CBI MARKET SURVEY

THE SPORTS AND CAMPING GOODS MARKET IN GERMANY

Publication date: October 2008

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

- German consumption of sports and camping goods fell to € 2.9 billion in 2007, down 0.4% per annum on average since 2003, while production was down 1.9% at € 472 million in 2006.
- In 2007, Germany imported sports and camping goods valued at € 1,001 million, or 213 thousand tonnes. Since 2003 values were down by 0.3% but volumes were up by an average annual rate of 4%.
- Around 49% of imports by value (€ 495 million) came from developing countries (66% by volume or 141 thousand tonnes). The share of imports by developing countries was up from 41% (€ 418 million) in 2003 in value, and up from 60% or 109 thousand tonnes in volume. Germany has an above average share of developing country imports compared with other EU countries for this sector. It was also an important re-exporter to other EU countries, particularly Austria.

This survey provides exporters of sports and camping goods with sector-specific market information related to gaining access to Germany. 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 German market for sports and camping goods was worth € 2.9 billion in 2007. This was the second largest market in the EU, after France and ahead of the UK. This market value represented 18.9% of the total EU market, a share which has fallen from 21% in 2003. Hence despite its large size, this market has diminished in importance within the EU.

Table 1.1 Consumption of sports and camping goods in Germany, 2003-2007, € million

2003	2004	2005	2006	2007	Average ann. % change	Population (million)	Consumption per capita €
2,980	2,920	2,951	3,008	2,927	-0.4	82.3	35.57

Source: VDS, SGI (2008)

Per capita consumption of € 35.57 was above the EU average of € 31.27. This was lower than the figure for Austria, but close to the per capita consumption figures of Ireland, the Netherlands and Spain.

The average annual 0.4% decrease in value over the period makes Germany the only country to register a decrease. Growth in 2006 was short-lived, as 2007 experienced a 5.7% decline, according to SGI. This may be slightly overstated, as sports apparel and footwear may have accounted for a larger proportion of the decline. It also may be partly explained by an increase in the rate of VAT from 16% to 19%.

Despite the decline in 2007 and uncertainties over the economy, the German sports and camping goods market is expected to grow slowly over the next few years, fuelled largely by the increasing numbers of older consumers taking up a more active lifestyle.

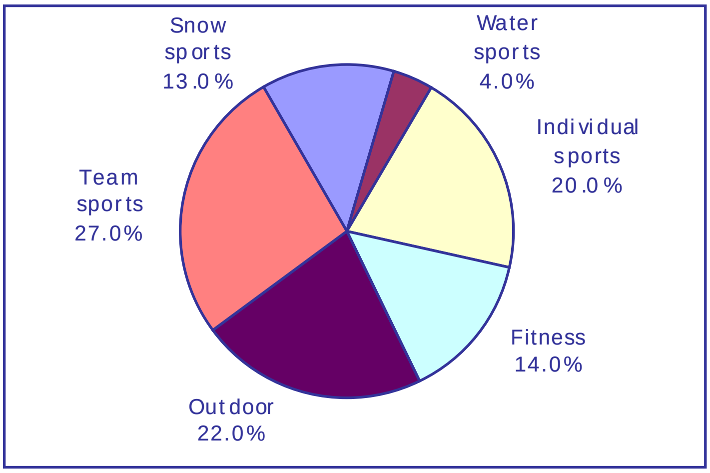
Market segmentation

- *Segmentation by product*

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.

German consumption of sports and camping goods, as shown in Figure 1.1, consisted of team sports 27% (€ 780 million), of which football dominated; outdoor 22% (€ 650 million), of which 42% was camping goods, horse riding 30% and fishing equipment the remainder; individual sports 20% (€ 600 million); fitness equipment 14% (€ 400 million); snow sports 13% (€ 372 million); and water sports 4% (€ 125 million).

Figure 1.1 German sports and camping goods consumption by product, % value 2007



Source: Trade estimates (2008)

Team sports continue to be the largest market segment in Germany, despite the rapid growth of the outdoor segment. Football is very popular and the national team were successful in reaching the final of the recent Euro 2008 tournament. However, other team sports are also popular, including handball, floorball and volleyball.

