

CBI MARKET SURVEY

THE SPORTS AND CAMPING GOODS MARKET IN CYPRUS

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Introduction

This CBI market survey gives exporters in developing countries information on some main developments in the sports and camping goods market in Cyprus. The information is complementary to the information provided in the CBI market survey 'The sports and camping goods market in the EU', which covers the EU in general. That survey also contains an overview and explanation of the selected products dealt with, some general remarks on the statistics used, as well as information on other available documents for this sector. It can be downloaded from <http://www.cbi.eu/marketinfo>.

1 Market description: consumption and production

Consumption

- The Cypriot market for sports and camping goods was valued at € 11 million in terms of retail sales in 2006.
- Cypriots spent € 13.41 per capita in 2006, which was well below the EU average of € 30.74.
- Cyprus was the second smallest sports and camping goods market in the EU and this small market was smaller than the Baltic States markets and Luxembourg, but larger than Malta, the smallest market.

Table 1.1 Consumption of sports and camping goods in Cyprus, 2002-2006, € million

2002	2003	2004	2005	2006	Average ann % change	Population (million)	Consumption per capita €
9	9	10	10	11	5.1	0.8	13.41

Source: Trade estimates (2007)

- Between 2002 and 2006, the Cypriot market increased by an annual average 5.1%, well ahead of the EU average of 1.8%.
- Cyprus' consumption of sports and camping goods consisted of water sports (24%); team sports (23%); individual sports, mainly golf (23%); outdoor (18%); fitness (12%).
- The market in Cyprus is expected to grow in the future, but there are mixed fortunes. The team sports market is static, but the market for water sports equipment is increasing. There is also strong demand for golf and fitness, fuelled by the continuing popularity of Cyprus as a tourist destination.
- The most popular sporting activities in Cyprus are football, tennis, golf, water sports and fitness. Fishing is also popular, but that is partly related to employment rather than sport.
- Cyprus is below average in its levels of sports participation. 47% of the population claim to never exercise or play sport, compared to the EU average of 40%.

Production

- Cyprus is not involved in any production of sports and camping goods products.

Opportunities and threats

- + Cyprus must be viewed as a prospect for developing country exporters. This is based on its projected levels of economic affluence and a destination for leisure activities, rather than based on a particularly strong heritage of sport.
- + The market is dependent on imports, but no doubt other exporters will be viewing similar opportunities.
- + Water sports and golf have a particularly positive outlook.

See Chapter 7 of the CBI market survey “The sports and camping goods market in the EU” for more information on opportunities and threats.

2 Trade channels for market entry

- The sporting goods trade in Cyprus is small. There is a local market, and a market for tourists and expatriate residents who use and buy more expensive sporting goods, particularly golf and fitness equipment.
- Some Greek importers and wholesalers also supply the Cypriot market from their base in Greece.
- Due to the small size of the market, exporters can either contact a wholesaler or approach retailers directly. Interesting wholesalers for developing country exporters include Impophar Trading House, who specialise in fitness and health equipment (<http://www.impophar.com>), A Polydorou, who specialise in outdoor items such as hunting and fishing (<http://www.polydorou.com.cy>), Archontides Sports (<http://www.archontides.com>) and the Lyssiotis Trading Corporation who also import fitness equipment (<http://www.ltc.com.cy>).
- Leading retailers are Force Eight Sports, specialising in winter sports and water sports (<http://www.force-8.com>), the Survival Sports Centre, a specialist water sports, diving and outdoor retailer (<http://www.survivalbuddies.com>), Olympus Sports and Trading, based in Limassol (<mailto:olympussportscyprus@hotmail.com>) and Polys Poubouris that sell cycles, but also some other sports goods (<mailto:polysp@cytanet.com.cy>).
- Throughout the sporting goods trade, different prices and margins apply. The local market is more price sensitive so margins will be tighter than the tourist and expatriate market where higher margins feed through to higher prices.
- A number of companies involved in importing sports goods are featured at the Cyprus Importers portal (<http://www.cyprusimporters.com/>)

3 Trade: imports and exports

Imports

- In 2006, Cyprus' imports of sports and camping goods were valued at € 13 million, or 3 thousand tonnes. Out of the 27 EU countries, Cyprus was ranked second smallest in value and third smallest in volume, and as such is regarded as a small-sized country for sports and camping goods imports.
- Between 2002 and 2006, Cypriot imports grew by an average of 4.8% per annum in value (from € 11 million) and 40% in volume. Most of this growth occurred in the period after 2003 and more was imported from other EU countries such as Italy, Greece and Germany. There were also significant imports from The Netherlands, implying re-exports from developing countries, as well as imports from the USA.
- Imports exceeded exports by a significant degree in 2006. Imports are increasing more quickly than exports, which have been decreasing. The same period has seen no reported sporting goods production and annual increases in consumption higher than the EU average.
- Around 26% of Cyprus' imports, valued at € 3.3 million, came from developing countries in 2006 (37% by volume). This proportion was 27.4% in 2002 (28.6% by volume), one of the few countries where developing country shares fell over the period. China accounted for 79% of all developing country supplies by value in 2006, followed by Pakistan (10.3%) and Thailand (3.7%). Malaysia, Philippines and India were also important suppliers. While China's supplies increased by 9.8% per annum over the period, supplies from Pakistan were unchanged. Supplies from Thailand, Vietnam and Indonesia all declined over the period. Apart from China, most Cypriot imports came from Italy and USA.
- By product group, Cypriot imports by value can be sub-divided as follows:
 - The largest group was equipment for team sports valued at € 4.1 million, accounting for 32% of all imports, followed by fitness/gym equipment valued at € 3.1 million.

