CBI MARKET SURVEY

THE SPORTS AND CAMPING GOODS MARKET IN SPAIN

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Report summary
This CBI market survey discusses the following highlights for the sports and camping goods market in Spain:

- Spanish consumption of sports and camping goods was € 1.4 billion in 2006, an average annual increase of 3.8% since 2002, while production increased by 4.7% to € 203 million in 2005.
- In 2006, Spain imported sports and camping goods valued at € 453 million, or 73 thousand tonnes. Since 2002 values are up by 9.8% but volumes are up by an average annual rate of 12.1%.
- 30% of imports by value came from developing countries (55% by volume). The share of imports by developing countries is up slightly from 28% in 2002 in value, and up from 44% in volume terms.

This survey provides exporters of sports and camping goods with sector-specific market information related to gaining access to Spain. By focusing on a specific country, this survey provides additional information, complementary to the more general information and data provided in the CBI market survey 'The sports and camping goods market in the EU', which covers the EU market 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

Market size

The Spanish market for sports and camping goods was worth € 1.4 billion in 2006. This was the fifth largest market in the EU, behind Germany, France, the UK and Italy, but well ahead of Sweden and The Netherlands. This market value represented 9.1% of the total EU market, a share which has increased from 8.5% in 2002. Hence this market has increased in importance within the EU since 2002.

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

2002	2003	2004	2005	2006	Average ann. % change	Population (million)	Consumption per capita €
1,188	1,230	1,297	1,340	1,381	3.8	44.11	31.31

Source: Mintel, SGI (2007)

Per capita consumption of € 31.31 was very close to the EU average of € 30.74. This was perhaps to be expected. Generally speaking, expenditure on sports and camping goods and sports participation levels are lower in southern Europe than northern and western Europe, although they are catching up. Volume figures were not available for consumption.

Spain was the best performing major EU market between 2002 and 2006. Performance in the last year two years has been particularly strong. This is explained as much by retail developments in distribution and product range presentation, which are encouraging sales through better displays of products, as much as consumers wishing to make extra purchases.

The market is forecast to continue to grow in Spain in the next few years, to the extent that it will become a more important market within the EU than it currently is.

Market segmentation

In the sports and camping goods market, the main basis upon which the market is segmented is by type of sport or activity. There are some generalisations that apply across different sports, but each sport or activity has its own set of users. Within each sport it is also quite common to apply some form of demographic segmentation, either by age or gender.

Spanish consumption of sports and camping goods consisted of team sports 33% (€ 435 million); snow sports 19% (€ 255 million), approximately 80% of which was skis and ski equipment, the remainder ski/snow boots; outdoor 18% (€ 235 million), of which almost 40% was camping goods, one third fishing and the remainder horse riding equipment; fitness equipment 12% (€ 160 million); individual sports 11% (€ 140 million) and water sports 7% (€ 85 million).

Sports participation in Spain is close to but just below above the EU average. Between 2000 and 2005, the proportion of 15-65 year olds who never or hardly ever practice sport has decreased from 62% to 60%, while those that practice once a week has increased from 20% to 22%. Those practicing more often are unchanged on 16%. The greatest increases have come from significant numbers of women participating in sport, and also a significant increase in consumers who live in urban areas. The other notable points are a significant increase in the number of 55-65 year old people who are now regular participants, and also a significant reduction in the number of people practising winter sports.

The ten most popular sports in Spain are swimming (33%), football (31.7%), cycling (19.1%), gymnastics (14%), climbing/hiking/walking (11.9%), aerobics (11.7%), jogging (11.1%), basketball (9.4%), tennis (8.9%), athletics (7.2%). While outdoor activities are also very popular and increasing in Spain, the number of people fishing is less than in 2000, although the number of horse riders has increased.

The greatest increases in participation have been seen in golf, pétanque and bowls, rugby, and padel (a racket sport from Argentina), whereas falls have occurred in pelota (a type of ball game), volleyball, martial arts, handball and table tennis. A number of these sports have significant uses of sports equipment, whereas many such as swimming do not. More information on sports participation in Spain can be found in chapter 1 of the CBI market survey `The EU market for sports and camping goods`.

Market trends

Action sports are part of a growing trend and movement towards a more unconventional way of enjoying sport and the outdoors, particularly among young people. Emphasis on sports participation is expected to be less on competitive team sports and more on leisure and individual sports. This development will stimulate the market towards adventurous alternatives such as extreme sports.

The geography of Spain facilitates the potential for these types of activities. For example there are mountain ranges, long coastlines, islands in the Mediterranean and the Atlantic, and plentiful beaches which are ideal for surfing. Snowboarding has become a popular addition or alternative to skiing, while the growth of skateboarding has led to the creation of many skateboard parks in urban areas.

