

CBI MARKET SURVEY

**THE SPORTS AND CAMPING GOODS
MARKET IN PORTUGAL**

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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 Portugal. 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 Portuguese market for sports and camping goods was valued at € 285 million in terms of retail sales in 2006.
- Portuguese spent € 26.96 per capita in 2006, which was 10% below the EU average of € 30.74.
- Portugal was the eleventh largest sports and camping goods market in the EU and this medium market was similar in size to a cluster of other countries including Austria, Belgium, Denmark and Greece.

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

2002	2003	2004	2005	2006	Average ann % change	Population (million)	Consumption per capita €
252	263	270	278	285	3.1	10.57	26.96

Source: Trade estimates (2007)

- Between 2002 and 2006, the Portuguese market increased by an annual average 3.1%. This was above the EU average of 1.8%.
- Portuguese consumption of sports and camping goods consisted of team sports (38%); outdoor (21%); fitness (14%); individual sports (13%); water sports (10%); snow sports (4%).
- The market in Portugal is expected to grow in the foreseeable future at similar rates. Men significantly outnumber women in their practising of sport, but the market for fitness products directed at women is forecast to increase rapidly in the future.
- For men, football is the most popular sport, followed by volleyball, handball and basketball. Golf, karate and tennis are also increasing. For women, volleyball, handball, gymnastics and basketball are the leading sports.
- Portugal has the lowest levels of sports participation in the entire EU. Just 22% of the population do exercise or practice sport at least once a week, compared to the EU average of 38%. 73% of the population say they never do any exercise or practice sport, compared to the EU average of 53%.

Production

- Portugal is a medium sized producer of sports and camping goods, but it has seen decreases, particularly in the manufacture of equipment for team sports as some of its own production has closed and been transferred overseas.
- In 2005, there were 60 companies employing approximately 375 people. This level has significantly decreased over the period.

- The production value of € 26 million represented an average annual decrease of 2.4% compared to € 28 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 Portugal, 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			
28	1	34	1	26	1	-2.4	60	375

Source: Eurostat (2007)

*: 2006 data not available

- Some important manufacturers include Carlos Malaquias, who produce a range of sporting accessories and equipment (<http://www.carlosmalaquiasdesporto.com>), Sulcampo make fishing equipment (<http://www.sulcampo.pt>), and Estado Critico who produce equipment for board sports (<http://www.estadocritico.com>).
- Declared production in Portugal in 2005 was as follows: fitness equipment 44%; team sports 43%; fishing 8%; camping goods 5%. There is also small but diminishing levels of production of balls, and undeclared production is also likely to include some production of saddlery, skates and water sports.
- The Portuguese industry has been quite fragmented and involved in a wide range of product groups, but has not yet managed to focus or concentrate its efforts to become internationally renowned, although it has built a reputation in the domestic expatriate market for water sports, and increasingly with golf.

Opportunities and threats

- + The main opportunities are to be found in the fact that sports participation rates are so low. They will increase in the future. Many other exporters will also view the untapped potential of Portugal.
- + Equipment for fitness and gyms will provide the basis for most of the opportunities, along with a forecasted increase in golf and 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.

2 Trade channels for market entry

- The wholesale sector is starting to diminish in importance, but it is still strong and this is still the most effective channel for exporters from developing countries to approach. Interesting contacts include Castanheira & Castanheira who import a wide range of sporting goods (<mailto:castanheiraecastanheira@sapo.pt>), Sodarca who also import sporting equipment and accessories (<mailto:sodarca@mail.telepac.pt>), Team Sport Artigos Despotivos (<http://www.teamssport.com.sapo.pt>) and Trade House Import Export (<mailto:antonieta@hofin-thouse.com.pt>).
- As is common in most parts of southern Europe, the sporting goods trade in Portugal is also very fragmented. Small independent specialist retailers dominate the market, but in the large cities and tourist areas there is also growing sales of sporting goods through non-specialist channels such as hypermarkets and department stores, stimulated by the development of large shopping centres. El Corte Ingles, the Spanish department store group is the dominant force, and they sell a wide range of sporting goods (<http://www.elcorteingles.pt>).
- Sport Zone, part of the Sonae Group, is the largest domestic sporting goods retailer with 41 outlets (<http://www.sportzone.pt>). Portugal is one of the few countries in Europe where Intersport has no presence.

- Throughout the sporting goods trade, different prices and margins apply. Pressure on margins in Portugal has not been as great as in other parts of the EU, nevertheless manufacturers and exporters are still expected to offer additional discounts. Wholesalers' margins are generally around 30%.
- A directory of sports and adventure companies in Portugal can be found at the Virtual Portugal portal (<http://www.portugalvirtual.pt/0/86.html>).