The outdoor market has experienced the greatest gains in share in recent years. Once the exclusive domain of extreme athletes and adventurers, it now attracts a wide audience. Climbing, Nordic walking and hiking now have a broad appeal to the general population. The growth in demand is due to a greater interest in nature and the environment by the German population. It has also become fashionable to use outdoor equipment in daily life. Other outdoor activities gaining in popularity include rafting, canoeing and trekking. Two million Germans already practice Nordic walking, 70% of which are female, while a further ten million wish to try it.

Golf is another sport enjoying a boom. There are now over 550,000 registered golfers, compared with less than 400,000 in 2002. Over the same period, there has been a 10% increase in the number of golf courses. Germany has the largest proportion of female golfers in Europe.

Sports participation in Germany is close to or just above the EU average. The ten most popular sports in Germany in terms of participation are football (6.3 million), gymnastics/keep fit (5.1 million), tennis (1.7 million, but down since 2003), athletics (0.9 million), handball (0.83 million), riding (0.76 million), fishing (0.67 million), table tennis (0.65 million, but down since 2003), skiing (0.65 million, but down since 2003), volleyball (0.49 million, down since 2003), closely followed by golf (0.48 million). More information on sports participation in Germany can be found in Chapter 1 of the CBI market survey 'The sports and camping goods market in the EU'.

- <u>*Segmentation by buying habits*</u>

A recent study by market analysts BBE has distinguished three principal groups of consumers in terms of their buying behaviour. This is another important way to segment the market:

- *Buyers of quality* account for 36% of the total. These consumers are primarily aged between 20 and 39. In general, they are consumers with above average incomes who look at life optimistically and attach as much importance to brand names as they do to product quality.
- *Bargain hunters* represent 35% of the total. These tend to be consumers aged 40 and above on below average incomes, and express anxiety about the future. These consumers have spare time to go to sales and to shop around for the best bargains and happily shop in discount outlets.
- *Intelligent shoppers* represent 29% of the total but are expected to account for half of all shoppers in the next five years. They are 20-39 year old consumers who attach great importance to the relationship between price and quality. They generally earn average incomes and are sceptical of the future. Price is not the determining factor in what they buy.

Market trends

The promotion of a healthy lifestyle is a high priority in Germany, as levels of obesity are increasing. This has resulted in the encouragement of children to play more competitive sports. Germany has traditionally been successful in international tournaments for a number of sports such as football, golf, tennis and hockey. This success has the effect of encouraging participation, and making Germans very competitive. However, of the 28 million Germans who are members of sports clubs, only one million are involved in competitive sport.

The broad lifestyle trends of 'homing' and 'cocooning' are also affecting the sporting goods market. This most obvious manifestation is the number of German households that have their own exercise equipment at home – part of a trend towards being able to live your live as much as possible at home in the way you choose. However, the fitness trend is not restricted to in-home use. There are over 6,000 fitness clubs in Germany, providing a wide range of leisure and fitness activities. Many consumers use these clubs for social reasons as well as to remain healthy.

The trend towards outdoor activities will also continue. As well as being regarded as healthy and environmentally friendly, many outdoor activities such as walking and hiking require little equipment. Hence they do not involve much expense. Nevertheless, there are a higher proportion of more affluent consumers that are involved in outdoor activities.

Germany has the highest proportion of over 50 year olds in the EU, and this proportion is growing more rapidly here than elsewhere. In fact the German population is forecast to decrease in future, resulting in a greater significance being attached to the lifestyles and spending habits of older consumers. Health and fitness, as well as travel, are high on the list of priorities for these consumers.

The use of the Internet as a shopping tool in this sector will grow. Consumers' ability to shop around will result in price-transparency for branded products, forcing retailers to become even more price-competitive. This will result in the growth of specialist niche retailers, looking for ways to attract customers by means other than price.