The growth in these action sports will also be part of a trend towards greater and more sophisticated branding of equipment and apparel used in these types of activities. It is also in this sector of the market where there is the greatest cross over between sports and fashion. Equipment designed for this market needs to have an understanding of youth culture and the lifestyles of young people.

The trend to more individual sports alongside more older people taking up sports will create more demand for equipment in activities such as golf, hiking, fitness equipment such as in-home trainers, and water sports.

An interesting trend which is very appealing to women, particularly younger women, is the changing nature of health clubs with a shift away from being exclusively used for body care and slimming, to becoming places for socialisation, including the provision of internet connections, hair stylists, nurseries, bookstores and other services. This should encourage more people who are less serious about their fitness to join them.

The use of the Internet as a shopping tool in this sector is forecast to grow. Consumers' ability to shop around will result in price-transparency for branded products, forcing retailers to become more price-competitive. Different retailers will respond to the Internet in different ways, depending on their product range and their position in the market. Some retailers use their own Internet sites to complement their retail offering, while others, including those without their own website, try to encourage customers to their stores by offering additional services like professional advice or more exclusive product lines to make the shopping experience more memorable.

The sports media has traditionally been very strong in Spain, but its influence is growing further, as is the importance of sponsorship. Similar to many other EU countries, sports and activities that do not have high profile sponsors will see their participation levels fall.

Music will be increasingly used as a means of communication to sell fitness products. One product trend includes weights and equipment designed for young children, naturally a smaller size than standard equipment products, and more colourful. In addition, the concept of bio-gymnastics tries to combine the appeal of fitness training with a more contemporary "new age" environment, such as wooden walkways, real sand, natural materials for seating and innovations which use holistic disciplines and oriental arts.

Production

Total production

Production of sports and camping goods in Spain has been increasing in value in recent years, but decreasing in volume. Spain is the sixth largest producer in the EU, close to the value produced by Austria, but well behind the production value of the top four countries (Italy, the UK, France and Germany). Spain accounted for 5.7% of EU sports and camping goods production in 2005.

The value of sports and camping goods production in Spain in 2005 was € 203 million. As table 1.2 indicates, this is up from € 177 million in 2002, and represents an average annual increase of 4.7%. These figures may be somewhat understated as they do not include figures for confidential trade. The good performance of Spanish production is in part explained by supportive government promotion of exports. Nevertheless production is expected to reduce in future years as more of the leading manufacturers contract production overseas.

According to Eurostat, 60% (€ 123 million) of Spain's declared production was for team sports equipment; 23% (€ 47 million) for equipment related to fitness/gym; 7% (€ 14 million) camping goods; 5% (€ 11 million) saddlery items; 3% (€ 7 million) items for table tennis. Over the review period, the major changes have seen the share of team sports production increase significantly, while production of water sports was valued at € 15 million in 2002, but none was recorded in 2005. This is likely to be part of the undeclared trade, which also seems to include some snow sports and fishing equipment.

Table 1.2 Production of sports and camping goods in Spain, 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			
177	13	219	13	203	5	4.7	200	2,000

Source: Eurostat, Statistics Spain (2007)
*: 2006 data not available

Approximately 200 companies, employing 2,000 people were engaged in the production of sports and camping goods products in Spain in 2005. This represents a slight reduction in numbers since 2002. Most producers are located in the north east of Spain in the Catalonia area. Many now sub-contract part of their production abroad, particularly to Latin America and North Africa, and most manufacturers are also involved in exporting to a certain degree.

Main players

- The main manufacturers in Spain are:
    - Salter produce exercise and fitness equipment including treadmills, steppers, rowers, weights and strength machines (http://www.salter.es).
    - Nayblan are manufacturers of table tennis equipment and rackets (http://www.nayblan.com). Also in this product group is Creber (http://www.sportcreber.com).
    - Eolo Sports produce kites and boards (http://www.eolo.com).
    - Galvan Sport produce equipment for team sports, particularly for basketball, football, handball and tennis (http://www.galvansport.com).
- There are many other smaller producers in Spain, but these larger companies will be able to provide advice on smaller companies. A catalogue of sports and camping goods manufacturers can be found at the website of the Spanish Association of the Sporting Goods Industry (AFYDAD – see chapter 6 for contact details).

Opportunities and threats

+ Developing country exporters have up to now not been as successful as penetrating the Spanish market as they have been in other major EU markets. This is partly due to the fragmented nature of the distribution structure, but as this evolves, more opportunities should become available.
+ Some of the newer action sports will provide a basis for new opportunities, at a time when the winter sports market, and skiing in particular, is starting to gradually decline. In addition, the golf equipment market is enjoying a boom as the game spreads from the tourist and expatriate population to the domestic population, where new `public` golf courses will make it more affordable to more people.
- There are other difficulties entering the Spanish market. In some product sectors, product performance sometimes comes behind good design. Developing country exporters need to demonstrate a high degree of design flair.

