EU MARKET SURVEY

SPORTS AND CAMPING GOODS

Compiled for CBI by:

Fair Trade Solutions

in collaboration with

Searce

December 2003

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New CBI publication with modified contents, partly replacing and combining the EU Market Survey (November 2002) and EU Strategic Marketing Guide (September 2001) “Sports and Camping goods”.

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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 six 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 provides 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 and The Netherlands), is closely related to sports participation. *Total participation* in these countries averaged around 62% in 2001, with France having the largest rate of sports enthusiasts (66%) and southern countries having rates below 60%. *Regular participation* (i.e. at least once a week) averaged 35%, or 100 million adults in these countries, with many people being member of one of the 559,883 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 other teamsports have regained the interest of young people of school age via media coverage.

Consumption

Total sports goods retail sales in the EU member countries was estimated at € 9,355 million in 2001, of which € 7,484 million (or 80%) was achieved in the six 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. *Fishing tackle,* not included in these figures, is an important leisure activity with an estimated 12 million participants. In 2001, EU sales of fishing tackle valued € 1,054 million, led by France, Italy and Germany. This is still a significant market but it is not attracting new participants in the way some other sporting activities are managing to do.

Although, like many other major markets, growth levels have stalled or fallen back at the start of the new millennium, rising participation by women, older people and increasingly middle-aged people have helped protect this market from more serious reversals. In 2002, the EU sports goods market is expected to remain virtually unchanged at € 9,393 million. However, increases have been seen in the broader sports market, particularly in the sports clothing sector. This will feed into the equipment sector. In the long run, the sports goods market will be more fragmented and will be stimulated by:

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

Production

In 2001, there were 2,250 production companies in the selected countries, the majority of which produce specialised and high quality sports goods, each country having its own speciality. Production valued around € 18 billion (including sports clothing and footwear) 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, fitness and watersports equipment, while balls, fishing tackle and table tennis equipment were sizeable categories in Spanish production. Unlike Italy and Spain, fitness and camping goods were the main categories in German and French production, whilst in the United Kingdom golf is the largest category.

According to the WFSGI (World Sports Federation), around 80% 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 tend to look for other developing countries, e.g. North Africa with cheaper production costs. In the coming years, more co-operation between the selected countries and the *CEECs (Central and East European Countries*) is expected, stimulated by the entrance of 10 countries to the EU in 2004.

Imports

The EU is one of the leading importers of sports goods in the world, and in 2001 accounted for 714 thousand tonnes with a value of € 4,871 million. Total EU imports increased by 20% in volume and 21% in value, reversing a trend highlighted in the previous report of falling values for EU imports. Germany is the largest EU importer, accounting for 22% of total EU imports: 161 thousand tonnes, with a value of € 957 million. Germany is followed by the United Kingdom (18% of EU imports in 2001) and France (16%).

Product groups

In 2001, fitness and team/field sports together formed more than half, i.e. 58% by volume (33% by value), of the EU total. In terms of value, other sizeable product groups were equipment for golf, snowsports, skates, balls, watersports, camping goods and fishing tackle, most of which are of relevance to exporters from developing countries. Between 1999 and 2001, equipment for fitness, golf, snowsports, saddlery for horse riding, team/field and camping goods grew by more than other groups.

Main supplying countries

Intra-EU supplying countries: In 2001, 38% of EU imports by value came from other EU countries with Germany representing 16% of intra-EU sports goods supplies followed by France (15%) and Italy (11%).

Extra-EU supplying countries: The greater part, or 62% of EU imports, came from non-EU sources, of which 33% came from China. In 2000, EU imports from China were € 1,224 million, or 297 thousand tonnes. The huge investments in technical and design expertise from EU manufacturers in China and better communications both stimulated this expansion. With the future Olympic Games in China in 2008, the role of China in the supply of sports goods will undoubtfully become more important.
Taiwan (fitness), South Korea (golf, fishing tackle), Canada (camping goods), Japan (golf) and Romania (skates) and increasingly other Eastern European countries are other sizeable non-EU suppliers.

Developing countries

Next to China, suppliers from developing countries include Pakistan (balls and gloves), Thailand (watersports) and India. Between 1999 and 2001, exports from developing countries to the EU showed a steady increase. The volume of imports from developing countries rose by 40% from 245 to 342 thousand tonnes, valued at € 1,635 million in 2001. The largest increases were in the supplies (by volume) from China (+44%), India (+21%), Thailand (+15%), Pakistan (+11%), Philippines (+150%), Morocco (+40%), South Africa (+38%), and Turkey, while less was imported from Sri Lanka and Bangladesh.

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 2001, 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 a *buying group***.** The two major groups, *Intersport* (focus on 'expertise in sports') or *Sport 2000* (focus on 'sports and lifestyle') together represented over 30% 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 specialist's shops are typical in Italy and Spain.

The share of ***chain stores*** (multiples, megastores or category killers), grew to an average share of 23% of EU sports retail sales in 2001 and are expected to rise further. They are dominant in France (*Décathlon, Go Sport*), UK (*JJB, JD Sports, Sports & Soccer*), Netherlands and Spain. 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 11% of UK sports retail sales in 2001.

Opportunities for exporters in developing countries

The sustained demand for equipment for fitness (weights, dumbbells, in-home trainers), watersports, 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, rugbyballs, 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, rucksacks, mattresses, lanterns, knives, compasses, moneybelts, picnic mats, ropes.

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.

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 be able to comply to the International Code of Conduct, which means that the use of child labour is not allowed. Potential buyers and WFSGI auditors will 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 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 OF REPORT STRUCTURE

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

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Part A – Chapters 1 to 8 **-** profiles the EU market for Sports and Camping Goods. The emphasis of the survey lies on those products of importance to exporters from developing countries. The major national markets within the EU for those products are highlighted. The survey includes contact details of trade associations and other relevant organisations. 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. Additionally, it is vitally important 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 export 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.

Part A

EU Market Information and

EU Market Access Requirements

A

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 product 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, kneepads.

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 in the Chapters 4 and 7.1 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. The aim of this project was 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' means 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*** is more narrowly defined and refers in most countries to adults (over 16 years) and excludes walking as a “sporting” activity.

Regular:	Played 60 or more times in a year (***at least once a week***), which 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	e.g. golf, racket sports, skiing, athletics, darts, pétanque, martial arts, gliding sports.
Fitness activities	e.g. aerobics, dancing, fitness, weight/working out, taebo, spinning, running, jogging.
Team sports	e.g. football, cricket, rugby, basketball, hockey, volleyball, handball, cricket, polo.
Watersports	e.g. swimming, surfing, waterskiing, scuba diving, canoeing, rafting, rowing.
Outdoor activities	e.g. hiking (more than 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. These activities can be done:

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

In other countries, some of these activities are referred to as *extreme sports*.

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. Table 1.1 gives a list of the main HS codes for sports and camping goods. Distinctions are made here according to the raw material used in their manufacture. The more detailed HS code groups for sports goods covered in this survey are given in Appendix 1. The major groups are given below:

HS Code	Product group
9506	**Sports equipment**
95061	Snowsports
95062	Watersports
95063	Golf
95064	Table tennis
95065	Rackets
95066	Balls (all types)
95067	Skates
950691	Fitness/gym
950699	Team/field sports
420321	Gloves for exercise sports
4201	Saddlery for horse riding
6306	**Camping goods** (including equipment for outdoor activities)
63062	Tents
63064	Airbeds
630699	Miscellaneous camping goods
94043	Sleeping bags
9507	**Fishing tackle** (rods, hooks and reels)

Source: Eurostat (2003)

2 INTRODUCTION TO THE EU MARKET

European Union

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 will join the European Union in 2004, which are: Poland, Hungary, Czech Republic, Slovakia, Slovenia, Malta, Estonia, Latvia, Lithuania and Cyprus. Negotiations are in progress with a number of other candidate member states.

Population and economy

In 2002, the EU population totalled 379.4 million, which is around 3 times the Japanese and 1.4 times the US population. The population of the selected EU markets in this survey represents 317 million people with 126 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.

OVERVIEW 15 EU COUNTRIES, 2002	
Population	379.4 million
Area	31,443,000 km^2
Density	83 people per km^2
Languages	15 (excl. dialects)
GDP/capita	€ 21,023
Currencies	€, UK£, DKr., SKr.
Exchange	€ 1 = US$ 1.16 (2003)

POPULATION AND GDP OF SELECTED EU COUNTRIES, 2002			
Countries/category	**Population**	**Aged 45+**	**GDP (€ billion)**
Germany	82.4 million	53%	2,206
France	59.3 million	46%	1,556
United Kingdom	59.8 million	49%	1,485
Italy	57.7 million	52%	1,416
Spain	40.5 million	53%	836
The Netherlands	16.0 million	51%	417

Source: Mintel, World Factbook (2003)

In 2002, the average GDP per capita amounted to € 21,023. 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 2000, the average turnover per enterprise of SMEs and large enterprises amounted to € 600 thousand and € 255 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 non-tariff trade barriers at 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, Greece, Italy, Ireland, Luxembourg, The Netherlands, Spain and Portugal. 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.

The most recent Eurostat trade statistics quoted in this survey are from the year 1999 onwards. In this market survey, the € is the basic currency unit used to indicate value.

The Euro is now an internationally recognised currency alongside the dollar. Although there has been some volatility in the exchange rate between the US dollar and the euro (and a trend of the euro strengthening in relation to the dollar), the key issue here for developing country exporters is to develop costings with the value of the euro in mind, rather than the dollar. Whereas the dollar remains the key trading currency in some parts of the world, the majority of purchasing in the European Union is done in euros. Incorporating unnecessary currency exchanges in calculations could have a negative impact on costs and margins.

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, but, 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.

Even if most data is from single sources (e.g. Eurostat or Euromonitor), information used in this market survey is obtained from different sources, e.g. national sports trade associations or trade press, using different definitions. Therefore, extreme care must be taken in the use and interpretation of all quantitative data both in the summary and throughout the text.

The selected markets

This survey profiles the EU market for "Sports and Camping Goods" in which six selected markets within the EU are highlighted. The countries selected for this survey are the Germany, France, United Kingdom, Italy, Spain and The Netherlands, which are the largest consumers of sports goods in the European Union. In 2001, they accounted for around 80% of total EU purchases of sports goods, with Germany and France both taking a large share of around 25% 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. With regards to the sports goods trade, developing countries supplied 34% in value and 48% in volume terms of sports and camping goods to the EU in 2001, most of which were to these six countries.

All six selected countries within the EU still have a growing number people who are active in sports. Here, the emphasis on sports participation will be less on competitive team sports and more on leisure and individual sports. With more leisure time, people are likely to exercise or undertake outdoor activities in order to stay fit, considering the ageing process of the population. By the year 2020, the proportion of 45+ olds in most countries is expected to be more than 40% of their total population. Besides outdoor activities, fitness and golf are continuing to gain in popularity as well.

3 CONSUMPTION

3.1 Market size

Sports participation

The use of sports equipment is closely related to participation in various kinds of sports.
Approximately two thirds of the population in the selected EU countries, representing almost 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 (66% of the French population), compared to Italy and The Netherlands, 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 35%, representing around 100 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 559,883 sports clubs in the six countries. In this case, France and 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 2001
Total and regular participation (incl. number of clubs)

	Year 2001	Total participation million	Total participation % population	Regular participation million	Regular participation % adults (16+)	Number of clubs
more than 70%	France	42	66%	26	48%	172,650
between 60-70%	Germany	50	60%	27	39%	88,960
	United Kingdom	40	66%	21	41%	150,000
	Netherlands	10	65%	5	30%	28,903
less than 60%	Spain	23	58%	9	26%	55,570
	Italy	30	54%	13	26%	63,800
	TOTAL	193	62%	101	35%	559,883

Source: TGI, Stat. Bundesamt, INSEE, ISTAT, Inébase, CBS (2003)

Encouraging healthy lifestyles
The health lobby and the medical profession have had a major impact on people's lifestyles by promoting the benefits of maintaining fitness levels and an active lifestyle. The least physically active people are in southern EU countries where people tend to have a more sociable lifestyle. However, in northern EU countries, middle-aged people in particular have taken more notice of this medical advice by taking up some form of fitness or exercise. In general, they are stopping smoking, but still perhaps are eating too much. Italians have also become more health aware, although smoking rates are higher than in northern EU countries. Since 2000, participation in fitness and other sports has grown steadily, indicating that Italy is catching up with the other EU countries.

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 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 staffs 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 3.1). Competitive sports such as badminton, squash and some of the teamsports suffered from a shift to individual less competitive sports and recreational activities such as golf and jogging.

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, 'keep fit' and ***outdoor activities*** e.g. trekking and climbing, remain popular. People find these activities more social, as 'doing things together' (with friends and family) remains important in southern EU countries.

Table 3.1 Most important sports in the selected EU markets in 2001

Country	Sports
Germany	Swimming, football, jogging, fitness, athletics, outdoor activities, skiing, in-line skating, tennis.
France	Outdoor activities, football, skiing, fitness, swimming, jogging, rugby, tennis, bowling, fishing.
United Kingdom	Swimming, football, fitness, cricket, fishing, golf, jogging, bowls, outdoor activities, tennis.
Italy	Football, swimming, skiing, tennis, fitness, outdoor activities, volleyball, basketball, fishing.
Spain	Football, swimming, basketball, jogging, fitness, tennis, outdoor activities, skiing, judo, karate.
The Netherlands	Football, swimming, fitness, tennis, jogging, (in-line and ice) skating, outdoor activities, watersport.

Source: TGI, Stat.Bundesamt, INSEE, ISTAT, Inébase, CBS (2002/2003)

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 has increased significantly in recent years (see table 3.2). Fitness, aerobics, taebo, 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.

Table 3.2 Women's sport participation in the selected countries

Year: 2001	Total Participation		Regular participation	
	million	ratio women / men	million	ratio women / men
Germany	na	na	10.5	39%
France	19.2	48%	10.5	41%
UK	15.0	49%	11.0	46%
Italy	11.2	40%	na	na
Spain	7.5	34%	na	na
The Netherlands	4.2	47%	1.7	36%

Source: TGI, Statistisches Bundesamt, Insee, ISTAT, Inébase, CBS (2002/2003)

Participation by age

A relatively recent phenomenon is the increasing proportion of the older population who are taking up sporting activities. 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.

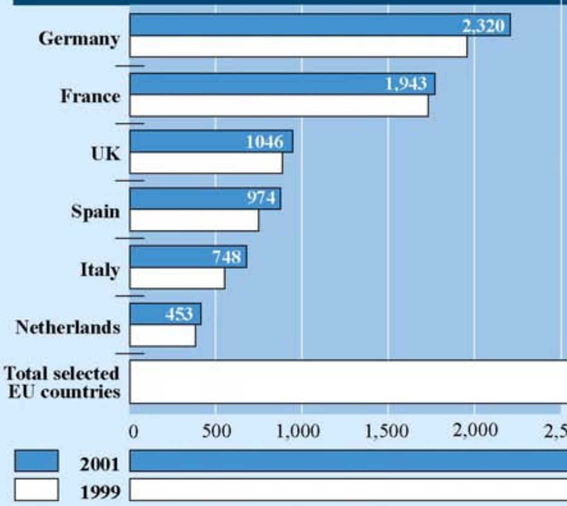
The EU sports market

The *total* European Sporting Goods Market in the selected EU countries – taking into account all three sectors (clothing, footwear and equipment) was over € 30,000 million in 2002. Although the overall growth rate was down on 2001, 2003 is forecast to be a better year, partly due to excellent weather conditions. This has stimulated greater sales of winter sports equipment, swimwear and hiking products.

As is shown in figure 3.2, the largest market was Germany, worth € 2,320 million in 2001. The French market was 6.4% higher in 2001 at € 1,943 million. Between 1999 and 2001, the consumption of sports goods still rose in other countries as well, especially in Spain and Italy with growth rates of 8.8% and 6.8% respectively.

With the existence of many different kinds of sports, the EU market for sports goods is more fragmented than the other major world markets. Total retail sales of sporting goods equipment in the EU member countries was estimated at € 9,380 million in 2001, of which € 7,484 million (or 80%) was achieved in the six selected countries, over half of which was from Germany and France. The EU is the second largest market for sports goods in the world following the USA.

Figure 3.2 Consumption of sports goods in the selected EU markets, 1999-2001



	*Market share	Population (million)	Consumption per capita	Consumption fishing tackle (million €)
Germany	31%	82.3	28	174
France	26%	58.7	33	385
UK	14%	59.7	18	108
Spain	13%	34.9	28	130
Italy	10%	57.6	14	188
Netherlands	6%	16.0	28	69
Total selected EU countries	100%	309.2	24	1,052

**Note: Marketshares are relatively high, because sports goods sales by other EU countries is excluded here.*

Source: VDS, FPS, TSIF, Sports Panel, Sita-Nielsen, EIM (2003)

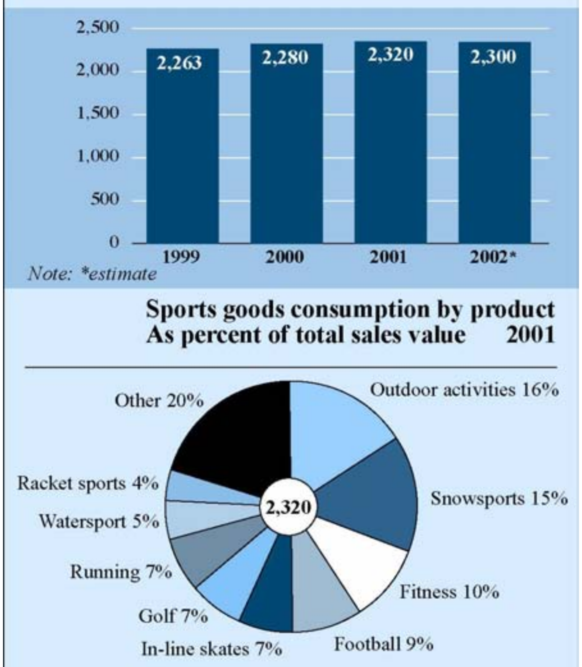
The average consumption per capita on sports goods in EU countries in 2001 was € 24, which was higher in France, Germany, The Netherlands and Spain as is shown in table 3.2. In the same year, EU sales of fishing tackle were valued € 1,054 million, which was led by France, Italy and Germany (see figure 3.2).

In the late 1990s, sports goods sales grew steadily in selected EU countries. Between 1999 and 2001, consumption increased by 5%, from € 7,131 million to € 7,484 million. This is lower than previous growth rates and is a reflection of the global economic downturn in 2001. 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 but the snowsport equipment market was down. Fitness products continued to grow everywhere, particularly in Italy. Other reasons accounting for the long term growth trend are:

- ***A growing concern about health has led to greater expenditure on sports goods for recreational 'soft sports' such as fitness, hiking, climbing, snowsports, watersports activities and horse riding.***
- ***As well as the desire to be healthy, sport is very much a lifestyle. Consumers are encouraged into sports by sporting media celebrities.***
- ***In addition to traditional recreational individual sports, fashionable activities e.g. in-line skating, scootering and many kinds of boarding activities boomed in the late 1990s.***
- ***More retail outlets, including more types of outlet are now selling sports goods.***

Germany

Figure 3.3 German consumption of sports goods Value in € million 1999-2002



Source: VDSI, Sport 2000, Statistisches Bundesamt (2003)

Germany is the largest EU market for sports goods. In 2001, German retail sales were € 2,320 million, representing 31% of the EU market. German households spent € 28 per capita on sports goods, above the EU average of € 24 per capita.

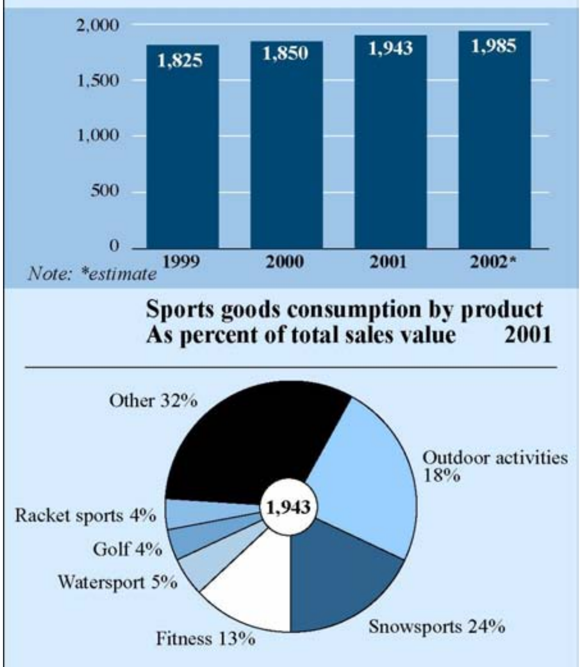
As is shown in figure 3.3, sales of sports goods have risen between 1999 and 2001. This was mainly because of the popularity of individual health-oriented activities, particularly outdoor activities, and of in-line skating and new snowsports such as carve skiing and snowboarding. All of these products formed a sizeable proportion of the German sports goods market (see figure 3.3).

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.

Growth rates in Germany in 2002 are lower than elsewhere in Europe because of a more protracted economic recession as well as 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. Other areas for growth in all sports equipment must be sought in technical innovations and (new) material, with a view to achieving more comfort in playing, especially for older consumers taking up sports later in life.

France

Figure 3.4 French consumption of sports goods Value in € million 1999-2002



Source: FPS, FIFAS (2003)

France has the highest levels of participation within the selected EU countries and is the second largest market for sports goods in the EU with retail sales in 2001 valued at € 1,943 million, representing 26% of the EU market.

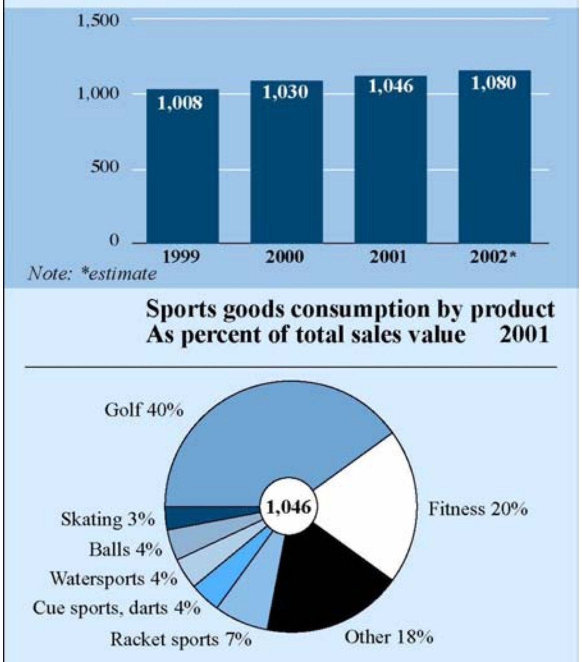
The French per capita expenditure of € 30 in that year was the highest (see figure 3.2).

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 2001 rose by 5%. The popularity of outdoor activities, in-line skating, snowboarding, fitness, golf, watersports (canoeing, surfing, sailing) and horse riding combined to provide one of the best performing of the selected EU markets. Sales of tennis rackets declined due to falling demand. In 2001, equipment for snowsports, outdoor activities and fitness formed the largest segments in the French sports goods market (see figure 3.4). Snowbording sales increased at a faster rate than ski sales.

Young French sports enthusiasts are switching to more extreme and energetic sports. In general, consumers look for product performance, quality, innovations and are concerned about how a product has been made(e.g. environmentally sound, not made by children).

United Kingdom

Figure 3.5 UK consumption of sports goods
Value in € million 1999-2002



Source: Mintel, Keynote (2003)

The ***United Kingdom*** was the third largest EU market for sports goods. In 2001, UK retail sales were € 1,046 million, 14% of the EU market. The per capita expenditure was low, partly attributed to a low expenditure on snowsports, outdoor and watersports activities, compared to Germany and France.

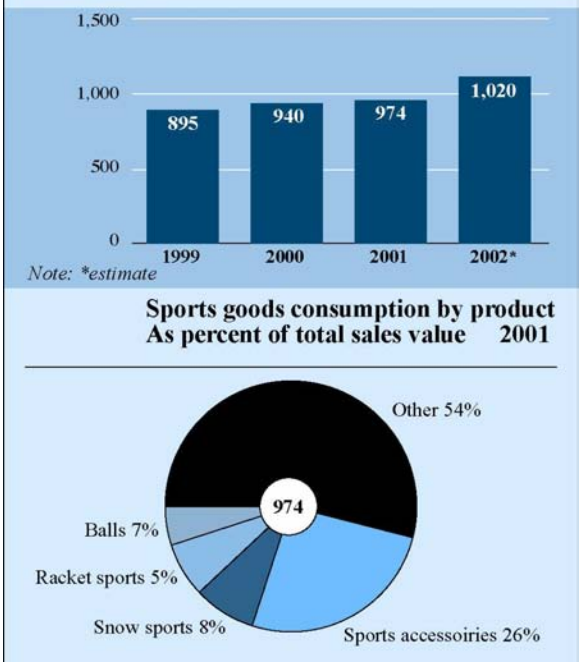
The UK sports goods market is highly fragmented, since there are many different kinds of sports in the UK, all requiring their own specific equipment and accessories. Sports participation levels in the UK are high compared with other selected EU countries. However, popular sports such as swimming, racket sports, snooker, darts, bowls and some team sports (cricket, hockey) have become less popular.

This was due to a shift from competitive to individual sports (fitness, running, golf) and recreational activities (e.g. hiking). Young people now are interested in 'fashionable' extreme sports such as abseiling or snowboarding, beach and street sports. As is shown in figure 3.5, sales of sports goods between 1999 and 2001 grew by about 2%. Future growth in the short term is also expected to be slow.

In 2001, golf accounted for 40% of the UK market. In future, there will a be a growing demand for equipment for golf, in-home fitness, skating, football, and outdoor activities. Fishing is one of the most popular pastimes in the UK and fishing tackle continues to be an important market in the UK.

Spain

Figure 3.6 Spanish consumption of sports goods
Value in € million 1999-2002



Source: Sports Panel, SGI, CMD (2003)

In 2001, ***Spanish*** retail sales of sports goods was € 974 million. The consumption per head was € 28. It should be noted that the Spanish market includes a large category of *sports accessories* (***'complementos'***) which represents 26% of the sports market (see figure 3.6). This category includes sports-related articles such as rucksacks, sports bags, eyewear, wrist guards and sports watches.

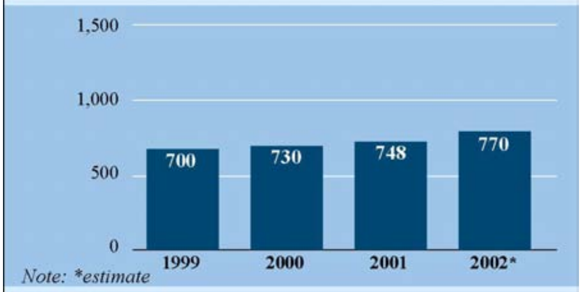
Sports participation by Spanish people is growing due to a growing concern about health. This has stimulated sports goods sales.

Football is the most popular sport, often referred to as ***El Rey*** (King of Sports). Balls represented 7% of all sports goods sold in Spain, with footballs being the largest category. Basketball enjoys high participation in Spain. In addition, beach volleyballs and balls for other teamsports such as rugby and polo will be more in demand.

