

CBI MARKET SURVEY

THE SPORTS AND CAMPING GOODS
MARKET IN IRELAND

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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 Ireland. 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 Irish market for sports and camping goods was valued at € 142 million in terms of retail sales in 2006.
- The Irish spent € 33.57 per capita in 2006, which was just above the EU average of € 30.74. This was similar to per capita expenditure levels in Spain and The Netherlands.
- Ireland was the sixteenth largest sports and camping goods market in the EU and this small-medium market was a similar size to that of the Czech Republic.

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

2002	2003	2004	2005	2006	Average ann % change	Population (million)	Consumption per capita €
118	123	129	136	142	4.7	4.23	33.57

Source: Trade estimates (2007)

- Between 2002 and 2006, the Irish market increased by an annual average 4.7%. This was well above the EU average of 1.8%.
- Irish consumption of sports and camping goods consisted of individual sports, particularly golf (41%); outdoor (21%); team sports (16%); fitness (15%); snow sports (4%); water sports (3%).
- The market in Ireland is expected to grow in the foreseeable future, but at lower rates. Ireland has been one of the most economically dynamic parts of the EU in recent years. In relation to new consumer sports trends, men tend to play golf and women tend to engage in fitness activities.
- There is a strong tradition of team sports in Ireland. The number one sport is Gaelic football, followed by hurling, both uniquely Irish. There is also a strong tradition of 'All Ireland' sport, involving close sporting links with Northern Ireland, which is part of the UK. Nevertheless, participation in individual sports and fitness activities is growing. Other important sports are football, handball, rugby and golf. In addition, at a lower level, there is growing interest in water sports and more outdoor activities including camping.
- Sports participation rates in Ireland are well above the EU average and are also increasing rapidly. 53% of the population participate in sport or exercise at least once a week (38% EU average), while 40% say they never exercise (53% EU average).

Production

- Ireland is a medium-sized producer of sports and camping goods, but it has seen decreases in recent years as it has been closing some production as the trade is replaced by lower cost imports.

- In 2005, there were 10 companies employing approximately 250 people. This level has reduced over the period.
- The production value of € 25 million represented an average annual decrease of 13.8% compared to € 39 million in 2002. Note these figures may be understated and exclude confidential figures for production that for competitive reasons were not declared. Production is forecast to decrease in coming years.

Table 1.2 Production of sports and camping goods in Ireland, 2002-2005,
€ million / '000 tonnes

2002		2004		2005*		Average ann. % change	Number of companies 2005	Number of employees 2005
value	volume	value	volume	value	volume			
39	1	29	0	25	0	-13.8	10	250

Source: Eurostat (2007)

*: 2006 data not available

- Most of the remaining manufacturers supply the local market. They include Bellco Sports (<http://www.bellcosports.com>), Mycro Sports Gear produce sports helmets (<http://www.mycrosport.com>) and O'Neills make balls, as well as sportswear for Gaelic football and other team sports (<http://www.oneills.ie>).
- Declared production in Ireland in 2005 was as follows: team sports 60%; saddlery 40%. Ireland has traditionally been strong in its outdoor industries, so undeclared production is also likely to include production of fishing equipment, as well as fitness equipment and golf items.
- Labour rates are high in Ireland, which explains in part why production is falling. Both Penn and Dunlop closed their tennis ball manufacturing facilities recently and relocated to the Far East.

Opportunities and threats

- + High local labour costs is one reason why developing country exporters can find opportunities in Ireland.
- + On a more general level, increasing levels of sports participation and the adoption of newer sports makes this market of good interest.

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

- Despite the small numbers remaining, exporters from developing countries would be advised to identify wholesalers in Ireland (or the UK) who can channel products through to small independent retailers. These independents need a point of difference in the form of good quality alternatives to the major brands that are stocked by the mainstream retailers.
- There are very few traditional importers/wholesalers of sporting goods remaining in Ireland. There are many agents and sales representatives instead.
- This change in trade structure has meant that it is more difficult for smaller manufacturers and suppliers of unknown or little-known brands to gain distribution in Ireland. Nevertheless, independent retailers probably hold a stronger position in Ireland in relation to retail chains than in many other EU countries. Shopping malls are developing more slowly in Ireland. This is holding back the growth of sports chains.
- The other key factor that determines market entry to Ireland is that it is often treated as an extension to the UK market. Consequently, some UK players in the trade have better access to the Irish market than local wholesalers.
- Reydon Sports, based in the UK, is the wholesaler with an important role in Ireland. They co-operate with independent retailers, as well as the larger chains (<http://www.reydonssports.com>). KTR is an important wholesaler that operates 10 agents around the country. It estimates there are about 150 independent sporting goods retailers

worth approaching (<mailto:ktr@iol.ie>). Other wholesalers include BUA Sports (<http://www.buasports.com>) and Orinoco Sports (<http://www.orinoco.ie>).

- The two leading retail chains are Lifestyle Sports (<http://www.lifestylesports.com>) and Elverys (<http://www.elverys.ie>). Other interesting retailers of specific sports include Mcguirks Golf, based in Dublin (<http://www.mcguirksgolf.com>) and the Outdoor Adventure Store (<http://www.outdooradventurestore.ie>).
- The non-specialist channel is small in Ireland, but starting to grow.
- Throughout the sporting goods trade, different prices and margins apply. Margins are good in Ireland, but changes in trade structure have meant that margins through the wholesale trade have been decreasing. Depending on the product, wholesalers could expect 25-35% margin. That general figure is now reducing.

