How much does it cost to convey the message to one target person?
Total costs	➔	How much does the whole campaign cost?

It must be borne in mind that not all messages sent actually reach the person for whom they are intended. The costs for messages that do not reach the right consumer are called dispersion losses.

Promotion

Manufacturers/suppliers, importers, retailers and other buyers travel extensively to international trade fairs to look for new products, to decide upon suitable ranges for their market and to keep up with the latest changes in sports, sports equipment, product performance and design, fashions, materials and colours.

There are well-established European fairs where buyers from the countries in question can be found. However, trade fairs are very much international events, you are quite likely to find buyers from major EU countries who travel to trade fairs held in the developing world. India and the Far East are well established on the international map of sports goods trade fairs.

The *ISPO* in Munich (Germany), *MICAM* in Milan (Italy), *Go Outdoors* (United Kingdom) in London and *SnowbySig* in Grenoble (France) are the most important fairs for sports goods in the EU. The ISPO (Munich) is the leading fair for sports goods, which is held twice a year (summer and winter) with around 40,000 visitors and 1,585 exhibitors at each fair. The *SnowbySig* is focussed on gliding sports (e.g. snow sports, waterskiing, skateboarding, paragliding etc.), with around 13,000 visitors and 200 exhibitors, and is held annually.

Other large specialised fairs include the *European Outdoor* in Friedrichshafen (Germany) and *Golf Europe* in Munich (Germany). For a list of the most important European sports goods trade fairs and addresses of trade fair organisers of the most important fairs in the selected EU markets – see Appendix 3.4.

There is a permanent exhibition at the *Sports Business Center* in Leusden that plays an important role in the trade in sports goods in The Netherlands. Here the most important importers and wholesalers have showrooms in the centre and special fairs are organised for the retail trade twice a year. The National Spring Preview Fair in January is more focussed on winter sports (equipment, clothing and footwear), whereas the National Autumn Fair in September gives a preview to the new collections for summer sports. The Sports Business Center also organises specialised national fairs such as the *Spocom* (focussed on snowsports), *Outdoor Holland* and *Get-In-Line* (skating and gliding sports).

The centre is open every working day and retailers can order new merchandise for their shops. Every Monday the representatives of each sales company are present. For the exporter, a visit to the centre gives a good impression of what is currently on sale in the Dutch market. Northern EU countries have similar permanent exhibitions.

Participation in national and international trade fairs can be a useful sales promotion tool. This requires comprehensive and detailed examination with regards to:

- selection of a suitable trade fair and preparations for participation;
- participation;
- follow-up.

Trade fairs, as with promotional campaigns, need thorough preparation:

<u>Before the trade fair:</u>

- up-date your customer files
- clarify what kind of buyers you are looking for (long-term relationship or 'one-shot')
- prepare all documentation (business cards, company brochures, product range, etc.)
- make a preparatory mailing, informing your present and potential customers of your stand number and inviting them to visit you in the stand and/or propose to visit them (i.e. the existing clients).
- carefully consider the range you are displaying at the fair to project accurately your desired image

<u>During the trade fair:</u>

- register all contacts
- once a buyer stops at your booth, try to find out what kind of buyer he/she is
- find out his/her profile and make notes
- what is the sort of target group he/she serves, with how many sales force
- find out who their main competitor is (they often won't tell you)
- find out from which suppliers they currently source and in which countries.
- if possible, try to take orders at the fair

<u>After the trade fair:</u>

- enter all your contacts in a data base
- write to the contacts to thank them for their visit and send the information you promised
- consider a second mailing several months after the first one, to remind your contact that you would be happy to answer any inquiry he may have.

Business support organisations and Trade associations can be of help in providing information about relevant trade fairs. More information can be found in CBI's manual '*Your Showmaster'*.

Appendices

APPENDIX 1 DETAILED HS CODES - SPORTS GOODS

HS Code	Product description
9506	**Sports goods** Articles and equipment for general physical exercise, gymnastics, athletics, other sports (including table-tennis) or outdoor sports, not specified or included elsewhere in this chapter; swimming pools and wading pools; parts and accessories thereof.
Sports Equipment	
Snowsports	
950611	Skis for winter sports
95061110	Cross country skis
95061120	Downhill skis, inc monoskis
95061121	Monoskis and snowboards
95061129	Downhill skis excl monoskis and snowboards
95061180	Skis for skijumping
95061190	Skis for ski jumping and alpine skiing
950612	Ski bindings
950619	Ski equipment for winter sports (other then skis, fastenings and bindings)
95061910	Ski sticks
95061990	Ski equipment for winter sports (excl. skis, bindings and ski sticks)
Watersports	
950621	Sailboards and parts and accessories thereof
950629	Waterskis, surfboards, sailboards and other water-sport equipment; parts and accessories thereof:
95062910	Water skis
95062990	Surfboards & other water-sport equipment (excl. sailboards & water skis)
890310	Inflatable vessels for pleasure or sports
Golf	
950631	Golf clubs, complete
950632	Golf balls
950639	Golf equipment (other)
95063910	Parts of golf clubs
95063990	Golf equipment (excl. balls, clubs and parts thereof)
Table tennis	
950640	Articles and equipment for table-tennis
95064010	Bats, balls and nets for table tennis
95064090	Articles and equipment for table tennis
Rackets	
950651	Tennis rackets, whether or not strung
950659	Badminton and similar rackets, whether or not strung
95065910	Badminton rackets, whether or not strung
95065990	Squash or similar rackets, whether or not strung
Balls	
950661	Tennis balls
950662	Inflatable balls
95066210	Inflatable leather balls
95066290	Inflatable balls (excl. of leather)
950669	Other balls
95066910	Cricket and polo balls
95066990	Balls (excl. inflatables, golf, table tennis, tennis, cricket & polo)

Skates

950670	Ice skates and roller skates, including skating boots with skates and rollers attached; parts and accessories thereof
95067010	Ice skates incl. skate boots with skates attached
95067030	Roller skates incl. Skate boots with rollers attached
95067090	Parts and accessories for ice skates and roller skates

Fitness / gym

950691	Articles and equipment for general physical exercise, gymnastics or athletics or other sports
95069110	Exercising apparatus with adjustable resistance mechanisms
95069190	Articles & equipment for general physical exercise, gymnastics

Team / field sports

950699	Articles and equipment for indoor and outdoor sports, swimming and padding pools
95069910	Cricket and polo equipment (excl. balls)
95069990	Other articles and equipment for sport and outdoor games

Sports gloves

420321	Special sports gloves, of leather and composition leather

Horse riding

4201	Saddlery & harness for any animal, incl traces, leads, knee pads, muzzles, saddle cloths, saddle bags, and the like of any material

