CBI MARKET SURVEY

THE SPORTS AND CAMPING GOODS MARKET IN SWEDEN

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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 Sweden. 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 Swedish market for sports and camping goods was valued at € 596 million in terms of retail sales in 2006.
- Swedes spent € 65.86 per capita in 2006, which was the second highest level in the EU, similar to the expenditure levels also enjoyed in Finland.
- Sweden was the sixth largest sports and camping goods market in the EU and this large market was well behind the top five consuming countries of Germany, the UK, France, Italy and Spain, but ahead of the more populous Netherlands.

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

2002	2003	2004	2005	2006	Average ann % change	Population (million)	Consumption per capita €
533	545	558	566	596	2.8	9.05	65.86

Source: Trade estimates, SGI (2007)

- Between 2002 and 2006, the Swedish market increased by an annual average 2.8%. This was above the EU average of 1.8%. Growth was particularly strong in 2006.
- Swedish consumption of sports and camping goods consisted of individual sports, especially golf (28%); outdoor (23%); snow sports (20%); fitness (17%); team sports (10%); water sports (2%).
- The market in Sweden is expected to grow in the foreseeable future at the rate of approximately 3% per annum. Some traditional sports such as ice hockey are suffering as `mental` sports such as yoga and martial arts are becoming more popular. Another factor in Sweden is the relationship between sports, lifestyle and identity. This explains why sports such as golf are so popular. Consumers associate with the lifestyle it displays.
- Among competitive sports, football is the undisputed most popular. After that in terms of participation levels, golf, floorball, athletics, handball, gymnastics, ice hockey, martial arts and horse riding are the next most popular sporting activities.
- The Swedes are a healthy nation. 72% of Swedes exercise at least once a week (38% EU average) and just 18% never exercise or play any sport (53% EU average).

Production

- Sweden is a medium-sized producer of sports and camping goods, and is still an important producer in certain product groups, despite having experienced falls in production in recent years.
- In 2005, there were 300 companies employing approximately 850 people. This level has slightly decreased over the period as companies have increased their capacity but decreased their workforce.

- The production value of € 71 million represented an average annual decrease of 5.5% compared to € 84 million in 2002. This trend is forecast to continue in future years.

Table 1.2 Production of sports and camping goods in Sweden, 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			
84	1	76	1	71	1	-5.5	300	850

Source: Eurostat (2007)
*: 2006 data not available

- Some of the leading manufacturers include Lundhags, who produce outdoor equipment (http://www.lundhags.se), Silva, also in the outdoor sector (http://www.silva.se), and Zone, who produce a wide range of products for team sports (http://www.zone.se).
- Production in Sweden in 2005 was segmented as follows: team sports 50%; fishing 34%; fitness equipment 14%; skates 1%. There was also limited amounts of production in camping goods and ski boots.
- Swedish production has been declining as Swedish manufacturers have been transferring their manufacturing processes to Asia, Eastern Europe or Turkey. Those that have survived do so because of their high degree of specialisation.

Opportunities and threats

\+ Fitness and golf are the major opportunity areas. The amount of affluence, leisure time and positive attitude towards health and fitness in Sweden makes this a market of continuous opportunity.

\- Local production and imports from other countries also make market entry challenging.

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

- There are two main channels of distribution. The most relevant channel for exporters from developing countries is importers and wholesalers. The alternative is to sell directly to large retailers, such as sporting goods retailers or department stores. There are very few agents working in this sector in Sweden.
- 70% of sales of sporting goods are sold through the sports specialists. There is a large independent sector, but due to the nature of physical distribution in Sweden (large country and small population) buying groups are important intermediaries for independent retailers.
- The main buying groups are Intersport (http://www.intersport.se) and Team Sportia (http://www.teamsportia.se).
- Interesting wholesalers are Sportmarket (http://www.sportmarket.se), MnO International (http://www.mno.se/sports.html), Sport Supply (http://www.sportsupply.se), Renew Sports (http://www.zone.se) and High Sport, based in Gothenburg (http://www.highsport.se).
- Nevertheless, selling directly to large retailers, particularly non-specialists may be a good option. Many of these buy unbranded products and sell them as private label. Note that low price versions of sophisticated sporting goods will not find a market in Sweden.
- Apart from Intersport (135 outlets) and Team Sportia (109 outlets), the leading sports retailers are Stadium Sports (http://www.stadium.se) with 83 outlets, Sportex (http://www.sportex.se) with 25 outlets and Sportringen (http://www.sportringen.se) with 46 outlets.
- The Swedish Association of Agents includes names of companies involved in sports goods and accessories and can be reached at http://www.agenturforetagen.se.

- In the non-specialist sector, exporters from developing countries may find it helpful to contact the leading department chain Ahléns (http://www.ahlens.se), or Coop Forum (http://www.coop.se).
- Throughout the sporting goods trade, different prices and margins apply. Wholesale margins are between 30-35%. Agents' commissions are set between 10-12%. Retail margins are falling as the market is becoming more consolidated. Most retailers tend to operate at between 2 and 2.5 times importers price.
- Sales prospects in the Swedish sporting goods market can be found at the website of the Swedish Suppliers of Sports Goods (see chapter 6 for contact details).