3 Trade: imports and exports

Imports

- In 2006, Portuguese imports of sports and camping goods were valued at € 71 million, or 12 thousand tonnes. Out of the 27 EU countries, Portugal was ranked twelfth smallest in value and eleventh smallest in volume, and as such is regarded as a small-medium-sized country for sports and camping goods imports.
- Between 2002 and 2006, Portuguese imports grew by an average of 5.9% per annum in value (from € 56 million) and 10.3% in volume. Much of this growth has occurred in the period since 2004 and more was imported from other EU countries such as Spain and France, but supplies from Italy declined.
- Imports exceeded exports by over three times in value, and by five times in volume in 2006. Imports are increasing at a similar rate as exports. The same period has seen recent decreases in sporting goods production and an average annual increase in consumption.
- Around 15% of Portuguese imports, valued at € 11 million, came from developing countries in 2006 (29.3% by volume). This proportion was 15.3% in 2002 (22.9% by volume). China accounted for 76% of all developing country supplies by value in 2006, followed by Pakistan (11.1%) and Brazil (3.1%). Thailand, Indonesia and India were also important suppliers. While China's supplies increased by an annual average of 8.3% over the period, supplies from Pakistan decreased by an annual average of 8.2%. Supplies from Brazil, Thailand and Indonesia increased over the period, but supplies from Malaysia decreased. Apart from China, most Portuguese imports came from Spain, France, Italy and The Netherlands.
- By product group, Portuguese imports by value can be sub-divided as follows:
 - Half of all Portuguese imports were for fitness/gym equipment, valued at € 19 million, and team sports, valued at € 17 million.
 - Other significant import groups were fishing (€ 8 million), camping goods (€ 6 million), balls (€ 6 million) and water sports (€ 5 million).
 - The remainder was taken up as follows: golf (€ 3 million), saddlery (€ 2 million), skates (€ 2 million), rackets (€ 1 million), table tennis (€ 1 million), sports gloves (€ 0.6 million), snow sports (€ 0.4 million) and ski/snow boots (€ 0.2 million).

Exports

- Sports and camping goods exports from Portugal were valued at € 22 million in 2006, representing 3 thousand tonnes. This is dominated by water sports and fitness/gym equipment.
- Between 2002 and 2006, the average annual increase in exports was 5.2% by value, while volumes decreased by an annual average of 7.4%.
- There does not appear to be re-exporting from the Portuguese market, as exports are lower than domestic production.

Opportunities and threats

- + The main growth opportunities for developing country suppliers are in fitness/gym equipment and team sports. Portugal has one of the lowest shares of imports by developing countries.
- + Other notable opportunities are in items for water sports and skates. On the other hand, there have been falls in supplies of golf, saddlery and sports gloves.
- + Fishing has not grown along with the average growth of imports, but DC exporters may also find other opportunities in balls or camping goods.

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 Portugal have broadly been increasing slowly in recent years.
- The website of Portuguese National Statistics (<http://www.ine.pt>) publishes harmonised indices of consumer prices. The latest available data (2006) shows that all prices increased by 2.6% during the year. Price increases for recreation and culture were lower than the average.
- A useful website comparing sports and camping goods prices in Portugal is <http://www.nextag.com>. Prices can also be found at the websites of some sports retailers in Portugal. See chapter 2 for contact details.
- Rising consumer prices contrasts with 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. Although import prices are still falling, there is 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.
- Average developing country import prices are well below the EU average in Portugal, and this gap has widened over the period. This is due to the fact that prices in Portugal are amongst the lowest in Western Europe.

Table 4.1 Developments in Portuguese 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	6.76	5.98	5.75	-4.0%
Intra EU	7.22	7.08	6.76	-1.6%
Developing countries	4.53	3.38	2.97	-10.0%

Source: Eurostat (2007)

5 Market access requirements

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

- There is no trade association specifically related to sporting goods, but the Sports Federation (<http://www.cdp.pt>) has links to the individual sports associations. They also produce their own newsletter called CDP. The Secretary of State for Youth and Sport is in charge of sport in Portugal (<http://www.sejd.gov.pt>).
- The Association of Sports Management (<http://www.apogesd.org>) and the Sports Institute (<http://www.idesporto.pt>) have good information sources.
- Campisport (<http://www.campisport.exponor.pt>) for camping and sports and Nautica (<http://www.nautica.exponor.pt>) for water sports are trade shows which both take place in Porto in late November. In addition, more water sports are covered at the Lisbon Boat Show (<http://www.nauticampo.fil.pt>), which takes place in February.
- O Jogo online is published by <http://www.sportmultimedia.pt>.

This survey was compiled for CBI by *Searce*

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