Camping goods

630621	Tents of cotton
630622	Tents of synthetic fibres
630629	Tents of textile materials
630641	Pneumatic mattresses of cotton
630649	Pneumatic mattresses of textile materials
630691	Camping goods of cotton (excl. tents, awnings and sunblinds, sails, pneumatic mattresses, rucksacks, knapsacks and similar receptacles, filled sleeping bags, mattresses and cushions)
630699	Camping goods of textile materials (excl. of cotton, tents, awnings and sunblinds, sails, pneumatic mattresses, rucksacks, knapsacks and similar receptacles, filled sleeping bags, mattresses and cushions)
940430	Sleeping bags, whether or not electrically heated
94043010	Sleeping bags, whether or not electrically heated, filled with feathers or down
94043090	Sleeping bags, whether or not electrically heated, excl. filled with feathers or down

Fishing tackle

9507	Fishing rods, fish-hooks and other line fishing tackle; fish landing nets, butterfly nets and similar nets; decoy "birds" (other than those of heading 9208 or 9705) and similar hunting or shooting equipment; parts and accessories thereof
950710	Fishing rods
950720	Fish-hooks, whether or not snelled
95072010	Fish-hooks, whether or not snelled, unmounted
95072090	Fish-hooks, whether or not snelled, mounted
950730	Fishing reels
950790	Line fishing tackle, fish landing nets, butterfly nets and similar nets; decoys and similar hunting or shooting requisites

APPENDIX 2 DETAILED IMPORT/EXPORT STATISTICS

This section gives Eurostat statistics covering imports and exports of the EU and selected EU countries. Import statistics of the selected product groups are given. The 10 new EU Countries' data refers to 2003. Export statistics can be found at the end of this section.

EU15 IMPORTS BY SOURCING COUNTRY

EU imports of sports goods by major source, 2001-2003
Tonnes and € 1,000

	2001		2002		2003	
	value €	volume	value €	volume	value €	volume
TOTAL	**4,871,247**	**714,060**	**5,098,906**	**766,386**	**5,219,377**	**909,466**
Intra-EU	***1,838,198***	***202,015***	***2,020,311***	***215,998***	***2,107,946***	***254,630***
of which:						
Germany	295,304	**39,184**	305,082	**32,543**	280,592	**38,101**
France	272,782	**27,426**	309,559	**34,974**	322,203	**38,851**
Italy	241,747	**26,172**	254,003	**26,835**	332,479	**31,981**
Austria	195,623	**9,180**	176,829	**8,757**	50,991	**4,844**
Netherlands	193,356	**24,123**	239,473	**26,504**	263,015	**31,193**
UK	184,086	**10,629**	219,317	**10,220**	190,360	**11,143**
Belgium/Lux.	154,937	**28,725**	195,689	**38,439**	206,678	**44,957**
Spain	93,151	**13,536**	109,390	**16,041**	231,177	**26,080**
Sweden	47,377	**5,135**	92,796	**6,865**	85,835	**6,805**
Ireland	30,153	**2,482**	31,557	**2,718**	25,612	**2,430**
Denmark	45,800	**4,255**	59,119	**6,020**	56,532	**5,893**
Finland	46,827	**4,026**	48,041	**3,996**	63,063	**7,228**
Extra-EU	***3,033,049***	***512,045***	***3,078,595***	***550,388***	***3,111,431***	***654,836***
of which:						
Other countries						
USA	568,250	**37,298**	570,870	**45,358**	487,375	**46,792**
Taiwan	301,717	**66,277**	257,214	**56,258**	224,517	**50,133**
South Korea	61,979	**5,929**	48,503	**3,935**	39,726	**3,042**
Hong Kong	41,984	**3,617**	43,974	**4,359**	28,176	**4,203**
Canada	59,622	**16,451**	49,562	**13,061**	49,543	**14,267**
Japan	47,129	**1,963**	44,706	**2,065**	46,264	**2,112**
Switzerland	42,609	**1,770**	38,049	**1,778**	38,504	**1,725**
Eastern Europe						
Poland	41,541	**9,026**	40,732	**9,837**	38,082	**12,296**
Czech Rep.	75,494	**10,099**	89,000	**11,102**	110,843	**13,080**
Ukraine	23,784	**1,923**	24,437	**2,124**	28,557	**2,489**
Romania	30,316	**2,971**	23,498	**3,026**	44,512	**3,975**
Hungary	18,221	**2,587**	15,955	**2,116**	12,348	**1,764**
Slovakia	11,954	**1,562**	11,138	**1,579**	16,293	**1,817**
Estonia	17,947	**1,825**	17,380	**1,802**	15,468	**1,412**
Developing countries	***1,635,391***	***341,602***	***1,719,764***	***382,856***	***1,832,906***	***482,968***
China	1,223,768	**296,823**	1,300,888	**334,449**	1,408,699	**424,325**
Pakistan	99,033	**10,963**	122,785	**14,953**	116,422	**16,058**
India	71,141	**8,838**	81,312	**10,659**	80,134	**12,070**
Thailand	80,843	**6,813**	62,993	**5,226**	70,674	**6,857**
Malaysia	23,274	**5,612**	27,225	**5,527**	24,247	**5,778**
Vietnam	26,898	**3,301**	29,640	**3,455**	30,061	**5,664**

Source: Eurostat 2004

Imports of sports goods by major developing countries, 2001-2003
Tonnes and € 1,000