Alongside tennis, snowsports (in the *Sierra Nevada*) a swimming, Spaniards became interested in new individual and recreational activities, especially, climbing, fitness, outdoor, watersports activities (sailing) and golf. The sports goods market grew by 9% between 1999 and 2001. Many beginners borrow, rent or buy second-hand articles, especially skis, snowboards, diving gear, golf sets etc. Once they decided to continue the activity, the Spanish seek out the latest equipment.

Italy

Figure 3.7 Italian consumption of sports goods Value in € million 1999-2002



Source: Assosport, Sita Nielsen (2003)

Italy is a large market for sportswear, but a small market for sports goods.

In 2001 Italian sports goods sales were valued at € 748 million. Compared to the other EU markets, Italian households are the lowest spenders on sports goods, with a per capita expenditure of € 13 in 2001.
Nevertheless, expenditure has grown steadily 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.

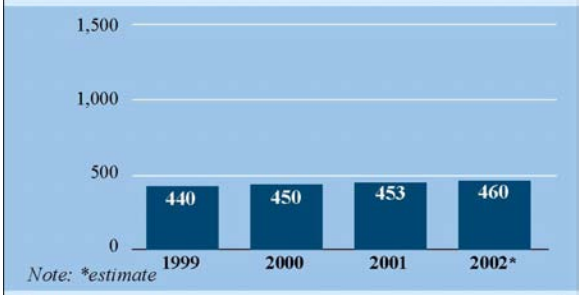
Between 1999 and 2001, sales of sports goods increased by 7% from € 700 to € 748 million (see figure 3.7). Snowsports sales were helped by more low budget wintersports resorts located close by. Snowsports equipment (i.e. carve skis, snowboards and cross country skis) accounted for 25% of the Italian sports goods market in 2001.

The popularity of fitness, the scooter hype, snowboarding, beach sports, outdoor activities and horse riding also helped the market move forward. Football is still the most popular sport. However, sales of in-line skates and tennis rackets both declined. Nevertheless, tennis rackets still represented around 13% of all sports goods sold in Italy in 2001.

Italian behaviour in relation to sporting activities is changing. Although many still smoke, the government is encouraging the building of sports and leisure centres to encourage Italians to lead a healthier lifestyle.

The Netherlands

Figure 3.8 Dutch consumption of sports goods Value in € million 1999-2002



Source: HBD, CBS (2003)

The Netherlands is the sixth largest market for sports goods in the EU. In 2001, retail sales were valued at € 453 million: 6% of the EU market. Consumption per capita of € 28 is above the EU average.

Between 1980 and 2002, the number of Dutch people participating in sports increased from 59% to 65% (i.e. 10.4 million people), which was mainly due to more sports activities by women and older people. However, since 2001, participation has slightly fallen. One major reason was that young people spend less time on sports. Especially teamsports (e.g. football, volleyball, basketball) have suffered as a result of other entertainment activities competing for young people’s time. Middle and older aged people are expected to do more exercise in order to stay fit and prevent weight gain.

Equipment for snow sports, golf, fitness, in-line skating and rackets formed the largest categories. Golf is now reported to be still a fast growing sports in the Netherlands.
As is shown in figure 3.8, sales of sports goods rose by 3% between 1999 and 2001, mainly because of the growing popularity of individual health-oriented activities. Along with the newly built sports centres in the suburbs, there is a growing interest in fitness (e.g. teabo), tennis, hockey and snowboarding.

In general, Dutch people want to keep up with the latest thrills, many of which come from the USA. When it comes to buying sports goods, they are concerned with product quality, new innovations, performance, comfort or design – and they often compare prices.

3.2 Market segmentation

Skis, snowboards, fitness, golf articles, in-line skates, rackets and camping goods form the largest categories within the sports goods market. According to a survey done by SRE Magazine among 4,000 sports goods retailers throughout Europe in 2001, snowsports was regarded as sports with the best growth potential. Most of these sports offer good opportunities for developing country exporters.

Table 3.2 Sports with the best potential for growth in 2002 - 2003

	Share
Snowsports (skiing, snowboarding)	18%
Football	12%
Fitness (weight training, exercising, taebo)	11%
Golf	9%
Outdoor activities	9%
Running / jogging	6%
Boarding sports	4%
Tennis	4%
Beach sports (e.g. beach volleyball, badminton)	2%

Source: SRE, Messe München (2003)

However, snowsports and motorized fitness equipment require high investments in R&D or in complex manufacturing systems. Therefore, 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

Fitness and body-building increased significantly in popularity during the 1990s, partly because of their modern, fashionable image and partly because they can be undertaken at times to suit the participant.

The main reasons for taking it up were primarily those of staying healthy, relaxing and improving one's figure or physique. In 2001, *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.

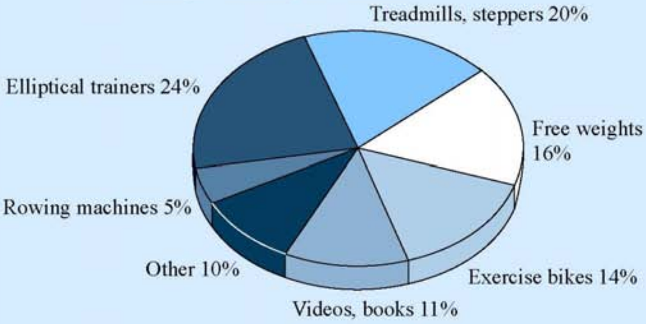
Major activities undertaken by *men* are body-building, working out, weight training and martial arts. Over 100,000 people in Spain are members of a judo club. There has also been a large increase in the number of participants in the 40+ age group. Since fitness is increasingly recommended by doctors and physiotherapists, especially to 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 2001, the number of registered participants in the selected EU countries was over 18 million people. (see figure 3.9). 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.

Germany, France and United Kingdom are the largest EU markets for in-home fitness equipment, as is shown in figure 3.9. 25% of French people who participate in sport engage in fitness activity. The German home fitness market reached in 2001 a total value of € 250 million. It should be noted that all equipment used in fitness clubs are excluded here.

Figure 3.9 German fitness equipment market by product, 2001
As percent of total sales value (= € 250 million)

Example country is Germany



Year 2001	Clubs	Participants registered	Sales € million
Germany	6,500	5,025,000	250
France	4,900	4,100,000	242
Italy	6,136	3,381,000	168
United Kingdom	4,500	2,224,000	200
Spain	na	1,700,000	na
Netherlands	1,700	1,500,000	na
TOTAL	na	17,930,000	na

Source: SAZ, TSIF (2003)

The market overall decreased significantly in 2001 compared with the previous year. If the market for studio equipment were included, it would total € 375 million. Elliptical trainers accounted for 24% of all home fitness equipment sold in Germany in 2001 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 € 1,200 for such equipment.

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. In Germany, discounters e.g. Aldi, Lidl and Co. already offer simple fitness equipment. 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. 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.

Team / field sports

Football is the most popular teamsport, well exceeding not only other teamsports but all other sports. In 2001, there were an estimated 120,000 clubs in the selected countries with a total number of nearly 11 million members (see figure 3.10). This will not include the large number of people who play on a less formal basis. Football has grown in popularity in all selected countries in the past few years, largely driven by very heavy television coverage. “*Global Girls Football Day*” is a joint initiative between UNICEF and FIFA to encourage more girls, particularly in the developing world, to play football. Timed to coincide with the Women’s World Cup Final, it will further expand the interest in football.

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. It takes place in Portugal in 2004.

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. Under the Quality Concept, manufacturers must submit footballs to a stringent test programme to qualify for a FIFA hallmark - either the "FIFA Inspected" or the higher "FIFA Approved" standard. The principal purpose of these hallmarks 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.

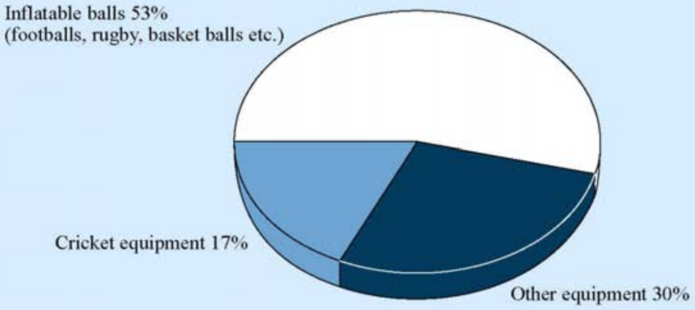
Currently, approximately 75% of the world's hand-stitched footballs are made in Sialkot, Pakistan. A much smaller proportion is also made in India. In 1997, FIFA signed an international agreement aimed at preventing child exploitation. This agreement was also signed by the Sialkot Chamber of Commerce 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 way 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.

Teamsports
Although individual sports have become more popular, football, basketball, volleyball, rugby and hockey have either sustained or increased their interest levels. Cricket is pre-dominantly played in the UK. Although participation levels are in decline, cricket equipment still represents a good market opportunity for developing country exporters, particularly those such as India and Pakistan where cricket is also played. Inflatable balls were the largest segment in team sports, which accounted for more than half of the UK teamsports equipment market, as is shown in figure 3.10.

Figure 3.10 UK teamsports equipment market by product, 2001
As percent of total sales value (= €90 million)

Example country is United Kingdom



Year 2001	Clubs	Participants registered
Germany	**27,000**	**6,300,000**
France	**19,766**	**2,140,133**
Spain	**10,125**	**1,787,200**
United Kingdom	**22,150**	**1,500,000**
Italy	**na**	**1,444,360**
Netherlands	**3,895**	**1,040,000**
TOTAL	**na**	**14,211,693**

Source: Mintel, TSIF (2003)

Basketball was played by an estimated 1.5 million registered participants in the selected countries in 2001. Indoor basketball is an important teamsport in France (426,800 players), United Kingdom (409,000) and became more popular, especially among women, in Spain (275,000) and Germany (198,000).

In the late 1990s, street basketball became 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 (517,000), In France 102,000 people were registered volleyball participants and 43,500 were in Spain. Membership has been on the increase due to greater television coverage. Well-known brands of volleyballs are Nike, Rucanor and Mikasa.

Recently ***beach volleyball*** from the USA became fashionable with its brightly coloured balls, special outfit and related music (R&B), which all makes it entertaining to play and to watch. In addition, beach volleyball is now being recognised as a top sport at the Olympics and in International competitions. As was shown in table 3.2, beach volleyball was regarded as a sport with good growth potential.

Rugby is among the most popular sports watched on television in the United Kingdom. There were around 2,026 clubs in the UK with 305,000 members, of which 55% of are under 25 and 30% 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, Spain had 15,000 registered participants, followed by Italy (12,000). 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 Rugby World Cup in 2003 has generated much interest in the United Kingdom with representatives from England, Scotland and Wales. France participated, as did Italy. This is likely to encourage greater participation and sales of replica kits.

Netball is less popular than years ago. 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 (290,000 registered participants) and The Netherlands. Hockey has declined in line with the general decline in interest in organised 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.

Technical developments in the material used (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. In The Netherlands, a site www.HockeyPlaza.nl was established, which functions as a platform for players, clubs and suppliers of hockey articles.

Ice hockey has always been popular in Russia and Scandinavia, but has recently increased in popularity in other northern EU markets, primarily due to television coverage. Indoor ice hockey predominates as weather conditions do not allow outdoor ice hockey to be played in the selected EU countries. Most ice hockey stadiums share their facilities with ice skating.

Cricket is mostly played in the United Kingdom, played by over one million adults, down by 20% 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.

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 team sports equipment market, as is shown in Figure 3.10. 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.

Other equipment for teamsports form a large category (30%) within the team sports equipment market, as is shown in figure 3.10. This category 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 PGA (professional Golfers Association of Europe), there almost 2.5 million registered adult golfers in 2002 in the selected countries, playing on 4,436 golf courses (see figure 3.11). Around 70% of golfers are men, while in Germany and The Netherlands female players are relatively high.

The United Kingdom has the largest number of participants, i.e. half 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.

Germany, The Netherlands and Spain have registered the highest growth rates in the selected countries (up 16%, 18% and 31% respectively between 2000 and 2002). More media coverage, an increasing number of tournaments and success of Spanish 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 2002 to € 347 million, while in Germany spending has reached a value of € 160 million.

In the same year, consumer spending on golf equipment in France was estimated to be around € 110 million (see figure 3.11).

Figure 3.11 Golf participation and equipment sales in the selected EU countries

Year 2001	Clubs	Participants registered	Sales € million
United Kingdom	2,612	1,210,910	400
Germany	677	430,000	160
France	531	325,229	110
Spain	260	220,093	70
Italy	225	67,092	na
Netherlands	169	187,000	na
TOTAL	4,474	2,440,324	na

Source: SAZ (2003)

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, 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 an important individual sport. It combines individual play with sociability and competition. In 2001, the total number of people who played tennis in the selected EU countries was 16 million, led by Germany (7.million), followed by France (3.5 million), United Kingdom (2.2 million), Italy (2.2 million), Spain (1.2 million) and The Netherlands (0.7 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.

Head and Wilson are the dominant tennis racket brands. The latest rackets are strong, light and comfortable at the same time. 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 has significantly reduced and negatively influenced 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. Just 17,000 people were members of squash clubs in Germany in 2001, with 25,000 in France. The main brands of squash rackets include DSG, Wilson, Prince, Gray-Nicolls and Head. Dunlop is the main brand for squash balls.

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. 225,000 people played badminton in Germany in 2001. The main brands in badminton rackets include Dunlop, Slazenger, Wilson, Carlton, Yonex and Prince.

Table tennis is most popular in former East Germany and had 5.8 million participants in Germany in 2000. 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 grew in 2001 to 28 million participants in the selected EU markets. The popularity of in-line skates gave an enormous impulse to the sports goods sector. The German market grew massively during the 1990s, peaking in 1998 (1.7 million pairs sold, valued at € 200 million) but has declined since then. Indications are that this has recovered in 2002. In other countries such as The United Kingdom and Italy, the in-line skate craze was not sustained. Currently the in-line skate market is only driven by the introduction of skates with soft boots and some new skating activities.

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 offers ideal circumstances for skating. The 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, *crosskates* or *rollerskates* which are the latest thrills in skating. Brands for in-line skates include K2, which accounted for 50% of the German market in 2000 followed by Rollerblade (Bennetton), Salomon, Roces, Oxygen, Tecnica, Fila, Bauer (Nike), X-Cuse and Faze 7.

Scooters were fashionable in 2000, although by 2002, the scooter hype seemed to be over. ***Kickboards*** are used for other skating related street sports. These boards require special parks which have equipment designed to enable the participate, 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 has steadily grown in popularity since the late 1970s. ***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.

In 2003/4, says The Ski and Snowboard Industry Report, the total number of skiers could climb even higher, probably to just below 1.1 million - including 300,000 trips based on no-frills airlines. America and Canada face a big invasion of British skiers cashing in on the weak dollar. The figures show a remarkable revival since 1999/2000, 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 17%. 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.

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 the French sports equipment production is skiing related products. 480,000 pairs of skis were sold in the most recent winter season, 3% up on the previous year and the highest for ten years.

Swimming has many participants and is a very popular activity in all selected countries, particularly in France, Italy, and Spain where outdoor swimming is more possible due to better climatic conditions. 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 in 2001. 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, kitesurfing*** and a large variety of accessories (beach mats, waterproof bags, chairs etc.). Beach culture will ensure that the watersports market will continue to increase. 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.

The sale of watersports equipment is not restricted to the summer, but is increasingly 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, Speedo (Pentland Group), Arena, Maru and Nike are most popular.

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

Horseriding has grown in popularity in parallel with the increase in outdoor activities. The UK market for equestrian products amounts to € 3.5 billion per annum. This covers products relating to horses and their upkeep. In pure product terms, feed and healthcare amount to € 720 million, general horse care (grooming aids) is € 28 million, tack and rugs € 230 million, the balance being made up from indirect and capital expenditure. The German total is slightly higher at about € 4.2 billion, both markets being very similar in both rider and horse numbers. There is an estimated 4.5 million horses in the EU with over 6.5 million riders, over 4 million of which are from the selected countries.

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 3.4 Horse riding participation in the selected countries

	Regular Riders	Jumping	Dressage	Eventing
Germany	750,000	50,000	50,000	50,000
France	430,000	50,000	20,000	20,000
UK	950,000	20,000	20,000	5,000
Italy	150,000	50,000	2,000	5,000
Spain	50,000	5,000	2,000	500
Netherlands	150,000	50,000	50,000	5,000

Source: International Equestrian Federation, National Statistics (2003)

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 forms of 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, United Kingdom and Italy (see figure 3.12).
- ***River sports*** such as canoeing, kayaking, rafting, pat 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 it is something most people can do; it is non-technical and appeals to all age groups. 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.

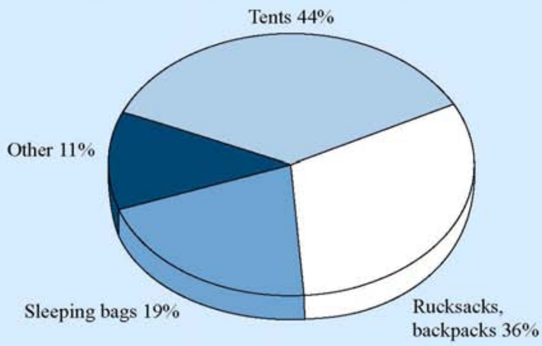
The EU market for camping goods and outdoor equipment is led by France, with estimated sales valued at € 338 million in 2001, followed by Germany and the United Kingdom. Germany's younger generation are increasingly escaping the larger cities for sporting events of all kinds. Canyoning, ice climbing, trail running and downhill racing - with speed and outdoor action making it an individual choice between one sport and another. 49% of all German hikers and 43% of the country's mountain climbers are women.

Demand for backpacks, trekking shoes, tents and sleeping bags has increased by 7% in the past year - the trekking sector already has a share of 14% in the entire German sporting goods market. GPS receivers are becoming 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 have recovered from the foot and mouth crisis. As is shown in figure 3.12, tents and rucksacks were the largest parts of the UK market.

Figure 3.12 UK camping goods market by product, 2001
As percent of total sales value (= €300 million)

Example country is United Kingdom



Year 2001	Participants climbing	Sales camping goods € million
France	**810,000**	**350**
Germany	**688,000**	**270**
United Kingdom	**625,000**	**300**
Italy	**521,000**	**na**
Spain	**65,000**	**na**
Netherlands	**58,000**	**na**
TOTAL	**2,767,000**	**na**

Source: SAZ, TSIF, Mintel (2003)

Dome, geometric and hoop ***tents*** are most likely to be bought for outdoor activities, as they 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.

Rucksacks and backpacks are a large product group worth € 100 million in the UK. More variety in models, sizes, qualities and more choice in (fashionable) 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.

Sleeping bags sales have been stimulated by the introduction of 'mummy' style sleeping bags, which are lightweight, as well as being comfortable during cold and hot weather. Major brands are Vango, Mountaincraft, Hi-gear, RAB, Storm Shield and Coleman.

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 all equipment used by climbers and mountaineers. Within this product group crampons, ropes/rope accessories and ice axes are the three main segments. Specialist climbing equipment is doing well, but general outdoor equipment is not.

Fishing tackle

With an estimated 12 million participants in the selected EU countries, fishing is still an important leisure activity. In 2001, EU sales of fishing tackle valued € 1,054 million, led by France, Italy and Germany. It is one of the most popular sporting activities in the UK, with participation levels similar to golf and football, but expenditure levels for equipment are relatively low.

Recently the number of participants in most selected countries decreased, because of:

- The growing popularity of other leisure activities.
- In some countries, reservoirs are stocked with fish, which present little challenge to anglers.
- The foot-and mouth-disease, which made it impossible or forbidden to enter some areas for angling.

Of the total fishing tackle sales in e.g. France € 385 million, *rods and reels* accounted for 30%, *hooks, nets, accessories* for 30% and *clothing and shoes* for 40%.

Fishing tackle usually 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 process of the EU population will be 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 play sports, maintaining good heart tone and circulation.

Older people are increasingly recommended to do sports or fitness. In Germany, for example, some insurance companies charge a lower premium for physically fit and healthy people. ***'Seniorensport'*** will be a major theme here 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 lead a busy life and 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.

Fashion
Fashion and design have become extremely strong influences in all leisure and sporting goods, being increasingly associated with different lifestyles. 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
Spare time is not available as it used to be, because of changes in work patterns. In addition, leisure time 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 then women. Older age groups and unemployed people also spend more time on sports.

Growing sponsorship and media involvement
Events such as the Olympics, the World Cup, the emergence of heroes in particular sports play a part in encouraging sports participation, although there can also be negative effects, such as the failure of the national team to qualify for the finals of major competitions. 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. It is hoped that the influence of sponsors are not allowed to impact on how sporting events are decided. For example, it has been rumoured that certain major sponsors have tried to put pressure on a sporting hero to play a certain game even though the person may not be fully fit.

Hybridisation
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 play gardens), which is another reason for individuals taking part in sport to visit the same centre regularly. Some sports centres, particularly privately run ones also have developed into retail outlets for sporting goods as well as a place to engage in sporting activity.

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, 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. Moreover, the quality of the sports goods item is crucial for the performance of the sportsman as well as his image. 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 to 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 the old trade-offs. They will not tolerate badly finished sports goods, which fall apart after a few months because for example of bad fittings or articles which are made of defective materials which deteriorate quickly. In most of the selected EU countries consumers are critical and expect “value for money”. In most countries, consumers are more knowledgeable because they are exposed to wider ranges of sports goods sold at more retail outlets, by mail order, Internet and telesales.

Ethics
Environmental friendliness has become important in the purchasing decisions made by consumers in most northern EU markets. Consumer awareness of social and ecological matters is increasing and is reflected in their 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 then in the past.

4 PRODUCTION

Production of the wide range of sports goods, including sports clothing and footwear, is controlled by a large number of small manufacturers in the EU countries, especially in Italy and Spain. In 2001, there were 2,250 production companies in the selected countries, most of which produce specialised and high quality sports goods with each country having its own speciality. 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 (incl. clothing, footwear) in the selected EU countries, 2001

	Companies	Sales (€ mio)	Major products by areas of sports
Italy	750	11,000	Footwear, clothing, fitness, skates, snowsports, watersports, team/field.
Spain	650	2,850	Clothing, footwear, watersports, balls, snowsports, rackets, fishing.
Germany	425	2,500	Fitness, camping goods, clothing, footwear, watersports, golf.
UK	300	1,500	Golf, rackets, clothing, footwear, balls, fitness, snooker, pool, cricket, fishing.
France	120	622	Snowsports, fitness, watersports, clothing, footwear, team/field, camping goods.
Netherlands	45	108	Watersports (surfboards, sailing), skates (ice and in-line), footwear.

Italy

With 750 companies employing 30,000 people, the Italian sports goods production is the largest within the selected EU countries. Italian manufacturers have a leading international role in the production of ski footwear and sportswear with Italy being the major source of fashion design and the creation of exclusive collections. In 2001, domestic production of sports goods valued around € 11,000 million, most of which were ski footwear, other sports footwear, sports clothing, in-line skates, fitness and watersports equipment. 70% of this was exported, indicating that Italian firms represent about one fifth of the global sporting goods market. 50% of the world's production of ski boots and 70% of the world's production of après-ski footwear is supplied by Italy. Nordica, Dolomite and Tecnica are leading producers in snowsports.

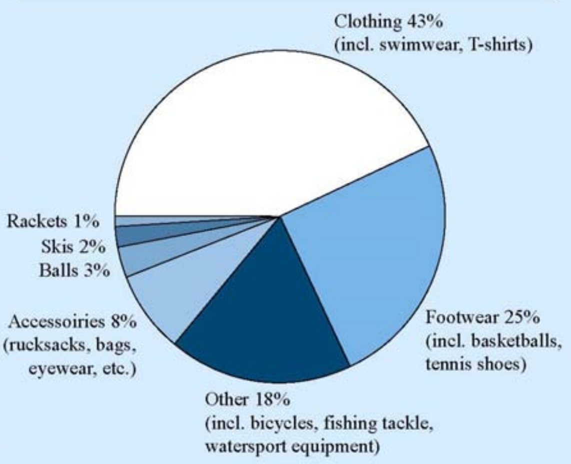
Sports	**Major product in Italy**
▪ **Footwear**	: Ski boots, ski shoes, running, football, tennis, fitness, leisure, outdoor footwear.
▪ **Clothing**	: Swim, beach and skiwear, fitness, racket sports, fleeces.
▪ **Fitness**	: Studio bodybuilding and home fitness equipment (Tunturi, Forza Fitness).
▪ **Skating**	: In-line skates (Roces, Rollerblade-Benetton), roller skates, skateboards.
▪ **Snowsports**	: Skis, safety bindings and poles, snowboards and monoskis.
▪ **Watersports**	: Surf and sailboards, inflatable boats, waterskis, swimming, diving equipment.
▪ **Other**	: Gymnastic articles, balls, tents and fishing tackle (rods).

Spain

With 650 companies employing 16,000 people, the Spanish sports goods production is the second largest within the selected EU countries.

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 (see figure 4.1).

Figure 4.1 Production of sports goods in Spain, 2001
As percent of total value (=100%)



Source: Sports Panel S.A., Trade estimates (2003)

In 2001, sales of Spanish sports goods manufacturers valued € 2,800 million, representing 1.6% of Spanish GDP. As is shown in figure 4.1, the category 'Other' represented equipment varying from bicycles, snorkel sets, fishing tackle and table tennis equipment, which together represented 18% of total sales by production companies.

Most Spanish companies are located in the C/A/B area (Cataluña, Aragón and Balearic Islands), which is in the NorthEast. One third of producer companies were also acting as importers. Around 20% of companies were subcontracting sports goods, being further processed abroad, while 10% had their products made in licence at foreign companies in South America or Asia. According to a survey done by Sports Panel, almost 75% of Spanish companies are involved in exporting

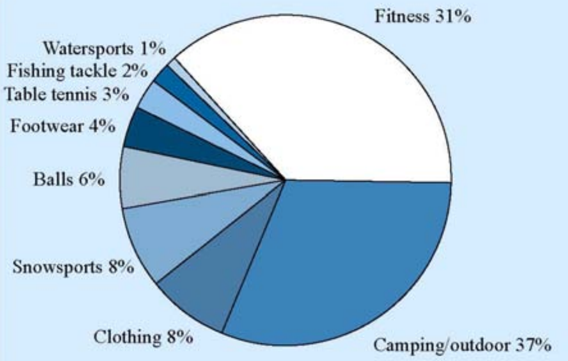
Germany

With an annual turnover in 2001 of € 2,500 million, or 1.3% of the German GDP, the sports industry is a large sector in the German economy, employing 80,000 people.

Unlike Italy and Spain, clothing and footwear were less important categories in German production. Here, fitness and camping goods were the leading products (see figure 4.2).

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

Figure 4.2 Production by of sports goods in Germany 2001. As percent of total value (=100%)



Source: Statistiches Bundesambt (2003)

Of the 250 companies in Germany involved in production, half were in sports equipment, 35% in sports clothing and the remainder in sports footwear.