Production

Total production

Production of sports and camping goods in Germany has been decreasing in recent years, although there was an increase in value in 2006 over 2005. Germany was the fourth largest producer in the EU, close to the value produced by the UK, but well behind the production value of France and Italy, the largest EU producers of sports and camping goods. Germany accounted for 13.3% of EU sports and camping goods production in 2006.

The value of sports and camping goods production in Germany in 2006 was € 472 million. As Table 1.2 indicates, this was down from € 500 million in 2003, and represented an average annual decrease of 1.9%. These figures may be somewhat understated as they do not include figures for confidential trade, nevertheless production is expected to reduce in future years as more of the leading manufacturers contract production overseas. Production fell most rapidly in the 2004 period, which was at the height of the recession in Germany.

Table 1.2 Production of sports and camping goods in Germany, 2003-2006, € million / 1,000 tonnes

2003		2005		2006*		Average ann. % change	Number of companies 2005	Number of employees 2005
value	volume	value	volume	value	volume			
500	2.4	442	2.0	472	11.0	-1.9	317	4,154

Source: Eurostat, German National Statistics (2008), *: 2007 data not available
Volume figures exclude fishing, fitness, golf, saddlery and team sports

According to Eurostat, 31% (€ 148 million) of Germany's declared production was for equipment for team sports; 30% (€ 144 million) for fitness equipment; 17% (€ 83 million) camping goods; 13% (€ 61 million) saddlery items; 3% (€ 15 million) balls; 2% (€ 9 million) snow sports, 2% (€ 8 million) table tennis, 1% (€ 4 million) fishing equipment, and 0.4% (€ 1.5 million) water sports. Over the review period, the major changes have seen the share of snow sports production fall significantly, while production of camping goods has increased significantly. There have also been reductions in the production of balls, fitness, table tennis equipment, water sports and fishing equipment. Production of saddlery items has also increased.

317 companies, employing 4,154 people were engaged in the production of sports and camping goods products in Germany in 2005. This represented a significant reduction in employment since 2003, although the number of companies has increased. Sports and camping goods producers in Germany tend to be specialist in particular sports, rather than producing for a wide range of sports. For example, they are the world's leading producers of saddlery equipment, as this is such an important sport in Germany. Product safety is a particulary important issue in Germany, especially in the production of fitness equipment. TUV Rheinland is an important company that is involved in testing (http://tuv.com).

Main and interesting players

- Adidas is now one of the leading international sporting goods brands, but its origins are in Germany. Its global expansion included the purchase of Salomon, which was then re-sold to the Finnish company Amer. More recently, Adidas has completed the purchase of Reebok, one of the other internationally respected names in sporting goods production. 25,000 people work for Adidas worldwide, over 2,000 of which are in the German headquarters (http://www.adidas-group.com).
- Fischer is now a global manufacturer, but started making skis in Germany and still produces over a million pairs each year. It also produces tennis and hockey products (http://www.fischer-ski.de).

- Enders Colsman has been established for more than a century. It is a specialist in the outdoor sector, including camping goods products (http://www.enders-werdohl.de).
- Balzer is a producer and distributor of outdoor products, particularly fishing equipment. Established in 1949, 30% of its production is sold abroad (http://www.balzer.de). Vaude is also an important player in the outdoor market (http://www.vaude.de).
- LMT is responsible for the Cybex brand of fitness and sporting equipment (http://www.lmt.eu).
- Hudora started in 1919 producing ice skates. It is now involved in producing roller skates, inline skates and other products (http://www.hudora.de).
- In the saddlery sector, Stuebben is an important manufacturer of saddles (http://www.stuebben.de).

Trends in production

The German sporting goods industry is well-respected throughout the world, and many leading brands such as Adidas originated in Germany, despite the fact that much production has been transferred to lower cost countries. The reputation for quality and reliability that has been established is being retained by means of attention to technological developments in materials and functionality of products.

The key production trends are a move to smaller, more specialist companies with lower overheads to enable resources to be concentrated into specific areas of research and development, and more outsourcing while marketing and design is retained within the parent company.

Opportunities and threats

\+ Germany is a large market and the population is predisposed to sport and outdoor activities. The size of the market means that opportunities can always be found by exporters, despite the fact that the economic climate is quite uncertain, both here and around the EU.