	2001		2002		2003	
	value €	volume	value €	volume	value €	volume
TOTAL	**4,871,247**	**714,060**	**5,098,906**	**766,386**	**5,219,377**	**909,466**
Developing countries	**1,635,391**	**341,602**	**1,719,764**	**382,856**	**1,832,906**	**482,968**
Asia	***1,561,451***	***336,156***	***1,666,090***	***378,085***	***1,775,190***	***476,050***
China	1,223,768	**296,823**	1,300,888	**334,449**	1,408,699	**424,325**
Pakistan	99,033	**10,963**	122,785	**14,953**	116,422	**16,058**
India	71,141	**8,838**	81,312	**10,659**	80,134	**12,070**
Thailand	80,843	**6,813**	62,993	**5,226**	70,674	**6,857**
Malaysia	23,274	**5,612**	27,225	**5,527**	24,247	**5,778**
Vietnam	26,898	**3,301**	29,640	**3,455**	30,061	**5,664**
Philippines	15,030	**1,779**	17,241	**2,084**	21,193	**2,732**
Indonesia	11,680	**1,448**	14,545	**1,217**	11,452	**1,360**
Sri Lanka	8,660	**424**	7,977	**312**	6,398	**220**
Bangladesh	706	**124**	780	**85**	5,517	**864**
Cambodia	97	**10**	532	**83**	108	**25**
North Korea	240	**4**	123	**7**	130	**2**
Mongolia	17	**6**	45	**28**	147	**95**
Africa	***24,450***	***1,838***	***28,615***	***2,078***	***25,074***	***1,979***
Tunisia	12,597	**667**	14,162	**705**	10,437	**727**
Morocco	4,071	**432**	4,845	**334**	4,404	**212**
South Africa	4,123	**627**	5,573	**878**	6,420	**918**
Madagascar	1,995	**54**	2,452	**52**	1,851	**41**
Kenya	999	**4**	1,108	**37**	1,028	**39**
Mauritius	229	**9**	139	**3**	509	**21**
Egypt	150	**23**	205	**63**	37	**8**
Nigeria	0	**0**	38	**0**	138	**1**
Cameroon	47	**10**	22	**2**	44	**5**
Latin America	***18,294***	***1,179***	***18,895***	***1,540***	***19,956***	***1,928***
Brazil	2,948	**437**	4,427	**736**	4,475	**874**
Argentina	8,977	**214**	6,750	**272**	6,447	**304**
Chile	119	**32**	61	**19**	67	**5**
Colombia	671	**77**	981	**91**	898	**146**
Mexico	2,245	**161**	3,922	**257**	5,506	**325**
Venezuela	663	**38**	371	**22**	280	**22**
El Salvador	640	**50**	532	**54**	511	**56**
Costa Rica	263	**14**	139	**7**	326	**16**
Guatemala	237	**18**	359	**33**	199	**18**
Dom. Rep	324	**20**	145	**4**	59	**8**
Paraguay	658	**24**	846	**31**	858	**33**
Uruguay	177	**50**	23	**7**	88	**10**
Other*	***31,196***	***2,429***	***6,164***	***1,153***	***12,686***	***3,011***
Turkey	3,590	**639**	4,376	**854**	6,004	**1,037**
Croatia	0	**0**	665	**71**	1,441	**119**
Jordan	75	**35**	33	**1**	3	**1**

Source: Eurostat (2004) **Slovenia in 2001 as a developing country, but not 2002/2003.*

THE 10 NEW EU COUNTRY IMPORTS BY SOURCE, 2003
Tonnes and € 1,000

	2003	
	value €	**volume**
TOTAL	**303,107**	**58,735**
Intra-10 new EU	***15,880***	***2,247***
of which:		
Czech Republic	6,118	**928**
Poland	2,525	**412**
Slovenia	2,416	**114**
Slovakia	1,828	**359**
Estonia	1,188	**98**
Hungary	832	**134**
Latvia	591	**127**
Lithuania	477	**74**
Extra-10 new EU	***287,227***	***56,488***
Of which Other EU countries		
Austria	29,909	**1,768**
Germany	28,753	**4,562**
Italy	23,933	**2,763**
France	16,203	**2,573**
UK	4,778	**424**
Finland	4,230	**353**
Spain	3,704	**670**
Sweden	3,238	**389**
Netherlands	2,023	**250**
Of which Other non-EU countries		
USA	11,298	**1,490**
Taiwan	9,685	**2,470**
S Korea	3,202	**172**
Japan	2,500	**57**
Norway	1,598	**89**
Hong Kong	1,337	**132**
Russia	1,189	**254**
Romania	1,162	**164**
Developing countries	***129,223***	***35,955***
Of which top Asian:		
China	106,152	**33,072**
Pakistan	9,388	**1,274**
India	2,457	**389**
Thailand	3,056	**220**
Malaysia	1,254	**377**
Philippines	955	**101**
Vietnam	544	**96**
Indonesia	530	**53**
Of which top African:		
South Africa	140	**3**
Morocco	72	**2**
Tunisia	46	**2**
Of which top Latin American:		
Mexico	292	**9**
Brazil	128	**15**
Argentina	24	**2**
Other		
Turkey	568	**106**

Source: Eurostat (2004)

EU15 IMPORTS OF SELECTED PRODUCT GROUPS BY SOURCE, 2001-2003
Tonnes and € 1,000

These tables list only the most important 3 suppliers and focus on imports from developing countries.

FITNESS / GYM	2001		2002		2003	
	value €	volume	value €	volume	value €	volume
Total	**849,421**	**244,682**	**877,233**	**269,280**	**904,932**	**323,185**
Extra-EU	602,945	**202,202**	603,116	**212,655**	595,372	**250,261**
Dev. countries	230,552	**117,062**	263,363	**136,865**	316,395	**180,254**
Top 3 suppliers:						
China	207,380	**109,054**	241,987	**129,405**	292,234	**170,333**
Taiwan	195,503	**54,264**	153,818	**45,524**	127,885	**39,008**
USA	131,974	**14,995**	140,157	**15,551**	106,944	**15,926**
Dev. countries:						
Malaysia	10,460	**4,460**	8,535	**3,967**	8,301	**4,287**
Thailand	3,641	**1,069**	2,834	**631**	2,905	**744**
Pakistan	3,590	**874**	4,386	**1,253**	4,833	**1,445**
India	2,095	**692**	2,257	**869**	2,514	**1,077**
Turkey	1,722	**384**	1,512	**412**	1,726	**448**
South Africa	304	**76**	242	**61**	104	**15**
Morocco	314	**280**	204	**147**	165	**43**
Mexico	155	**11**	881	**46**	715	**32**
Sri Lanka	48	**9**	13	**2**	4	**1**
Argentina	50	**11**	104	**16**	409	**66**
Indonesia	56	**17**	156	**34**	51	**28**
Philippines	9	**0**	51	**2**	36	**2**
Vietnam	55	**7**	4	**2**	1,293	**429**
Brazil	11	**6**	0	**0**	37	**3**

GOLF	2001		2002		2003	
	value €	volume	value €	volume	value €	volume
Total	**498,424**	**20,922**	**597,949**	**34,990**	**567,123**	**35,446**
Extra-EU	364,563	**16,433**	416,121	**30,156**	383,806	**30,591**
Dev. countries	69,739	**4,752**	86,783	**6,607**	90,934	**7,586**
Top 3 suppliers:						
USA	244,819	**7,944**	270,160	**19,175**	232,667	**19,236**
United Kingdom	84,924	**2,395**	108,703	**2,540**	92,980	**2,367**
China	60,397	**3,980**	77,036	**5,555**	81,918	**6,630**
Dev. countries:						
Thailand	6,245	**433**	3,890	**326**	3,249	**227**
India	1,373	**187**	2,318	**365**	2,325	**442**
Malaysia	614	**81**	2,041	**213**	1,644	**140**
Vietnam	248	**14**	53	**13**	46	**9**
Philippines	143	**15**	25	**3**	63	**10**
Indonesia	99	**7**	97	**5**	131	**5**
Mexico	91	**4**	175	**6**	340	**33**
Pakistan	90	**9**	955	**116**	797	**68**
South Africa	48	**3**	96	**3**	107	**6**
Mauritius	0	**0**	1	**0**	278	**15**
Myanmar	41	**9**	0	**0**	0	**0**
Colombia	24	**0**	1	**0**	0	**0**
Sri Lanka	122	**2**	0	**0**	23	**1**
Egypt	81	**1**	0	**0**	0	**0**