Equally any of these trends can be an opportunity for one exporter, but a threat to another. Spanish buyers are not always loyal to particular overseas suppliers, so you may lose out to a supplier from your own country or neighbouring country. It is important to appreciate how your specific situation will apply to this market.

See also chapter 7 of the CBI market survey `The EU market for sports and camping goods` for more information on opportunities and threats.

Useful sources

- Details of commercial research organisations that produce market reports can be found in the chapter 1 (section 1.5) of the CBI market survey `The EU market for sports and camping goods`.

- Production information can be obtained from Eurostat as well as Spanish National Statistics (see later in this report for contact details).
- The Spanish Association of the Sporting Goods Industry, known as AFYDAD, is the main trade association (http://www.afydad.com).
- Other important trade associations include The Spanish Football Federation (http://www.rfef.es), the Fitness & Bodybuilding Association (http://www.ifbb-spain.com), the Spanish Equestrian Federation (http://www.rfhe.com), the Winter Sports Federation (http://www.rfedi.es) and the Spanish Golf Federation (http://www.golfspainfederation.com).
- Details of the main trade fairs and trade press can be found in chapter 6.

2 Trade channels for market entry

Trade channels

The sporting goods market in Spain is fragmented. Chain stores have not made the same gains here as in other EU countries due to the strength of buying groups within the independent specialist sector. Information on how to approach buying groups can usually be found on their websites. They need careful preparation and thought before contacting them in order to receive an optimum response.

Sporting agents are important in Spain, and exporters from developing countries would be advised to investigate this channel, as well as directing their efforts towards the traditional importers and wholesalers who also serve the independent retailers that specialise in sporting goods. Many wholesalers have now become importers in their own right. It is also an important channel to reach smaller mail order companies and other non-specialists. Some disadvantages in working with an importer/wholesaler are that their margins are high and they may require the exclusivity for your item in Spain.

Other opportunities also exist for developing country exporters in some non-specialist channels. Some department stores or hypermarkets may be interested in buying product that they can sell under their own private label, subject to assurances on quality.

Another potentially interesting channel is via contract manufacturing or outsourcing. The manufacturing base for this sector is quite healthy, so opportunities may still be found, depending on the product groups in which you are active. In this channel, you will not have any contact with the retail or wholesale channel, but good possibilities may still exist, particularly if there are strong historical connections with your country. You can find contacts at the Spanish Association of the Sporting Goods Industries (see chapter 1 for contact details).

The largest retailer of sporting goods is Decathlon (http://www.decathlon.es), followed by the department store chain El Corte Ingles (http://www.elcorteingles.es). Other leading retailers are Intersport (http://www.intersport.es) and Base Detail Sport, who are affiliated to Sport 2000 (http://www.detailsport.es).

Trends in the retail sector

The two key distribution trends in sporting goods retailing both impact directly on how a developing country exporter should approach this market.

- Firstly, the strength of the specialist independent sector continues to be sustained by the large number of sports buying groups operating in the country, despite the progress made by large specialist chains.
- The second key trend is the continuing strength of one particular department store group and the increasing range of non-specialist outlets that now sell sporting goods. This exerts additional pressure on specialist retailers, who have to improve their performance to remain competitive. The growth of Internet sales is a further example of this trend.
- Over 5,000 outlets sell sporting goods in Spain, but just a fraction of these are specialists. The current Spanish distribution breakdown is featured in table 2.1.

Table 2.1 Share of sporting goods retail distribution in Spain, % value 2006

Outlet type	% share
Specialists	**64%**
Chain stores (inc single brand stores)	19%
Buying groups	28%
Independent stores	15%
Non-specialists	**36%**
Department/variety stores	12%
Hypermarkets	5%
Mail order/Internet	4%
Others (inc clothing & footwear stores)	15%
Total	**100%**

Source: Trade estimates (2006)

Price structure

Generally speaking, margins on sporting goods have been falling in Spain in recent years, as a result of intense competition in the supply chain, and fierce competition between retailers who have been fighting for market share. The consolidation of the market is also bringing additional pressures on margins, particularly at the wholesale level. In each trade channel different margins and prices apply, with multiples of 3 up to 4.5 of the export (FOB) price.

Table 2.2 Overview of margins in sporting goods

	Low	**High**
Importers/wholesalers' margins	40%	70%
Agents' margins	10%	15%
Retailers' margins	60%	110%
Multiples Export price - Consumer price	**3.0**	**4.5**

These margins will vary depending on which market segment is being approached. The higher the market segment, the higher the margins that can be commanded. Buying groups ask for large-volume discounts, which are then passed on to their members.