Sports	Major products in Germany
▪ **Fitness**	**:** Studio/bodybuilding, gym and electronic training equipment.
▪ **Outdoor**	**:** Camping equipment such as tents, rucksacks, sleeping bags and accessories.
▪ **Clothing**	**:** Blousons, anoraks, swimwear, beachwear, skiwear, training suits, gloves.
▪ **Footwear**	**:** Leather sports shoes, outdoor boots and sandals.
▪ **Water sports**	**:** Surf and sail boards, inflatable boats, swimming and diving equipment.
▪ **Golf**	**:** Trousers, shirts, sweaters and trolleys.
▪ **Other**	**:** Fishing tackle, tennis rackets, athletic 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 there 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

United Kingdom

The UK is an important producer and exporter of sports goods within the EU, particularly of golf equipment. There were around 300 companies producing sports goods in 2001, representing sales of € 1,500 million. Most companies specialise in making equipment and accessories for at least 30 different kinds of sports. The leaders are shown in table 4.2, 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% of its turnover. Grays of Cambridge who claim to be the world's largest supplier of cricket equipment, have recently 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.

Table 4.2 Leading UK suppliers of sports equipment, 2001

Turnover in € million	2001	Product group	Brands
Dunlop Slazenger	**377**	Golf, rackets, cricket, hockey	Slazenger, Carlton, Maxfli
Wilson (Amer Group)	**82**	Golf, rackets, baseball	Wilson, Atomic, Oxygen
Acushnet	**91**	Golf	Titleist, Footjoy
Callaway Golf	**60**	Golf	Callaway
Salomon Taylor Made	**31**	Golf, skiing	Salomon, Taylor Made
Ping	**24**	Golf balls	Ping
Daiwa Sports	**15**	Golf, fishing tackle	Daiwa
Forza Fitness	**19**	Fitness	Forza
Icon Health and Fitness	**16**	Fitness	Healthrider, Weider
Powersport	**15**	Fitness	Powersport
Mitre Sports (Pentland)	**23**	Footballs	Mitre
Spalding	**13**	Basketballs, footballs, tennis	Spalding
James Gilbert	**9**	Footballs, rugby balls	James Gilbert
Unicorn Products	**11**	Darts	Gun & Moore, Powerglide
Shakespeare	**12**	Fishing tackle	Shakespeare

Source: Keynote (2002)

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 export a large proportion of their sales.

France

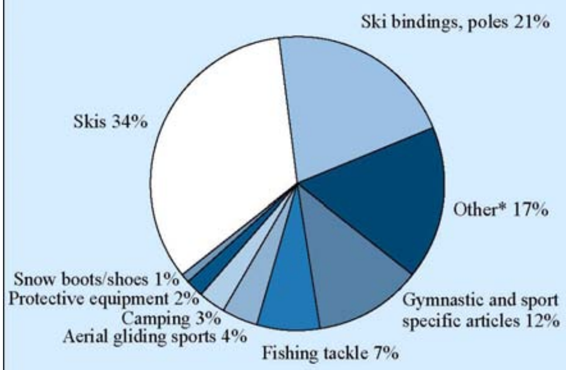
Still relatively small compared to some other selected EU producers, the French sports industry is gradually becoming more important.

In terms of sales turnover, France achieved a sales turnover in 2001 of € 622 million, over half of which was ski equipment (see figure 4.3).

In the past few years, fitness equipment has become a large category. Rossignol, probably France's largest producer in this market, closed its French snowboard factory, but a business park for the surf industry is planned by another manufacturer.

For fitness, *Care* based in the Paris area, accounted for around half of French fitness

Figure 4.3 Production of sports goods in France 2001. As percent of total value (=100%)



*Note: *including balls, climbing equipment and table tennis*

Source: Fifas, Sessi, FPS (2003)

equipment production value (total: € 20 million in 2001), followed by LPI and around 10 sizeable companies.

The categories 'gymnastic and sports specific articles' include a variety of articles for specific sports or leisure activities. Rackets and racket production equipment (e.g. string and cording machines) are made by the French manufacturer Babolat, which recently sells its own tennis balls in the French, Italian and Spanish markets.

Netherlands

Production of sports goods in The Netherlands is very limited. In 2000, there were around 150 suppliers which achieved an annual turnover of around US$ 108 million, most of which are mainly importers or wholesalers. Some well-known Dutch suppliers include *Rucanor* and *Point Break Europe* (with the brand *Brunotti)*, which both produce clothing and equipment selling 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, tents, sleeping bags and some other camping 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 Sports Federation) around 80% 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 www.wfsgi.org or www.wsforum.org.

Rising labour and material costs in some Asian countries such as South Korea or Taiwan has led some 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.

In the coming years, more co-operation between the selected countries and the *CEECs (Central and*

East European Countries) is expected, which will be stimulated by the entrance of 10 countries to the EU (see Chapter 2) 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.

The main producing countries of sports goods in Eastern Europe are: Czech Republic, Poland, Slovakia, Hungary, Estonia, Romania and Slovenia. Most of these countries manufacture skis and camping goods.

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 inflexibility of the large brand manufacturers.

5 IMPORTS

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

5.1 Total imports

Total imports by the EU

The EU is among the leading importers of sports goods in the world and, in 2001, accounted for 714 thousand tonnes with a value of € 4,871 million. Total EU imports increased by almost 20% in volume and by 21% in value, reversing a trend highlighted in the previous report of falling values for EU imports.

Germany is the largest EU importer, accounting for over 22% of total EU imports: 161 thousand tonnes, with a value of € 957 million in 2001. Germany is followed by the United Kingdom (18% of EU imports in 2000), France (16%), Italy (8%) and The Netherlands (7%). In terms of volume, all countries in the EU increased their imports of sports goods between 1999 and 2001, especially Germany, the UK, Italy, Spain and Austria, as is shown in table 5.1.

Table 5.1 EU imports of sports goods by EU country, 1999-2001 in tonnes and € 1,000

	1999		2000		2001	
	value €	volume	value €	volume	value €	volume
Total	**4,032,298**	**597,398**	**5,020,200**	**701,389**	**4,871,247**	**714,060**
Germany	835,691	**144,163**	1,063,388	**162,376**	957,089	**161,308**
United Kingdom	703,466	**94,122**	890,414	**114,627**	910,727	**125,536**
France	651,150	**98,415**	773,466	**110,641**	787,608	**114,510**
Italy	339,855	**43,761**	413,188	**50,960**	419,826	**56,364**
Netherlands	310,047	**54,589**	383,639	**64,192**	334,154	**51,064**
Austria	253,529	**26,949**	326,583	**32,191**	310,742	**34,884**
Spain	200,674	**30,390**	281,405	**39,928**	262,168	**40,039**
Belgium/Lux.	251,213	**45,066**	305,156	**51,850**	286,457	**51,739**
Sweden	170,616	**20,131**	200,379	**23,289**	199,829	**22,093**
Denmark	95,692	**13,324**	134,859	**16,889**	139,905	**17,982**
Finland	79,870	**8,475**	90,762	**10,739**	94,763	**8,847**
Ireland	55,318	**4,896**	66,259	**5,303**	70,474	**5,193**
Portugal	47,366	**7,119**	51,422	**8,019**	53,407	**8,377**
Greece	37,811	**5,998**	39,280	**10,385**	44,098	**16,124**

Source: Eurostat (2003)

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 and repeat orders are often not possible, levels of stock held by importers in their EU warehouses or in EU distribution centres still can vary from period to period. A detailed 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 2001, 38% of EU imports by value came from other EU countries. The principal EU supplier was Germany, with 39,184 tonnes, worth € 295 million, representing 16% of total Intra-EU sports goods supplies (see - figure 5.1). Germany is an important supplier of fitness and snowsports equipment, as well as camping goods to other EU countries. France was next largest importer in the EU (15% - mainly team/field equipment, fitness and snowsports equipment), Italy (13% - snowsports, team/field and fitness equipment), Austria (snowsports equipment) and the United Kingdom (golf, fitness equipment).

Intra-EU supplies increased by over 20% in value between 1999 and 2001, from € 4,032 to 4,871 million as is shown in figure 5.1. In the same period, volume imports rose by 19%. This tendency can be largely attributed to increased supplies of fitness equipment throughout the EU, and snowsport equipment particularly by Germany and France.

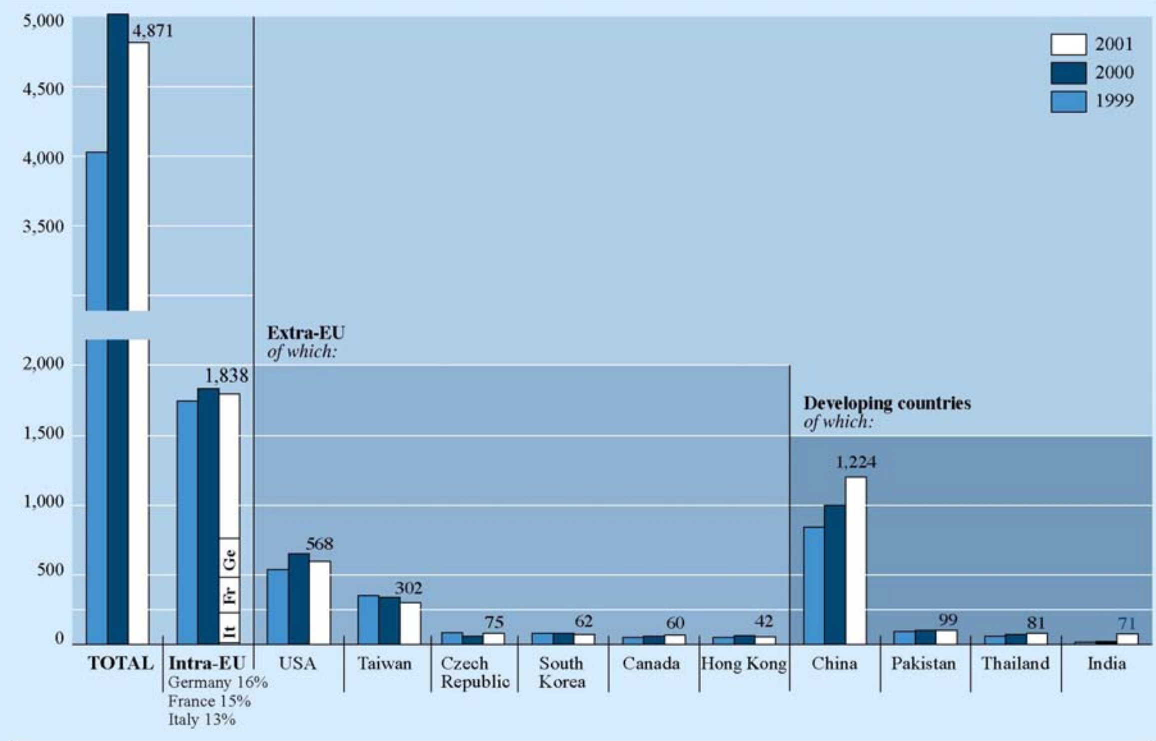
Extra-EU supplying countries
62% of EU imports, came from non-EU sources, of which 33% came from China. Since the early 1990s, China and other Asian countries have expanded their exports to the EU very rapidly. Between 1999 and 2001, China increased its supplies by 52% in value and by 44% in volume terms. China is now the largest sports goods supplier to the EU. In 2001, EU imports from China were € 1,224 million, or 297 thousand tonnes. In terms of value, Chinese supplies of sports goods were more than double that of the USA (€ 568 million) the second largest supplier to the EU. In volume terms, China supplied eight 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 an established 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, which 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 future Olympic Games in China in 2008, the role of China in the supply of sports goods will undoubtedly become more important.

Taiwan (fitness and golf), South Korea (fishing tackle), 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), Thailand (watersports) and India (saddlery).

Figure 5.1 Main suppliers of sports goods to the EU, 1999-2001
Value in € million



Source: Eurostat (2003)

Total imports by selected markets within the EU

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

Germany

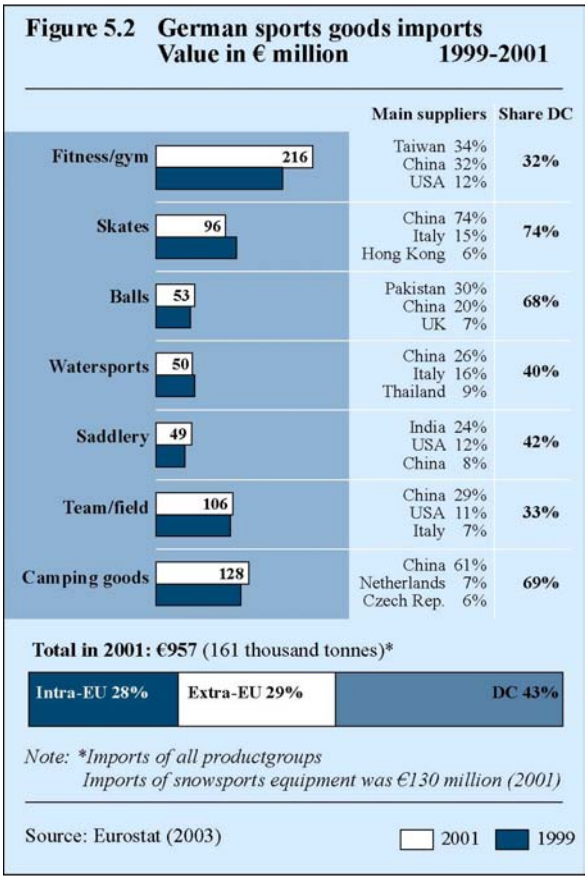
Germany was the largest EU importer of sports goods and accounted for 22% of the EU total. In 2001, Germany imported 161 thousand tonnes valued at € 957 million.

28% came from Intra-EU sources, as is shown in figure 5.2. A substantial part, i.e. 43% of imports came from developing countries, which are mainly China, Pakistan and India. Imports from Eastern Europe also registered significant gains.

Between 1999 and 2001, the volume of German imports rose by 12%, whereas the value of imports varied by product group. The greatest increases were registered in fitness and snowsport equipment.

Imports of balls, saddlery and camping goods also increased, whereas skates, rackets and fishing 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 (34% of total value of imports), Taiwan (9%), Austria (8%), USA (8%), Italy (5%) and France (4%). Other suppliers include The Netherlands (3%), Czech Republic (3%), United Kingdom (3%) and Pakistan (2%).

Between 1999 and 2001, supplies from China (+28% in volume terms), Netherlands (+81%) and Pakistan (+22%) to Germany increased substantially, especially of fitness and snowsports 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 € 411 million, which were led by China and at a distance, Pakistan (2% of supplies by value) and India (2%). Between 1999 and 2001 imports from developing countries rose by 28% in terms of value. Less significant suppliers from developing countries include Thailand, Vietnam, Malaysia, Slovenia, Morocco Sri Lanka, and Indonesia.

United Kingdom

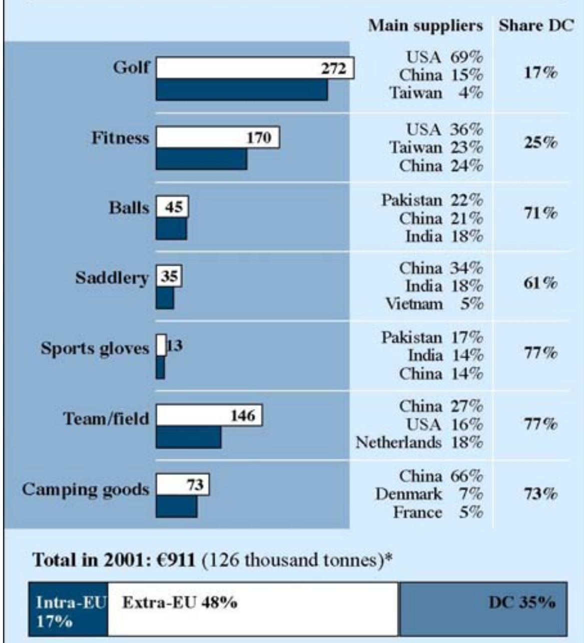
United Kingdom is the second largest EU importer for sports goods and accounted for 19% of the total value of EU imports in 2001.
In the same year, the United Kingdom imported 126 thousand tonnes with a value of € 911 million.

As is shown in figure 5.3, around 48% of imports came from Extra-EU sources. Between 1999 and 2001, UK imports increased by 29% in terms of value, which gives a slightly distorted view due to the rising exchange rate of the US$. Whereas the volume of UK imports rose by 33%, from 94 to 125 thousand tonnes in 2001.

Imports of golf equipment valued € 272 million, thereby representing 30% 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.

Since 1999, UK imports of golf equipment increased by 19% in terms of volume. It should be noted here that around 20% of golf equipment is re-exported to other EU countries.

Figure 5.3 UK sports goods imports Value in € million 1999-2001



Note: *Imports of all productgroups

Source: Eurostat (2003)

Between 1999 and 2001, with the exception of gloves, balls and snowsport equipment, UK imports by value of most other product groups increased, especially of fitness (+38%), team/field sports (+63%), skates (+59%), rackets (+49%), and camping goods (+29%).

The main suppliers of sports goods to the United Kingdom are USA (33% of total value of imports), China (27%), Taiwan (8%), The Netherlands (5%), France (3%), Germany (2%) and India (2%). Other significant suppliers are Pakistan, Japan, Canada and Thailand.

The main suppliers by product group are shown in figure 5.3, 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 € 319 million, an increase of 58% over 1999 imports. In terms of volume, imports from developing countries increased by 57% between 1999 and 2001, mainly from China, Thailand, and India. Other suppliers from developing countries include Pakistan, South Africa, Vietnam, Philippines and Malaysia.

France

France accounted for 16% of EU sports goods imports in 2001, a total volume of 115 thousand tonnes, valued at € 788 million.

Contrary to the UK, France imported more than half, i.e. 54%, of their sports goods from Intra-EU and only 17% from Extra-EU sources, while 29% came from developing countries (see figure 5.4).

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.

French imports of sports goods increased by 16% in volume terms between 1999 and 2001, while the value of imports rose by 21%.

Demand for equipment for snowsports (not shown in figure 5.4), fitness, team/field sports, saddlery and camping goods has grown. In terms of volume, imports of balls rose by 40%, from 5,224 to 7,329 tonnes. On the other hand, French imports of watersports equipment, skates and particularly fishing tackle fell substantially in the period under review.

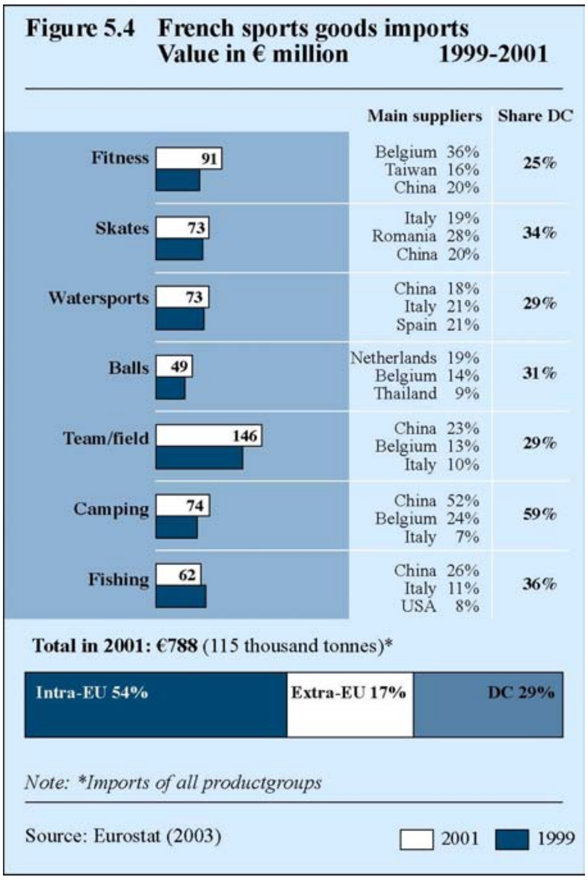


Figure 5.4 French sports goods imports Value in € million 1999-2001

In 2001, most French sports goods came from China (21% of total value of imports), Belgium (14%), Italy (10%), Spain (8%), Germany (6%), Austria (5%), United Kingdom (5%), USA (5%), The Netherlands (4%), Taiwan (4%), Romania (3%) and Thailand (3%).

Supplies from most of these countries, especially from China (+43% by volume), Spain (+75%), The Netherlands (+39%), Romania (+111%) and Thailand (+67%), increased in the period under review.

The main suppliers by product group are shown in figure 5.4, with the share of developing countries for each group.

Imports from developing countries valued € 229 million in 2001 and rose between 1999 and 2001 by 37% in terms of volume. Supplies from Vietnam fell, but on the other hand, Tunisia almost doubled its imports, and India increased its supplies by a third to almost 1,000 tonnes. Imports from Latin America also increased, especially Argentina and Brazil.

Other suppliers from developing countries include Pakistan (-2%), Philippines (-78%), Sri Lanka (-74%) and Indonesia.

Italy

Part of domestic demand for sports goods, e.g. fitness, skates, snowsports, waterports is covered by Italian production. However, many of these articles are outsourced and are imported from Asian or Eastern European countries.
In 2001, Italy imported 56 thousand tonnes with a value of € 420 million, representing 9% of total EU imports of sports goods.

Around 47% of Italian imports was sourced from other EU sources, while 34% came from developing countries (see figure 5.5).

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

Between 1999 and 2001, Italian imports of fitness equipment increased by 74% in terms of value. Skates (+51%), watersports (+18%), team/field equipment (+37%), saddlery (+27%) were imported more during the period under review.

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

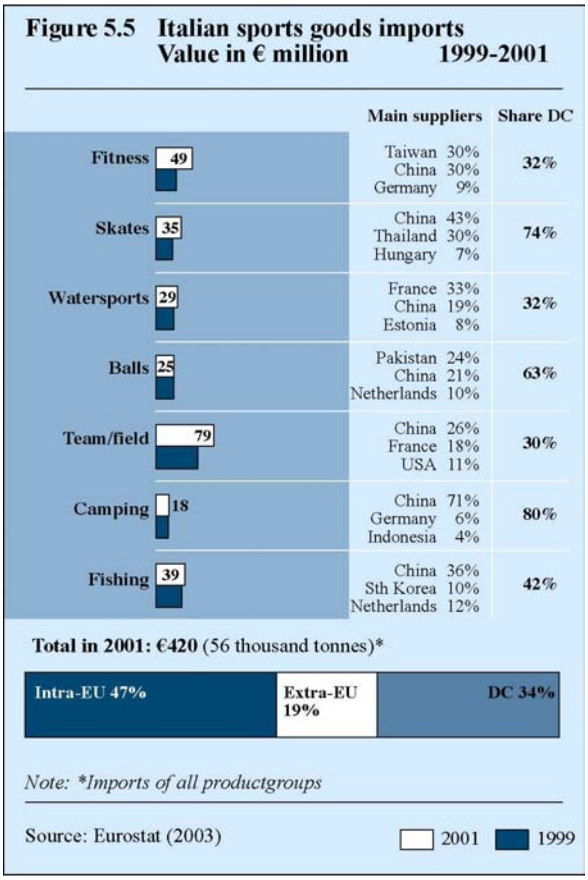


Figure 5.5 Italian sports goods imports Value in € million 1999-2001

In terms of volume, imports of watersports, rackets, golf equipment and table tennis decreased

In 2001, most Italian sports goods came from China (24% of total value of imports). Other suppliers were France (16%), Germany (10%), Austria (9%), Taiwan (6%), USA (5%), Netherlands (4%), United Kingdom (4%), Thailand (4%), Pakistan (2%), Spain (2%), Hungary (1%), South Korea, Japan and Canada.

In the period of review imports from most countries rose especially from China (+72%) and France (+14%), whereas less was imported from the Hungary, Japan and Spain.

Imports of sports goods from developing countries valued € 142 million, an increase of 60% by volume over 1999 imports. Imports from other supplying developing countries apart from China, increased from Pakistan (+12%), Thailand (+120%), India (+5%), Philippines (+543%) and Malaysia (+15%).

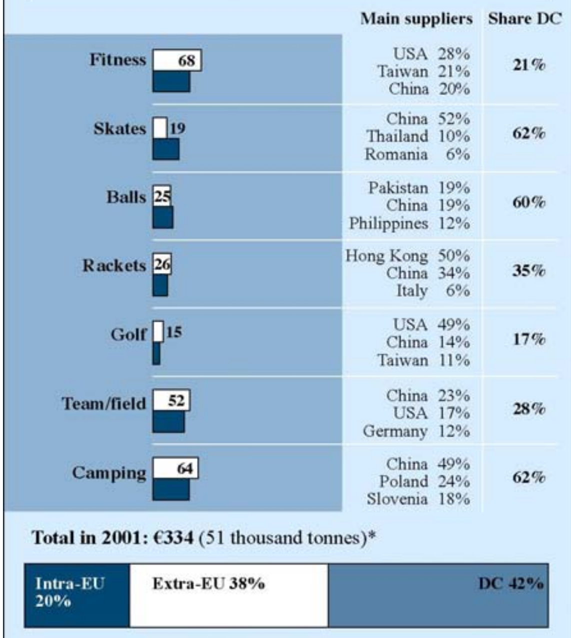
However, less was imported from Slovenia (-33%), and Vietnam (-46%).

The Netherlands

In 2001, imports amounted to 51 thousand tonnes, with a value of € 334 million. The Netherlands accounted for 7% 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 35% in 2001).
Moreover, European distribution centres of Adidas, Reebok and Asics are based here.

In 2001, The Netherlands imported 20% from other EU countries, 38% from Extra-EU sources, while another 42% came from developing countries.
Between 1999 and 2001, Dutch sports goods imports increased by 8% in value but fell by 6% in volume. All product groups especially imports of fitness equipment, golf equipment, rackets, team/field, fishing and camping goods rose in the period under review.
Most sports goods came from China (47% of total value of imports). In terms of volume, Dutch imports from China rose by 52% between 1999 and 2001. Other main suppliers were USA (9% of total Dutch imports), Taiwan (8%), Poland (6%), Germany (6%), Belgium, Italy, and Slovenia. Developing country suppliers were Pakistan (+17%), Thailand (-28%), Malaysia (+65%), India (+5%) and Vietnam (-35%).

Figure 5.6 Dutch sports goods imports Value in € million 1999-2001



Note: *Imports of all productgroups

Source: Eurostat (2003) 2001 1999

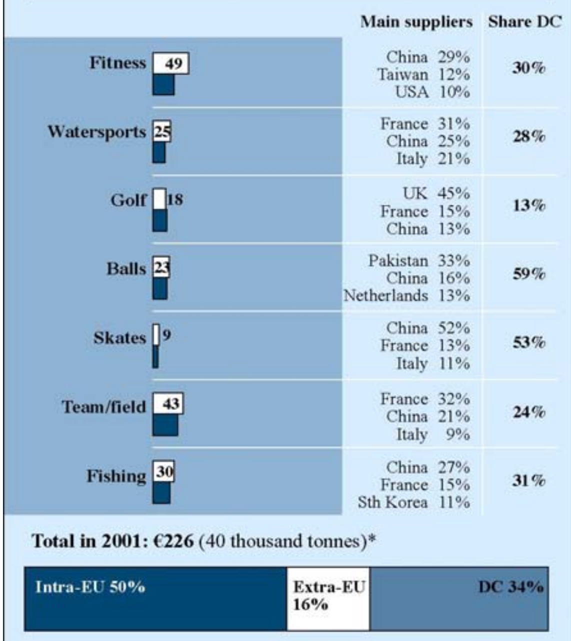
Spain

In 2001, Spanish imports of sports goods were 40 thousand tonnes, or € 262 million, which represented 5% of total EU imports, since much of Spanish sports goods demand is covered by domestic production (e.g. balls, watersports).
Spain imported half of its sports goods from other EU countries, 16% from Extra-EU sources, while 34% came from developing countries.
Between 1999 and 2001, Spanish imports increased by 30% by value and 33% by volume.