3 Trade: imports and exports

Imports

- In 2006, Irish imports of sports and camping goods were valued at € 116 million, or 17 thousand tonnes. Out of the 27 EU countries, Ireland was ranked thirteenth largest in value and in volume, and as such is regarded as a medium-sized country for sports and camping goods imports.
- Between 2002 and 2006, Irish imports grew by an average of 11% per annum in value (from € 76 million) and 28% in volume. Much of this growth has occurred in the period since 2004 and more was imported from other EU countries such as the UK, Germany and Belgium.
- Imports exceeded exports by over three times in value, and by almost three times in volume in 2006. Imports are increasing while exports are decreasing. The same period has seen decreases in sporting goods production and an above average annual increase in consumption.
- Around 23% of Irish imports, valued at € 26 million, came from developing countries in 2006 (45.3% by volume). This proportion was 11.5% in 2002 (20.3% by volume). China accounted for 79.7% of all developing country supplies by value in 2006, followed by India (8.7%) and Pakistan (4.5%). Malaysia, Thailand and Argentina were also important suppliers. While China's supplies increased by an annual average of 44.1% over the period, supplies from India increased by an annual average of 6.3%. Supplies from Pakistan, Thailand and Malaysia increased over the period. Apart from China, most Irish imports came from the UK, followed at a distance by Belgium and Germany.
- By product group, Irish imports by value can be sub-divided as follows:
 - Almost half of all Irish imports were for fitness/gym equipment, valued at € 30 million, and golf equipment, valued at € 22 million.
 - Other significant import groups were team sports (€ 14 million), saddlery (€ 9 million), balls (€ 9 million) and fishing (€ 7 million).
 - The remainder was taken up as follows: camping goods (€ 6 million), skating (€ 5 million), water sports (€ 5 million), ski/snow boots (€ 2 million), snow sports (€ 2 million), rackets (€ 0.9 million), table tennis (€ 0.5 million) and sports gloves (€ 0.5 million).

Exports

- Sports and camping goods exports from Ireland were valued at € 36 million in 2006, representing 6 thousand tonnes. This is dominated by outdoor sports such as saddlery, camping and fishing.
- Between 2002 and 2006, the average annual decrease in exports was 13.5% by value, but this contrasted with an 11.1% average annual increase in volume.
- There appears to be some re-exporting from the Irish market, as exports are quite a lot higher than domestic production.

Opportunities and threats

- + The main growth opportunities for developing country suppliers are in fitness/gym equipment and team sports. Both have seen impressive DC growth in recent years.

- + Other notable opportunities are in items for saddlery and camping goods. On the other hand, there have been falls in supplies of golf, fishing and sports gloves.
- + Rackets has not grown along with the average growth of imports, but DC exporters may also find other opportunities in balls, skating or water sports.

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 Ireland have broadly been falling in recent years.
- The website of Irish National Statistics (<http://www.cso.ie>) publishes harmonised indices of consumer prices. It indicates that prices in the recreation and culture sector are increasing faster than all prices.
- A useful website comparing sports and camping goods prices in Ireland is <http://www.nextag.com>. Prices can also be found at the websites of some sports retailers in Ireland. See chapter 2 for contact details.
- Falling consumer prices are underpinned by a trend of decreasing import prices, as the following table 4.1 indicates. These trends should be interpreted with care, as changes in imports do not reflect the demand. If import prices are now starting to rise, there is also little room for retailers to cut their overheads further, making it more likely that consumer prices will inevitably rise. This applies particularly to branded products, but also to non-branded products to a lesser extent. Large retailers increasingly control pricing decisions.
- Average import prices in Ireland have fallen by more than any other EU country, but they have been slowly increasing since 2004.

Table 4.1 Developments in Irish average import prices, 2002 - 2006

	2002	2004	2006	ave. annual % change
	ave price per '000 tonnes	ave price per '000 tonnes	ave price per '000 tonnes	
Total imports	11.91	6.54	6.73	-13.3%
Intra EU	13.53	10.29	10.20	-6.8%
Developing countries	6.77	2.96	3.38	-15.9%

Source: Eurostat (2007)

5 Market access requirements

As a manufacturer in a developing country preparing to access Ireland, you should be aware of the market access requirements of your trading partners and the Irish 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 Ireland 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 Ireland, visit the following websites:

- There is no specific trade association but the Irish Sports Council is a good point of contact (<http://www.irishsportsCouncil.ie>). They produce various publications on sport in Ireland, including collaborations with the Economic and Social Research Institute (<http://www.esri.ie>).
- The Federation of Irish Sports is the umbrella organisation for the various different sports in Ireland (<http://www.irishsports.ie>). The Outdoor Industry is important in Ireland. There is a website which brings together the various outdoor pursuits including camping and golfing (<http://www.gooutdoorireland.com>).
- The principle exhibitions' organiser in Ireland is <http://www.exhibitionsireland.com> but there is none dedicated to sport or sporting goods.
- There is no specific trade publication for the sporting goods industry.
- More information on doing business in Ireland can be found at <http://www.enterprise-ireland.com>.

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

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