More information can be found in chapter 3.2 of the CBI market survey 'The sports and camping goods market in the EU'.

Interesting players

- Interesting wholesalers or importers for developing country exporters include DMV Sports Madison, who specialise in table tennis and pétanque (http://www.sportsmadison.com), Duna Trading, who supply various products including surf and snowboards (http://www.duna.com), Giesse Sport (http://www.giessesport.com), Jorcani Sports (http://www.jorcani.com) and Norlan (http://www.norlan.net).
- Smaller, but important buying groups for developing country exporters include Atmosfera Sport, who have 125 affiliated stores (http://www.atmosferasport.es), Grupo 1, who have 75 members (http://www.grupo1.net) and Oxigeno Ibersport (http://www.deportespodium.com).
- The College of Commercial Agents can direct you to sporting goods agents (http://www.cgac.es).
- There may be value in approaching some small specialist retailers who are currently still unaffiliated to a buying group. These retailers may appreciate personal service or an offer of some promotional or sponsorship support to help provide them with a point of difference from the specialist chains. Such retailers include Aresta, who have four stores (http://www.aresta.com), DJ Sports (http://www.dj-sports.net) and Jesus Sport (http://www.jesussport.es)

- One advantage of working directly with retailers is that you can get a better price than through an importer or agent. However, it will be more difficult to establish a relationship as they often change suppliers. They also restrict the range they stock, so gaining distribution here will be difficult. Another disadvantage is they require special conditions in terms of fast delivery, labelling, packaging (special promotions) or after sales service.

Selecting a suitable trading partner
This is a very important part of the export process. As important as finding a contact that is suitable for you in terms of the range of products that you can supply is the relationship and empathy you can establish between yourself and your partner. The essential element of any trading relationship is trust. You must satisfy yourself that you will be happy to deal with the organisation in question over a long period. Your own judgement and instincts are most important in this respect.

In relation to how you find a trading partner, the usual trade sources are an important point of contact. The Spanish Association of the Sporting Goods Industry is an important contact (see chapter 6 for contact details). The best place to meet potential trading partners is at a sporting goods trade fair. Details of the main trade fairs are listed elsewhere in this report.

It would be better to first visit an exhibition a few times before participating yourself. During a visit you can extensively look around at the stands of the main players and get a better idea of the latest fashions. At trade shows you have an opportunity to talk to potential partners on a face-to-face basis and better judge whether you would like to work with them. You could also identify potential partners from the exhibition website beforehand or from a catalogue. When selecting them (e.g. importer or wholesaler) try to find out:

- Which products they sell (focussed on type of sport).
- To which target groups they sell.
- In which areas they are well represented in their country. If they are exporting, to which other EU countries they sell.
- To whom they sell e.g. small or large retailers, department stores, buying groups etc..

You could also find this out by looking at their website or try to find a company profile through other hosted sites e.g. of a local BSO or trading platform, or by finding their company brochure. You can contact interesting trade partners by mail or e-mail and follow up by phone a few weeks later. See also chapter 3.1.3 of the CBI Export manual 'Exporting to the EU'.

Although you may initiate a communication by post or email, it is recommended that there is some personal communication before a trading partner is selected. Personal communication is highly valued in Spain.

You should also do a credit check of your potential trade partner, especially when an investment from your side is involved. This credit check could be done by a specialist company such as Dun and Bradstreet (http://www.dnb.com). A bank usually does not give credit ratings of its customers.

In this regard, you could also contact Business Support Organisations in Spain or the commercial department of your own embassy to see if they have any useful contacts. They may even have some knowledge of contacts you may have made independently. The organisation that promotes investment in Spain can be reached at http://www.interes.org. In addition, the Spanish Institute for Foreign Trade is a good point to get information about doing business in Spain (http://www.spainbusiness.com).

3 Trade: imports and exports

Imports

Total imports
In 2006, Spain imported sports and camping goods valued at € 453 million, or 73 thousand tonnes. This accounted for 6.1% of all EU imports by value, or 5.4% by volume. This

represented an average annual increase in value of 9.8% since 2002 (12.1% in volume). Spain was the seventh largest importer of sports and camping goods by value and by volume (after the UK, France, Germany, Italy, The Netherlands and Belgium). Spanish imports are quite similar in value to Belgium and Austria.

This growth in imports contrasts with just a 1.2% growth in exports, which are less than half the value of imports. However, import volumes are almost three times larger than export volumes. Production has fallen since 2004, but it is well up on 2002 levels, and the consumer market has been showing a 3.8% annual increase over the period.

