

CBI MARKET SURVEY

THE SPORTS AND CAMPING GOODS
MARKET IN SLOVAKIA

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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 Slovakia. 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 Slovak market for sports and camping goods was valued at € 53 million in terms of retail sales in 2006.
- Slovaks spent € 9.83 per capita in 2006, which was well below the EU average of € 30.74. This was much lower than the expenditure levels of their Czech neighbour, but they are catching up.
- Slovakia was the ninth smallest sports and camping goods market in the EU and this small market was similar in size to Hungary and Slovenia.

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

2002	2003	2004	2005	2006	Average ann % change	Population (million)	Consumption per capita €
42	46	49	52	53	6.0	5.39	9.83

Source: Trade estimates (2007)

- Between 2002 and 2006, the Slovak market increased by an annual average 6%. This was well above the EU average of 1.8%.
- Slovak consumption of sports and camping goods consisted of team sports (33%); outdoor (21%); snow sports (17%); individual sports (13%); fitness (13%); water sports (2%).
- The market in Slovakia is expected to grow in the future, but there are mixed fortunes. Slovaks are fashion conscious, and looks are as important as functionality when buying sports equipment. Most demand is for fitness equipment, particularly bodybuilding fitness machines, gym equipment, stationary bicycles, jogging simulators and aerobic accessories.
- Apart from football, the most popular sports are tennis, volleyball, swimming, cycling, jogging, hiking and climbing. Winter sports are dominated by cross-country and alpine skiing, skating and snowboarding. Ice hockey is also popular and there is a tradition of horse riding in Slovakia.
- Slovakia is above average in its levels of sports participation. 36% of Slovaks never exercise or play sport, compared with the EU average of 40%. Most Slovaks prefer outdoor sport and activity rather than indoor sports.

Production

- Slovakia is a small-sized producer of sports and camping goods, but it has seen decreases in recent years. Slovakia does not appear to have benefitted from the outsourcing from some EU countries in the same way that some of its neighbours have.
- In 2005, there were 18 companies employing approximately 300 people. This level has decreased over the period.

- The production value of € 3 million, represented an average annual decrease of 8% compared to € 3 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 continue at similar levels in coming years.

Table 1.2 Production of sports and camping goods in Slovakia, 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			
3	0	3	0	3	0	-8.0	18	300

Source: Eurostat (2007)

*: 2006 data not available

- Some of the leading manufacturers include Zajo, who produce outdoor equipment (<http://www.zajo.net>), Treksport, who also produce outdoor equipment (<http://www.treksport.sk>), and Tomirex, who produce a wide range of sports equipment (<http://www.exisport.com>).
- Declared production in Slovakia in 2005 only concerned team sports 100%. However, there is also undeclared production in camping goods, ski boots and equipment, skates and fitness equipment.
- Slovakia has developed its production capacity in sports footwear and apparel, but it has had limited success in the sports and camping goods sector. Much production is restricted to the domestic market, as it is not able to effectively compete on a quality platform in the international arena.

Opportunities and threats

- + There is limited competition for DC exporters from domestic production, but many other producers believe good prospects exist in the Slovak market, particularly for fitness and outdoor equipment.

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

- Developing country exporters would be advised to find an importer or wholesaler in order to reach the independent sports specialist sector. Interesting contacts for developing country exporters include MM Sport Marian Macho (tel./fax + 421 45 5330533), Outdooria (<http://www.tramtaria.com>), Pasko Sports Equipment (<http://www.pasko.cz/pasko-slovakia/>) and Tomirex Slovakia (<http://www.exisport.com>).
- Traditionally there have been many overlaps in the trade, with some manufacturers also acting as wholesalers, wholesalers who run retail outlets, and some retailers who also act as importers. Buying groups do not operate in Slovakia.
- The market is characterised by a large number of small outlets. Between 400 and 500 are estimated to exist. The encroachment of international retailers has taken place more slowly than in the Czech Republic, but although they are very much present in the market now, the majority of sales are still made through traditional channels.
- Although the sporting heritage of Slovakia is strong, the market is very chaotic, but starting to change as international retailers are establishing a presence in the market.
- There are no large sports retail chains in Slovakia, with the exception of Intersport. Local retailers of interest include Sport Skiservis Retter (<mailto:sportretter@stonline.sk>), Ahoj v Prirode (<http://ahojvprirode.sk>) who specialise in outdoor equipment, and Finisport, a small chain of three outlets (<http://www.finisport.sk>).
- Department stores and hypermarkets are becoming increasingly important, particularly for sales of fitness equipment, as they have much display space. More expensive equipment tends to be sold in specialist chains, whereas less expensive product is sold via mail order

or via television. The Internet is slowly increasing its importance in this sector. Some specialists also have online sales facilities to complement their retail presence.

- Throughout the sporting goods trade, different prices and margins apply. Like the neighbouring Czech Republic, locals in the trade are reluctant to divulge information on margins, as they fear it may compromise their chances in the market.