Equipment for fitness, watersports, team/field, snowsports and skates were particularly more in demand. In terms of volume, imports of all product groups, except table tennis, increased.

Similar to other EU countries, around a quarter (25% by value) of Spanish imports came from China. Other large suppliers to Spain include France (19%), USA (5%), Italy (8%), Taiwan (4%), Germany (4%), United Kingdom (4%), Pakistan (4%), Netherlands (3%) and Belgium (3%).

Figure 5.7 Spain sports goods imports Value in € million 1999-2001



Note: *Imports of all productgroups

Source: Eurostat (2003) 2001 1999

Imports of sports goods from developing countries was valued at € 90 million. In terms of volume, imports from developing countries rose by 42% between 1999 and 2001, largely attributed to more supplies by China, while supplies from Morocco (-60%) and Thailand (-12%) decreased. On the other hand, imports from Pakistan (+6%), Philippines (+526%) and India (+21%) rose in the period under review.

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 1999 and 2001 are shown in table 5.2. Fitness and team/field sports together formed more than half, i.e. 58% by volume (33% by value), of the EU total.

In terms of value, other sizeable product groups were equipment for golf, snowsports, skates, balls, watersports and fishing tackle, most of which are of relevance to exporters from developing countries, as well as camping goods and saddlery which together represented 16% by volume of EU imports.

Table 5.2 EU imports of sports goods by product group, 1999-2001 in tonnes and € 1,000

	1999		2000		2001	
	value €	volume	value €	volume	value €	volume
Total	**4,032,298**	**597,398**	**5,020,200**	**701,389**	**4,871,247**	**714,060**
Extra-EU	2,428,485	**424,436**	3,083,024	**499,172**	3,033,049	**512,045**
Developing countries	1,133,169	**245,066**	1,565,914	**313,747**	1,635,391	**341,602**
Fitness/gym	598,253	**192,902**	767,262	**217,812**	849,421	**244,682**
Golf	415,757	**17,435**	529,922	**21,565**	498,426	**20,922**
Snowsports	399,446	**21,266**	505,162	**25,882**	496,650	**25,654**
Skates	328,469	**37,311**	369,165	**37,681**	315,329	**33,490**
Watersports	254,938	**23,285**	306,550	**29,164**	292,045	**23,453**
Balls	266,841	**38,802**	318,243	**44,417**	287,662	**39,779**
Saddlery	184,773	**15,680**	219,581	**17,520**	219,935	**20,982**
Rackets	164,085	**9,587**	222,805	**10,591**	196,619	**9,657**
Sports gloves	45,173	**1,490**	50,164	**1,664**	52,623	**1,820**
Table tennis	34,073	**6,942**	41,242	**7,137**	45,370	**7,974**
Team/field sports	605,179	**130,659**	786,841	**161,964**	777,764	**168,973**
Camping goods	396,465	**84,113**	497,225	**103,633**	477,137	**97,125**
Fishing tackle	338,846	**17,926**	406,038	**22,359**	362,266	**19,729**

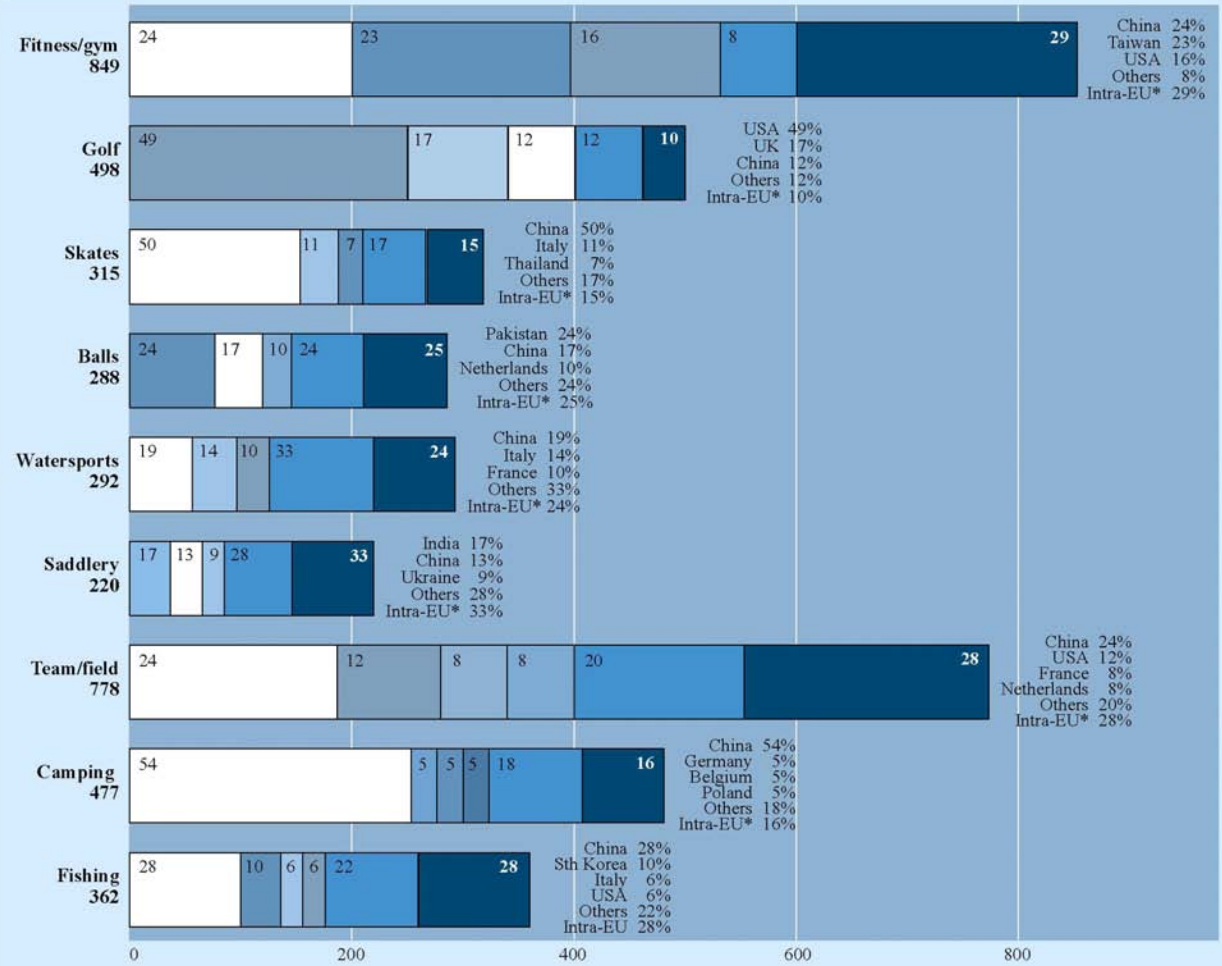
Source: Eurostat (2003)

In period under review, EU imports of all sports goods increased by 20% in volume terms, i.e. from 597 to 714 thousand tonnes. Equipment for fitness, golf, snowsports, rackets, saddlery, team/field and camping goods were more in demand. In terms of value, EU imports increased by 21%, from € 4,032 to 4,871 million.

In trade statistics a distinction is made according to the different sporting activities with its 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% and is therefore excluded. The focus in this section will be on those product groups, which are relevant to exporters from developing countries.

Figure 5.8 EU sports goods imports by product group, 2001
Main suppliers as percent of total value (in € million)



*Note: *Other Intra-EU suppliers*

Source: Eurostat (2003)

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 2001, fitness equipment accounted for 17% of total EU imports of sports goods, representing a value of € 849 million. In terms of volume, this product group accounted for 35% of total imports of sports goods.

Between 1999 and 2001, EU imports increased by 42% in value, while in terms of volume, imports increased by 27%. This clearly reflects an increase in consumer participation of a range of individual fitness activities. All selected EU countries, especially Germany and the United Kingdom, imported more fitness equipment in this period.

As shown in figure 5.8, in 2001, 29% of EU imports of fitness equipment came from other EU countries, (Italy, Germany, Finland and via Belgium and The Netherlands), while 24% came from China. The USA, Taiwan, Canada, Malaysia, Thailand, South Korea and Pakistan are other important non-EU suppliers.

Fitness / gym	***Main suppliers:***	➔ **Intra-EU** 29% (Germany, Belgium, Italy)
		➔ **China** **24%**
EU imports in 2001 : € 849 million		➔ **Taiwan** 23%
244,682 tonnes		

EU imports trend between 1999 and 2001 ➔ *increase by 27% from 192,902 to 244,682 tonnes*

	Increasing supplies from:		***Decreasing supplies from:***	
Main suppliers:	Belgium	(+ 230%)	Taiwan	(- 21%)
	USA	(+ 32%)		
	Germany	(+ 12%)		
Developing countries:	China	(+ 77%)	Thailand	(-18%)
	Malaysia	(+ 15%)	South Africa	(-40%)
	Pakistan	(+ 105%)		
	India	(+ 193%)		
	Turkey	(+ 148%)		
	Morocco	(+ 111%)		

Supplies from developing countries rose substantially between 1999 and 2001, especially from China, Pakistan and India. Smaller sources that grew in importance were Malaysia, Turkey, Morocco, Indonesia and Slovenia. In the period of review, EU imports from all these countries have risen, whereas EU fitness equipment imports from Sri Lanka, Thailand and South Africa declined.

Table 5.3 EU imports of fitness equipment

	Volume	*Share*	*Value*	*Share*
Exercise Apparatus with adjustments	125,584	51	451	53
Other exercise equipment	119,098	49	398	47
Total fitness equipment	*244,682*	**100%**	*849*	**100%**

Note: EU imports of 2001 are given in tonnes and € million.

Source: Eurostat (2003)

No breakdown of these categories was available for 1999. Total imports increased by 42% in value between 1999 and 2001.

Golf

Within the EU sports goods imports golf equipment was another growing product group and represented in 2001 a value of € 498 million. EU imports were led by the United Kingdom, which represented 63% of total EU golf imports in that year. In terms of value, *golf clubs* formed the largest sub-category, i.e. 54% of EU golf imports, while by volume golf clubs accounted for 24%, at 5,089 tonnes.

Between 1999 and 2001, the imported volume of golf clubs increased by 30%, while imports by value slightly increased from € 222 to 235 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 (45%), as is shown in table 5.4. EU imports of golf balls rose by 23% in the period under review from 7,728 to 9,489 tonnes, reaching a value of €117 million in 2001. Imports of *other golf equipment* (e.g. putters, bags, carts, parts and accessories), which formed nearly one third of EU imports, rose by 10% in volume and 35% in value between 1999 and 2001.

Table 5.4 EU imports of golf equipment

	Volume	*Share*	*Value*	*Share*
Golf clubs	4,938	24%	235	47%
Golf balls	9,489	45%	117	23%
Other golf equipment	6,495	31%	146	29%
Total golf equipment	**20,922**	**100%**	**498**	**100%**

Note: EU imports of 2001 are given in tonnes and € million.

Source: Eurostat (2003)

The USA supplied 49% of golf equipment to the EU, i.e. € 245 million (see figure 5.8). In terms of volume, EU imports of golf equipment from the USA rose by 5%, from 7,572 to 7,944 tonnes in the period under review. Other large suppliers of golf equipment were the United Kingdom, China, Taiwan and South Korea. These healthy figures are underpinned by increased television coverage of international golf events.

In 2001, the share of developing countries in supplies of golf equipment by value was rather low (around 14%), whereas by volume, the share was 23%, which was dominated by China. Between 1999 and 2001 supplies of golf equipment from China rose from 2,972 to 3,980 tonnes, an increase of 34%.

Apart from China, other developing countries included Thailand (+81% by volume), India (+112%), Malaysia (-50%), Pakistan (-57%), Vietnam, Indonesia, South Africa, Philippines and Mexico. Most of these countries supplied other golf equipment (trolleys, carts, bags, accessories) and golf balls.

Skates

In 2001, skates accounted for 6% of total EU imports, representing a value of € 315 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, United Kingdom and France grew enormously. In the late 1990s, the popularity of in-line skating declined, which resulted 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	2,381	7%	33	10%
Roller / In-line skates	28,718	86%	255	81%
Parts for skates	2,391	7%	27	9%
Total skates	**33,490**	**100%**	**315**	**100%**

Note: EU imports of 2001 are given in tonnes and € million.

Source: Eurostat (2003)

Between 1999 and 2001, the value of EU imports of skates decreased by 4%. In terms of volume, EU imports of skates decreased by 10%, from 37,311 to 33,490 tonnes, which is less than previous years. This can be partly attributed to the revival of rollerskating in 2001 and an unexpected sustained popularity of in-line skating in France, Germany, Italy and The Netherlands.

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

Imports from the major supplier, China (50% of total value), increased from € 125 to 158 million, after a period of decline as a result of EU counter measures against the growing dumping practices of Chinese companies, selling in-line skates at very low prices to any EU importer or retailer. Other significant non-EU suppliers for skates included Thailand, Romania, Canada and USA.

In 2001, the share of developing countries in supplies of skates (by volume) was 66%, the majority of which is supplied by China. Apart from China, other developing countries supplying skates to the EU, included Thailand (3% of total volume of EU imports), Malaysia (0.6%), and smaller supplying countries such as Tunisia, Cambodia, and Pakistan.

Balls

In 2001, balls represented 6% of all EU imported sports goods with a total value of € 288 million. Within this product group, the largest sub-category were *inflatable balls* (footballs, volleyballs, handballs, rugbyballs - all made of leather, and plastic balls*)*. Inflatable balls accounted for 65% (by value) of the total EU imports of balls, as is shown in table 5.5.

Between 1999 and 2001, all EU countries imported less inflatable balls, especially the manual stitched leather balls from Pakistan and India. Instead, more cheaper machine-stitched leather balls were imported from China, mainly by The Netherlands, which were meant for re-exports to other EU countries. Overall, the EU Imports of inflatable balls remained at a similar level by volume, and increased slightly by 7% by value, from € 74 to 186 million in the period under review.

Tennis balls are another large sub-category (around 19% of all imported balls by value) and between 1999 and 2001, EU imports of tennis balls decreased from 8,490 to 7,179 tonnes. In 2001, the EU imported tennis balls were valued at € 56 million, compared with € 52 million in 1999.

Imports of the sub-category *other balls* include cricket, polo, hockey, baseball etc., increased by 20% in volume in the period under review.

Table 5.6 EU imports of balls

	Volume	*Share*	*Value*	*Share*
Tennis balls	7,179	14%	56	16%
Inflatable balls	23,152	67%	186	69%
Other balls	9,448	19%	46	15%
Total balls	**39,779**	**100%**	**288**	**100%**

Note: EU imports of 2001 are given in tonnes and € million.

Source: Eurostat (2003)

In 2001, around 25% of EU imports of balls came from other EU countries, as is shown in figure 5.8. Within the EU, the Ireland, Germany, the United Kingdom 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 24% of total value supplies of balls to the EU in 2001. Other important non-EU sources include China (17% of supplies) and India (5%). There is a move from Pakistan to China in the supply of balls which reflects relative cost bases.

In terms of volume, the share of developing countries in supplies of balls was 64%. Smaller supplying countries include Thailand (5%), Philippines (4%), Indonesia, Morocco, Vietnam, Mexico, Malaysia South Africa, Guatemala, Panama and smaller supplying countries. Statistics concerning the development of EU imports of balls can be found in Appendix 2.

Watersports

Demand for watersports equipment in the EU remained virtually unchanged in terms of volume, from 23,285 to 23,453 tonnes in the period under review. In 2001, watersports equipment accounted for 6% of total EU imports, representing a value of € 292 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 1998 and 2000 imports of this sub-category increased by 38% in volume terms reaching 16,436 tonnes in 2000. In the same period EU imports of *inflatable vessels,* the second largest sub-category, increased by 42%, from 6,564 to 9,351 tonnes.
Imports of *sailboards* increased by 13%.

Table 5.7 EU imports of watersports equipment

	Volume	*Share*	*Value*	*Share*
Sailboards	2,454	10%	67	23%
Waterskis, surfboards	12,830	55%	157	54%
Inflatable vessels	8,169	35%	68	23%
Total watersports equipment	**23,453**	**100%**	**292**	**100%**

Note: EU imports of 2001 are given in tonnes and € million.

Source: Eurostat (2003)

More watersports equipment (37% 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 2001, around 48% 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% of watersports equipment (by value) to the EU. Other supplying developing countries include Thailand (+94%), Sri Lanka, Slovenia, Vietnam, South Africa, Tunisia, Malaysia, Venezuela, Turkey and Costa Rica.

Racket sports

Rackets/table tennis: In the period under review, EU imports of rackets remained static in terms of volume, at 9,657 tonnes in 2001, valued at € 197 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, which were even sold by discounters and gasoline stations. On the other hand, recent innovations in rackets by Wilson (anti vibrating effect - see Chapter 3.2) have stimulated demand. *Tennis rackets* formed 67% of total EU imported rackets, valued at € 133 million, a 22% increase over € 109 million in 1999.

Between 1999 and 2001, France and The Netherlands increased their imports of rackets. In terms of volume, China supplied 60% of all rackets to the EU, followed at a distance by Czech Republic, Hong Kong, Taiwan, The Netherlands, Belgium, Italy, and Austria. Suppliers from developing countries include Argentina, Thailand, Vietnam, Pakistan, and Philippines. As is shown in Appendix 2 - Rackets, supplies from Thailand and Vietnam dropped substantially in the period under review.

Imports of *table tennis* equipment increased by 15%, from 6,942 to 7,974 tonnes between 1999 and 2001, and valued at € 45 million, with China and Germany 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 2001, EU imports of sports gloves represented a value of € 53 million and 1,820 tonnes. Between 1999 and 2001, EU imports of gloves increased by 16% in value, while in terms of volume, imports increased by 22%. Within the selected EU countries, the United Kingdom and Italy are the largest importers.

Most gloves (44% by volume) were imported from Pakistan (+15%), followed by China (+91%), India (+16%) and Indonesia. Other supplying developing countries included Thailand, Sri Lanka, Vietnam, Philippines 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 € 220 million, an increase of 19% since 1999. 20,982 tonnes were imported in 2001, an increase of 34% since 1999.

India (17%) and China (13%) 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 and the Czech Republic. Other significant developing country importers were Argentina, Vietnam 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% 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 2001, this large single category accounted for 16% of all EU sports goods imports, representing a value of € 778 million. Between 1999 and 2001, EU imports of team/filed sports increased by 28% in value and by 30% in terms of volume.
As shown in figure 5.8, around 44% of EU imports came from other EU countries, (France, The Netherlands, Germany, Italy, Sweden and Denmark), while 24% came from China. The USA, Canada, Czech Republic and Taiwan are important non-EU suppliers.

Team / field sports	***Main suppliers:***	➔ **Intra-EU** 44% (France, Netherlands)
		➔ **China** **24%**
EU imports in 2001 : € 777 million		➔ **USA** 12%
168,793 tonnes		

Tendency EU imports between 1999 and 2001 ➔ *increase by 30% from 130,659 to 168,793 tonnes*

	Increasing supplies from:		***Decreasing supplies from:***
Main suppliers:	China	(+ 73%)	
	USA	(+ 39%)	
	Netherlands	(+ 37%)	
	France	(+18%)	
Developing countries:	Pakistan	(+ 39%)	Thailand (- 36%)
	India	(+54%)	Morocco (- 19%)
	Vietnam	(+ 6%)	Slovenia (-9%)
	Thailand	(+ 77%)	Malaysia (-27%)
	Sri Lanka	(+ 379%)	
	South Africa	(+ 199%)	
	Tunisia	(+2,210%)	

In 2001, the share of developing countries in supplies of team/field sports equipment by volume was 36%, at 60,918 tonnes, which were dominated by China. Between 1999 and 2001, supplies from China rose from 33,536 to 55,901 tonnes, an increase of 67%.

Other developing countries included Pakistan, India (both 0.5% of volume supplies), India, Indonesia, Malaysia, Thailand, Sri Lanka, Vietnam, South Africa, Slovenia, Morocco, Tunisia, Chile, Turkey and Philippines.

Camping goods (including equipment for outdoor activities)

In the period of review, EU imports of camping goods grew along with the growing popularity of the recreational outdoor activities in all selected EU countries. In 2001, EU camping goods imports represented a value of € 477 million, or 10% of total EU sports goods imports. Between 1999 and 2001, EU imports of camping goods increased by 20% in value and 15% in volume terms.

Tents accounted for 51% 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 1999 and 2001 have grown by 7% (volume terms). EU imports of *tents made of textiles* fell by 4% and *tents made of cotton* fell by 10%.

Sleeping bags accounted for some 22% of EU camping goods' imports (by value), which increased by 8% between 1999 and 2001, to a total value of € 105 million.

Table 5.8 EU imports of camping goods

	Volume	***Share***	***Value***	***Share***
Tents (cotton)	3,796	4%	25	5%
Tents (synthetic fibres)	34,034	35%	197	41%
Tents (textile)	4,515	5%	22	5%
Air mattresses (cotton)	2,784	3%	8	2%
Air mattresses (textile)	3,692	4%	15	3%
Miscellaneous camping (cotton)	3,035	3%	13	3%
Miscellaneous camping (textile)	32,458	33%	92	19%
Sleeping bags	12,811	13%	105	22%
Total camping goods	**97,125**	**100%**	**477**	**100%**

Note: EU imports of 2001 are given in tonnes and € million.

Source: Eurostat (2003)

Imports of *air mattresses* declined by 20%, although *textile air mattresses* suffered less than cotton *air mattresses* (-10%) in the period under review.

Miscellaneous camping (textile) is a broad group consisting of a wide range of products. The largest perhaps would be canvas chairs and fold-up tables but it would be misleading to mention one without many others.

Around 54% of camping goods came from China, while other EU countries (Germany, Belgium, France, The Netherlands and Denmark) supplied 25% to the EU, as is shown in figure 5.8. Eastern European countries e.g. Poland, Czech Republic, and Slovenia are other sizeable suppliers to the EU.

Developing country supplies of camping goods other than China included smaller sources Vietnam (2% of EU imported volume in 2001), Sri Lanka, Indonesia, Brazil, Bangladesh, India, Pakistan, Thailand, Malaysia, Tunisia, Philippines and new supplying countries such as Chile, El Salvador and Uruguay.

Between 1999 and 2001, EU imports from most of these countries rose, whereas EU imports from Bangladesh, Thailand, Tunisia, Sri Lanka and Malaysia sharply decreased.

Fishing tackle

Demand for fishing tackle in the EU has increased by 7% in terms of value, from € 339 to 362 million between 1999 and 2001, 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 44% by value), followed by rods and reels.

Table 5.9 EU imports of fishing tackle

	Volume	***Share***	***Value***	***Share***
Fishing rods	5,029	25%	107	29%
Fishing hooks	2,140	11%	31	8%
Fishing reels	2,986	15%	68	19%
Fishing lines	9,574	49%	158	44%
Total fishing tackle	**19,729**	**100%**	**362**	**100%**

Note: EU imports of 2001 are given in tonnes and € million.

Source: Eurostat (2003)

EU suppliers, especially Italy, France, United Kingdom, Germany, The Netherlands and Finland accounted for 34% of total EU imports of fishing tackle. Significant non-EU suppliers included China (28% of supplies), South Korea (10%), USA (6%), Japan (5%) and Taiwan. Suppliers from developing countries were Malaysia, India, Philippines, Thailand, Tunisia, Madagascar, Kenya, Vietnam and Bangladesh.

5.3 The role of developing countries

China, Pakistan, Thailand and India dominate the supply of sports goods. In 2001, they together accounted for 95% 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, exporters have to work a bit harder to find a point of difference. Flexibility and originality tend to be the key advantages that these exporters have. Hence success can still be achieved despite the existence of some barriers:

- 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, which are often demanded in the EU market.

So, exporters must seek their opportunities in either outsourced OEM supplies, with their major strength in labour intensive products, which are not too difficult to manufacture. Other exporters should choose those sports articles where brands are of minor importance. Between 1999 and 2001, exports from developing countries to the EU showed a steady increase. The volume of imports from developing countries rose by 40% from 245 to 342 thousand tonnes, valued at € 1,614 million in 2001. The largest increases were in the supplies from China, India, Philippines, Morocco, South Africa, Brazil, El Salvador, Colombia and Turkey, while less was imported from Sri Lanka, Bangladesh and Mexico - see table 5.10.

Table 5.10 Largest increases in supplies of sports goods from developing countries to the EU, 1999- 2001 Tonnes and € 1,000

	1999		2000		2001		volume increase
	value €	volume	value €	volume	value €	volume	1999 - 2001
TOTAL	**4,032,298**	**597,398**	**5,020,200**	**701,389**	**4,871,247**	**714,060**	**+ 20%**
Developing countries	**1,133,169**	**245,066**	**1,565,914**	**313,747**	**1,635,391**	**341,602**	**+ 39%**
Asia	***1,071,770***	***240,083***	***1,493,263***	***308,212***	***1,561,451***	***336,156***	***+ 40%***
China	804,996	**206,482**	1,165,128	**270,111**	1,223,768	**296,823**	**+ 44%**
Pakistan	88,457	**9,901**	110,158	**12,091**	99,033	**10,963**	**+11%**
India	57,133	**7,291**	66,860	**8,119**	71,141	**8,838**	**+ 21%**
Thailand	55,982	**5,946**	75,392	**6,612**	80,843	**6,813**	**+15%**
Malaysia	21,414	**5,540**	22,024	**5,199**	23,274	**5,612**	**+ 1%**
Vietnam	23,490	**3,127**	24,134	**2,963**	26,898	**3,301**	**+ 6%**
Philippines	7,510	**713**	15,005	**1,684**	15,030	**1,779**	**+ 150%**
Indonesia	n/a	**n/a**	n/a	**n/a**	11,680	**1,448**	**n/a**
Sri Lanka	9,252	**682**	11,299	**891**	8,660	**424**	**- 62%**
Bangladesh	2,890	**326**	1,808	**304**	706	**124**	**- 62%**
Africa	***19,060***	***1,461***	***22,489***	***1,756***	***24,450***	***1,838***	***+ 26%***
Tunisia	9,236	**563**	11,079	**704**	12,597	**667**	**+ 18%**
Morocco	3,132	**308**	4,238	**421**	4,071	**432**	**+ 40%**
South Africa	3,195	**456**	3,706	**514**	4,123	**627**	**+38%**
Madagasgar	1,921	**56**	2,194	**60**	1,995	**54**	**- 5%**
Latin America	***15,558***	***1,056***	***20,647***	***1,328***	***18,294***	***1,179***	***+ 12%***
Brazil	1,784	**265**	2,752	**376**	2,948	**437**	**+65%**
Argentina	7,644	**204**	9,188	**209**	8,977	**214**	**+ 5%**
Mexico	2,833	**300**	2,956	**235**	2,245	**161**	**- 46%**
Colombia	551	**64**	601	**59**	671	**77**	**+ 20%**
El Salvador	337	**36**	640	**58**	640	**50**	**+ 39%**
Uruguay	33	**0**	2	**0**	177	**50**	**N/a**
Venezuela	398	**27**	785	**47**	663	**38**	**+41%**
Chile	130	**39**	1,857	**239**	119	**32**	**- 18%**
Other	***26,781***	*2,286*	***29,515***	***2,451***	***31,196***	***2,429***	***+ 6%***
Slovenia	23580	**2,234**	26,296	**2,310**	24,994	**2,247**	**+ 0%**
Turkey	1,598	**297**	1,880	**391**	3,590	**639**	**+115%**

Source: Eurostat (2003)

Import statistics for the total sports goods supplies by developing countries to the EU can be found in Appendix 2 - *EU imports from developing countries* and *EU imports of selected product group by source*.