Around 30% of Spanish imports by value (€ 136 million) came from developing countries and 54.7% (40 thousand tonnes) by volume. China is the largest supplier (23% of total value imports and 49.6% of total volume imports), with supplies valued at € 104 million or 36 thousand tonnes. The next largest supplier is France (21.4% of total value imports and 11.2% of total volume imports), with supplies valued at € 97 million or 8 thousand tonnes. The next two largest suppliers to Spain are Italy and Belgium. Italy has supplies valued at € 44 million, or 4 thousand tonnes (9.8% of value and 4.8% of volume). Belgium has supplies valued at € 36 million, or 8 thousand tonnes (7.9% of value and 11% of volume).

The share of supplies by developing countries is up from 27.8% in value (€ 87 million) in 2002, and up from 43.9% in volume terms. Supplies from China have increased by an annual average of 13.4% (19.7% by volume) over the period, while Pakistan's supplies are unchanged by value, although volumes are marginally higher. Supplies from India, Thailand and Argentina are up in both in value and in volume.

Imports by product group

The five selected product groups are shown in this table in detail. Import values of other product groups are mentioned in the text for completeness.

Table 3.1 Imports by and leading suppliers to Spain 2002 - 2006, share in % of value

Product	2002 € mln	2004 € mln	2006 € mln	Leading suppliers in 2006 Share in %	Share (%)
Total market sector	186	234	277	Intra EU: France (21.4%), Italy (9.8%), Belgium (7.9%), The Netherlands (6.0%), Germany (5.6%)	61.1
	38	39	41	Extra EU ex. DC*: USA (3.2%), Taiwan (2.9%), Japan (0.9%), S Korea (0.8%), Hong Kong (0.3%)	9.1
	87	100	135	DC*: China (23.0%), Pakistan (2.8%), India (1.0%), Thailand (0.8%), Argentina (0.6%), Malaysia (0.5%), Vietnam (0.3%), Philippines (0.2%), Indonesia (0.2%), S Africa (0.2%)	29.8
Fitness	29	52	54	Intra EU: Italy (19.4%), Belgium (17.5%), France (4.8%), Portugal (3.7%), Germany (3.5%)	56.8
	11	13	14	Extra EU ex. DC*: USA (6.7%), Taiwan (6.3%), Canada (0.8%), S Korea (0.7%), Hong Kong (0.6%)	14.8
	9	17	27	DC*: China (25.3%), Argentina (0.8%), Malaysia (0.4%), India (0.1%), Turkey (0.1%), Pakistan (0.1%), Thailand (0.1%), Brazil, Mexico, Sri Lanka	28.4
Team sports	40	42	56	Intra EU: France (20.8%), Belgium (11.1%), Italy (7.0%), Germany (6.2%), Denmark (4.2%)	60.1
	5	6	7	Extra EU ex. DC*: Taiwan (4.3%), USA (3.0%), S Korea (0.3%), Hong Kong (0.1%), Canada (0.1%)	7.7

	10	15	30	DC*: China (29.2%), Pakistan (1.0%), Argentina (0.5%), Turkey (0.3%), Thailand (0.2%), Malaysia (0.1%), India (0.1%), Mexico (0.1%), Vietnam, Philippines	32.1
Balls	10	14	26	Intra EU: The Netherlands (34.7%), France (11.9%), Belgium (4.0%), Germany (3.2%), UK (2.4%)	59.3
	1	1	1	Extra EU ex. DC*: Taiwan (0.6%), USA (0.3%), Japan (0.2%), Hong Kong (0.1%), Canada	1.8
	15	17	18	DC*: Pakistan (17.4%), China (17.1%), Thailand (3.3%), India (1.2%), Vietnam (0.5%), Indonesia (0.3%), Malaysia (0.1%), Mexico (0.1%), Colombia, Argentina	38.9
Camping goods	8	10	17	Intra EU: France (29.0%), Belgium (11.3%), Italy (7.9%), Germany (5.3%), UK (2.0%)	58.3
	2	0	1	Extra EU ex. DC*: Taiwan (0.2%), USA (0.2%), Hong Kong (0.1%), Canada (0.1%), Israel	0.7
	12	12	12	DC*: China (38.3%), Vietnam (1.5%), Indonesia (0.6%), Pakistan (0.2%), Brazil (0.1%), Morocco (0.1%), Tunisia, India, El Salvador, Mongolia	41.0
Saddlery	4	4	5	Intra EU: Germany (17.3%), France (7.8%), Italy (4.6%), Belgium (1.4%), UK (1.1%)	36.0
	3	2	2	Extra EU ex. DC*: Taiwan (7.3%), USA (1.2%), Switzerland (1.0%), S Korea (0.4%), Hong Kong (0.1%)	10.0
	4	5	8	DC*: India (23.3%), China (22.7%), S Africa (2.4%), Vietnam (2.4%), Argentina (1.9%), Pakistan (0.5%), Mexico (0.3%), Thailand (0.1%), Brazil (0.1%), Colombia (0.1%)	54.0

Source: Eurostat (2007)
*Developing Countries

Fitness
This is the largest of the selected product groups. Valued at € 95 million in 2006, this represented 21% of all sports and camping goods imports to Spain (39.3% by volume). This compares with a share of 15.9% in 2002 (32.1% by volume). Hence this product group is increasing in significance in its value and volume contribution to imports. Intra-EU trade represents 58.8% of the value supply (40% by volume), and this has decreased very marginally in value from 59% in 2002, but marginally increased in volume from 39.3%. Italy's and Belgium's shares have significantly increased from 2002. The share of imports by Portugal and The Netherlands have decreased, while of the other leading intra-EU importers, the German share of imports are up.