Source: Eurostat (2004)

SKATES	2001		2002		2003	
	value €	volume	value €	volume	value €	volume
Total	**315,322**	**33,490**	**248,758**	**27,765**	**276,667**	**37,216**
Extra-EU	231,527	**27,970**	169,708	**21,550**	193,120	**26,884**
Dev. countries	181,112	**22,103**	134,383	**17,856**	156,513	**23,832**
Top 3 suppliers:						
China	158,410	**19,877**	124,274	**16,850**	135,659	**21,384**
Italy	35,473	**2,432**	25,773	**1,713**	31,615	**2,264**
Thailand	23,295	**1,989**	8,462	**817**	18,659	**2,083**
Dev. countries:						
Malaysia	882	**181**	281	**62**	272	**81**
Vietnam	7	**1**	14	**3**	1	**0**
Indonesia	0	**0**	2	**0**	348	**56**
Tunisia	97	**21**	89	**20**	155	**34**
Mexico	97	**1**	84	**25**	21	**2**
Pakistan	27	**4**	15	**2**	16	**2**
India	42	**6**	556	**27**	144	**8**
Philippines	15	**0**	1	**0**	0	**0**
Cambodia	93	**10**	376	**42**	0	**0**

BALLS	2001		2002		2003	
	value €	volume	value €	volume	value €	volume
Total	**287,667**	**40,399**	**347,251**	**45,964**	**372,914**	**53,861**
Extra-EU	188,510	**27,952**	231,744	**34,212**	235,469	**40,756**
Dev. countries	167,808	**25,586**	211,238	**31,784**	217,601	**38,458**
Top 3 suppliers:						
Pakistan	69,856	**7,931**	89,102	**10,739**	83,442	**11,290**
China	48,948	**11,136**	62,735	**12,914**	75,383	**18,094**
The Netherlands	27,631	**2,885**	31,621	**2,595**	52,927	**3,526**
Dev. countries:						
Thailand	15,542	**1,911**	17,501	**2,000**	16,821	**2,135**
India	14,996	**1,995**	18,552	**2,720**	15,181	**2,635**
Philippines	10,535	**1,561**	12,205	**1,945**	16,216	**2,581**
Indonesia	3,111	**405**	4,589	**610**	4,655	**761**
Vietnam	1,022	**362**	1,485	**465**	2,084	**665**
Morocco	2,389	**58**	2,991	**69**	2,650	**58**
Malaysia	449	**89**	533	**113**	203	**47**
Mexico	327	**34**	370	**49**	321	**76**
Guatemala	145	**13**	243	**26**	154	**15**
Brazil	0	**0**	187	**8**	59	**4**
Colombia	27	**2**	169	**1**	89	**20**
Argentina	36	**3**	75	**12**	24	**1**
Turkey	81	**6**	7	**1**	36	**10**

Source: Eurostat (2004)

WATERSPORTS	2001 value €	2001 volume	2002 value €	2002 volume	2003 value €	2003 volume
Total	**292,045**	**23,453**	**310,563**	**31,165**	**298,661**	**29,631**
Extra-EU	152,663	**13,923**	149,593	**16,360**	139,889	**17,772**
Dev. countries	92,376	**10,300**	94,453	**12,793**	91,391	**13,991**
Top 3 suppliers:						
China	55,410	**8,772**	59,111	**11,081**	57,189	**12,136**
Italy	40,532	**3,041**	43,196	**2,948**	42,675	**3,378**
France	29,013	**1,491**	37,784	**6,186**	37,879	**3,235**
Dev. countries:						
Thailand	23,753	**557**	21,673	**534**	19,759	**489**
Sri Lanka	6,201	**206**	5,750	**195**	4,976	**167**
South Africa	1,562	**280**	3,055	**550**	3,240	**595**
Malaysia	925	**110**	1,160	**130**	987	**136**
Vietnam	733	**76**	539	**62**	891	**106**
Venezuela	654	**37**	363	**22**	266	**21**
Tunisia	618	**51**	866	**53**	1,482	**121**
Turkey	375	**54**	437	**62**	652	**105**
Costa Rica	244	**13**	132	**7**	309	**15**
Mexico	93	**0**	332	**10**	766	**30**
Pakistan	85	**17**	101	**16**	116	**14**
India	40	**15**	27	**2**	16	**8**
Philippines	18	**3**	21	**3**	0	**0**
Indonesia	0	**0**	318	**21**	256	**5**
Brazil	95	**6**	116	**10**	153	**19**

RACKETS	2001 value €	2001 volume	2002 value €	2002 volume	2003 value €	2003 volume
Total	**196,618**	**9,657**	**192,497**	**9,725**	**167,487**	**11,066**
Extra-EU	129,173	**7,434**	127,878	**7,836**	105,971	**8,854**
Dev. countries	81,935	**5,967**	84,084	**6,619**	79,879	**8,075**
Top 3 suppliers:						
China	78,341	**5,828**	81,408	**6,411**	77,089	**7,895**
Czech Republic	19,793	**486**	20,003	**470**	16,066	**395**
Austria	15,728	**239**	13,925	**161**	8,646	**232**
Dev. countries:						
Argentina	2,028	**28**	644	**11**	572	**13**
Mexico	0	**0**	0	**0**	189	**2**
Pakistan	728	**60**	1,495	**89**	1,410	**98**
Vietnam	259	**11**	81	**55**	18	**18**
Thailand	181	**12**	212	**14**	160	**17**
Malaysia	139	**1**	142	**14**	111	**7**
Indonesia	0	**0**	112	**11**	5	**0**
India	46	**2**	61	**12**	38	**7**
South Africa	29	**5**	2	**0**	1	**0**
Morocco	0	**0**	5	**0**	0	**0**

Source: Eurostat (2004)