Between 1999 and 2001, the EU imported more of all product groups, especially of equipment for fitness, watersports, golf, sports gloves, 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 5.11.

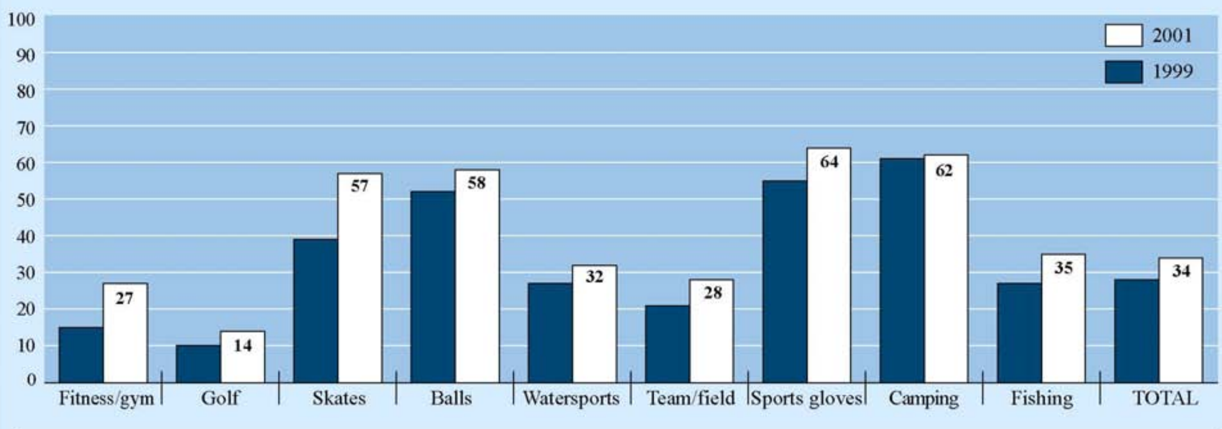
Table 5.11 EU imports from developing countries by product group, 2001

Product group	DC supplies Million €	Major supplies from developing countries to the EU % of total EU import value of each product group
Fitness/gym	231	China (24%), Malaysia (1%), Thailand (0.4%), Pakistan (0.4%), India (0.2%), Turkey (0.2%),
Balls	168	Pakistan (24%), China (17%), India (5%), Thailand (5%), Philippines (4%), Indonesia (1%), Morocco (1%), Vietnam (0.3%), Malaysia (0.2%) Mexico (0.1%),
Skates	181	China (50%), Thailand (7%), Malaysia (0.3%), Tunisia, Mexico, Pakistan, India, Slovenia, Vietnam, Cambodia
Watersports	92	China (19%), Thailand (8%), Sri Lanka (2%), South Africa (0.5%), Slovenia (0.5%), Malaysia (0.3%), Vietnam (0.2%), Venezuela (0.2%),Tunisia (0.2%).
Golf	70	China (12%), Thailand (1.2%), India (0.3%), Malaysia, Pakistan, Vietnam, Indonesia, Togo, South Africa, Philippines, Mexico,
Sports gloves	34	Pakistan (27%), China (17%), Indonesia (9%), India (4%), Thailand (3%), Vietnam (3%), Sri Lanka (1%), Philippines (0.5%), Morocco (0.4%),
Team / field sports	220	China (24%), Pakistan (1%), India (0.8%), Tunisia (0.7%), Thailand (0.3 %), Malaysia (0.2%), Indonesia (0.2%), Vietnam (0.2%), Sri Lanka, South Africa, Slovenia
Camping goods	298	China (54%), Slovenia (3%), Vietnam (3%), Brazil (0.6%), Sri Lanka (0.2%), Tunisia (0.2%), India (0.2%), Pakistan (0.2%), Thailand (0.1%), Bangladesh (0.1%).
Fishing tackle	127	China (28%), Malaysia (2%), India (2%), Thailand (1%), Philippines (1%), Tunisia (1%), Madagascar (0.5%), Kenya (0.2%), Vietnam (0.1%).

Source: Eurostat (2003)

The share from developing countries in the total value of EU imports of sports goods increased from 28% to 34% between 1999 and 2001. This share increased for most product groups, particularly in equipment for fitness, skates, team/field and sports gloves. The only category to remain unchanged was camping goods. The shares in the period of review in the supplies from developing countries by product group are shown in figure 5.9.

Figure 5.9 Share of developing countries in EU sports goods imports, 1999-2001
As percent of total supply (value in €) by product group



Source: Eurostat (2003)

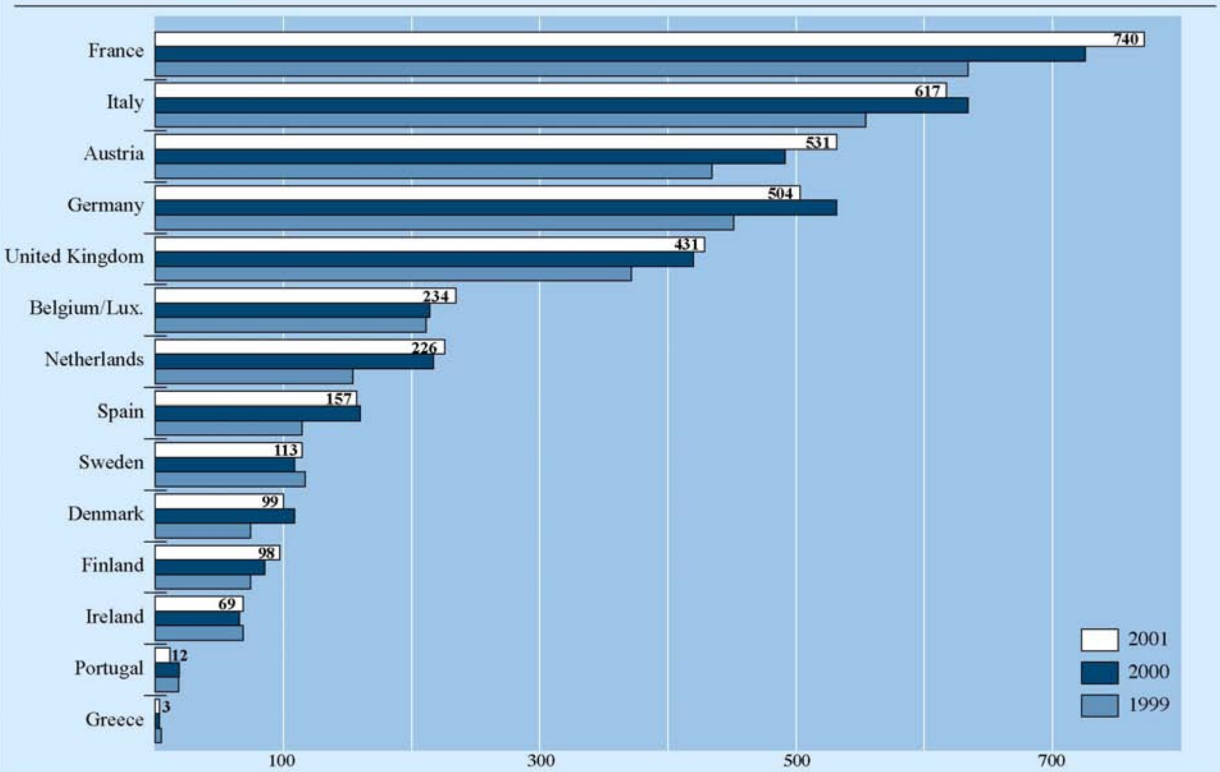
6 EXPORTS

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 sports goods, as well as in sports clothing and footwear. In 2001, the EU exported 350 thousand tonnes with a value of € 3,841 million.

EU exports of sports goods were led by France, as an important producer of fitness, snowsports and camping goods. In 2001, French sports goods exports accounted for 19% of the EU total by value. This represented 58,225 tonnes, valued at € 741 million. France was followed by Italy (16% of EU exports by value), Austria (14%), Germany (13%), United Kingdom (11%), The Netherlands (6%), Belgium (6%), Spain (4%), Sweden (3%), Denmark (3%) and Finland (3%).

Figure 6.1 EU exports of sports goods, 1999-2001
€ million



Source: Eurostat (2003)

Between 1999 and 2001, EU exports increased by 8% in volume and by 17% in value. As shown in figure 6.1, exports by value increased in Austria, France and The Netherlands in particular. On the other hand, volume decreases of exports were registered in the United Kingdom (-10%) and The Netherlands (-12%), compared with volume increases in France (+13%), Italy (+11%), Spain (+39%) and Germany (+11%).

Appendix 2 lists export statistics for the EU (by country and by product group). The most important sports goods exported by the EU in 2001 were: equipment for snowsports (22% of total EU sports goods export value), team/field sports (16%), fitness (11%), golf (10%), watersports (9%), fishing tackle (7%), skates (6%), saddlery (6%), camping goods (5%) and balls (4%).

Exports to non-EU destinations fell in volume by 2% between 1999 and 2001. However, the value of Extra-EU export rose by 20%. Stronger exports to Eastern Europe, Russia and the USA have compensated for declining exports to Japan, Turkey, and some of the Balkan countries which were affected by conflict over this period.

Exports by the selected markets within the EU

France

France was the largest exporter of sports goods, exporting a value of € 741 million or 19% of total EU exports in 2001. 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, snowsports, fitness, and fishing tackle. Exports of camping goods decreased between 1999 and 2001. Major destinations of French exports were USA, Japan, Germany and other EU countries. Canada, Poland, South Korea and Russia were other important non-EU destinations.

Italy

Italy had a 16% share of all sports goods and exported a volume of 61,144 tonnes, valued at € 617 million in 2001. Within the Italian exports, the most important product groups were equipment for outdoor sports, watersports, fitness and snowsports, as well as skates. Between 1999 and 2001, Italy exported more fitness equipment, skis, snowboards, surf/sail boards and other watersports articles. Exports of in-line skates and rackets decreased in the period under review. Major destinations of Italian exports were USA, Germany, UK, Spain and other EU countries.

Germany

As the third largest exporter of sports goods in the EU, Germany exported a value of € 505 million in 2001, which represented 13% of total EU exports. The most important product groups within German export were equipment for snowsports, fitness, team/field sports, saddlery and camping goods. Between 1999 and 2001, German exports increased by 12% in terms of value, with the largest increases in exports of fitness, snowsports equipment and saddlery. 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.

United Kingdom

In 2001, the United Kingdom exported 24,246 tonnes of sports goods with a total value of € 431 million, or 11% 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 the country 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 1999 and 2001 the volume of British exports decreased by 10%, as less outdoor equipment was exported. Major destinations of UK exports were other EU countries, USA, Canada, Japan and Australia.

Spain

Spain exported sports goods valued at € 158 million in 2001. Within Spanish exports, the most important product groups were equipment for snowsports, outdoor sports, 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 rackets and balls decreased in the period under review. Major destinations of Spanish exports were Portugal, United Kingdom, Switzerland and other EU countries, as well as USA, Japan and Canada.

The Netherlands

The Netherlands exported a total volume of 24,765 tonnes of sports goods valued at € 227 million in 2001.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 2001, around 40% of Dutch exports were re-exports to other countries.

The most important product groups were fitness/gym, team/field, balls, skates and camping, with large increases in exports of balls, skates, fishing tackle and camping goods. Major destinations of Dutch exports were other EU countries, particularly Germany, as well as USA, Japan, Russia and the Czech Republic.

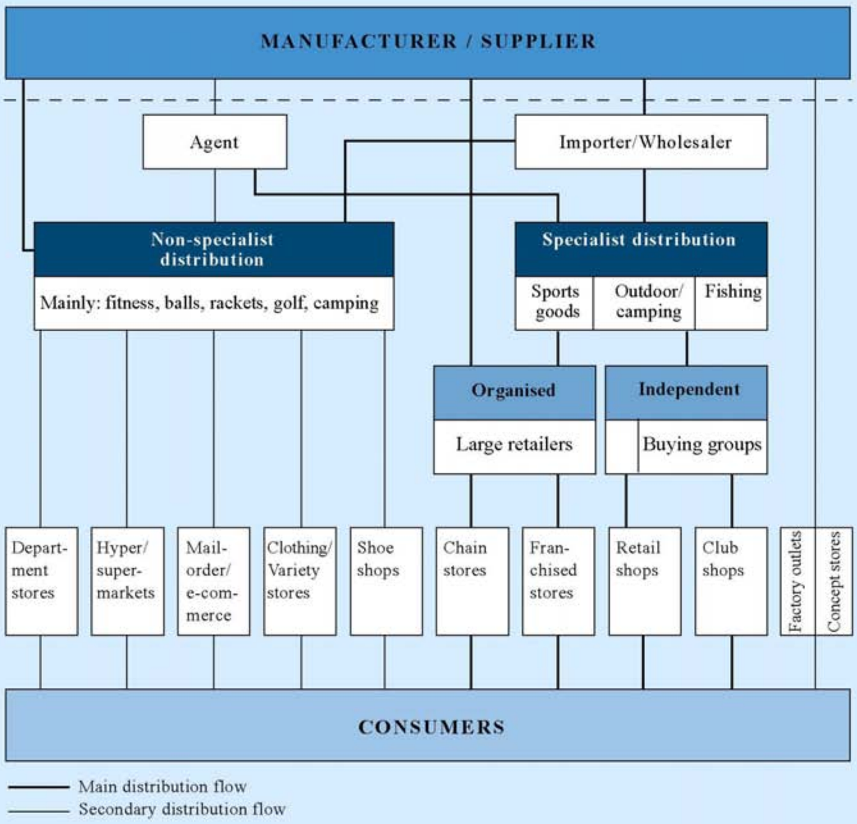
An overview of EU exports by country and product group can be found at the end of Appendix 2.

7 TRADE STRUCTURE

7.1 EU trade channels

Large manufacturers/suppliers have their own distribution networks and sell partly direct to consumers. Smaller manufacturers operate through importers/wholesalers and/or agents. In the past few years, sports goods (particularly sports clothing and footwear) have become much more available within all the selected EU markets. The key drivers were an increased demand for sports goods in the mid 1990s and rising sales, especially of sports clothing and footwear, by non-specialised retail outlets such as clothing stores, department stores, shoe shops, hyper- and supermarkets. In 2002, sales of sports goods (including sports clothing and footwear) by these non-specialists was around 37%.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 (Nike, Adidas, Reebok etc.) have their headquarters in the USA or in the EU. Sports goods are usually sold in the form of product ranges (sports equipment with related sports clothing, footwear and accessories). Since these ranges are often fixed combinations and are typically supplied once each season, this inflexibility can limit opportunities for repeat orders.

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.*

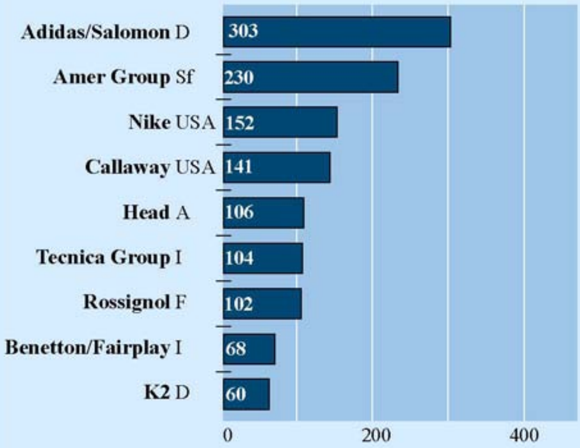
Concept/*flagship* or *single brand stores* are strongly represented in France and Italy and are rapidly expanding in the other EU countries. Most are smaller stores in wintersport and summer holiday resorts, with a size between 80 and 150 m². Revenues for these outlets increased 12% in France last year. Nowadays brands such as Lacoste, Aigle, Quicksilver, Rip Curl, Oxbow, O'Neill have their own stores in tourist spots but also in city centres by the large stores of the big brands (e.g. Niketown, Adidas original etc.). New stores in EU countries are expected to be opened up, with a strong focus on fashionable clothing collections and footwear, competing with clothing stores and fashion boutiques.

Another development in the mid 1990s, originating from USA, was the establishment of *factory outlets* by manufacturers, which sell 'out of date articles' from unsold stock direct to consumers. Factory outlets are growing in importance in the EU and due to a lack of adequate legislation, 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, as is shown in figure 7.2.

Figure 7.2 Major suppliers operating in the EU 2002. Wholesale value in € million (for branded sports equipment*)



**Note: Assumes that Europe represents 40% of non-US sales*

Source: SGMA International (2003)

Adidas-Salomon: Founded by Adolf Dassler, the company originated in Germany and have a long history in football and athletic footwear. In 1998, Adidas acquired Salomon, France's largest manufacturer of golf (Taylor Made) and ski equipment. In the 1980s they suffered from the success of Nike and Reebok and went back into the field of performance (e.g. football), but have fought back strongly in the 1990s. In 2002, Adidas was a major official sponsor of the football world cup. EU Sales of the company in 2000 valued € 2,631 million (+5%, compared to 1999), of which clothing accounted for 45%, followed by footwear (38%) and equipment/accessories (17%). 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 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 are opened up in Berlin (4,500 m²) and Paris. Nike's sales in Europe valued at € 2,425 million (+7%, compared to 1999), of which sports footwear accounted more than half. Similar to Adidas, most goods are made in Asia (China, Pakistan, India, Taiwan, Vietnam), Latin America Eastern Europe and North Africa. See also www.nike.com

More information and detailed profiles on these and other suppliers, see the report 'Sports Retailing in Europe' (TSIF), which can be found at the CBI Trade Documentation Centre.

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 who 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

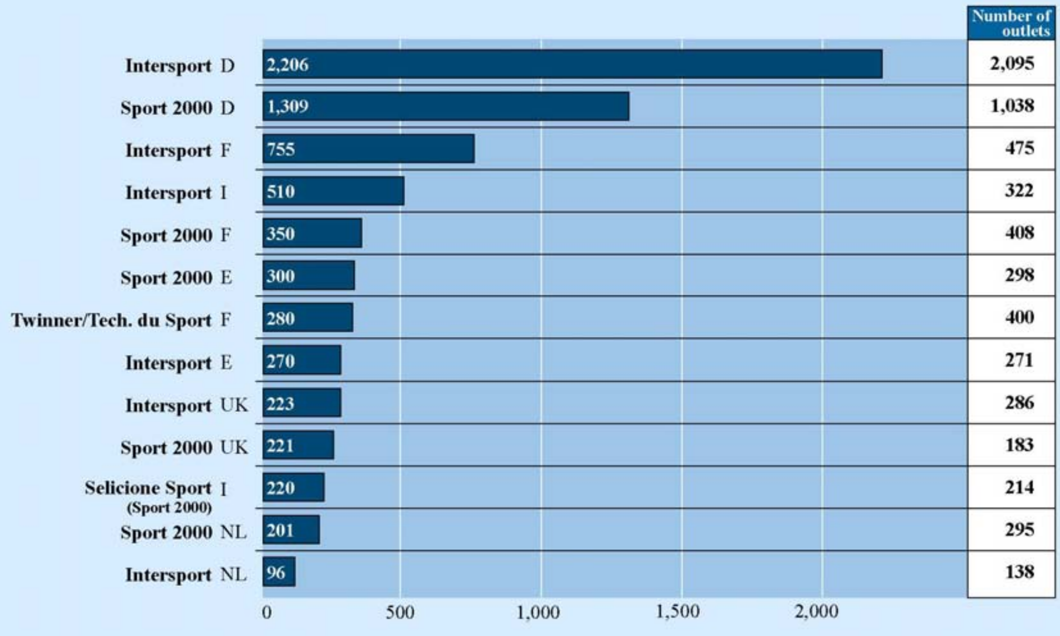
These are mainly independent companies which negotiate and settle business on the instructions of their principals and which act as intermediaries between buyer and seller. They do not buy or sell on their own account and work on a commission basis. Most agents represent more than one exporter, although 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 3,200 member outlets in the selected EU countries (sales in 2002: € 4,264 million). Their family focussed stores offer much *'expert advice'* on sports.

Sport 2000, is the second largest buying group with a sale of € 3,000 million achieved by 1,820 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.

Figure 7.3 Sports buying groups in the selected EU countries, 2002
Sales value in € million and number of outlets



Note: Intersport = average size of affiliated shop 200-400 m²
Sport 2000 = average size of affiliated shop 150-300 m², including Fairplay

SOURCE: SGMA International (2003)

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 2002, the share of retail sales accounted for by specialist retailers in the six selected countries averaged 63%. 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 2002, the share in EU sports goods sales by non-specialist retailers was around 37% and is expected to grow further in the coming years.

As shown in table 7.1, sports specialists were particularly strong in Italy and were less significant in Germany and Spain, where department stores (*Karstadt* and *El Corte Inglés*) were important in sports goods retailing.

Buying groups are strongly represented in Germany, Spain and in The Netherlands - with a large number of independent shops partly linked to a group. Chain stores (or multiples) are dominant in France, United Kingdom, Netherlands and Spain. The share of chain stores, or multiples, including concept stores, grew to an average of 23% of EU sports retail sales in 2001 and is expected to rise further in the next few years.

In the United Kingdom, sales by non-specialist outlets in 2001 accounted for half of retail sales. In Germany, Spain and France, non-specialists e.g. hypermarkets were strongly represented as well.

Table 7.1 Retail channels of sports goods in the selected EU countries, 2001
As percent of total retail sales (in € million)

	Germany	France	UK	Italy	Spain	Netherlands
Specialists	**57%**	**65%**	**50%**	**74%**	**64%**	**66%**
Buying groups/franchised	45%	19%	6%	17%	28%	24%
Independent sport shops	4%	2%	4%	40%	17%	19%
Chain stores/Multiples	8%	42%	40%	17%	19%	23%
Concept stores		2%				
Non - specialists	**43%**	**35%**	**50%**	**26%**	**36%**	**34%**
Clothing/variety stores	3%	10%	14%	4%	8%	18%
Shoe shops	6%	4%	6%	7%	7%	12%
Department stores	16%	3%	9%	5%	11%	6%
Hypermarkets/supermarkets	13%	11%	3%	4%	6%	
Discounters			8%			
Mail order/home shopping	2%	4%	10%	2%	1%	2%
Other (incl. direct sales)	3%	3%		4%	3%	4%

Source: VDS, FPS, IBS, EIM, SGI, DSF - TSIF (2003)

Retailers - Specialised outlets

In France, Germany and The Netherlands many independent sports shops suffered from the competition in the sportswear market from chain stores, which still grow in number. In 2001, the floor space of a retail outlet averaged 1,000 m², instead of 200 m² thirty years ago. In Italy and Spain, however, the market share of small outlets is still high. The total number of sports retail outlets and chain stores are shown below.

Country	Total no. of outlets	Name of major sports chain stores (with number of outlets)
Germany	4,520	Footlocker (89), Runners Point (111), Voswinkel (35), Decathlon (11), Golf House (14).
France	4,810	Décathlon (223), Go Sport (311), Footlocker (58), Supersport (45), Grand Bazaar.
UK	4,000	JJB Sports (450), Allsports (225), Black Leisure (225), JD Sports (350), Sports and Soccer.
Italy	4,492	Giacomelli (73), Big Gym/Sport (115), Longoni (21), Footlocker (16), Gerosa, Sportmarket.
Spain	6,178	Décathlon (33), Side 1 (30), Sprinter (15), Calderon Sport (14), Core Core, Sport Zone.
Netherlands	2,090	Aktie Sport (69), Perry Sport (42), Bever Zwerfsport (38), Footlocker (37), Favoriet Sport.

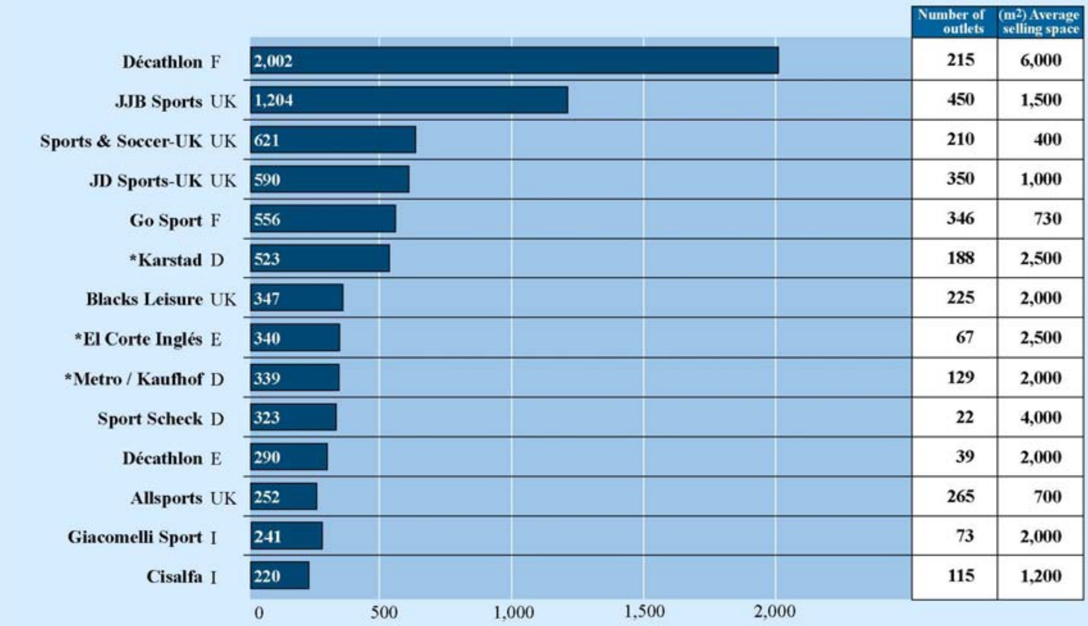
Source: Mintel Retail Intelligence (2003)

Chain stores are stores with the same name under central management. Along with the growing out-of- town shopping centres of the 1980s and 1990s, 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 grew fast in France, Italy and Spain. ***Specialised chain stores*** in e.g. outdoor/camping, fishing, skating, golf, expanded in all countries.