- Other significant imports were taken up by water sports (€ 1.6 million), balls (€ 1 million) and fishing equipment (€ 0.9 million).
- The remainder was taken up as follows: camping goods (€ 0.5 million), golf (€ 0.5 million), saddlery (€ 0.3 million), table tennis (€ 0.2 million), rackets (€ 0.2 million), skates (€ 0.1 million). As you might expect, no imports exist as such for snow sports or related footwear.

Exports

- Sports and camping goods exports from Cyprus were negligible in 2006, representing 7 tonnes, destined for Greece and Tunisia.
- Between 2002 and 2006, the average annual decrease in exports was 15.9% by value and 9.6% by volume.
- There may be some re-exporting from the Cypriot market. No domestic production is recorded by Eurostat.

Opportunities and threats

- + The sports and camping goods market in Cyprus is virtually entirely supplied by imports, so many opportunities exist for exporters from developing countries.
- + Although the DC share of imports has fallen, this is likely to be a short term situation, which can be explained by Cyprus joining the EU in 2004. This has expanded their intra-EU trade.
- + Specific product opportunities can be found in water sports, fitness equipment and golf.

See Chapter 7 of the CBI market survey "The sports and camping goods market in the EU" for more information on opportunities and threats.

Useful sources

- EU Expanding Exports Helpdesk - <http://export-help.cec.eu.int/>
- Eurostat – official statistical office of the EU - <http://epp.eurostat.cec.eu.int>

4 Price developments

- Prices of sports and camping goods in Cyprus have been rising slowly in recent years, which can be explained by a large affluent expatriate and tourist population that is less price sensitive than local consumers.
- The website of Cyprus's National Statistics (<http://www.mof.gov.cy>) publishes harmonised indices of consumer prices. A useful website comparing sports and camping goods prices in Cyprus is <http://www.nextag.com>. Not many Cypriot retailers feature prices on their website. <http://www.cyprusstores.com> is a vertical portal that features many stores in Cyprus, some of which feature prices. Prices can also be found at the websites of some sports retailers in Cyprus. See chapter 2 for contact details.
- Import prices have been falling, as the following table 4.1 indicates. Nevertheless, import prices in Cyprus are still below the EU average. These trends should be interpreted with care, as changes in imports do not reflect the demand.
- Since 2004 import prices have fallen by approximately 10% annually. Import figures for 2002 are unreliable. Nevertheless, the 2006 figures are reliable, indicating that DC prices are close to the EU average of € 3.53.

Table 4.1 Developments in Cypriot average import prices, 2004 - 2006

	2002	2004	2006	ave. annual % change
	ave price per '000 tonnes	ave price per '000 tonnes	ave price per '000 tonnes	
Total imports	n.a	5.89	4.74	-10.3%
Intra EU	n.a	7.57	6.20	-10.5%
Developing countries	n.a	4.00	3.30	-10.2%

Source: Eurostat (2007)

5 Market access requirements

As a manufacturer in a developing country preparing to access Cyprus, you should be aware of the market access requirements of your trading partners and the Cypriot government. For information on legislative and non-legislative requirements, go to 'Search CBI database' at <http://www.cbi.eu/marketinfo>, select sports and camping goods and Cyprus in the category search, click on the search button and click on market access requirements.

Detailed information on packaging can be found at the website of ITC on export packaging: <http://www.intracen.org/ep/packaging/packit.htm>

Information on tariffs and quota can be found at <http://export-help.cec.eu.int/>

6 Doing business

Information on doing business like approaching potential business partners, building up a relationship, drawing up an offer, handling the contract (methods of payment, and terms of delivery) and cultural differences can be found in CBI's export manuals 'Export Planner', 'Your image builder' and 'Exporting to the EU'. These can be downloaded from <http://www.cbi.eu/marketinfo> - go to search publications. For more information on doing business in Cyprus, visit the following websites:

- The Cyprus Employers and Industrialists Federation (<http://www.oeb.org.cy>) represents trade associations in Cyprus, but as there is no industry to speak of on the island, there is no trade association.
- There is no specific sporting goods fair in Cyprus, but the International Fair, held annually in May in Nicosia does feature some sports goods companies. It is organised by the Cyprus State Fairs Authority (<http://www.csfa.org.cy>), itself a member of the Mediterranean Trade Fairs Association (<http://www.mtfa.org>).
- There is no specific sporting goods trade publication in Cyprus, although a sports website has recently been launched (<http://www.sportive.com.cy>).
- Cyprus Chamber of Commerce is a good contact (<http://www.ccci.org.cy>), as is Invest in Cyprus, the promotion agency for exporters who wish to invest in Cyprus. (<http://www.investincyprus.gov.cy>). The Cyprus Trade Centres help to promote trade with Cyprus around the world (<http://www.cyprustrade.info>).

This survey was compiled for CBI by **Searce**

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