

CBI MARKET SURVEY

THE SPORTS AND CAMPING GOODS MARKET IN POLAND

Publication date: August 2007

Introduction

This CBI market survey gives exporters in developing countries information on some main developments in the sports and camping goods market in Poland. 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 Polish market for sports and camping goods was valued at € 222 million in terms of retail sales in 2006.
- Poles spent € 5.83 per capita in 2006, which was well below the EU average of € 30.74. This was also low compared to some of the other East-European new member states.
- Poland was the fourteenth largest sports and camping goods market in the EU and this medium market was similar to a cluster of countries including Denmark and Greece, but well ahead of sales in the Czech Republic.

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

2002	2003	2004	2005	2006	Average ann % change	Population (million)	Consumption per capita €
181	195	202	212	222	5.2	38.11	5.83

Source: Trade estimates (2007)

- Between 2002 and 2006, the Polish market increased by an annual average 5.2%. This was well above the EU average of 1.8%.
- Polish consumption of sports and camping goods consisted of team sports (35%); outdoor (22%); snow sports (16%); fitness (13%); individual sports (11%); water sports (3%).
- The market in Poland is expected to grow in the foreseeable future, but at lower rates. Growth will be underpinned by the building of new gyms, swimming pools, sports halls and stadia in the coming years. Although consumer expenditure is increasing, the population of Poland is falling. Many young people have moved to other parts of the EU. Nevertheless, the fitness market is generating demand for strength equipment (benches, racks, platforms, gym machines, dumbbells, plates, weights) and cardiovascular equipment (cross trainers, steppers, treadmills, bikes). Women's fitness clubs have great potential for development.
- The most popular sports are football, fitness training, swimming, basketball, volleyball, as well as cycling. Table tennis used to be popular in Poland. Fishing is carried out by 650,000 anglers and winter sports are also still popular, though mainly with wealthier people.
- Sports participation in Poland is below the EU average. 46% of Poles never do any exercise or practice any sport, compared to the EU average of 40%.

Production

- Poland is a small-medium sized producer of sports and camping goods, and it has seen increases, particularly in the manufacture of equipment for team sports as some of its western neighbours, particularly Germany have transferred some of their own production to eastern member states.

- In 2005, there were 375 companies employing approximately 2,250 people. This level has slightly increased over the period.
- The production value of € 25 million represented an average annual increase of 31.5%, compared to € 11 million in 2002. Note these figures may be significantly understated and exclude confidential figures for production that for competitive reasons were not declared. Production is forecast to increase in coming years.

Table 1.2 Production of sports and camping goods in Poland, 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			
11	7	15	7	25	3	31.5	375	2,250

Source: Eurostat (2007)

*: 2006 data not available

- Some important manufacturers include Polsport (<http://www.pol-sport.com>), Euromark, who sell outdoor equipment under the Campus brand name (<http://www.campus.com.pl>) and Bacha Sport who produce fitness equipment (<http://www.bachasport.pl>).
- Declared production in Poland in 2005 was as follows: fitness equipment 76%; team sports 11%; camping goods 6%; balls 4%; fishing 2%; table tennis 1%. There is also small levels of production of saddlery items, and undeclared production is also likely to include production of ski boots (€ 18 million of production in 2004), and skating equipment.
- The Polish production industry has on the one hand benefitted from outsourcing of production by other EU countries, but has also lost some of its domestic production as Polish consumers are starting to demand higher quality products. This is forcing the local industry to improve its quality standards and production processes.

Opportunities and threats

- + Leading product segments for exporters are fitness equipment, and general gymnasium and athletic facility equipment.
- DC exporters however face competition from local producers and from other EU countries and North America, who see the size of the Polish market and the undoubted growth potential as sports participation increases.

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 most common means for a developing country exporter to enter the Polish market is via an importer who then distributes onward either to wholesalers or retailers. Alternatively, there are some importers who can simultaneously act as distributors. Traditional agents are not significant in the Polish market.
- The sporting goods market in Poland was not highly developed in the early 1990s. Apart from some specialist shops for eg fishing and other sports, there was little structure to the market. Government promotion of sport as a means of improving the nation's health, and more recently, Poland (jointly with Ukraine) being awarded the hosting of the 2012 European Football Championships have provided a major stimulus to the market.
- There has been a lot of activity in recent years, as international companies have sought to gain a presence on the Polish market. This has resulted in many international retailers setting up their own networks, or buying existing sports goods outlets to distribute their own products.
- Although many independent specialist retailers have been forced out of business due to competition from foreign specialist chains such as Go Sport or Intersport, not to mention the growing presence of non-specialist chains such as Tesco and Carrefour, these

specialists still dominate the market despite the fact that their influence is diminishing. Approximately 2,000 outlets sell sporting goods in Poland.