\+ Opportunities can also be found in the form of outsourcing partnerships with German producers. The contraction of the German sporting goods industry has led to remaining producers looking for ways to cut costs by transferring production elsewhere.

\+ Young German consumers are interested in newer sports such as inline skating, 'fun sports' and skateboarding, beach and outdoor sports. These sports provide new product opportunities for exporters from developing countries. Golf is another booming sport that will offer good opportunities to DC exporters, particularly for high performance golf clubs and electro trolleys.

\- There are difficulties for developing country exporters who are trying to enter the German market at the top or middle segments of the market. Although exporters may be able to supply products to the quality specifications required, they may not have the after sales service which is so important in the German market, not to mention the safety requirements, which are more stringent in Germany than most other EU markets.

The same development or trend can be an opportunity for one exporter and a threat for another. Exporters should therefore analyse if the developments and trends discussed in this chapter provide opportunities or threats. The outcome of this analysis depends on each exporter's specific circumstances.

See also 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

- Details of commercial research organisations that produce market reports can be found in Chapter 1 of the CBI market survey 'The sports and camping goods market in the EU'.
- Production information can be obtained from Eurostat as well as German National Statistics (see Chapter 4 for contact details).

- The Union of Sporting Goods Retailers (http://www.vds-sportfachhandel.de) is the main market-focussed trade association in Germany.
- BTE (http://www.bte.de), BBE (http://www.bbe-retail-experts.com) and BBW (http://www.bbwmarketing.de) produce market information specific to Germany.
- The German Association of Fitness Studios (http://www.dssv.de), the Outdoor Group (http://www.fachgruppe-outdoor.de), the German Football Association (http://www.dfb.de), the German Sports Fishing Association (http://www.vdsf.de), the German Ski Association (http://www.ski-online.de), the German Equestrian Association (http://www.pferd-aktuell.de) and the Golf Association (http://www.golf.de) are other important associations.
- Details of the main trade fairs and trade press can be found in Chapter 6.

2 Trade channels for market entry

Trade channels

Many opportunities exist for exporters from developing countries to access the large German market. Importers and wholesalers tend to generalise in whom they supply, although there are some sports specialists. This is the best channel to reach non-affiliated independent sports specialists, despite the fact that their numbers have been falling in recent years. 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.

Contract manufacturing or outsourcing also offers opportunities, 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 Association of Sporting Goods Industries (see Chapter 6 for contact details).

Agents are important, either operating on a regional basis, or on an exclusive basis, but they tend to mainly deal with larger brand names. The Association of Commercial Agents can be contacted at http://www.cdh.de.

Interesting wholesalers and importers include:
- Fritz Berger is a distributor of outdoor and camping products with a significant retail presence (http://www.fritz-berger.de).
- LG Freizeitwelt is also active in the outdoor sector, operating as both an importer and retailer (http://www.freizeitwelt.de).
- Lettmann is a manufacturer, wholesaler and importer of water sports products such as canoes, kayaks and paddles (http://www.lettmann.de).
- A very useful business portal is Sports Contacts, which specialises in finding business partners across a wide range of markets (http://www.sports-contacts.com).
- Genfoot Marketing distributes products for the outdoor and ski markets throughout Germany and Austria (http://www.catrade.de).

Buying groups are stronger here than in any other EU country. Intersport (http://www.intersport.de) with 1,500 outlets and Sport 2000 (http://www.sport2000.de) with 966 outlets dominate the market. 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.

Retail trade

The two key distribution trends in sporting goods retailing both impact directly on how a developing country exporter should approach this market.
- Firstly, despite the strength of buying groups, the growing importance of chain specialists. This is diminishing the significance of specialist independent retailers. The number of traditional independents now surviving without the support of a buying group is small.

- The second key trend is the increasing range of non-specialist outlets that now sell sporting goods. This exerts greater 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.

According to Mintel, over 8,000 outlets sell sporting goods in Germany. The current German distribution breakdown is featured in Table 2.1, also highlighting the difference in distribution between the outdoor sector and the sporting goods market in general.