In 2002, *Décathlon* alone represented a 7% share of the total EU sports goods market, being the largest chain store operation with huge outlets (sized between 2,000 and 10,000 m²). Decathlon is followed by *JJB sports* (UK), *Sports & Soccer* (UK) *JD Sports* (UK) and *Go Sport* (France) and the department stores *Karstadt* (Germany) and *El Corte Inglés* (Spain), as is shown in figure 7.4.

Figure 7.4 Major chain and department stores selling sports goods in the EU, 2002
Sales value in € million



*Note: *Department store/hypermarket*

Source: SAZ, TSIF (2002/2003)

Chain stores reducing sizes and expand abroad
The 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. For example in France, Décathlon experiments with smaller stores in French cities, while they also expand abroad (e.g. Spain, Italy, Germany and UK). Other chains e.g. Giacomelli in Eastern EU or JJB Sports have expanded their foreign operations as well.

Independent sports shops are distinguished into 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.

Fishing tackle shops also fall into the single sports shop category. In 2001, fishing tackle was sold in around 9,000 specialised outlets in the selected EU countries. Other important outlets for fishing tackle include sports chain stores, DIY stores, direct mail and e-commerce.
Franchised stores are more common in France. Recently they have chosen 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 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 2002, non-specialist retailers accounted for almost 37% of sports goods sales, as shown in table 7.1.

Department stores are important in the sports goods market by selling sports equipment and, more recently, sportswear. The German Karstadt (188 stores), Kaufhof (129) and the Spanish El Corte Inglés (67) are leaders in 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) carry a wide range of sports goods as well.

Hypermarkets, supermarkets and discounters have grown in importance. They have had a major influence on the increased price competition in the whole sports goods market, with discounters selling at low prices. Like most department stores, they concentrate on fast-moving sport 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 United Kingdom (10% of sports goods sales). 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 now shifts to e-commerce.

The internet (e.g. sweatband.com) 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.

From 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 in 2001as 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).

More information on sports retail channels, these issues and detailed profiles of retailers, see the report ‘Sports Retailing in Europe’ (TSIF), which can be found at the CBI Trade Documentation Centre.

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 is taking 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 growing 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 'Nielsen' areas and, in order to cover the whole market, it is necessary to have a wholesaler in each area. For the geographically small Dutch market, one importer-wholesaler can handle national distribution very effectively. 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 and ***Oxfam*** 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.

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.

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 and Asia. In principle, importers control the recommended retail prices fairly closely, but parallel imports, an oversupply of goods and the growing success of discounters have seriously disrupted the situation. This was particularly the case for the more fashion-led sports clothing and footwear, but also for equipment such as scooters, in-line skates, skis, 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.

On the other hand, the majority of 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 the table 8.1. Note, in price checking one of the major sporting goods outlets, a major clearance sale was taking place, which is traditionally unusual just before Christmas. 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, 2003

Product	Main Brands	Retail price in € (incl. 17.5% VAT)
Skis	Pilot, Salomon, Atomic, Head, Rossignol	210 - 560
Snowboards	Best, Explorer, Burton. Rossignol, Salomon	200 - 700
Rackets (tennis)	Dunlop, Slazenger, Head, Prince, Wilson, Yonex	14 - 280
Rackets (squash)	Dunlop, Head, Prince, Wilson, Donnay	16 - 210
Rackets (badminton)	Carlton, Yonex, Prokennex, Prince, Donnay	14 - 170
Cricket Bats	Kookaburra, Slazenger, Fearnley, Gray Nicholl	8 - 70
Squash and tennis balls	Penn, Dunlop, Slazenger, Donnay	4 - 20
Table tennis bats	Sunflex, Stiga	7 - 20
Golf clubs (irons and woods)	Callaway, Taylor Made, MacGregor, Nike, Donnay	120 - 600
Golf bags	Wilson, Callaway, Nike, Donnay, Maxfli	20 - 120
Hockeysticks	Grays, Storm, Grunn & Moore, Bukta, Slazenger	20 - 110
Hockeyballs	Dita	4 - 6
Footballs	Mitre, Adidas, Nike, Umbro, Donnay	3 - 30
Rugby Balls	Gilbert, Kooga	12 - 28
Ice-skates	Viking, Roces, Bauer	60 - 150
In-line skates	Roces, Rollerblade, Salomon, Donnay	15 - 300
Skateboards	CalPro, Killerloop, Santa Cruz	55 - 90
Fitness excercise bikes	Weslo, Proform	340 - 560
Fitness power training equipment	Nordictrack, Weider	500 - 2,000
Grips, ropes, wristwear, thigh toners	Bally, Uwin, Reydon, Reebok	20 - 40
Goggles, snorkel set (watersports)	Speedo, Seac, Salvas	5 - 50
Sleeping bags	Eurohike, Storm Shield, Vango, Adventurer	20 - 80
Tents	Eurohike, Vango, Coleman, Storm Shield	60 - 500
Fishing rods	Harrison, Browning, Fox, Daiwa	70 - 350
Fishing reels	Okuma, Daiwa, Gardner	20 - 250

Source: Store checks - Lilywhites, JD Sports, Allsports, Millets, Blake's Tackle - (November 2003)

Transparency by Euro prices
In the coming years, the introduction of the Euro will show the discrepancies in pricing between various EU countries, which undoubtfully will result in more competition in all product categories, with southern countries lower in price. 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 in divergences in prices within EU countries. For example, the difference in consumer price in 2002 between the cheapest country (Greece) and the most expensive country (Sweden) is estimated by trade at around 30%.

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 the 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 worldwide trends in prices of sports goods www.wfsgi.org
EFTTA - EU Fishing Tackle Trade Association	➔	Major issues in prices of fishing tackle in the EU www.martex.co.uk/eftta
Sport-Scheck	➔	Web site of German large chain store of sports goods www.sportscheck.com
JJB Sports	➔	Web site of UK large chain store of sports goods www.jjb.com
Perry Sport	➔	Web site of Dutch chain store of sports goods www.perrysport.nl

9 EU MARKET ACCESS REQUIREMENTS

9.1 Non-tariff trade barriers

Quality and grading standards for sports goods

EU quality standards

The EU harmonisation committee CEN TC 136 is coordinating the harmonisation of standards and testing procedures for sports goods. In 1999, there were two EU standards:

- ➔ S 52 310 - Gymnastic equipment
- ➔ S 52 325 - Horizontal bars

With regard to other sports and camping goods, there are no EU product quality standards at present. In general, each country still has the freedom to introduce new national regulations and norms, 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 and norms 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.

EU safety standard

CEN: In 1992 the European Union issued Directive 92/59/EC for general product safety, which requires that all consumer goods must bear a safety guarantee. The legislation covers all products that are not covered by a specific directive. Where specific directives are in force the products must carry the CE mark. 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 a CE mark is required for products manufactured outside the EU. The product must be tested first by the producer himself or by a recognised testing institute (notified body).

The directive defines a 'safe product' as follows: a product which, when normally and reasonably used during anticipated conditions and period of time, poses no risk. 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 national laws in all EU member countries, a manufacturer, or his representative in the EU, can, in most cases, be held liable for compensation to person and property caused by a product which 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.

Most CEN standards are based on an amalgamation of existing national standards and ISO standards. However, national quality standards and test methods still apply in many instances. An overview of CEN standards can be found on the Internet sites of the CEN. The 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: Currently 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), issued in 1989, is currently being reviewed within the FESI (Federation of the European Sporting Goods Industry), which represents the interests of EU sports goods manufacturers in Brussels. The aim of this review is to harmonise the level of product quality and safety within all EU member countries, so that products correspond to the same level of protection, wherever it is being purchased. For further information, contact the FESI whose address can be found in Appendix 3.3.

An overview of CEN standards can be found on the Internet sites of the CEN - address see Appendix 3.1.

Trade related environmental, social and health & safety issues

Trade-related environmental issues

Awareness of environmental problems has increased considerably 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 is there a wide variety of products, but there is also an extensive range of materials used. 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 briefly 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 is considered to be hazardous to the environment. Between 85 and 90% of the metal-treatment liquids is emitted into the environment. A possibility for decreasing 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 can not 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 ethene-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, ethene 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 which have great 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 done 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 harvested from the rubber tree and is a viscous, soft and tacky substance. The virgin rubber (natural as well as synthetic) is not suitable for direct use. To give the 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 quantity 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 arising 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.

Many azo dyes are prohibited in Germany and other EU countries. In Germany, the ban on azo dyes is applicable to all products which are in contact with the skin for prolonged periods. In other countries, the ban only applies to azo dyes in shoes, bed linen and clothing textiles. 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.

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 be compulsory yet, it is now an opportunity for exporters to meet these requirements as much as they can. Although they may be costly or arduous to implement, they undoubtedly provide a competitive advantage.

Social issues

The use of child labour in the production of sports goods is a serious cause of concern in many EU countries. Widespread publicity has raised consumer, but also 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: www.wfsgi.org.

In November 1996, the main theme of a congress organised in Atlanta by the World Federation of the Sporting Goods Industry (WFSGI) was child labour in the production of footballs. Pakistan produces 35 million footballs per year, roughly 80% 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 order to explore how the sporting goods industry could contribute to the eradication of child labour. The results of the congress were:

- The WFSGI will develop a model code of ethical conduct for the production of all sporting goods.
- The establishment of a committee which will develop a control programme to eliminate child labour from the soccer ball industry.
- An education programme for children as a basis for their future and as an alternative to working in factories.
- Establishment of a deadline for Sialkot football manufacturers to transfer 100% of their football stitching to organised stitching centres, which are registered with the ILO.

All member organisations of the WFSGI support this programme, often referred to as the Atlanta Agreement. Besides, more then 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. A Dutch NGO, Fair Trade, has made a comprehensive study of the production methods of important manufacturers in the Sialkot area. They now import footballs, which are sold in their own shops. 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.
By February 2001, around 50 manufacturers have joined a programme ILO-IPEC, initiated by the

ILO. Here they use one of the 600 registered stitching centres, mainly employing women, which are located in smaller villages. The international organisation responsible for issuing the fair trade label throughout Europe, Fairtrade Labelling Organisations International (FLO) has recently certified the use of their label on certain stitched balls from Pakistan.

More promotion to increase consumer's awareness of the child labour issue in the production of soccer balls and other sports good 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 possibilities 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.

Health & safety issues
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 workplace. 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 detailed and up-to-date information about non tariff trade barriers on sports goods, please refer to the AccessGuide, CBI's on-line database, which can be found through the CBI website at: www.cbi.nl/accessguide.

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 solidly packed. There are no EU standards on how to pack sports goods, but 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 EU has issued the directive 94/62/EC, which regulates minimum standards. With effect from July 1, 2001, these minimum standards will require a recovery quota of 50 - 65% for packaging materials brought into the EU and will regulate the presence of four heavy metals (mercury, lead, cadmium and hexavalent chromium).

EU countries have a certain freedom in how to comply with the recovery rate but at least 25-45% of the material brought into the market must be recycled, with a minimum of 15% for each material. The maximum available sum of concentrations of lead, mercury and hexavalent chromium allowed in packaging is:

→ 600 ppm, after June 30, 1998 (ppm = parts per million);
→ 250 ppm, after June 30, 1999;
→ 100 ppm, after June 30, 2001.

These standards have been implemented since 1996. 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 which 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.

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.

Further detailed guidelines and recommendations on export packaging for sports and camping goods can be found in a special study on packaging techniques and the use of packaging materials, entitled 'Packaging Requirements, a guide for developing countries', which is available from CBI. This guide gives recommendations and functional transport packaging for fragile products, attractive consumer packaging and the use of (indigenous) materials for shock-absorption.

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, and 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.

9.2 Tariffs and quotas

Import duties for sports goods range from 1.7 up to 12.6%, as is shown in table 9.1.

Table 9.1 EU import duties by product group (in percent 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	na
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
950691		Equipment for cricket and polo	0	0
950699		Equipment for other outdoor sports	2.7	0
63062/64	**Camping**	Tents, airbeds	12.6	10.6
63069		Miscellaneous camping	12.6	10.6
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%

Notes: - Sport goods, fishing tackle and sleeping bags from China and Thailand receive no tariff preference;
- Tents and airbeds from China, Macao, Malaysia and Thailand receive no tariff preference.

Source: Belastingdienst Douane (2003)

If there is no special trade agreement in force between countries, the general import tariffs apply. For developing countries, some kind of 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 to countries which produce sports goods 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 import tariffs and an updated list of least developed countries, can be obtained from the Customs authorities in Rotterdam, The Netherlands, through their on-line system, known as TARIC at 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. Other sources of information are the European Commission, trade associations and importers.

Part B

Export Marketing Guidelines

Analysis and Strategy

B

The decision to export sports goods is a major one. In order to become successful, 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 asks much of your resources and skills.

Part B gives an overview of the main topics to consider when exporting sports goods to the EU markets and identifies which areas of business need attention to get ready in order to take on the challenge of exporting. In a highly fragmented EU sports goods market, it is extremely important to make a thorough analysis whether to export or not. By reviewing the export situation now, you can recognise market opportunities and your own strengths. At the same time, you could develop a sports product range for your target markets and assess if and where 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 exporters in their decision making and provide an insight into a systematic export marketing process.

Part B distinguishes the following strategic steps in the exports 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 sports goods to export, to which EU markets, who are the main competitors, through which channels, at what prices etc..

Exporters can investigate each topic by gathering information on some of 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 of this Market Survey.

An ***internal analysis*** should clarify if an exporter could use his resources without jeopardizing domestic sales efforts and 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 able to export his sports goods. He could decide positively, particularly 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*** and his ***objectives*** for EU sports target markets are set.

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

Most topics in Part B concern the External and Internal Analyses in step 1. All 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 the exporter to select the best sports goods markets or niches with the highest chances for success. At first, he could start from a broad view by becoming familiar with EU countries and gathering information from each country on the following topics:

- ***General data*** - population trends, sports participation levels
- ***Typical motives to buy sports goods*** **-** e.g. major sporting event domestically or internationally
- ***Economic data*** - disposable income, consumer confidence, unemployment, working women.
- ***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 in 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 etc.
- ***Consumer trends and motives*** life style, main and new users of sports goods, differences between southern and northern 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 and when these are used according to the latest trends etc..
- ***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 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 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, by exporting direct to a primary market using an importer or exclusive agent. Or, by exporting indirectly through e.g. contract manufacturing to a customer in a secondary market, which requires less investment in terms of design, logistics and marketing.

Once the priorities are set, he could narrow down his view, i.e. focus more on primary markets and segment these markets further by region, product group, consumers (income, age, preferred sport etc.). He should look into the local (seasonal) trends, mass-market designs, prices and margins and collect as much 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 on growing EU markets. 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, which still leaves questions to be resolved.

Market data is often available for large EU sports goods markets such as Germany, UK and France, which have up-to date information sources. However, these countries often provide their information according to different definitions, which makes 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 (www.ipso.com or www.sports-data.com, www.wfsgi.org, 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 – 3.4 and 5.

Especially 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.

Other sources of inspiration are 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 www.usatrade.gov or www.marketsearch-dir.com, that are not too expensive. Some information can be found at ITC (www.intracen.org), with articles free and most reports at a charge. 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:

www.globind.com
www.snapdata.com
www.mintel.com
www.euromonitor.com
www.marketresearch.com
www.keynote.co.uk

How to collect market data?

Retail sales: Total sales by retail outlets which are in value (€) often 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, while other sources don't.

Consumption or consumer expenditure, which is calculated based on a large sample survey commissioned by the National Statistics offices (every 4 years) or 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), but more difficult in Germany, The Netherlands, Belgium, Spain, Italy and Scandinavia. Euromonitor gives consumption per capita figures for the EU countries, which have to be paid for and still need to be checked with other sources.

Industry sales: Often sports trade associations e.g. the British Equestrian Trade Association, provide trade and sales statistics. The statistics include sales to export markets, which you need to deduct in order to know the national sales. Sometimes the prices given are wholesale or factory level.

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 to join forces in research and enter EU markets together.

During visits e.g. at an exhibition in the EU, interviews with key people such as importers, wholesalers, editors of trade magazines or managers of trade associations can be very enlightening. You may become aware of 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. You may find it difficult to translate these into products. Try to consider the following six 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 speciality *(see Chapter 11.1)*	➔	- Your original designs. - Your technical speciality or special skills. - Your use of materials. - A combination of the above specialities.
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 are overstated	➔	Forecasts give an indication of which ideas may be translated into commercial products in terms of design and size. Forecasts should be used as an indication of markets for future products.

Opportunities

Sports participation
The emphasis in sports participation will be less on the competitive team sports and more on *leisure and individual sporting activities (soft sports)*. By the year 2020, the proportion of 45+ olds in the population of most selected EU countries is expected to be more than 40% of their total. These older people want to stay in good health by doing a form of fitness or outdoor activity. This means an ageing profile in participation.

A slower growing sports goods market:
The global economic recession since September 2001 has affected the sports goods market and depressed demand for more expensive articles. Although in the long run, the 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 of sports goods to women and older people***, where design in products is most important.
- ***New technological improvements*** in sports equipment for example by 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 prospects 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, space walkers 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 (foldable and compact).
- → ***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 or flexaband.

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 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.
- → ***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 related 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, food, 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

- ***The ethnic minority population***, is a growing market for sports goods. According to a survey held in 2000 by Sports England, weight training, self-defence/martial arts, badminton (Chinese), cricket (Pakistanis), basketball (Africans and Caribbeans) and athletics were popular by minorities in the UK.
- ***Young people with a disability***, who favour swimming/diving, football (or goalball), gym, 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, exactly made according to importers' specifications, and meet the quality standards of the demanding EU market, where strict safety standards are required as well.
- → 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.
- → ‘Zapping sports’ makes it difficult to start a long-term investment based on the current market situation.
- → The increased requirement from EU importers and the industry for quick delivery, which means that exporters who are not close to their customers must keep more items in stock.
- → The exporter must be able to comply to the International Code of Conduct.

Some of the above opportunities and requirements still differ in each of the selected EU markets - see Chapter 3 - and should be further specified during market research. Once they are clarified, the next step is to identify similar niches in a few target counties 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 sports good product group, you may 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 ahead 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, you could try to find out as much as possible on direct competitors operating in the same niche, by finding out how relevant are 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 be worthwhile to enter 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 are clarified, try to 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?
Try to stay aware of the forecasts (in equipment and accessories) and upcoming crazes. Particularly when a variation of an established sport is expected to become a new craze, many competitors are likely to enter the market early. In general, you could also find out through your business contacts if any new companies have emerged in your target markets that could be serious future competitors.

How do competitors sell and where?
You need to 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 competitor's strengths and weakness?
Try to find out how long competitors have been operating in the EU markets and most importantly, what their strengths and weaknesses are, if possible sub-divided by country.

Monitor activities in the sports goods industry
By visiting trade fairs (international or local), congresses, seminars etc. you can get in contact with potential buyers and/or learn about the developments in their market. These are also 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 further investigating competitors in more detail, you could use a *checklist*, trying to collect as much as possible information 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 www.ipso.com – see also Appendix 4.

You may also find information through 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. Alternatively, 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 next to some market reports, financial information on any (registered) company in the EU.
www.europages.com www.kompass.com 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

Once a better understanding of the market developments, opportunities and direct competitors in the target markets is obtained, the next step is to find the right way to enter these markets. Depending on your strengths, you may choose the same sales channel as your competitors. It may be different. 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 consider exporting rackets and found opportunities in the schools market, you could prioritise the largest markets such as Germany and France. In both countries, these sort of items are mainly sold in shops but schools buy from specialist wholesalers. So an importer who specialised 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 possibilities in 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 with the International market, being 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. This can vary from selling direct via the Internet. 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-specialised**	**Agent**
Overseas production	X	-	-	-	-
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. Try to find out if your sports good could complement their specialism. Find out by research, 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 lasting relationship or a one-time sale?
- 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 shot'* 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 force 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 sort 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. Also, check local trade magazines which 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. When you unable to do it yourself, ask local people to check some 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	→ For smaller producers, quantity requirements usually manageable → Not usually sale or return basis → Travel costs can be 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 consumer 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, petrol stations etc. This makes the distribution on importer level very diverse and complex.

As mentioned in Chapter 7, sports goods sold in ***non-specialised outlets*** such as clothing shops and hypermarkets grew very quickly in most selected EU countries 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 and some of them do not raise problems of financial/credit reliability.

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 trade customer specialised in clearly different products or markets. For example, an exporter can sell sports goods within a single country to an importer who is specialised in products for sports shops and to another importer 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.

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 of the item, mass product or specialty item. Larger fitness equipment has a slow turnover time. Bur for most sports goods, short lead times are increasingly required, 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 the latest order control systems which 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; longer lead times need to be negotiated.

Reducing stock
The current oversupply of sports goods and intensified price competition have resulted in retailers' needing lower inventories and, at the same time, less out of stock. There is a growing tendency towards a permanent 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 long distance are sent mainly by sea freight which easily takes 1-2 month from e.g. Asia. In order to reach the destination country, there are many formalities and documentation (e.g. insurance) required related to the risk of theft, tariffs and terms of delivery.

There is a risk of items being easily be 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 www.shipguide.com or a list of all freight forwarders can be found at the directory www.forwarders.com or www.fiata.com or for airfreight 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

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 raises revenue for the 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. In addition, increased demand from younger people has resulted in a widening range of cheaper items.

Pricing should be based on cost of materials and labour, and should cover all overhead costs. Very often when pricing your product range, in covering all costs, most items may 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 price. 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 pricing 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. For example, this could be achieved 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 etc.
  - ***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 which 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 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.

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 superstores prefer to buy direct from manufacturers. They carry a wide assortment in large outlets (floor spaces over 2,000 m²), often at expensive locations, have many sales staff, all of which are 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 (e.g. low: 40%, high 70%)	42	74
Importer's/wholesaler's selling price	*148*	*180*
Retailer's mark up including VAT (e.g. 19%) (e.g. 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 probably 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 make also profiles for their specific product.

<table>
<tr><th colspan="3">PRODUCT PROFILE – FITNESS/GYM EQUIPMENT</th></tr>
<tr><td>1. Product name: fitness/gym</td><td colspan="2">Main items Exercise bikes, free weights, treadmill/steppers, other equipment (e.g. stomach exercisers, AB Toners, rollers, exercise mats) and resistance equipment (wrist, hand, thigh exercisers, chest expanders).
Main material: Iron, metal, stainless steel, plastic, rubber and ic material.</td></tr>
<tr><td>2. Market requirements:

<u>European quality standards</u>: 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 carries 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).

<u>Average sizes:</u> 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.

<u>Minimum labelling:</u>
• name and full address of importer and exporter;
• country of origin;
• port of trans-shipment;
• information on the contents
• article number (barcode, if relevant).

<u>Packaging</u>: 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.

<u>Import regulation</u> (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</td>
<td>3. Market Structure:

<u>Average prices</u>:
(retail)
Exercise bikes € 180 - 270
Large training equipment € 200 - 900
Resistance equipment (smaller) € 6 - 12

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

<u>Market trends</u>:
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. Since there is a growing number of frequent participants, becoming 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 impulsively purchased by those with specific health or weight worries.</td>
<td>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, South Africa and Morocco.</td></tr>
<tr><td colspan="3">5. How to improve the quality:
<u>Material</u>: Solid and durable material should be used in order to have the best performance of the article concerned.
<u>Finishing</u>: The finishing of articles becomes more important to buyers and consumers.
<u>Design:</u> Articles, designed to provide more comfort in exercising are growing in importance. In addition, easy-storage and multifunctionality are important in home fitness equipment.
Buyers' instructions on sizes and colours (indicated in Pantone colours) should be exactly followed by the exporter. A minor discrepancy could be fatal to the perceived product quality.</td></tr>
</table>

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, wood, plastic and rubber**

2. Market requirements:

European quality standards: Exporters are recommended to check the required quality standards very carefully 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'. Resulting from a growing economy in the late 1990s, 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 female players are relatively high.

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, Vietnam, Malaysia, India, Pakistan, Indonesia and South Africa.

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. For example, 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 exactly followed 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 of his resources and additional investments are required to enter his target markets successfully, and without threatening his sales in the domestic market.

Based on the internal analysis, the exporter can get an insight into his strengths and weaknesses by reviewing the following topics which are covered in the next sections: 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 becoming critical on design, quality and price, it is crucial for an exporter to create a product 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 trendsetting countries such as France, Italy, UK and USA, which includes seasonal trends and short term crazes.

When creating your product range, it is important to know that it has become more and more difficult to relate particular products to clear distinctive 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 falls 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 which 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 is a term used to refer to how you want consumers or buyers to think about your products compared to competitors' items. This depends on the type of product and the type of consumer e.g. slightly or very interested in new equipment trends, designs or brands. There are differences by country as well. For example, water sports may be regarded as established in France while in the UK it is still a novelty.

In today's increasingly global market place, it is more difficult to stand out. Exporters from developing countries are perfectly capable of producing high quality sports goods. There is a continual demand for new products. As trends change 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 sports 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 the use of a unique combination of materials.
- ➔ ***Design*** : Become a specialist in sports 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 a link or co-operation 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 sports good, you may have to adapt your current product range for the export market in order to achieve a good product-market match. This requires an investment in terms of design, finish etc. So here, you will have to find the right balance between the costs of adapting your manufacturing and the potential sales from your target markets.

Flexibility

When being 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 the 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 (www.cbi.nl) and from the International fairs in Munich (IPSO), Milan (MICAM) and Anglet, France (GLISSEXPO).

Other sources of inspiration are 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 look 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 for opinions of some people you know in your target market may help.

Product design

The right design and styling is now becoming crucial in sports goods. Looking for new shapes and applications should be never ending. Buyers are curious to know what is new in your range, which keeps the relationship alive. Also, retailers expect new products every six months. So you need to 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 is worthwhile to consider 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 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.

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 exact length, width and thickness 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 which restrict the use of materials which 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. When creating new designs the basic considerations could be: product and production efficiency, fashion, inspiration and quality standards, logistics, environment and product profitability. Before introducing the new product, it is worthwhile considering to register its design in order to prevent competitors from copying the product – a common occurrence in the sports goods industry.

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.

On the other hand, if the exporters' article strongly resemble to the design or shape of an existing item or well known brand, they can be prosecuted, because there is a law against copied sports goods. Even if there are some slight differences, the original designer of the items is protected. This will cause serious problems for the importer, who will make his claim to the exporter.

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 2001, sales of these counterfeit products caused damage to the sports industry estimated at around € 40 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), 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, clasps 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 better 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. Nowadays, consumers look for items of good quality, which are solid and safe. 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 there 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 direct 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 especially, 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 give a replacement piece, so the sports goods exporter must be able to handle 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 rather simple, 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.

Still, try to control the quality at each step in the production process, which reduces the rejection rate of the final item. Besides, a constant control keeps your employees and outside suppliers aware about quality. Also, 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? Extra skilled workforce required?
- What will be the cost of setting up additional production capacity?
- Will 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 already mentioned in Chapter 10.4, there is a tendency towards keeping stock levels as low as possible with more frequent deliveries during the year. This requires a 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, be affordable at reasonable charges.

Select a reliable method of transport for higher value items, e.g. courier, air freight. 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 production capacity:**

- 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 to 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 function?
- How well can he/she do the job?
- What sort of additional training is needed (strategic/sales skills/language/technical/trends)?
- Which persons 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 being quite different to yours?
- 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?