As far as developing country suppliers are concerned, they represent 28.4% of all imports by value (50.5% by volume), up from 18.8% (€ 9 million) in 2002, and up from 45.6% by volume. China (€ 24 million) dominates the developing country supply of equipment for fitness/gym. China's share is up by an annual average 29.6% since 2002. Of the other developing country suppliers, values from Argentina and India have increased, while supplies from Malaysia have decreased.

In terms of product groups, exercise apparatus with adjustable resistance mechanisms represents 45% of the product group (down from 58% in 2002), while articles and equipment for general physical exercise make up the remainder. This is running against the trend of most other major EU countries.

Team sports
This is the second largest of the selected product groups. Valued at € 93 million in 2006, this represented 20.5% of all sports and camping goods imports to Spain (26.3% by volume). This compares with a share of 17.6% in 2002 (20.9% by volume). Hence this product group is increasing in significance in its value and volume contribution to imports. Intra-EU trade represents 60.1% of the value supply (35.1% by volume), and this has decreased in value from 72.5% in 2002, and decreased in volume from 64.4%. Belgium's share has increased significantly from 2002, suggesting re-exports from other (probably DC) countries. The share of imports by France and Germany have decreased, while of the other leading intra-EU importers, the Italian share of imports is up.

As far as developing country suppliers are concerned, they represent 31.6% of all imports by value (57.1% by volume), up from 18.2% (€ 10 million) in 2002 (30.4% by volume). China (€ 27 million) dominates the developing country supply of equipment for team sports. However, whereas the value of China's supplies has increased by an average annual 32.1% over the period, supplies from Pakistan and Argentina have increased at a lower rate, while Malaysia's share of supplies has decreased.

In terms of product groups, Eurostat only separates out equipment for cricket and polo. This is a negligible part of the group as a whole. Despite this, the share of cricket and polo equipment has reduced over the period.

Balls
Balls were valued at € 45 million in 2006. This represented 10% of all sports and camping goods imports to Spain (8.4% by volume). This compares with a value of 8.2% and volume share of 7.8% in 2002. Hence this product group is increasing in significance in its value and volume contribution to imports. Intra-EU trade represents 59.3% of the value supply (37.8% by volume), and this has increased in value from 38.3% in 2002, and also increased in volume from 30.1%. The dominance of The Netherlands suggests that in fact much of this trade consists of re-exports from other (probably DC) countries. Their share has increased significantly from 2002. Italy's share of imports has decreased.

As far as developing country suppliers are concerned, they represent 38.9% of all imports by value (61.2% by volume), down from 59.4% (€ 15 million) in value and down from 68.1% by volume in 2002. This is largely explained by significant increases in supplies from The Netherlands (see above). Although Pakistan (€ 8 million) is still the leading value supplier, this has fallen since 2002, and China is the leading volume supplier by some distance. Of the other leading developing country suppliers, India's share has fallen while Thailand has increased its share.

In terms of product groups, inflatable balls account for 84% of the group (€ 38 million, 91% of which are non-leather); tennis balls are valued at € 5 million, and other balls are valued at € 3 million, of which cricket or polo balls are negligible. There is a trend away from leather balls.

Camping goods
This is the next largest of the selected product groups. Valued at € 30 million in 2006, this represented 6.6% of all sports and camping goods imports to Spain (8% by volume). This compares with a share of 7% in 2002 (7.7% by volume). Hence this product group is marginally decreasing in significance in its value contribution, but increasing its volume contribution to imports. Intra-EU trade represents 58.3% of the value supply (33.3% by volume). This has increased significantly in value from 35.8%, and in volume from 16.9% in 2002. The share of all the leading intra-EU importers has increased since 2002, especially Italy and Germany.

As far as developing country suppliers are concerned, they represent 41% of all imports by value (66.2% by volume), up from 55.3% (€ 12 million) in value, but down from 82% by volume in 2002. China (€ 11 million) dominates the developing country supply of camping goods. Supplies from China are unchanged in value since 2002, but significantly up in volume. Of the other developing country suppliers, values from Vietnam and Indonesia have both increased.