SPORTS GLOVES	2001		2002		2003	
	value €	volume	value €	volume	value €	volume
Total	**52,625**	**1,820**	**56,817**	**2,107**	**52,549**	**2,144**
Extra-EU	38,041	**1,459**	41,045	**1,580**	36,934	**1,780**
Dev. countries	34,443	**1,376**	37,697	**1,510**	34,206	**1,713**
Top 3 suppliers:						
Pakistan	14,309	**798**	14,140	**834**	13,500	**926**
China	8,981	**286**	9,877	**288**	11,088	**453**
Indonesia	4,749	**79**	6,683	**113**	3,441	**86**
Dev. countries:						
India	2,252	**140**	2,692	**181**	2,292	**163**
Thailand	1,439	**29**	1,048	**33**	1,064	**39**
Vietnam	1,430	**22**	1,810	**39**	1,889	**31**
Sri Lanka	602	**7**	872	**8**	529	**6**
Philippines	320	**5**	390	**7**	225	**5**
Morocco	252	**8**	51	**2**	46	**1**
Turkey	28	**0**	4	**0**	15	**0**
Malaysia	43	**0**	26	**0**	29	**1**
South Africa	2	**0**	0	**0**	0	**0**
Panama	0	**0**	32	**2**	0	**0**
Mauritius	14	**1**	6	**0**	0	**0**
Argentina	4	**0**	7	**0**	0	**0**
Mexico	12	**0**	33	**1**	51	**1**

SADDLERY	2001		2002		2003	
	value €	volume	value €	volume	value €	volume
Total	**219,936**	**20,982**	**236,563**	**19,142**	**229,040**	**21,828**
Extra-EU	146,377	**12,741**	150,351	**13,675**	156,252	**16,558**
Dev. countries	87,805	**9,211**	94,886	**10,118**	105,084	**13,117**
Top 3 suppliers:						
India	37,406	**4,236**	40,348	**4,559**	43,109	**5,387**
China	29,165	**3,938**	31,924	**4,399**	38,870	**6,370**
Germany	23,433	**1,652**	23,919	**1,810**	24,586	**1,603**
Dev. countries:						
Argentina	6,313	**143**	5,431	**147**	4,954	**161**
Vietnam	8,518	**493**	10,144	**548**	8,900	**561**
Tunisia	1,385	**39**	1,401	**72**	2,924	**197**
Mexico	949	**96**	779	**57**	477	**48**
Pakistan	971	**104**	1,117	**138**	1,251	**149**
Morocco	722	**16**	912	**23**	1,027	**24**
Paraguay	653	**24**	846	**31**	858	**33**
Thailand	614	**38**	527	**37**	524	**37**
South Africa	475	**17**	705	**25**	989	**40**
Philippines	161	**15**	40	**4**	101	**5**
Turkey	96	**32**	318	**57**	405	**61**
Malaysia	26	**4**	2	**0**	145	**10**
Brazil	43	**2**	66	**7**	56	**3**

Source: Eurostat (2004)

TEAM / FIELD SPORTS	2001		2002		2003	
	value €	volume	value €	volume	value €	volume
Total	**777,762**	**168,793**	**798,117**	**164,077**	**868,240**	**197,256**
Extra-EU	432,606	**98,177**	428,662	**100,423**	461,941	**126,509**
Dev. countries	219,910	**60,904**	233,418	**67,599**	244,601	**83,432**
Top 3 suppliers:						
China	186,040	**55,901**	198,557	**62,524**	209,348	**75,914**
USA	90,966	**9,505**	81,317	**6,902**	76,015	**7,768**
France	65,157	**14,788**	63,334	**13,756**	65,056	**13,665**
Dev. countries:						
Pakistan	7,810	**878**	10,138	**1,440**	10,237	**1,817**
India	6,078	**836**	6,934	**1,010**	7,213	**1,303**
Tunisia	5,821	**227**	5,093	**177**	285	**22**
Thailand	2,686	**676**	2,067	**610**	3,083	**976**
Malaysia	1,868	**350**	3,191	**581**	3,352	**720**
Vietnam	1,764	**643**	1,190	**317**	2,275	**1,555**
Indonesia	1,745	**717**	721	**237**	636	**210**
South Africa	1,215	**194**	851	**172**	1,171	**194**
Mexico	403	**12**	939	**34**	2,557	**88**
Argentina	390	**12**	337	**80**	288	**51**
Sri Lanka	454	**12**	455	**9**	392	**11**
Philippines	561	**27**	889	**42**	957	**33**
Turkey	564	**116**	956	**148**	1,144	**200**
Morocco	251	**34**	416	**66**	316	**24**
Chile	99	**30**	42	**13**	26	**4**
Brazil	0	**0**	42	**3**	211	**13**

CAMPING GOODS	2001		2002		2003	
	value €	volume	value €	volume	value €	volume
Total	**477,139**	**97,125**	**496,652**	**103,671**	**509,224**	**130,159**
Extra-EU	357,158	**80,132**	358,433	**84,281**	351,597	**99,163**
Dev. countries	298,365	**72,435**	291,137	**75,874**	289,780	**92,385**
Top 3 suppliers:						
China	258,737	**67,390**	259,924	**71,532**	259,413	**86,935**
Germany	22,969	**2,719**	25,771	**2,858**	32,194	**12,596**
Belgium	21,953	**3,730**	30,250	**3,421**	33,503	**4,437**
Dev. countries:						
Vietnam	12,461	**1,642**	13,578	**1,893**	12,021	**2,199**
Brazil	2,654	**415**	3,948	**703**	3,842	**809**
Pakistan	1,424	**280**	1,251	**304**	641	**226**
Tunisia	1,248	**67**	4,241	**178**	808	**78**
Sri Lanka	1,228	**188**	586	**96**	156	**30**
India	1,111	**170**	1,064	**189**	1,332	**262**
Thailand	664	**58**	816	**157**	419	**27**
Bangladesh	556	**98**	521	**49**	4,509	**828**
Colombia	538	**60**	802	**87**	732	**107**
El Salvador	518	**50**	527	**54**	506	**56**
Malaysia	295	**49**	535	**85**	324	**67**
Indonesia	0	**0**	1,281	**161**	1,366	**186**
Philippines	489	**76**	28	**4**	20	**1**
Turkey	0	**0**	899	**155**	1,503	**185**

Source: Eurostat (2004)