Maybe you have existing contacts in your target markets, for example: relatives, friends, suppliers etc. They may gather information, monitor progress and follow up leads.

All marketing planning, sales and promotional activities involved in exporting, takes 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 quick 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 computerisation 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 like 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 it should not be emphasised in the conversation, especially not in the beginning of a relation. These topics come up, when having a dinner or lunch together.		

11.5 Financing

Similar to 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 experiences. A talk to other companies exporting similar sports goods to yours, but who do not directly compete, may be useful. There might be a way to join forces in research and enter the export market together. If one of these companies has failed to penetrate an export market previously, try to find out where and why things went wrong.

Language and culture
Next to knowledge of the 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 a 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 define his position in the EU sports goods market and assess which areas in his company need improvement in order to deal with competitors in his target markets. A technique to plan order from chaos, 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, expected profitability, possible risks, 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 (e.g. required investment) as well as 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 - The trend towards more in-home exercising. - Consumers look for items at reasonable price. - Growing demand of fishing tackle by foreign nationals. - EU manufacturers require products which involve intensive labour and skills. - ……………………………………………….. - ………………………………………………..	***Threats*** - Pressure on prices of items from developing countries, especially machine-made items. - Consumers are increasingly critical on sports goods in terms of quality, designs and brands. - Trendy sports are increasingly short lived. - …………………………………………… - …………………………………………… - ……………………………………………
Strengths - 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. - ……………………………………………….. - ……………………………………………….. - ………………………………………………..	***Weaknesses*** - Limited production capacity, for machine-made items. - Difficult to find good experienced labour. - Keeping up with the fast pace of innovations. - Low own financial resources. - ……………………………………………… - ……………………………………………… - ………………………………………………

Try to optimise your strengths and see how you could 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 to the EU market:

✓ 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 conclude 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 relative fast pay back against your investment at a relative low risk. These markets tend to be those with easier access. You should approach these in the first instance. Mistakes made here are less costly than in secondary or tertiary markets.
- ***Secondary markets*** expose your company to a greater risk. But if you have enough resources and approach them cautious, they are still capable to generate profit. You could target these markets after you gained more experience in the EU.
- ***Tertiary markets*** may be interesting to approach actively in the future. But for the time being, you prefer an indirect approach e.g. to produce for EU manufacturers.

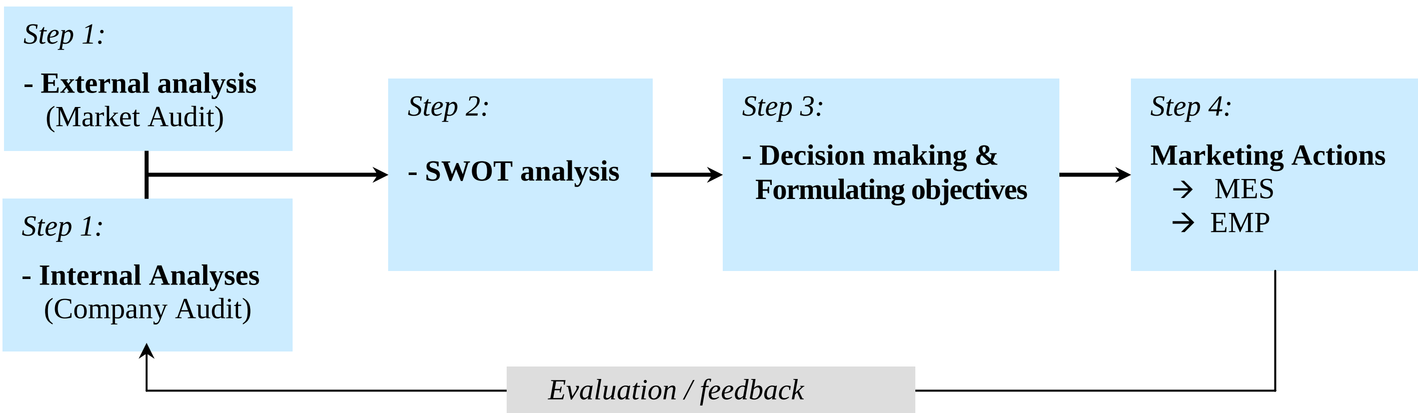
✓ You know the best sales channels when entering the chosen markets.

✓ You know the risks and critical conditions and what strategy and tactics are required to successfully tackle them and take them 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 venture fit into your company's objectives? In order to answer this question, you will have to ask yourself:

- What does your company wants to gain from exporting?
- Is the export objective clear, measurable and consistent with other company objectives?
- Will the export business give you a satisfactory return on investment? Maybe your investment would be better used expanding business in your domestic market.

Companies can waste a lot of time and money trying to enter markets which 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)*. Together with the marketing actions or marketing 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 in 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 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

In the Internal analysis (Company Audit) in Chapter 11.1, you have already reviewed your product range and possible adaptation of items in terms of material, design and colour for primary markets.

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 with the chosen target group and be up with one of the seasonal trends in fashion. Here an interview, discussion, 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, cross country 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 which 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. For example, if you manufacture sports balls, it would be worth illustrating a number of options you could provide: perhaps different stitching methods, perhaps different design styles, perhaps different sizes of balls, perhaps different weights, perhaps different types of balls, perhaps different types of presentation packaging. Each variation says to the buyer that you are flexible, that you are imaginative, that you are prepared to work hard to provide him with what he requires to fit in with other products in his store. 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 is worthwhile to consider registering its design in order to prevent competitors' copying the product. In this respect, it is important to know which laws exists on patents and trademarks; where to apply and what are the costs to register are. The violation of copyright laws may result in a penalty of thousands Euros for one items. Also, the news will spread around fast and seriously will 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 often causes 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 rejection 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, especially in the current economic recession with difficult times for some sports retailers (sources – see Chapter 10.2 and 10.3).
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 (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).

Please be aware that sources of information only answer written inquiries. A detailed inquiry improves the chances of precise information and prevent future misunderstandings. Also, take the cultural differences between EU markets into consideration in your approach (see also Chapter 11.5).

Evaluate the 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, maybe you should not start a talk or negotiation with him.

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; telex is hardly used anymore. 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 advanced notice (by e-mail) to the buyer, after you have sent the samples.

When taking samples during business trips, try to minimise the risk of robbery by hiding them well.

Mail order companies may ask for samples long before the delivery date for their catalogue. In this case, you should have negotiated already 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 a sports good is difficult, some retail prices were already given in Chapter 8 and 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 sports good item(s)?

- Production costs not only include costs for production, but also for raw material, design, packaging, distribution and promotion.
- Also, the costs of unsold items should be included.

How will you sell your sports good items?

- Do you sell your items 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' items?

- What do competitors charge and are their items 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 items to competitors'.

What is the potential demand for my sports good item(s)?

- How unique is your sports good 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.
- Also, consider the market trends, niches and opportunities - see Chapters 3 and 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 is a novelty, 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 him what would be 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 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 buyers' 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 usually results 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. More details can be found at the Incoterms 2000 of the ICC – see also www.iccwbo.org

13.5 Sales organisation and promotion

Sales promotion

A first start when exporting sports goods can be made by trade fairs, websites, free publicity and some advertising in trade magazines, if there is some budget available. In addition, sales promotion can be done at not too high 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. This includes, 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. Especially when you have adapted your product range, 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, which 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), *40°* (United Kingdom) in London and *Glissexpo* in Paris (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 Glissexpo (Paris) is focussed on gliding sports (e.g. snow sports, waterskiing, skateboarding, paragliding etc.), with around 13,000 visitors and 200 exhibitors, which is also held twice a year.

Other large specialised fairs include the *European Outdoor* in Friedrichshafen (Germany) and *Golf Europe* in Munich (Germany). A list of the most important European sports goods trade fairs can be found in EU Strategic Marketing Guide 'Sports and camping goods' (2001), section 2.2.1. 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 which 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. Especially 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, in the same way as promotional campaigns, need thorough preparation:

Before the trade fair:

- 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).

During the trade fair:

- 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 (e.g. 3-4 sales force to cover around 150 accounts, each in an area of about 200 km)
- 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.

After the trade fair:

- 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
9506.1110	Cross country skis
9506.1190	Skis for ski jumping and alpine skiing
950612	Ski bindings
950619	Ski equipment for winter sports (other then skis and ski fastenings and bindings)
9506.1910	Ski sticks
9506.1990	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:
9506.2910	Water skis
9506.2990	Surfboards and other water-sport equipment (excl. sailboards and water skis)
890310	Inflatable vessels for pleasure or sports

Golf

950631	Golf clubs, complete
950632	Golf balls
950639	Golf equipment (other)
9506.3910	Parts of golf clubs
9506.3990	Golf equipment (excl. balls, clubs and parts thereof)

Table tennis

950640	Articles and equipment for table-tennis
9506.4010	Bats, balls and nets for table tennis
9506.4090	Articles and equipment for table tennis

Rackets

950651	Tennis rackets, whether or not strung
950659	Badminton and similar rackets, whether or not strung
9506.5910	Badminton rackets, whether or not strung
9506.5990	Squash or similar rackets, whether or not strung

Balls

950661	Tennis balls
950662	Inflatable balls
9506.6210	Inflatable leather balls
9506.624080	Soccer balls
9506.628020	Basketballs
9506.6290	Inflatable balls (excl. of leather)
950669	Other balls
9506.6910	Cricket and polo balls
9506.6920	Baseballs and softballs

Skates	
950670	Ice skates and roller skates, including skating boots with skates and rollers attached; parts and accessories thereof
9506.7010	Ice skates incl. skate boots with skates attached
9506.7030	Roller skates incl. Skate boots with rollers attached
9506.7090	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

Team / field sports	
950699	Articles and equipment for indoor and outdoor sports, swimming and padding pools
9506.9910	Cricket and polo equipment
9506.991500	Baseball articles and equipment except balls, and parts and accessories
9506.992500	Ice-hockey and field-hockey articles and equipment, except balls and skates and parts
9506.994700	Sleds, bobsleds, toboggans, and the like and parts thereof
9506.9990	Other articles and equipment for indoor and outdoor sports, swimming and padding pools

Sports gloves	
420321	Gloves for general physical exercise or any other sports, made of leather or other material

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
630623	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
9404.3010	Sleeping bags, whether or not electrically heated, filled with feathers or dawn
9404.3090	Sleeping bags, whether or not electrically heated, excl. filled with feathers or dawn

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
9507.2010	Fish-hooks, whether or not snelled, unmounted
9707.2090	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 the imports and exports of the EU and the selected EU countries. Also, import statistics of the selected product groups are given. Export statistics can be found at the end of this section.

E U I M P O R T S B Y S O U R C I N G C O U N T R Y

EU imports of sports goods by major source, 1999 - 2001 in tonnes and € 1,000

	1999		2000		2001	
	value €	**volume**	**value €**	**volume**	**value €**	**volume**
TOTAL	**4,032,298**	**597,398**	**5,020,200**	**701,389**	**4,871,247**	**714,060**
Intra-EU	***1,603,813***	***172,962***	***1,937,176***	***202,217***	***1,838,198***	***202,015***
of which:						
Germany	245,915	**27,415**	324,132	**31,466**	295,304	**39,184**
France	247,288	**27,029**	303,779	**31,135**	272,782	**27,426**
Italy	261,937	**27,957**	274,676	**29,511**	241,747	**26,172**
Austria	154,184	**7,636**	195,566	**9,491**	195,623	**9,180**
The Netherlands	134,336	**16,539**	193,985	**27,683**	193,356	**24,123**
United Kingdom	173,131	**14,592**	193,289	**12,001**	184,086	**10,629**
Belgium/Lux.	137,975	**19,267**	149,745	**21,557**	154,937	**28,725**
Spain	70,873	**9,213**	95,776	**12,729**	93,151	**13,536**
Ireland	30,951	**4,007**	24,956	**1,979**	30,153	**2,482**
Denmark	42,321	**4,637**	51,177	**5,411**	45,800	**4,255**
Finland	41,415	**5,041**	48,273	**5,108**	46,827	**4,026**
Extra-EU	***2,428,485***	***424,436***	***3,083,024***	***499,172***	***3,033,049***	***512,045***
of which:						
Other countries						
USA	519,977	**31,599**	614,508	**38,631**	568,250	**37,298**
Taiwan	286,276	**82,428**	320,614	**73,123**	301,717	**66,277**
South Korea	74,591	**6,430**	87,224	**6,179**	61,979	**5,929**
Hong Kong	46,923	**5,895**	68,024	**7,805**	41,984	**3,617**
Canada	49,649	**14,574**	62,048	**17,338**	59,622	**16,451**
Japan	43,817	**1,776**	52,921	**1,574**	47,129	**1,963**
Switzerland	38,462	**1,697**	44,102	**2,130**	42,609	**1,770**
Eastern Europe						
Poland	30,745	**8,146**	35,311	**8,663**	41,541	**9,026**
Czech Rep.	60,309	**8,017**	68,156	**8,900**	75,494	**10,099**
Ukraine	9,056	**945**	18,548	**1,627**	23,784	**1,923**
Romania	19,209	**1,683**	18,045	**1,771**	30,316	**2,971**
Hungary	32,806	**4,818**	28,398	**4,608**	18,221	**2,587**
Slovakia	9,024	**1,828**	11,860	**1,766**	11,954	**1,562**
Estonia	10,154	**1,359**	17,091	**1,845**	17,947	**1,825**
Developing countries	***1,133,169***	***245,066***	***1,565,914***	***313,747***	***1,635,391***	***341,602***
China	804,996	**206,482**	1,165,128	**270,111**	1,223,768	**296,823**
Pakistan	88,457	**9,901**	110,158	**12,091**	99,033	**10,963**
India	57,133	**7,291**	66,860	**8,119**	71,141	**8,838**
Thailand	55,982	**5,946**	75,392	**6,612**	80,843	**6,813**
Malaysia	21,414	**5,540**	22,024	**5,199**	23,274	**5,612**
Vietnam	23,490	**3,127**	24,134	**2,963**	26,898	**3,301**

Source: Eurostat (2003)

EU imports of sports goods by major developing countries, 1999 - 2001 in tonnes and € 1,000

	1999		2000		2001	
	value €	volume	value €	volume	value €	volume
TOTAL	**4,032,298**	**597,398**	**5,020,200**	**701,389**	**4,871,247**	**714,060**
Developing countries	**1,133,169**	**245,066**	**1.565,914**	**313,747**	**1,635,391**	**341,602**
Asia	***1,071,770***	***240,083***	***1,493,263***	***308,212***	***1,561,451***	***336,156***
China	804,996	**206,482**	1,165,128	**270,111**	1,223,768	**296,823**
Pakistan	88,457	**9,901**	110,158	**12,091**	99,033	**10,963**
India	57,133	**7,291**	66,860	**8,119**	71,141	**8,838**
Thailand	55,982	**5,946**	75,392	**6,612**	80,843	**6,813**
Malaysia	21,414	**5,540**	22,024	**5,199**	23,274	**5,612**
Vietnam	23,490	**3,127**	24,134	**2,963**	26,898	**3,301**
Philippines	7,510	**713**	15,005	**1,684**	15,030	**1,779**
Indonesia	0	**0**	0	**0**	11,680	**1,448**
Sri Lanka	9,252	**682**	11,299	**891**	8,660	**424**
Bangladesh	2,890	**326**	1,808	**304**	706	**124**
Cambodia	300	**55**	739	**156**	97	**10**
North Korea	169	**6**	374	**11**	240	**4**
Mongolia	7	**7**	43	**31**	17	**6**
Africa	***19,060***	***1,461***	***22,489***	***1,756***	***24,450***	***1,838***
Tunisia	9,236	**563**	11,079	**704**	12,597	**667**
Morocco	3,132	**308**	4,238	**421**	4,071	**432**
South Africa	3,195	**456**	3,706	**514**	4,123	**627**
Madagasgar	1,921	**56**	2,194	**60**	1,995	**54**
Kenya	1,032	**18**	994	**26**	999	**4**
Mauritius	131	**12**	122	**7**	229	**9**
Egypt	47	**8**	61	**4**	150	**23**
Senegal	1	**0**	27	**11**	11	**0**
Cameroon	1	**0**	3	**1**	47	**10**
Latin America	***15,558***	***1,056***	***20,647***	***1,328***	***18,294***	***1,179***
Brazil	1,784	**265**	2,752	**376**	2,948	**437**
Argentina	7,644	**204**	9,188	**209**	8,977	**214**
Chile	130	**39**	1,857	**239**	119	**32**
Colombia	551	**64**	601	**59**	671	**77**
Mexico	2,833	**300**	2,956	**235**	2,245	**161**
Venezuela	398	**27**	785	**47**	663	**38**
El Salvador	337	**36**	640	**58**	640	**50**
Costa Rica	275	**14**	186	**10**	263	**14**
Guatemala	151	**11**	255	**14**	237	**18**
Dominican Republic	502	**22**	445	**10**	324	**20**
Paraguay	261	**12**	509	**19**	658	**24**
Uruguay	33	**0**	2	**0**	177	**50**
Other	***26,781***	*2,286*	***29,515***	***2,451***	***31,196***	***2,429***
Slovenia	23580	**2,234**	26,296	**2,310**	24,994	**2,247**
Turkey	1,598	**297**	1,880	**391**	3,590	**639**
Bosnia Herzegovina	110	**53**	55	**35**	15	**6**
Jordan	17	**1**	22	**1**	75	**35**
Syria	32	**0**	63	**3**	38	**2**

Source: Eurostat (2003)

EU IMPORTS OF SELECTED PRODUCT GROUPS BY SOURCE, 1999 - 2001
Tonnes and € 1,000

These tables list only the most important 3 suppliers and focus on imports from developing countries.

FITNESS / GYM

	1999		2000		2001	
	value €	**volume**	**value €**	**volume**	**value €**	**volume**
Total	**598,252**	**192,902**	**767,263**	**217,812**	**849,421**	**244,682**
Extra-EU	417,409	**161,911**	537,415	**182,418**	602,945	**202,202**
Developing countries	102,018	**67,912**	168,606	**89.067**	230,552	**117,062**
Top 3 suppliers:						
China	86,704	**61,522**	149,453	**82,162**	207,380	**109,054**
Taiwan	171,451	**68,476**	191,485	**60,568**	195,503	**54,264**
USA	107,305	**11,320**	131,806	**15,959**	131,974	**14,995**
Developing countries:						
Malaysia	7,302	**3,876**	8,408	**3,687**	10,460	**4,460**
Thailand	3,028	**1,299**	4,170	**1,444**	3,641	**1,069**
Pakistan	1,729	**427**	2,453	**638**	3,590	**874**
India	864	**236**	1,650	**471**	2,095	**692**
Turkey	577	**155**	1,063	**258**	1,722	**384**
South Africa	468	**127**	600	**136**	304	**76**
Morocco	246	**133**	262	**211**	314	**280**
Mexico	116	**17**	113	**4**	155	**11**
Sri Lanka	554	**66**	109	**16**	48	**9**
Slovenia	173	**36**	105	**23**	462	**55**
Argentina	36	**2**	75	**6**	50	**11**
Indonesia	0	**0**	0	**0**	56	**17**
Philippines	14	**0**	57	**2**	9	**0**
Vietnam	14	**3**	1	**0**	55	**7**
Brazil	14	**5**	47	**5**	11	**6**

GOLF

	1999		2000		2001	
	value €	**volume**	**value €**	**volume**	**value €**	**volume**
Total	**415,458**	**17,435**	**529,917**	**21,565**	**498,424**	**20,922**
Extra-EU	321,532	**14,022**	402,960	**17,007**	364,563	**16,433**
Developing countries	40,794	**3,495**	64,315	**4,445**	69,739	**4,752**
Top 3 suppliers:						
USA	240,575	**7,572**	283,854	**9,111**	244,819	**7,944**
United Kingdom	62,766	**2,147**	83,724	**2,790**	84,924	**2,395**
China	36,439	**2,972**	58,529	**3,870**	60,397	**3,980**
Developing countries:						
Thailand	1,971	**239**	2,821	**240**	6,245	**433**
India	667	**88**	1,230	**150**	1,373	**187**
Malaysia	806	**162**	710	**118**	614	**81**
Vietnam	283	**9**	208	**14**	248	**14**
Philippines	5	**0**	40	**4**	143	**15**
Indonesia	0	**0**	0	**0**	99	**7**
Mexico	102	**1**	28	**0**	91	**4**
Pakistan	422	**21**	658	**39**	90	**9**
South Africa	25	**0**	40	**5**	48	**3**
Slovenia	37	**2**	26	**2**	23	**2**
Myanmar	0	**0**	0	**0**	41	**9**
Colombia	9	**0**	0	**0**	24	**0**
Togo	0	**0**	0	**0**	122	**2**
Egypt	0	**0**	0	**0**	81	**1**

Source: Eurostat (2003)

SKATES

	1999		2000		2001	
	value €	**volume**	**value €**	**volume**	**value €**	**volume**
Total	**328,474**	**37,311**	**369,166**	**37,681**	**315,322**	**33,490**
Extra-EU	211,493	**28,299**	255,639	**29,764**	231,527	**27,970**
Developing countries	128,971	**19,735**	161,943	**19,748**	181,112	**22,103**
Top 3 suppliers:						
China	124,606	**18,859**	159,993	**19,382**	158,410	**19,877**
Italy	64,829	**5,484**	59,715	**4,498**	35,473	**2,432**
Thailand	14,342	**1,222**	29,677	**2,545**	23,295	**1,989**
Developing countries:						
Malaysia	1,227	**322**	989	**222**	882	**181**
Vietnam	2,255	**473**	310	**73**	7	**1**
Slovenia	64	**8**	11	**1**	23	**2**
Tunisia	55	**13**	65	**15**	97	**21**
Mexico	244	**26**	45	**5**	97	**1**
Pakistan	7	**1**	38	**4**	27	**4**
India	0	**0**	4	**1**	42	**6**
Philippines	223	**21**	486	**45**	15	**0**
Cambodia	0	**0**	0	**0**	93	**10**

BALLS

	1999		2000		2001	
	value €	**volume**	**value €**	**volume**	**value €**	**volume**
Total	**266,836**	**38,802**	**318,240**	**44,417**	**287,667**	**40,399**
Extra-EU	168,493	**25,427**	202,634	**28,580**	188,510	**27,952**
Developing countries	138,806	**21,429**	172,011	**25,202**	167,808	**25,586**
Top 3 suppliers:						
Pakistan	65,867	**7,522**	83,584	**9,309**	69,856	**7,931**
China	38,311	**9,342**	46,123	**10,478**	48,948	**11,136**
The Netherlands	12,875	**1,624**	30,261	**4,441**	27,631	**2,885**
Developing countries:						
Thailand	11,935	**1,402**	12,387	**1,300**	15,542	**1,911**
India	16,894	**2,387**	15,229	**2,115**	14,996	**1,995**
Philippines	3,074	**442**	9,831	**1,474**	10,535	**1,561**
Indonesia	0	**0**	0	**0**	3,111	**405**
Vietnam	314	**69**	715	**210**	1,022	**362**
Morocco	1,423	**73**	2,570	**64**	2,389	**58**
Malaysia	383	**93**	508	**124**	449	**89**
Mexico	305	**54**	664	**85**	327	**34**
Guatemala	76	**6**	107	**7**	145	**13**
Panama	24	**5**	18	**4**	117	**27**
Colombia	66	**12**	17	**1**	27	**2**
Argentina	20	**1**	20	**2**	36	**3**
Turkey	7	**2**	63	**10**	81	**6**

Source: Eurostat (2003)

WATERSPORTS

	1999		2000		2001	
	value €	**volume**	**value €**	**volume**	**value €**	**volume**
Total	**254,933**	**23,285**	**306,551**	**29,164**	**292,045**	**23,453**
Extra-EU	127,124	**13,908**	162,790	**18,321**	152,663	**13,923**
Developing countries	73,073	**9,911**	91,922	**13,174**	92,376	**10,300**
Top 3 suppliers:						
China	48,396	**8,396**	62,693	**11,774**	55,410	**8,772**
Italy	36,189	**2,930**	40,166	**3,125**	40,532	**3,041**
France	26,279	**1,601**	33,593	**1,785**	29,013	**1,491**
Developing countries:						
Thailand	12,267	**384**	16,772	**427**	23,753	**557**
Sri Lanka	4,624	**167**	4,231	**158**	6,201	**206**
Slovenia	1,649	**179**	1,905	**131**	1,119	**70**
South Africa	944	**160**	1,173	**160**	1,562	**280**
Malaysia	1,880	**199**	799	**102**	925	**110**
Vietnam	1,177	**184**	1,307	**175**	733	**76**
Venezuela	358	**25**	765	**46**	654	**37**
Tunisia	355	**33**	1,128	**85**	618	**51**
Turkey	310	**51**	280	**52**	375	**54**
Costa Rica	255	**14**	180	**10**	244	**13**
Mexico	223	**27**	261	**17**	93	**0**
Pakistan	19	**1**	50	**14**	85	**17**
India	89	**22**	64	**7**	40	**15**
Philippines	43	**4**	24	**4**	18	**3**
Fiji	106	**12**	0	**0**	52	**1**
Brazil	72	**5**	144	**8**	95	**6**

RACKETS

	1999		2000		2001	
	value €	**volume**	**value €**	**volume**	**value €**	**volume**
Total	**164,087**	**9,587**	**222,805**	**10,591**	**196,618**	**9,657**
Extra-EU	104,478	**7,031**	133,442	**7,893**	129,173	**7,434**
Developing countries	57,271	**5,387**	79,476	**5,926**	81,935	**5,967**
Top 3 suppliers:						
China	53,149	**5,180**	76,266	**5,748**	78,341	**5,828**
Czech Republic	18,586	**358**	19,263	**504**	19,793	**486**
Austria	11,716	**199**	16,098	**474**	15,728	**239**
Developing countries:						
Argentina	1,676	**24**	1,968	**25**	2,028	**28**
Pakistan	270	**48**	172	**32**	728	**60**
Vietnam	292	**39**	218	**37**	259	**11**
Thailand	1,485	**65**	448	**31**	181	**12**
Malaysia	270	**17**	98	**5**	139	**1**
Philippines	0	**0**	0	**0**	110	**20**
India	26	**2**	35	**7**	46	**2**
South Africa	59	**11**	25	**12**	29	**5**
Senegal	0	**0**	25	**1**	0	**0**
Kenya	0	**0**	18	**14**	0	**0**

Source: Eurostat (2003)