In terms of product groups, tents account for 57% of the group (€ 17 million, 81% of which are made of synthetic material); other camping goods are valued at € 3 million, 81% of which are made of textile material; sleeping bags are valued at € 8 million and pneumatic mattresses € 2 million. There is a move towards tents of synthetic material, particularly away from cotton tents. The same applies to a move away from other camping goods made of cotton.

Saddlery
Saddlery items were valued at € 15 million in 2006. This represented 3.3% of all sports and camping goods imports to Spain (2.6% by volume). This compares with a share of 3.4% in 2002 (2.5% by volume). Hence this product group is marginally decreasing in significance in its value but marginally increasing its volume contribution to imports. Intra-EU trade represents 36% of the value supply (21.5% by volume), and this has increased in value from 33.9% in 2002, but decreased in volume from 30.3%. The German share of imports has increased, while the French share has decreased. Outside the EU, the Swiss share has significantly reduced.

As far as developing country suppliers are concerned, they represent 54% of all imports by value (69.4% by volume), up from 39.6% (€ 4 million) in value and 53.4% by volume in 2002. India (€ 3 million) is the leading developing country supplier of saddlery items, followed by China, although China supplies more volume. China's share is increasing at a faster rate than India's. Vietnam and Argentina have both seen increasing supplies.

Eurostat does not separate this group into smaller sub-groups.

Other product groups
The value of other product groups not selected are as follows: fishing (€ 37 million), water sports (€ 36 million), golf (€ 29 million), snow sports (€ 22 million), rackets (€ 18 million), skates (€ 14 million), ski/snow boots (€ 7 million), sports gloves (€ 6 million) and table tennis (€ 4 million).

Exports
In 2006, Spain exported sports and camping goods valued at € 209 million, or 28 thousand tonnes. This represents an average annual increase in value of 1.2%, and an average annual increase of 1.3% in volume since 2002.

Spain was the ninth largest exporter by value after France, Italy, Germany, Austria, Belgium, The Netherlands, the UK and the Czech Republic, but seventh largest by volume (having more volume than the UK and the Czech Republic). 79.4% of Spanish exports by value were intra-EU (70.6% by volume), the majority of which were to France and Portugal. Outside the EU, Switzerland, USA and Morocco were the main export destinations.

In terms of product groups, snow sports accounted for 26.8% by value (€ 56 million), down from 23.6% in 2002. The main destination was France. The next largest group of exports were team sports, which accounted for 25.8% of all exports (€ 54 million), up from 24.1% in 2002. France, Portugal and Italy were the main destinations.

Fitness/gym represented 12.9% of all exports (€ 27 million). This is down from € 32 million in 2002. Water sports was the next largest at 11% (€ 23 million). France and USA are the largest destinations for water sports.

The remaining groups of exports were as follows: fishing (€ 13 million), balls (€ 11 million), camping goods (€ 6 million), saddlery (€ 6 million), golf (€ 5 million), table tennis (€ 4 million), then skates, rackets, ski/snow boots and sports gloves in descending order.

Opportunities and threats

\+ Spain is an interesting market for exporters from developing countries. Local production is quite large but falling somewhat recently. Exports of camping goods and saddlery items are falling, suggesting potential opportunities in these areas for DC producers. Developing country shares of imports have been increasing. Further opportunities will arise as sports participation in Spain increases.

\+ The fact that the value share of imports from developing countries is up over the period while the volume share is up even more indicates downward pressure on prices. Exporters should take care not to trade at a loss or with unsustainably low margins over a prolonged period. This may be justifiable for a limited period to gain market entry, but it is neither advisable nor feasible to trade in this way in the long run.

\+ There are wide differences in the performance of the various different product groups. Many of the groups selected are enjoying good growth rates, but at present the best opportunities for developing country exporters appear to be presenting themselves in the balls, team sports and fitness sectors.

It is also important to note that an opportunity for one developing country can also be a threat to another. Many EU countries switch country sources purely for competitive advantage, rather than moving supplier because of changes in demand for other reasons. Exporters should read carefully the trends and developments outlines on other parts of this survey before establishing whether Spain offers a genuine export opportunity.

See also chapter 7 of the CBI market survey `The EU market for sports and camping goods` for a more general analysis.

Useful sources

- EU Expanding Exports Helpdesk

http://export-help.cec.eu.int/ ➔ go to: trade statistics

- Eurostat – official statistical office of the EU

http://epp.eurostat.cec.eu.int ➔ go to 'themes' on the left side of the home page ➔ go to 'external trade' ➔ go to 'data – full view' ➔ go to 'external trade - detailed data'

4 Price developments

Sports and camping goods prices in Spain are slightly below the EU average. The price index in Spain has increased by 2.4% in the last year, while prices in the recreation and culture sector have decreased by 0.2%. Within this broad category, prices for sporting equipment fell by 1% in 2005, but increased by 0.4% in 2006.