FISHING TACKLE	**2001**		**2002**		**2003**	
	value €	**volume**	**value €**	**volume**	**value €**	**volume**
Total	**362,259**	**19,729**	**399,626**	**22,811**	**391,684**	**26,353**
Extra-EU	239,998	**13,133**	263,182	**15,951**	260,926	**19,830**
Dev. countries	127,109	**9,264**	161,134	**12,301**	169,710	**16,030**
Top 3 suppliers:						
China	100,975	**8,053**	128,288	**10,789**	140,379	**14,549**
South Korea	37,157	**976**	27,939	**826**	20,431	**699**
Italy	21,149	**1,326**	22,479	**1,221**	19,993	**996**
Dev. countries:						
Malaysia	7,583	**287**	10,767	**361**	8,860	**273**
India	5,348	**479**	5,966	**594**	5,505	**607**
Philippines	2,664	**57**	3,590	**75**	3,572	**95**
Thailand	2,580	**32**	3,977	**65**	3,919	**74**
Tunisia	2,660	**184**	2,144	**175**	1,324	**142**
Madagascar	1,925	**45**	2,448	**52**	1,851	**41**
Kenya	998	**4**	1,068	**35**	1,015	**37**
Vietnam	436	**26**	742	**58**	634	**90**
Indonesia	0	**0**	326	**17**	273	**10**
South Africa	253	**15**	368	**24**	399	**10**
North Korea	166	**3**	47	**1**	35	**1**
Sri Lanka	117	**1**	297	**2**	263	**2**
Bangladesh	56	**4**	10	**2**	14	**3**
Turkey	0	**0**	95	**13**	56	**7**

THE 10 NEW EU COUNTRIES	**2003**		**2003**	
	value €	% dev co	**volume**	% dev co
Total	**303,107**	43	**58,735**	56
Extra-EU25	165,796	78	42,194	85
Fitness/gym	**49,558**	48	**19,781**	74
Main supplier China	22,908		14,260	
Golf	**3,649**	27	**210**	41
Main supplier *USA*	1,203		31	
Skates	**17,381**	63	**2,442**	77
Main supplier China	10,090		1,800	
Balls	**22,019**	70	**3,920**	73
Main supplier Pakistan	6,962		1,030	
Watersports	**14,321**	37	**2,003**	61
Main supplier China	4,212		1,159	
Rackets	**8,287**	82	**819**	92
Main supplier China	6,735		751	
Sports Gloves	**3,330**	80	**159**	82
Main supplier Pakistan	1,407		83	
Saddlery	**6,859**	28	**514**	42
Main supplier Germany	2,319		138	
Team/field Sports	**51,996**	33	**12,378**	41
Main supplier China	14,784		4,810	
Camping Goods	**29,331**	75	**7,607**	88
Main supplier *China*	21,362		6,573	
Fishing Tackle	**31,882**	59	**2,470**	72
Main supplier China	15,017		1,575	

Source: Eurostat (2004)

Exports of sports goods by EU country, 2001-2003
Tonnes and € 1,000

	2001 value €	2001 volume	2002 value €	2002 volume	2003 value €	2003 volume
EU15	**3,840,624**	**349,743**	**4,042,395**	**383,366**	**4,117,586**	**427,326**
France	740,624	58,225	719,247	55,578	707,560	57,712
Italy	617,276	61,144	614,328	63,092	589,991	61,691
Austria	531,786	25,055	513,310	25,718	520,943	26,983
Germany	504,940	57,832	559,941	63,336	586,856	75,387
United Kingdom	431,077	24,246	440,699	22,831	393,841	20,600
Belgium/Lux.	234,560	40,301	285,224	56,832	352,961	74,261
Netherlands	226,763	24,765	272,439	27,656	343,573	39,361
Spain	157,677	21,733	197,307	26,427	192,758	28,401
Sweden	113,060	11,199	145,712	13,770	140,515	13,912
Denmark	99,246	7,771	117,057	11,028	131,964	12,947
Finland	98,737	9,852	93,051	9,597	81,396	8,853
Ireland	69,282	3,944	63,658	3,804	49,803	3,080
Portugal	12,255	3,332	18,127	3,446	22,744	3,796
Greece	3,341	344	2,295	253	2,679	341
The 10 new EU Countries					**217,436**	**29,376**
Czech Republic					101,090	13,324
Slovenia					39,971	2,917
Poland					38,402	7,071

Exports of sports goods by product group, 2001-2003
Tonnes and € 1,000

	2001 value €	2001 volume	2002 value €	2002 volume	2003 value €	2003 volume
EU15	**3,840,624**	**349,743**	**4,042,395**	**383,366**	**4,117,586**	**427,326**
Extra-EU15	1,604,296	**119,911**	1,580,066	**128,085**	1,520,544	**129,832**
Of which						
Snowsports	985,334	**43,233**	943,326	**40,930**	950,006	**41,754**
Fitness	418,414	**70,244**	496,713	**88,594**	547,366	**113,373**
Watersports	299,702	**15,828**	321,023	**20,797**	315,175	**21,464**
Golf	281,350	**8,746**	304,983	**6,939**	302,859	**8,535**
Skates	191,999	**13,961**	157,812	**12,679**	173,278	**14,634**
Saddlery	179,230	**9,027**	199,056	**8,734**	175,439	**9,246**
Balls	158,282	**21,009**	180,823	**24,267**	205,804	**24,656**
Rackets	129,596	**3,582**	139,674	**3,509**	117,556	**3,354**
Table tennis	43,667	**14,938**	53,495	**19,346**	55,421	**21,958**
Gloves	20,535	**373**	25,646	**626**	25,741	**566**
Team/field sports	614,712	**110,377**	668,610	**116,283**	713,495	**123,080**
Camping	224,093	**26,312**	247,906	**28,776**	247,904	**32,135**
Fishing	293,710	**12,113**	303,328	**11,886**	287,543	**12,572**

Source: Eurostat (2004)

APPENDIX 3 USEFUL ADDRESSES

3.1 Standards organisations

INTERNATIONAL
International Organisation for Standardisation (ISO)

Email: mailto:central@iso.org
Internet: http://www.iso.org

EUROPEAN UNION
European Committee for Normalization (CEN)

Email: mailto:infodesk@cenorm.be
Internet: http://www.cenorm.be

GERMANY
Deutsches Institut für Normung (DIN)

Email: mailto:peter.anthony@din.de
Internet: http://www2.din.de

FRANCE
Association Française de Normalisation (AFNOR)

Email: mailto:norminfo@afnor.fr
Internet: http://www.afnor.fr

UNITED KINGDOM
British Standards Institution (BSI)

Email: mailto:cservices@bsi-global.com
Internet: http://www.bsi-global.com

SPAIN
Associacion Española de Normalizacion y Certificación (AENOR)

Email: mailto:info@aenor.es
Internet: http://www.aenor.es

ITALY
Ente Nazionale Italiano di Unificazione (UNI)

Email: mailto:redazione@uni.com
Internet: http://www.uni.com

THE NETHERLANDS
Netherlands Institute for Standardisation
(Nederlands Normalisatie Instituut (NEN))