SPORTS GLOVES

	1999		2000		2001	
	value €	**volume**	**value €**	**volume**	**value €**	**volume**
Total	**45,172**	**1,490**	**50,162**	**1,664**	**52,625**	**1,820**
Extra-EU	33,793	**1,243**	37,814	**1,398**	38,041	**1,459**
Developing countries	25,291	**1,057**	30,514	**1,224**	34,443	**1,376**
Top 3 suppliers:						
Pakistan	12,482	**695**	14,057	**752**	14,309	**798**
China	6,613	**150**	8,984	**194**	8,981	**286**
Indonesia	0	**0**	0	**0**	4,749	**79**
Developing countries:						
India	1,628	**121**	2,513	**166**	2,252	**140**
Thailand	1,909	**36**	1,685	**49**	1,439	**29**
Vietnam	1,008	**17**	1,016	**13**	1,430	**22**
Sri Lanka	1,026	**22**	1,529	**31**	602	**7**
Philippines	266	**4**	475	**9**	320	**5**
Morocco	51	**1**	137	**3**	252	**8**
Turkey	40	**1**	16	**0**	28	**0**
Malaysia	6	**0**	21	**0**	43	**0**
South Africa	1	**0**	25	**4**	2	**0**
Sudan	128	**5**	0	**0**	0	**0**
Mauritius	30	**3**	14	**1**	14	**1**
Argentina	3	**0**	11	**1**	4	**0**
Mexico	9	**0**	1	**0**	12	**0**

SADDLERY

	1999		2000		2001	
	value €	**volume**	**value €**	**volume**	**value €**	**volume**
Total	**184,776**	**15,680**	**219,582**	**17,520**	**219,936**	**20,982**
Extra-EU	112,467	**10,154**	138,436	**11,509**	146,377	**12,741**
Developing countries	60,695	**6,625**	76,526	**7,684**	87,805	**9,211**
Top 3 suppliers:						
India	27,810	**3,155**	34,212	**3,788**	37,406	**4,236**
China	18,373	**2,606**	24,741	**3,013**	29,165	**3,938**
Germany	21,996	**1,374**	24,089	**1,514**	23,433	**1,652**
Developing countries:						
Argentina	5,564	**171**	6,562	**160**	6,313	**143**
Vietnam	4,108	**285**	6,272	**394**	8,518	**493**
Tunisia	675	**18**	817	**36**	1,385	**39**
Mexico	1,293	**129**	1,232	**104**	949	**96**
Pakistan	880	**108**	832	**94**	971	**104**
Morocco	955	**16**	574	**12**	722	**16**
Paraguay	253	**11**	508	**19**	653	**24**
Thailand	398	**51**	328	**25**	614	**38**
South Africa	60	**5**	190	**12**	475	**17**
Philippines	85	**12**	61	**7**	161	**15**
Turkey	29	**36**	56	**13**	96	**32**
Malaysia	21	**6**	15	**1**	26	**4**
Brazil	31	**1**	1	**0**	43	**2**

Source: Eurostat (2003)

TEAM – FIELD SPORTS

	1999		2000		2001	
	value €	**volume**	**value €**	**volume**	**value €**	**volume**
Total	**605,178**	**130,659**	**786,840**	**161,964**	**777,762**	**168,793**
Extra-EU	297,394	**71,990**	430,965	**91,507**	432,606	**98,177**
Developing countries	129,999	**36,975**	215,170	**54,233**	219,910	**60,904**
Top 3 suppliers:						
China	107,831	**33,536**	188,962	**50,269**	186,040	**55,901**
USA	65,226	**7,504**	85,220	**8,515**	90,966	**9,505**
France	55,258	**15,156**	67,829	**16,384**	65,157	**14,788**
Developing countries:						
Pakistan	5,608	**807**	7,382	**985**	7,810	**878**
India	3,933	**631**	5,038	**682**	6,078	**836**
Tunisia	252	**75**	131	**55**	5,821	**227**
Thailand	4,166	**648**	2,582	**404**	2,686	**676**
Malaysia	2,564	**316**	3,208	**564**	1,868	**350**
Vietnam	1,660	**518**	1,821	**588**	1,764	**643**
Slovenia	1,292	**132**	796	**158**	1,175	**197**
Indonesia	0	**0**	0	**0**	1,745	**717**
South Africa	610	**76**	931	**145**	1,215	**194**
Mexico	434	**42**	491	**16**	403	**12**
Argentina	307	**6**	486	**15**	390	**12**
Sri Lanka	502	**9**	1,989	**112**	454	**12**
Philippines	71	**2**	201	**6**	561	**27**
Turkey	156	**32**	270	**47**	564	**116**
Morocco	308	**57**	541	**98**	251	**34**
Chile	39	**17**	33	**6**	99	**30**

CAMPING GOODS

	1999		2000		2001	
	value €	**volume**	**value €**	**volume**	**value €**	**volume**
Total	**396,463**	**84,113**	**497,220**	**103,633**	**477,139**	**97,125**
Extra-EU	302,827	**70,298**	368,994	**86,630**	357,158	**80,132**
Developing countries	240,639	**62,122**	308,630	**78,822**	298,365	**72,435**
Top 3 suppliers:						
China	201,341	**56,482**	267,437	**73,277**	258,737	**67,390**
Germany	20,599	**3,044**	27,618	**3,652**	22,969	**2,719**
Belgium	15,563	**2,456**	25,689	**3,292**	21,953	**3,730**
Developing countries:						
Slovenia	9,907	**1,254**	12,459	**1,439**	13,440	**1,478**
Vietnam	11,296	**1,466**	11,455	**1,404**	12,461	**1,642**
Brazil	1,592	**249**	2,456	**359**	2,654	**415**
Pakistan	1,063	**262**	872	**221**	1,424	**280**
Tunisia	1,618	**113**	752	**55**	1,248	**67**
Sri Lanka	2,415	**416**	3,252	**570**	1,228	**188**
India	686	**161**	959	**185**	1,111	**170**
Thailand	2,421	**548**	875	**100**	664	**58**
Bangladesh	2,438	**308**	1,761	**301**	556	**98**
Colombia	454	**52**	582	**58**	538	**60**
El Salvador	337	**36**	640	**58**	518	**50**
Philippines	928	**158**	455	**66**	489	**76**
Malaysia	1,621	**357**	780	**169**	295	**49**
Cambodia	300	**55**	680	**131**	0	**0**

Source: Eurostat (2003)

FISHING TACKLE

	1999		2000		2001	
	value €	**volume**	**value €**	**volume**	**value €**	**volume**
Total	**338,847**	**17,926**	**406,038**	**22,359**	**362,259**	**19,729**
Extra-EU	212,473	**11,079**	267,522	**13,457**	239,998	**13,133**
Developing countries	89,952	**6,629**	123,068	**8.593**	127,109	**9,264**
Top 3 suppliers:						
China	68,299	**5,570**	97,299	**7,496**	100,975	**8,053**
South Korea	46,143	**1,348**	53,220	**1,370**	37,157	**976**
Italy	25,813	**1,447**	21,766	**3,213**	21,149	**1,326**
Developing countries:						
Malaysia	5,331	**192**	6,417	**199**	7,583	**287**
India	4,385	**455**	5,236	**467**	5,348	**479**
Philippines	2,810	**70**	3,375	**67**	2,664	**57**
Thailand	1,869	**31**	3,473	**41**	2,580	**32**
Tunisia	1,401	**84**	1,886	**166**	2,660	**184**
Madagasgar	1,903	**52**	2,184	**58**	1,925	**45**
Kenya	849	**10**	963	**12**	998	**4**
Vietnam	1,028	**57**	620	**32**	436	**26**
Dominican Republic	480	**21**	394	**9**	300	**18**
South Africa	349	**6**	287	**6**	253	**15**
North Korea	138	**3**	363	**10**	166	**3**
Sri Lanka	141	**2**	177	**3**	117	**1**
Bangladesh	444	**15**	41	**3**	56	**4**

Source: Eurostat (2003)

EUROPEAN UNION - EXPORTS

EU exports of sports goods by EU country, 1999-2001 in tonnes and € 1,000

	1999		2000		2001	
	value €	**volume**	**value €**	**volume**	**value €**	**volume**
Total	**3,285,616**	**324,959**	**3,792,993**	**355,817**	**3,840,624**	**349,743**
France	630,171	51,328	727,547	60,919	740,624	58,225
Italy	553,938	55,228	635,391	62,173	617,276	61,144
Austria	433,278	20,363	490,205	23,227	531,786	25,055
Germany	451,669	51,899	533,915	57,964	504,940	57,832
United Kingdom	372,763	26,803	420,680	25,023	431,077	24,246
Belgium/Lux.	212,103	34,856	214,008	34,954	234,560	40,301
Netherlands	155,749	28,039	218,255	31,046	226,763	24,765
Spain	116,923	15,624	160,279	23,063	157,677	21,733
Sweden	114,368	13,105	109,255	10,750	113,060	11,199
Denmark	76,734	7,711	108,120	8,594	99,246	7,771
Finland	76,079	9,114	86,976	9,730	98,737	9,852
Ireland	69,671	5,645	66,641	4,103	69,282	3,944
Portugal	18,566	3,356	19,102	4,007	12,255	3,332
Greece	3,604	1,888	2,619	264	3,341	344

Source: Eurostat (2003)

EU exports of sports goods by product group, 1999-2001 in tonnes and € 1,000

	1999		2000		2001	
	value €	**volume**	**value €**	**volume**	**value €**	**volume**
Total	**3,285,616**	**324,959**	**3,792,993**	**355,817**	**3,840,624**	**349,743**
Extra-EU	1,334,961	**122,717**	1,555,889	**108,471**	1,604,296	**119,911**
Of which						
Snowsports	799,116	**34,848**	970,823	**42,809**	985,334	**43,233**
Fitness	280,114	**53,365**	374,764	**59,904**	418,414	**70,244**
Watersports	256,236	**15,981**	298,413	**21,341**	299,702	**15,828**
Golf	216,684	**7,096**	260,088	**8,181**	281,350	**8,746**
Skates	243,387	**19,460**	245,716	**18,610**	191,999	**13,961**
Saddlery	161,840	**7,804**	176,827	**8,911**	179,230	**9,027**
Balls	146,243	**18,471**	165,098	**20,945**	158,282	**21,009**
Rackets	111,736	**3,551**	117,730	**3,263**	129,596	**3,582**
Tabletennis	36,711	**18,178**	43,722	**18,626**	43,667	**14,938**
Gloves	18,879	**466**	19,785	**346**	20,535	**373**
Team/field sports	544,816	**108,150**	605,744	**114,050**	614,712	**110,377**
Camping	204,010	**25,952**	217,380	**26,279**	224,093	**26,312**
Fishing	265,844	**11,637**	296,903	**12,552**	293,710	**12,113**

Source: Eurostat (2003)

APPENDIX 3 USEFUL ADDRESSES

3.1 Standards organisations

I N T E R N A T I O N A L

International Standardisation Organisation (ISO)

Address: P.O. Box 56, CH-1211 Geneva, Switzerland
Telephone: + 41 (0) 22 7490111
Fax: + 41 (0) 22 7333430
E-mail: central@iso.ch
Internet: www.iso.ch

E U R O P E A N U N I O N

European Committee for Normalisation (CEN)

Address: Rue Brederode 2, 1000 Brussel, Belgium
Telephone: + 32 (0) 2 5500811
Fax: + 32 (0) 2 5500819
Internet: www.cenclcbel.be

U N I T E D K I N G D O M

British Standards Institution (BSI)

E-mail: info@bsi.org.uk
Internet: www.bsi.org.uk

G E R M A N Y

Deutsches Institut für Normung (DIN)

E-mail: postmaster@din.de
Internet: www.din.de

F R A N C E

Association Française de Normalisation (AFNOR)

Address: Tour Europe, F-92049 Paris la Défense Cedex, France
Telephone: + 33 (0) 1-42915555
Fax: + 33 (0) 1-4291565
Internet: www.afnor.fr

T H E N E T H E R L A N D S

Netherlands Standardisation Institute
(Nederlands Normalisatie Instituut (NEN))

E-mail: info@nen.nl
Internet: www.nen.nl

I T A L Y

Ente Nazionale Italiano di Unificazione (UNI)

Address: Via Battistotti Sassi 11/b, 1-20133 Milano, Italy
Telephone: + 39 (0) 2-700241
Fax: + 39 (0) 2-70106106
E-mail: webmaster@uni.unicei.it

S P A I N

Associacion Española de Normalizacion y Certificación (AENOR)

Address: Génova 6, E-28004 Madrid, Spain
Telephone: + 34 (0) 1-4326000
Fax: + 34 (0) 1-3104976

3.2 Sources of price information

World Federation of the Sporting Goods Industry (SGI)
Address: Maison du Sport, P.O.Box 480, CH - 1936 Verbier, Switzerland
Telephone: + 41 (0) 27-7753570
Fax: + 41 (0) 27-7753579
E-mail: wsfgi@verbier.ch
Internet: www.wfsgi.org

EFTTA
(European Fishing Tackle Trade Association)
Address: 71 St John Street, London EC1M 4NJ, United Kingdom
Telephone: + 44 (0) 20 72530777
Fax: + 44 (0) 20 72537779
E-mail: info@eftta.com
Internet: www.martex.co.uk/eftta or www.eftta.com

Sport-Scheck
Internet: www.sportscheck.com

JJB Sports
Internet: www.jjb.com

Perry Sport
Intenet: www.perrysport.nl

3.3 Trade associations

I N T E R N A T I O N A L

World Federation of the Sporting Goods Industry (SGI)
E-mail: wsfgi@verbier.ch
Internet: www.wfsgi.org or www.wsforum.org

FESI
(Federation of the European Sporting Goods Industry)
Address: 3 Avenue de Janvier, 1200 Bruxelles, Belgium
Telephone: + 32 (0) 2 7628648
Fax: + 32 (0) 2 7718746
E-mail: info@fesi-sport.org
Internet: www.fesi-sport.org

International Snowboard Federation
Address: Pradlerstrasse 21, 6020 Innsbruck, Austria
Telephone: + 43 (0) 512 342834
Fax: + 43 (0) 512 3428342

EFTTA
(European Fishing Tackle Trade Association)
E-mail: info@eftta.com
Internet: www.martex.co.uk/eftta or www.eftta.com

F R A N C E
FIFAS
(French Sports and Leisure Federation)
E-mail: contact@fifas.com
Internet: www.fifas.com

FPS
(French Sports Goods federation for Retail Trade)
E-mail: fps@filieresport.com
Internet: www.filieresport.com

G E R M A N Y
BSI
(German Association of Sports Goods Industry)
Address: Postfach 1160, 53581 Bad-Honnef, Germany
Telephone: + 49 (0) 22 2476381
Fax: + 49 (0) 22 2475940
E-mail: bsie@aol.com

VDS
(German Sports Goods federation for Retail Trade)
Address: Postfach 3480, 65024 Wiesbaden, Germany
Telephone: + 49 (0) 611 990050
Fax: + 49 (0) 611 9900599
E-mail: info@vds.com

I T A L Y

ADAS

(Italian Sports Goods federation for Retail Trade)

Address: Corso Venezia 47-49, 20121 Milano, Italy
Telephone: + 39 (0) 02 76001403
Fax: + 39 (0) 02 7750480

ASSOSPORT

(Italian Association of Sports Goods Industry)

E-mail: assosport@assosport.it
Internet: www.assosport.it

T H E   N E T H E R L A N D S

FGHS

(Association of manufacturers and wholesalers of Sports Goods)

E-mail: fghs@euronet.nl
Internet: www.fghs.nl

MITEX SPORT

(Federation of Dutch Sports Goods Retailers)

E-mail: mitex@mitex.nl
Intertnet: www.mitex.nl

S P A I N

AFYDAD

(Spanish Association of Sports Goods Industry)

Address: Avenida Diagonal 452-454, 8006 Barcelona, Spain
Telephone: + 34 (0) 93 4169489
Fax: + 34 (0) 93 4169300
E-mail: afydad@afydad.com

U N I T E D   K I N G D O M

TSIF

(The Sports Industries Federation)

E-mail: admin@sportslife.org.uk
Internet: www.sports-life.com or www.sports-data.com

Snowsport Industries of G.B.

Address: 30 Burnside Rd, Burnside, Glasgow, United Kingdom
Telephone: + 44 (0) 141 6344262
Fax: + 44 (0) 141 6344262

3.4 Trade fair organisers

ISPO (International Trade Fair for Sports Equipment and Fashion)
Frequency: Biennial
Address: Messe Munchen GmbH, Messegelände, D-80325 Munich, Germany
Telephone: + 49 (0) 89-949-01 or + 49 (0) 89 949 11388
Fax: + 49 (0) 89-949-09 or + 49 (0) 89 949 11389
Internet: www.ispo.com
E-mail: info@ispo.com

MICAM (National Fair for Sports Equipment and Fashion)
Frequency: Annual
Address: Micam, Via Monte Rosa 21, 201497 Milan, Italy
Telephone: + 39 (0) 02-43829
Fax: + 39 (0) 02-43829233
Internet: www.micamonline.com

40° (International sportswear and sport equipment exhibition)
Frequency: Biennial
Address: EMAP Fashion, Angel House, 338-346 Goswell Road, London EC1V 7SP, United Kingdom
Telephone: + 44 (0) 207-5201500
Fax: + 44 (0) 207-5201501

GLISEXPO (International Trade Fair for gliding sports equipment, clothing and footwear)
Frequency: Bienial
Address: Glisse Promotion, 20 Rue Maryse Bastie, ZA Maignon, 64600 Anglet, France
Telephone: + 33 (0) 5-59425151
Fax: + 33 (0) 5-59425159
Internet: www.glisexpo.fr
E-mail: harnie@glisexpo.fr

SPORT (International Sport Exhibition)
Frequency: Annual
Address: Fira de Barcelona, Avenida Reina Maria Christina, E-08004 Barcelona, Spain
Telephone: + 34 (0) 3-2332000
Fax: + 49 (0) 3-2332299

SPORT BUSINESS FAIR (National Fair for Sports Equipment and Fashion)
Frequency: Biennial
Address: Sports Business Center, Plesmanstraat 1 ,3833 LA Leusden, The Netherlands
Telephone: + 31 (0) 33-4320302
Fax: + 31 (0) 33-4320303
E-mail: sbc@sportsbusinesscenter.nl
Internet: www.sportsbusinesscenter.nl

EUROPEAN OUTDOOR (International Trade Fair for outdoor equipment, clothing and footwear)
Frequency: Annual
Address: Messe Friederichshafen, Meistershofenstrasse 25, 88045 Friedrichshafen, Germany
Telephone: + 49 (0) 7541-7080
Fax: + 49 (0) 7541-708110

GOLF EUROPE (International Trade Fair for golf equipment, clothing and footwear)
Frequency: Biennial
Address: Messe Munchen GmbH, Messegelände, D-80325 Munich, Germany
Telephone: + 49 (0) 89-32353180
Fax: + 49 (0) 89-94920169
Internet: www.ispo.com

3.5 Trade press

I N T E R N A T I O N A L

Sporting Goods Intelligence
Address: EDM Publications, 32 rue de la Prairie, 94360 Bry-sur-Marne, France
Telephone: + 33 (0) 1-49838242
Fax: + 33 (0) 1-49838224
E-mail: news@sgieurope.com
Internet: www.sgieurope.com

FRANCE

Sport Premiere Magazine
Address: 3, rue de Téhéran, 75008 Paris, France
Telephone: + 33 (0) 1 42894104
Fax: + 33 (0) 1 45611200

Sporteco
Address: 26 blvd. Richard-Lenoir, 75011 Paris, France
Telephone: + 43 (0) 1 49295656
Fax: + 43 (0) 1 49297676

GERMANY

SAZ
E-mail: sazsport@saz.de
Internet: www.saz.de

Sport und Mode
E-mail: tme@chmielorz.de
Internet: www.spomo.de

ITALY

Articoli & Moda Sport
Address: Via Desiderio 3/9, 20131 Milano , Italy
Telephone: + 39 (0) 02 2367197
Fax: + 39 (0) 02 2365238

Moda Sport
Address: Palazinna San Rocco, Via San Rocco 17, 20135 Milano, Italy
Telephone: + 39 (0) 02 58315800
Fax: + 39 (0) 02 58316313
E-mail: esabbat@tin.it

NETHERLANDS

Sport Partner/ Tendens
Address: Maruba, Winthontlaan 200, 3526 Utrecht, Netherlands
Telephone: + 31 (0) 30 2891073
Fax: + 31 (0) 30 2898560
Internet: www.maruba.nl

International Sport Cult
E-mail: sportcult@worldonline.nl
Internet: www.sportcult.nl

SPAIN
CMD
E-Mail: cmd@gescode.es
Internet: www.gescode.es

Diffusion Sport
Address: Rosellon, 102 entl 1a, 8029 Barcelona, Spain
Telephone: + 34 (0) 93 3235702
Fax: + 34 (0) 93 3236080

Tradesport
Address: S.A. Balmes 217 4, 8006 Barcelona, Spain
Telephone: + 34 (0) 93 2185900
Fax: + 34 (0) 93 2378596

UNITED KINGDOM

SGB UK - Sports Update
Datateam Publishing Ltd.
Address: London Road, Maidstone Kent ME16 8LY, United Kingdom
Telephone: + 44 (0) 1622 687031
Fax: + 44 (0) 1622 757646

Sports Business
E-mail: sportbusiness@buirski.co.uk
Internet: www.sportbusiness.com

Golf Industry News
Address: Advance House, 37 Millharbour, London E14 9TX, United Kingdom
Telephone: + 44 (0) 171-5381031
Fax: + 44 (0) 171-5384106

Outdoor Trade & Industry
E-mail: ksalum01@aol.com
Internet: www.camping-outdoor-leisure.co.uk

Tackle Talk International (fishing tackle)
Address: Pendragon Publications, 22 Nightingale Road, Bushey, Watford, Herts WD2 3NJ, UK
Telephone: + 44 (0) 181-9506360
Fax: + 44 (0) 181-4204163

3.6 Other useful addresses

INTERNATIONAL

United Nations International Labour Organisation (ILO)
Address: 4, Route des Morillons, CH-1211 Geneva 22, Switzerland
Telephone: + 41 (0) 22 7996111
Fax: + 41 (0) 22 7986358
E-mail: ilo@ilo.org
Internet: www.ilo.org

EUROPEAN UNION

International Chamber of Commerce
Address: 38, cours Albert 1er, 75008 Paris, France
Telephone: + 33 (0) 1 49532828
Fax: + 33 (0) 1 49532942
E-mail: eurocham@mail.interpac.be

European Commission, Directorate General X (Sports Affairs)
Address: Rue de la Loi 200, 1049 Brussels, Belgium
Telephone: + 32 (0) 2-2969258
Fax: + 32 (0) 2-2957747

Harpers Sports and Leisure
(directory of UK trade)
Address: Harpers Publications Ltd., 47a High Street, Bushey, Watford, Herts WD2 1BD, UK
Telephone: + 44 (0) 181-9509522
Fax: + 44 (0) 181-9507998

Eurostat, Statistical Bureau of the European Union
E-mail: agnesn@eurostat.datashop.lu
Internet: www.eurostat.eu.int/eurostat.html

Mintel/Corporate Intelligence
E-mail: enquiries@mintel.com
Internet: www.mintel.com

France Sports
(Directory of French trade)
Address: CEPP Publications, rue Dagorno, 75012 Paris, France
Telephone: + 33 (0) 1-43473020
Telefax: + 33 (0) 1-43465818

GTZ
(German Agency for Technical Cooperation)
Address: Dag-Hammerskjöld-weg 1-5, P.O. Box 5180, 65726 Eschborn, Germany
Telephone: + 49 (0) 6196 790000
Fax: + 49 (0) 6196 797414
E-mail: postmaster@gtz.de

THE NETHERLANDS

CBI
Centre for the Promotion of Imports from developing countries
Address: P.O. Box 30009, 3001 DA Rotterdam, The Netherlands
Telephone: + 31 (0) 10 2013434
Fax: + 31 (0) 10 4114081
E-mail: cbi@cbi.nl
Internet: www.cbi.nl

Belasting Dienst Douane (Customs)
Dept. External and Internal Communication
Address: P.O. Box 50964, 3007 BG Rotterdam, The Netherlands
Telephone: + 31 (0) 10 2904949
Special information number + 31 (0) 800-0143
Fax: + 31 (0) 10 2904875
Internet: www.douane.nl

Benelux Octrooibureau
(Design and brand registration office for The Netherlands, Benelux and the EU)
Address: Scheveningseweg 82, 2517 KZ The Hague, The Netherlands
Telephone: + 31 (0) 70 3527500
Fax: + 31 (0) 70 3527589
Internet: www.octrooibureau.nl

CBI / AccessGuide
c/o CBI, Centre for the Promotion of Imports from developing countries
E-mail: cbi@accessguide.nl
Internet: 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
Albania
Algeria
Angola
Anguilla
Antigua and Barbuda
Argentina
Armenia
Azerbaijan
Bahrain
Bangladesh
Barbados
Belize
Benin
Bhutan
Bolivia
Bosnia & Herzegovina
Botswana
Brazil
Burkina Faso
Burundi
Cambodia
Cameroon
Cape Verde
Central African rep.
Chad
Chile
China
Colombia
Comoros
Congo
Cook Islands
Costa Rica
Côte d'Ivoire
Croatia
Cuba
Djibouti
Dominica
Dominican republic
Ecuador
Egypt
El Salvador
Equatorial Guinea
Eritrea
Ethiopia
Fiji
Gabon
Gambia
Georgia
Gabon
Ghana
Grenada
Guatemala
Guinea
Guinea-Bissau
Guyana
Haiti
Honduras
India
Indonesia
Iran
Iraq
Jamaica
Jordan
Kazakstan
Kenya
Kiribati
Korea, Rep. of
Kyrghyz Rep.
Laos
Lebanon
Lesotho
Liberia
Macedonia
Madagascar
Malawi
Malaysia
Maldives
Mali
Malta
Marshall Islands
Mauritania
Mauritius
Mayotte
Mexico
Micronesia, Fed. States
Moldova
Mongolia
Montserrat
Morocco
Mozambique
Myanmar
Namibia
Nauru
Nepal
Nicaragua
Niger
Nigeria
Niue
Oman
Pakistan
Palau Islands
Palestinian Admin. Areas
Panama
Papua New Guinea
Peru
Philippines
Rwanda
São Tomé & Principe
Saudi Arabia
Senegal
Seychelles
Sierra Leone
Slovenia
Solomon Islands
Somalia
South Africa
Sri Lanka
St. Helena
St. Kitts-Nevis
St. Lucia
St. Vincent and Grenadines
Sudan
Surinam
Swaziland
Syria
Tajikistan
Tanzania
Thailand
Timor
Togo
Tokelau
Tonga
Trinidad & Tobago
Tunisia
Turkey
Turkmenistan
Turks & Caicos Islands
Tuvalu
Uganda
Uruguay
Uzbekistan
Vanuatu
Venezuela
Vietnam
Wallis & Futuna
Western Samoa
Yemen
Yugoslavia, Fed. Rep.
Zaire
Zambia
Zimbabwe

Note: Eurostat figures do not include figures of St. Kitts-Nevis.

January 2000

APPENDIX 5 USEFUL INTERNET SITES

Sports-data - website: 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 - website: 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 - website: 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 - website: 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 European e-tailers:

www.9Feet.com	Based in London (UK)
www.sweatband.com	Based in London (UK)
www.sporthouse.de	Based in Munich (Germany)
www.sportus.se	Based in Stockholm (Sweden)
www.yousports.com	Based in Lausanne (Switzerland)

Recommended sites for information of the selected countries are:

www.sportpress.de	Information about the German sports industry
www.cnpc.fr	Information about the French sports industry
www.sportsbusinesscenter. nl	Information about the Dutch sports industry
www.sportsbusiness.com.	Information about the UK sports industry