- Interesting importers and wholesalers for developing country exporters would include Espada (<http://www.espada.pl>), who already import from some Asian countries, JMS Sport Vena (<http://www.jmssports.com.pl>), Sklep Sportowy (<http://www.sportosklep.pl>) and Asport (<http://www.asport.pl>)
- Exporters may also wish to make contact with some of the local sporting goods retailers, including Abex Zielona Gora in Warsaw (<http://www.abex.com.pl>), Vitasport (<http://www.vitasport.pl>) and Fan Sport (<http://www.fan-sport.pl>).
- Throughout the sporting goods trade, different prices and margins apply. Wholesale margins are lower in Poland than in neighbouring countries, averaging around 25%. For this reason, wholesalers would need to be confident that any new products they take on have good sales possibilities.
- An excellent source of prospects for sporting goods is via the SportBiznes website (<http://sportbiznes.pl>). More contacts can be found at the Polish business portal <http://www.tradebizz.pl>.

3 Trade: imports and exports

Imports

- In 2006, Polish imports of sports and camping goods were valued at € 129 million, or 24 thousand tonnes. Out of the 27 EU countries, Poland was ranked twelfth largest in value and in volume, and as such is regarded as a medium-sized country for sports and camping goods imports.
- No data is available for 2002 or 2003, but between 2004 and 2006, Polish imports grew by an average of 11.9% per annum in value (from € 103 million) and 8% in volume. More was imported from other EU countries such as Germany, France and the Czech Republic.
- Imports exceeded exports by 9% in value, and by over 30% in volume in 2006. Exports are increasing more quickly than imports. The same period has seen large increases in sporting goods production and an above average annual increase in consumption.
- Around 32% of Polish imports, valued at € 41 million, came from developing countries in 2006 (57% by volume). This proportion was 38.5% in 2004 (68.9% by volume). China accounted for 86% of all developing country supplies by value in 2006, followed by Pakistan (7.1%) and Thailand (2.7%). Malaysia, India and Philippines were also important suppliers. While China's supplies increased by an annual average of 3% over the period, supplies from Pakistan decreased by an annual average of 11.9%. Supplies from Thailand and Malaysia increased over the period, but supplies from India fell. Apart from China, most Polish imports came from Germany, France and Austria.
- By product group, Polish imports by value can be sub-divided as follows:
 - Snow-related products accounted for over 27% of all Polish imports, of which € 24 million related to ski and other snow sports equipment and € 11 million related to ski/snow boots.
 - Other significant import groups were fitness/gym (€ 19 million), fishing (€ 15 million), team sports (€ 15 million), camping goods (€ 13 million) and balls (€ 12 million).
 - The remainder was taken up as follows: water sports (€ 7 million), skating (€ 5 million), saddlery (€ 2 million), rackets (€ 2 million), table tennis (€ 2 million) and sports gloves (€ 0.7 million).

Exports

- Sports and camping goods exports from Poland were valued at € 118 million in 2006, representing 19 thousand tonnes. This is dominated by outdoor sports such as camping and fishing.
- Between 2004 and 2006, the average annual increase in exports was 15.4% by value, but just 3.4% by volume.
- There appears to be some re-exporting from the Polish 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, as well as ski/snow boots. Each sector has seen impressive 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 skates, table tennis and sports gloves.
- + Fishing has not grown along with the average growth of imports, but DC exporters may also find other opportunities in watersports.

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 Poland have been increasing in recent years.
- The website of Polish National Statistics (<http://www.stat.gov.pl>) publishes harmonised indices of consumer prices, which indicates that recreation and leisure prices are currently increasing at a slower rate than average prices.
- A useful website comparing sports and camping goods prices in Poland is <http://www.nextag.com>. Prices can also be found at the websites of some sports retailers in Poland. See chapter 2 for contact details.
- Rising consumer prices is similar to a trend of increasing 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 rising, there is also little room for retailers to cut their overheads further, making it more likely that consumer prices will continue to rise. This applies particularly to branded products, but also to non-branded products to a lesser extent. Large retailers increasingly control pricing decisions.
- Import figures for 2002 are unreliable, so the comparison here indicates increasing average import prices, however developing country prices are still lower than the EU average.

Table 4.1 Developments in Polish 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	4.94	5.29	+3.5%
Intra EU	n.a	10.39	8.42	-10.0%
Developing countries	n.a	2.76	2.94	+3.2%

Source: Eurostat (2007)

5 Market access requirements

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

- There is no trade association for sporting goods in Poland, but the Polish Ministry of Sport has links to the main sports associations (<http://www.msport.gov.pl>). The Polish Sports Federation produces a bulletin (<http://federacja.com.pl>).
- Sklep Sportowy is the main sports goods trade publication and details can be found at <http://www.unit.pl/run/tytuly/10&PL>. Body Life is a professional fitness magazine (<http://www.bodylife.pl>). Information on sport in Poland can be found at <http://www.sport.pl> and <http://www.sports.pl>.
- The Sports Fair in Kielce takes place twice a year (<http://www.sport-targi.pl>). There are a number of other sports goods fairs, including the Spa and Wellness Exhibition (<http://targi.krakow.pl>), Fitexpo at Poznan (<http://www.fitness.mtp.pl>) and the International Trade Fair for Sport and Recreation in Warsaw (<http://www.mtpolska.com.pl>).
- Information on outsourcing in Poland can be obtained from <http://www.dna.com.pl>.

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

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