Email: mailto:info@nen.nl
Internet: http://www2.nen.nl

SWEDEN
Swedish Standards Institute (SIS)

Email: mailto:info@sis.se
Internet: http://www.sis.se

3.2 Sources of price information

World Federation of the Sporting Goods Industry (SGI)

Email: mailto:info@wfsgi.com
Internet: http://www.wfsgi.org

EFTTA
(European Fishing Tackle Trade Association)

Email: mailto:info@eftta.com
Internet: http://www.eftta.com

Sport-Scheck

Email: mailto:service@sportscheck.com
Internet: http://www.sportscheck.com

JJB Sports

Email: mailto:customerservices@jjbsports.com
Internet: http://www.jjb.co.uk

Perry Sport

Email: mailto:info@perrysport.nl
Internet: http://www.perrysport.nl

3.3 Trade Associations

INTERNATIONAL

World Federation of the Sporting Goods Industry (SGI)

Email: mailto:info@wfsgi.org
Internet: http://www.wfsgi.org or http://www.wsforum.org

FESI
(Federation of the European Sporting Goods Industry)

Email: mailto:info@fesi-sport.org
Internet: http://www.fesi-sport.org

FEDAS
(Association of specialist European sports retailers)

Email: mailto:fedas@asmas.ch
Internet: http://www.fedas.com

SGMA
(Sporting Goods Manufacturers Association)

Email: mailto:info@sgma.com
Internet: http://www.sgma.com

GAISF
(General Association of International Sports Federations)

Email: mailto:info@agfisonline.com
Internet: http://www.agfisonline.com

GERMANY
BSI
(German Association of Sports Goods Industry)

Email: mailto:info@bsi-ev.de
Internet: http://www.bsi-ev.de

VDS
(Union of German Sporting Goods Retailers)

Email: mailto:vds-wiesbaden@T-online.de
Internet: http://www.wds-sportfachhandel.de
http://www.sportpress.de/vds.htm

FRANCE
FIFAS
(French Sports and Leisure Federation)

Email: mailto:catherine.trachtenberg@fifas.com
Internet: http://www.fifas.com

FPS
(National Federation of Sporting & Leisure Goods Retailers)

Email: mailto:fps@filieresport.com
Internet: http://www.filieresport.com

UNITED KINGDOM

TSIF

(The Sports Industries Federation)

Email: mailto:admin@sportslife.org.uk
Internet: http://sports-life.com or http://www.sports-data.com

Snowsport Industries of GB

Email: mailto:info@snowlife.org.uk
Internet: http://www.snowlife.org.uk

SPAIN

AFYDAD

(Spanish Association of Sports Goods Industry)

Email: mailto:afydad@afydad.com
Internet: http://www.afydad.com

ITALY

FEDERADAS

(National Federation of Sporting Goods Retailers)

Address: Via Desiderio 3/9, I – 20131, Milan
Telephone: + 39 (0) 0270 608152
Fax: + 39 (0) 0270 639614

ASSOSPORT

(Italian Association of Sports Goods Industry)

Email: mailto:assosport@assosport.it
Internet: http://www.assosport.it

THE NETHERLANDS

FGHS

(Association of manufacturers and wholesalers of Sports Goods)

Email: mailto:info@fghs.nl
Internet: http://www.fghs.nl

MITEX SPORT

(Federation of Dutch Sports Goods Retailers)

Email: mailto:infoadvies@mitex.nl
Internet: http://www.mitex.nl

SWEDEN

SPOFA

(Association of Swedish Suppliers of Sports Goods)

Email: mailto:klas.elm@frisab.com
Internet: http://www.spofa.se

3.4 Trade fair organisers

ISPO (International Trade Fair for Sports Equipment and Fashion)
Frequency: Biennial, Munich

Email: mailto:info@ispo.com
Internet: http://www.ispo.com

MICAM (National Fair for Sports Equipment and Fashion)
Frequency: Annual, Milan

Email: mailto:segretaria@micamonline.com
Internet: http://www.micamonline.com

Go Outdoors
Frequency: Annual, UK

Email: mailto:roger@go-outdoors.co.uk
Internet: http://www.go-outdoors.co.uk

SOLTEX (Snow, Board, Outdoor, Fashion & Leisure)
Frequency: Annual, UK

Email: mailto:soltex@raremanagement.co.uk
Internet: http://www.soltex.co.uk

SIG ProWinter-Sports
Frequency: Annual, Grenoble, France

Email: mailto:alpexpo@alpexpo.com
Internet: http://www.sig-grenoble.com

SPORT BUSINESS FAIR (National Fair for Sports Equipment and Fashion)
Frequency: Biennial

Email: sbc@sportsbusinesscenter.nl
Internet: www.sportsbusinesscenter.nl

EUROPEAN OUTDOOR (International Trade Fair for outdoor equipment, clothing and footwear)
Frequency: Annual, Friedrichshafen, Germany

Email: mailto:presse@messe-fn.de
Internet: http://www.messe-fn.de

GOLF EUROPE (International Trade Fair for golf equipment, clothing and footwear)
Frequency: Annual, Munich

Email: mailto:info@ispo.com
Internet: http://www.ispo.com

EQUITANA (Equestrian Sports World Fair)
Frequency: Biannual, Essen, Germany

Email: mailto:info@equitana.de
Internet: http://www.equitana.de

3.5 Trade press

INTERNATIONAL
Sporting Goods Intelligence

Email: mailto:news@sgieurope.com
Internet: http://www.sgieurope.com

GERMANY
SAZ

Email: mailto:saz@saz.de
Internet: http://www.saz.de

Sport und Mode

Email: mailto:sport+mode@chmielorz.de
Internet: http://www.spomo.de

FRANCE
Sport Premiere Magazine

Email: mailto:redaction@sportpremiere.com
Internet: http://www.sportpremiere.com

Sporteco

Email: mailto:sporteco@sporteco.com
Internet: http://www.sporteco.com

UNITED KINGDOM
SGB UK – (also SGB Golf; SGB Outdoor)

Email: mailto:sgb@datateam.co.uk
Internet: http://www.datateam.co.uk

Sports Business

Email: mailto:info@sportbusiness.com
Internet: http://www.sportbusiness.com

SPAIN
CMD

Email: mailto:comercial@gescode.es
Internet: http://www.gescode.es

Diffusion Sport

Email: mailto:info@diffusionsport.com
Internet: http://www.diffusionsport.com

Tradesport

Email: mailto:info@tradesport.com
Internet: http://www.tradesport.com

ITALY
Sportivi

Email: mailto:correre@sportivi.it
Internet: http://www.sportive.it

Moda Sport

Email: mailto:info@modasportenna.com
Internet: http://www.modasportenna.com

NETHERLANDS
Sport Partner/ Tendens

Email: mailto:maruba@maruba.com
Internet: http://www.maruba.nl

International Sport Cult

Email: mailto:info@sportcult.nl
Internet: http://www.sportcult.nl

EUROPE-WIDE

Europe Sports News

Email: mailto:info@europesportsnews.com
Internet: http://www.europesportnews.com

3.6 Other useful addresses

INTERNATIONAL

United Nations International Labour Organisation (ILO)