Spain is like most EU countries that have seen prices fall in recent years. The greater choice in the market, and more demanding consumers all continue to exert this downward pressure. This long-term trend seems to be changing and perhaps import prices will rise in future. The sales channel has an important bearing on price developments in this sector. Prices have remained strong at the top end of the market, but prices have come down in all other sectors. It has been particularly tough for retailers who operate in the mid-market. Their customers are often price sensitive and they see much lower prices in hypermarkets and mail order catalogues. These lower prices are often accompanied by noticeable increases in the quality of the products, hence an increase in their relative value.

Consumer price indices are published on the Spanish national statistical website (http://www.ine.es). Information on broad price changes can also be obtained from the Spanish National Bank (http://www.bde.es). Prices can be found at the website of the main department store (http://www.elcorteingles.es). Prices of sports and camping goods in Spain can also be found by visiting the websites of sporting goods retailers. See chapter 2 for contact details.

Import prices to Spain are 2% lower annually than in 2002, but this hides the fact that they fell even further up to 2004, and they have been rising slowly since then. Import prices are below the EU average for developing country import prices, but intra-EU prices are above average. Unlike most countries, intra-EU import prices increased, which in conjunction with high DC price decreases, may indicate market polarisation between high and low price sectors. These trends should be interpreted with care, as changes in imports do not reflect the demand in these countries. 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. It is also clear that large retailers increasingly control pricing decisions.

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

	2002 ave price per '000 tonnes	**2004** ave price per '000 tonnes	**2006** ave price per '000 tonnes	**ave. annual % change**
Total imports	6.77	6.03	6.24	-2.0%
Intra-EU	8.52	8.95	10.00	+4.1%
Developing countries	4.28	3.25	3.41	-5.5%

Source: Eurostat (2007)

5 Market access requirements

As a manufacturer in a developing country preparing to access Spain, you should be aware of the market access requirements of your trading partners and the Spanish government. Requirements are demanded through legislation and through labels, codes and management systems. These requirements are based on environmental, consumer health and safety and social concerns. You need to comply with EU legislation and have to be aware of the additional non-legislative requirements that your trading partners in the EU might request.

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 Spain in the category search, click on the search button and click on market access requirements.

Information on eco-labelling and packaging legislation is also included in the CBI market information database. Market access requirements are broadly consistently applied across the main EU member states.

Additional 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

General 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) can be found in CBI's export manuals 'Export Planner' and 'Your image builder'. Furthermore cultural awareness is a critical skill in securing success as an exporter. Information on cultural differences in the EU can be found in chapter 3 of CBI's export manual 'Exporting to the EU'. These manuals can be downloaded from http://www.cbi.eu/marketinfo - go to search publications.

Useful sources
There is information on the sporting goods industry in Spain at the website of the Spanish Association of the Sporting Goods Industry (http://www.afydad.com). Some manufacturers featured may be looking to develop relationships with developing country exporters. Other useful contacts are:

- The Spanish Sports website (http://www.sportec.com)
- The Institute for Foreign Trade (http://www.icex.es)
- The Ministry of Sport (http://www.csd.mec.es/csd) has some good information on sports participation in Spain and information on different sports.

Developing a relationship
The most important ways to develop a business relationship are to either exhibit at one of the main sporting goods trade fairs, or to make a direct approach to wholesalers or major retailers. In Spain, many business people still prefer a formal style of communication, both in the way a presentation is put together, and in the way contact is made. However, once contact has been made, a more personal communication is preferred. A very aggressive price driven approach will not be effective, although price is very important in the Spanish market.

Trade Fairs
The main trade fair for the sporting goods industry in Spain is called Deporte Total and takes place in Madrid each year in October (http://www.feriadeporte.com). Nivalia is a ski skow in Barcelona (http://www.nivalia.com). Bread & Butter takes place twice a year in Barcelona and is a large fair that has a specific section called “Sport and Street” featuring fashion-focussed sporting goods products (http://www.breadandbutter.com).

Promotion
Advertising in trade magazines can sometimes be an effective means of reaching a small target group. The main trade publications for sporting goods are CMD (http://www.gescode.es), Diffusion Sport (http://www.diffusionsport.com) and Tradesport (http://www.tradesport.com).

DC exporters are unlikely to have a large budget to engage in some of the above activities, so making intelligent use of limited resources is essential. The key question to ask yourself is whether you are making a general communication to the industry at large to find customers, or whether you are engaging in marketing activity to support a specific customer or prospect. The more targeted you can make your communication activity, the more cost efficient and effective it is likely to be. More details on promotional techniques can be found in chapter 4 of CBI’s `Guidelines for Exporting Sports and Camping Goods to the EU`.

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