Table 2.1 Share of sporting goods retail distribution in Germany, % value 2007

Outlet type	% share, sporting goods	% share, outdoor market
Specialists	**60%**	**62%**
Chain stores (inc single brand stores)	11%	49%
Buying groups	45%	
Independent stores	4%	
Outdoor specialists		13%
Non-specialists	**40%**	**38%**
Department/variety stores	14%	17%
Hypermarkets	9%	
Mail order/Internet	7%	11%
Others (inc clothing & footwear shops)	10%	10%
Total	**100%**	**100%**

Source: VDS (2007), G+J Markte & Tendenzen

Apart from retailers involved with buying groups, the leading sports specialist retailers include Sport Scheck with 16 outlets (http://sport-scheck.de), Bittl Sports (http://www.bittl.de), Globetrotter that operates 6 outdoor shops (http://www.globetrotter.de) and Sport Müller (http://www.sport-mueller.de) with 4 outlets.

In the non-specialist sector, Karstadt operates a number of department stores selling sporting goods, as well as a number of standalone sports outlets (http://www.karstadt.de). The other leading department store chain is Galeria Kaufhof (http://www.galeria-kaufhof.de). The leading hypermarket is Metro (http://www.metro.de), which tends to sell lower priced goods.

Mail order and the Internet are growing sales channels. Most retailers have their own online sales facility, but there are some organisations that only sell online. Leading mail order companies selling sporting goods are Otto (http://www.otto.de), Neckermann (http://www.neckermann.de) and Quelle (http://www.quelle.de).

Price structure

Generally speaking, margins on sporting goods have been falling in Germany 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 during a long economic recession.

In each trade channel different margins and prices apply, with a total mark-up (including VAT) of 3 up to 4 of the Cost Including Freight (CIF) price. The margin figures quoted in Table 2.2 are calculated as a percentage of the price purchased from whom they buy in the chain, not as a percentage of the CIF price.

VAT of 19% is added to retail prices.

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.

Table 2.2 Overview of margins in sporting goods

	Low	High
Importers/wholesalers' margins	35%	60%
Agents' margins	10%	15%
Retailers' margins	60%	100%
Multiples Export price - Consumer price	**3.0**	**4.0**

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

Selecting a suitable trading partner

This is a very important part of the export process. The relationship you can establish between yourself and your partner is as important as finding a contact that is suitable for you in terms of the range of products that you can supply. 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.

The best way to find a trading partner is usually to contact the main trade sources. The German Association of Sporting Goods Industries and the Union of Sporting Goods Retailers are important contacts (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 also listed in Chapter 6.

Participating in trade fairs can be expensive, so it would be better to first visit an exhibition a few times before making a commitment. 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:

- What type of sporting goods they sell (focussed on comfort, material or fashion).
- 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 Business Support Organisations or trading platform, or by finding their company brochure. 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 still the most important form of communication. This communication can include sending samples, inviting them to see your production facilities, and other meaningful ways of gaining and maintaining their interest.

You should also do a credit check of your potential trade partner, especially if 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 Germany or the commercial department of your own embassy to see if they have any useful or reliable contacts. They may even have some knowledge of contacts you may have made independently. The Association of German Chambers of Industry and Commerce (http://www.diht.de) could be a good source of general advice. In addition, the main Business Institute for doing business with Germany can be reached at http://www.ehi.org.

3 Trade: imports and exports

Imports

Total imports

In 2007, Germany imported sports and camping goods valued at € 1,001 million, or 213 thousand tonnes. This accounted for 13% of all EU imports by value, or 14% by volume. This represented an average annual decrease in value of 0.3% since 2003 from € 1,015 million (4% increase in volume from 183 thousand tonnes). Germany was the third largest importer of sports and camping goods by value (after the UK and France), but second largest by volume after the UK. In value terms, their imports were similar to both the UK and France, and in volume terms they were close to France.