Email: mailto:ilo@ilo.org
Internet: http://www.ilo.org

EUROPEAN UNION

International Chamber of Commerce

Email: mailto:webmaster@iccwbo.org
Internet: http://www.iccwbo.org

European Commission, Sport

Email: mailto:eac-sport@cec.eu.int
Internet: http://www.europa.eu.int/comm/sport

SGB Guide to the UK Trade (formerly Harpers Sports and Leisure)
(published by Miller Freeman)

Email: mailto:sgb@datateam.co.uk
Internet: http://www.datateam.co.uk

Eurostat, Statistical Bureau of the European Union

Email: mailto:agnesn@eurostat.datashop.lu
Internet: http://epp.eurostat.cec.eu.int

Mintel/Corporate Intelligence

Email: mailto:enquiries@mintel.com
Internet: http://www.mintel.co.uk

France Sports
(Directory of French trade)

Email:
Internet: http://afssaps-prd.afssaps.fr/html/has/cepp/index.htm

GTZ
(German Agency for Technical Cooperation)

Email: mailto:postmaster@gtz.de
Internet: http://www.gtz.de

THE NETHERLANDS

CBI
Centre for the Promotion of Imports from Developing Countries

Email: mailto:cbi@cbi.nl
Internet: http://www.cbi.nl

Belasting Dienst Douane (Customs)
Dept. External and Internal Communication

Email:
Internet: http://www.douane.nl

Benelux Octrooibureau
(Design and brand registration office for The Netherlands, Benelux and the EU)

Email: mailto:info@octrooibureau.nl
Internet: http://www.octrooibureau.nl

CBI / AccessGuide
c/o CBI, Centre for the Promotion of Imports from Developing Countries

Email: mailto:cbi@accessguide.nl
Internet: http://www.cbi.nl/accessguide

APPENDIX 4 LIST OF DEVELOPING COUNTRIES

Please note that the list of developing countries from the OECD (Organisation for Economic Co-operation and Development), as applied in this market survey, may include countries that are not immediately being considered as developing countries (e.g. China).

Afghanistan	Georgia	Pakistan
Albania	Ghana	Palau Islands
Algeria	Grenada	Palestinian Admin. Areas
Angola	Guatemala	Panama
Anguilla	Guinea	Papua New Guinea
Antigua and Barbuda	Guinea-Bissau	Paraguay
Argentina	Guyana	Peru
Armenia	Haiti	Philippines
Azerbaijan	Honduras	Rwanda
Bahrain	India	Samoa
Bangladesh	Indonesia	São Tomé & Principe
Barbados	Iran	Saudi Arabia
Belize	Iraq	Senegal
Benin	Jamaica	Serbia and Montenegro
Bhutan	Jordan	Seychelles
Bolivia	Kazakhstan	Sierra Leone
Bosnia & Herzegovina	Kenya	Solomon Islands
Botswana	Kiribati	Somalia
Brazil	Korea, rep of	South Africa
Burkina Faso	Kyrghyz Rep.	Sri Lanka
Burundi	Laos	St. Helena
Cambodia	Lebanon	St. Kitts-Nevis
Cameroon	Lesotho	St. Lucia
Cape Verde	Liberia	St. Vincent and Grenadines
Central African rep.	Macedonia	Sudan
Chad	Madagascar	Surinam
Chile	Malawi	Swaziland
China	Malaysia	Syria
Colombia	Maldives	Tajikistan
Comoros	Mali	Tanzania
Congo Dem. Rep.	Marshall Islands	Thailand
Congo Rep.	Mauritania	Togo
Cook Islands	Mauritius	Tokelau
Costa Rica	Mayotte	Tonga
Côte d'Ivoire	Mexico	Trinidad & Tobago
Croatia	Micronesia, Fed. States	Tunisia
Cuba	Moldova	Turkey
Djibouti	Mongolia	Turkmenistan
Dominica	Montserrat	Turks & Caicos Islands
Dominican republic	Morocco	Tuvalu
Ecuador	Mozambique	Uganda
East Timor	Myanmar	Uruguay
Egypt	Namibia	Uzbekistan
El Salvador	Nauru	Vanuatu
Equatorial Guinea	Nepal	Venezuela
Eritrea	Nicaragua	Vietnam
Ethiopia	Niger	Wallis & Futuna
Fiji	Nigeria	Yemen
Gabon	Niue	Zambia
Gambia	Oman	Zimbabwe

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APPENDIX 5 USEFUL INTERNET SITES

Sports-data – http://www.sports-data.com
This site has been set up by the TSIF (UK Sports Industries Federation) and provides information on the UK and European sports goods industry through their latest published market reports. It also gives possibilities for contacting other suppliers and this site has a linkage to other useful sports databases.

SGMA – http://www.sportlink.com
This site of the Sporting Goods Manufacturers Association provides information on the USA and the international sports industry and has a news service with summaries of their latest published market reports. It also gives a good selection of links to trade associations, publishers and other organisations.

SGI – http://www.wfsgi.org
This site of the World Federation of the Sporting Goods Industry, provides information on the world sports industry and has a news service with summaries of their latest published market reports. It also gives a good selection of links to trade associations, publishers and other organisations involved in the sports industry.

World Sports Forum – http://www.wsforum.org
Another site from the World Federation of the Sporting Goods Industry, which gives an overview of recent meetings on economical and political issues on sports in the EU and the world. The main purpose of the World Sports Forum is to serve as a neutral platform for discussion, debate and action on the key issues on the global agenda of sports. Detailed information on the *Code of Conduct* can be also found on this site.

Sites of some European e-tailers:

http://www.sportsequip.co.uk	Based in UK
http://www.sweatband.com	
http://www.sportswarehouse.co.uk	
http://www.sport-e.com	
http://www.gymworld.co.uk	
http://www.tackandski.co.uk	
http://www.sporthouse.de	Based in Germany
http://www.sportus.se	Based in Sweden

Recommended sites for information of the selected countries are:

http://www.sportpress.de	Information about the German sports industry
http://www.cnpc.fr	Information about the French sports industry
http://www.sportbusinesscenter.nl	Information about the Dutch sports industry
http://www.sportsbusiness.com	Information about the UK sports industry