3 Trade: imports and exports

Imports

- In 2006, Swedish imports of sports and camping goods were valued at € 289 million, or 44 thousand tonnes. Out of the 27 EU countries, Sweden was ranked ninth 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, Swedish imports grew by an average of 4.4% per annum in value (from € 243 million) and 13.1% in volume. This growth has occurred fairly evenly over the period and more was imported from other EU countries such as Denmark and Germany.
- Imports exceeded exports by over 50% in value, but by over three times in volume in 2006. Imports are increasing at a faster rate than exports, although the rates for each are low. The same period has seen a recent decrease in sporting goods production and an above average annual increase in consumption.
- Around 34% of Swedish imports, valued at € 100 million, came from developing countries in 2006 (59.1% by volume). This proportion was 26.5% in 2002 (46.5% by volume). China accounted for 82% of all developing country supplies by value in 2006, followed by India (5.5%) and Thailand (5.5%). Pakistan, Vietnam and Malaysia were also important suppliers. While China's supplies increased by an annual average of 13% over the period, supplies from India increased by an annual average of 8.3%. Supplies from Thailand and Pakistan decreased over the period, while supplies from Vietnam increased. Apart from China, most Swedish imports came from USA, Denmark and France.
- By product group, Swedish imports by value can be sub-divided as follows:
  - Over 35% of all Swedish imports were for the two largest product groups, with fitness/gym equipment valued at € 57 million, and team sports valued at € 51 million.
  - Other significant import groups were golf (€ 32 million), snow sports (€ 29 million), saddlery (€ 22 million), camping goods (€ 22 million) and fishing (€ 17 million).
  - The remainder was taken up as follows: skates (€ 16 million), ski/snow boots (€ 13 million), balls (€ 12 million), water sports (€ 12 million), sports gloves (€ 3 million), rackets (€ 3 million), and table tennis (€ 2 million).

Exports

- Sports and camping goods exports from Sweden were valued at € 157 million in 2006, representing 14 thousand tonnes. This is dominated by team sports and fishing equipment.
- Between 2002 and 2006, the average annual increase in exports was 1.4% by value and 5.7% in volume.
- There appears to be some re-exporting from the Swedish market, as exports are significantly higher than domestic production.

Opportunities and threats

\+ The main growth opportunities for developing country suppliers are in team sports and fitness/gym equipment. Both have seen impressive DC growth in recent years.
\+ Other notable opportunities are in items for outdoor activities, particularly saddlery and camping, as well as water sports.
\+ Some product groups have seen reductions over the period, suggesting less opportunities. In particular, golf, fishing and skates have seen decreases in imports.

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 Sweden are among the highest in the EU, but they have broadly been falling or remaining unchanged in recent years.
- The website of Swedish National Statistics (http://www.scb.se) publishes harmonised indices of consumer prices. Recreation and culture prices in Sweden fell in 2005 but have risen slightly in 2006. However, they have risen less than any other category of expenditure, with the possible exception of communication equipment.
- A useful website comparing sports and camping goods prices in Sweden is http://www.nextag.com. Prices can also be found at the websites of some sports retailers in Sweden. See chapter 2 for contact details.
- 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. There is also little room for retailers to cut their overheads further, making it more likely that consumer prices will eventually rise. This applies particularly to branded products, but also to non-branded products to a lesser extent. Large retailers increasingly control pricing decisions.
- Although average import prices in Sweden are still above the EU average, due in part to a large trade with other high-priced Scandinavian neighbours, they have actually been falling at a rate well above the average. This possibly suggests some convergence of prices with other EU countries.

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

	2002	**2004**	**2006**	**ave. annual**
	ave price per ‘000 tonnes	ave price per ‘000 tonnes	ave price per ‘000 tonnes	**% change**
Total imports	8.98	7.11	6.52	-7.7%
Intra EU	13.77	12.92	10.59	-6.4%
Developing countries	5.11	3.87	3.82	-7.0%

Source: Eurostat (2007)

5 Market access requirements

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

- The Association of Swedish Suppliers of Sports Goods is the main trade association (http://www.spofa.se or http://www.svensktsportforum.se). The National Association of Bicycles and Sports Goods Retailers can be reached at http://www.csrservice.se.
- The Swedish International Development Cooperation Agency (SIDA) is connected to the Swedish Chamber of Commerce (http://www.cci.se) and has good information on doing business in Sweden. The Swedish Trade Federation (http://www.svenskhandel.se) is also an important contact.
- The Swedish Sports Confederation has links to other sports information and can be reached at http://www.fr.se.
- Swesport (http://www.swesport.se) takes place each year in January at the Sollentuna Expo Center (http://www.sollentunaexpo.se). The Sport Fishing Exhibition takes place at the same place in March.
- Trade publications include Sportfack (http://www.sportfack.se), Friluftsframjändet (http://www2.frilufts.se), Fitness (http://www.fitness-magazine.com) and Body (http://www.body.se). `Focus Stockholm`is a newsletter which is designed (twice a year) to bring people together to do business in a number of different areas (http://www.focusstockholm.se).

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