3 Trade: imports and exports

Imports

- In 2006, Slovakian imports of sports and camping goods were valued at € 55 million, or 9 thousand tonnes. Out of the 27 EU countries, Slovakia was ranked tenth smallest in value and ninth smallest in volume, and as such is regarded as a small-sized country for sports and camping goods imports.
- Between 2002 and 2006, Slovakian imports grew by an average of 18.7% per annum in value (from € 28 million) and 21% in volume. Much of this growth has occurred in the period since 2004 and more was imported from other EU countries such as the Czech Republic, Germany and Italy.
- Imports exceeded exports by 12% in value, but by double in volume in 2006. Exports are increasing at a faster rate than imports. The same period has seen recent decreases in sporting goods production and an above average annual increase in consumption.
- Around 11% of Slovakian imports, valued at € 6 million, came from developing countries in 2006 (18% by volume). This proportion was 32.4% in 2002 (37.5% by volume), one of the few countries to register an actual fall in supplies from developing countries. China accounted for 74% of all developing country supplies by value in 2006, followed by Moldova (12.7%) and Pakistan (4.9%). Mexico, Indonesia and Thailand were also important suppliers. While China's supplies decreased by an annual average of 12.4% over the period, supplies from Moldova increased by an annual average of 30%. Supplies from Mexico increased over the period, but supplies from Pakistan and Thailand decreased. Apart from China, most Slovakian imports came from the Czech Republic, Italy and Austria.
- By product group, Slovakian imports by value can be sub-divided as follows:
 - Over a quarter of all Slovakian imports were for snow-related items, with equipment for snow sports valued at € 10 million, and ski/snow boots valued at € 5 million.
 - Other significant import groups were team sports (€ 11 million), fitness/gym (€ 11 million), skates (€ 5 million), camping goods (€ 4 million) and fishing (€ 3 million).
 - The remainder was taken up as follows: balls (€ 3 million), water sports (€ 1 million), saddlery (€ 0.7 million), rackets (€ 0.7 million), golf (€ 0.6 million), sports gloves (€ 0.5 million), and table tennis (€ 0.4 million).

Exports

- Sports and camping goods exports from Slovakia were valued at € 48 million in 2006, representing 4 thousand tonnes. This is dominated by ski/snow boots, team sports and fitness equipment.
- Between 2002 and 2006, the average annual increase in exports was 21.2% by value and 6.8% in volume.
- There appears to be some re-exporting from the Slovakian market, as exports are significantly higher than domestic production.

Opportunities and threats

- + Significant import growth has been seen for snow sports and ski/snow boots, but much of this may be re-exported.
- + Aside from this, the main growth opportunities for developing country suppliers are in fitness equipment and team sports. Both have seen impressive DC growth in recent years.
- + Other notable opportunities are in items for outdoor activities, particularly fishing and camping. Most product groups have seen import growth as you might expect from a developing economy.

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 Slovakia have been rising in recent years.
- The website of Slovak National Statistics (<http://www.statistics.sk>) publishes harmonised indices of consumer prices. Prices in 2006 were 3% higher than 2005. More information on price trends can be found at the National Bank of Slovakia (<http://www.nbs.sk>).
- A useful website comparing sports and camping goods prices in Slovakia is <http://www.nextag.com>. Prices can also be found at the websites of some sports retailers in Slovakia. 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. If import prices are now starting to rise, there is also little room for retailers to cut their overheads, making it 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 prices have been falling since 2002. However, the low point for import prices was 2004, after which they have slowly started to increase. Prices are higher than the EU average; perhaps as the Slovakian economy has been performing better than the major EU economies in recent years.

Table 4.1 Developments in Slovakian 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	6.71	4.91	6.20	-2.0%
Intra EU	9.33	5.06	6.77	-7.7%
Developing countries	4.68	4.12	3.63	-6.2%

Source: Eurostat (2007)

5 Market access requirements

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

- There is no trade association for sporting goods but more general information on sport can be found at the Slovak Association Sport for All (<http://www.aspv.sk>) and the Slovak Union of Physical Education, Sport and Recreation (<http://www.szrtvs.sk>).
- The International Specialised Sport Exhibition takes place each year in Bratislava in January, and there is a Sport and Fishing exhibition at the end of March. Both are organised by <http://www.incheba.sk>.
- The National Sports centre publishes the NSC Revue (<http://www.sportcenter.sk>). Novy Cas Special Krizovky is published by <http://www.ringier.sk>. Sport & Fitness Magazine is published by Media – ST.
- The Slovak Chamber of Commerce may be a useful point of contact and can be reached at <http://www.sopk.sk>.
- Another useful website is <http://www.doingbusiness.sk>. The market research consultancy Incoma has some information on the Slovak market (<http://www.incoma.sk> - this is a sister company to the larger Czech company). Market information on Slovakia can be found at GfK's Slovak website (<http://www.gfk.sk>).

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

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