This decrease in imports compared with a 4.8% growth in exports (5.3% by volume), which were almost 25% lower than imports. However, import volumes were well over double export volumes. Production values were falling slowly, and the consumer market has fallen over the period, although it is now increasing again. Like many EU countries, growth was coming through additional volume rather than value. Re-exports were not as important in this market as in others. New consumer market growth seemed to be captured by imports.

Around 49% of German imports by value (€ 495 million) came from developing countries and 66% (141 thousand tonnes) by volume. China was the largest supplier (40% of total value imports and 61% of total volume imports), with supplies valued at € 399 million or 130 thousand tonnes. The next largest supplier was the Netherlands (10% of total value imports and 11% of total volume imports), with supplies valued at € 104 million or 24 thousand tonnes, up from € 101 million or 18 thousand tonnes. The next two largest suppliers to Germany were Italy and Austria. Italy had supplies valued at € 67 million, or 6 thousand tonnes (7% of value and 3% of volume), down from € 73 million and 8 thousand tonnes. Austria had supplies valued at € 52 million, or 5 thousand tonnes (5% of value and 2% of volume), down from € 81 million and 6 thousand tonnes.

The share of supplies by developing countries was up from 41% in value (€ 418 million) in 2003, and up from 60% in volume (109 thousand tonnes). Supplies from China increased by an annual average of 5% from € 323 million (8% by volume from 97 thousand tonnes) over the period, while Pakistan's supplies decreased by an annual average of 4% from € 30 to € 25 million, and volumes also decreased by 5% to just over 3 thousand tonnes. Supplies from India and Thailand increased, while supplies from Vietnam and Malaysia decreased.

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 Germany 2003 - 2007, share in % of value

Product	2003 € mln	2005 € mln	2007 € mln	Leading suppliers in 2007 Share in %	Share (%)
Total sports & camping goods	387	541	413	Intra EU: The Netherlands (10.4%), Italy (6.7%), Austria (5.2%), France (4.4%), Czech Republic (3.2%)	41.3
	210	100	93	Extra EU ex. DC*: USA (3.6%), Taiwan (2.7%), Switzerland (1.1%), Canada (0.6%), Japan (0.4%)	9.3
	418	458	495	DC*: China (39.9%), Pakistan (2.5%), India (2.3%), Thailand (1.9%), Vietnam (0.5%), Malaysia (0.3%), Philippines (0.3%), Argentina (0.2%), Bangladesh	49.4

Product	2003 € mln	2005 € mln	2007 € mln	Leading suppliers in 2007 Share in %	Share (%)
				(0.2%), Mexico (0.2%)	
Fitness	54	92	71	Intra EU: Italy (12.8%), The Netherlands (11.7%), Belgium (1.9%), Slovakia (1.3%), Hungary (1.3%)	33.6
	48	27	30	Extra EU ex. DC*: Taiwan (7.3%), USA (5.4%), Switzerland (0.5%), Hong Kong (0.3%), Canada (0.2%)	14.3
	82	99	110	DC*: China (49.7%), Malaysia (0.9%), Philippines (0.3%), Pakistan (0.3%), Thailand (0.3%), India (0.2%), Turkey (0.1%), Sri Lanka (0.1%), Mexico (0.1%), Vietnam	52.1
Team sports	47	78	62	Intra EU: The Netherlands (10.3%), Austria (6.0%), France (5.1%), Italy (3.2%), Sweden (2.6%)	41.6
	45	18	17	Extra EU ex. DC*: USA (4.6%), Switzerland (1.9%), Taiwan (1.7%), Canada (1.1%), Hong Kong (0.6%)	11.4
	39	51	70	DC*: China (42.8%), Pakistan (1.1%), India (0.7%), Malaysia (0.6%), Philippines (0.6%), Mexico (0.5%), Ukraine (0.3%), Indonesia (0.2%), Thailand (0.1%), Turkey (0.1%)	47.0
Camping goods	21	59	55	Intra EU: Poland (12.8%), The Netherlands (10.5%), Belgium (7.2%), Czech Republic (3.5%), Austria (2.6%)	43.3
	14	2	2	Extra EU ex. DC*: USA (0.3%), S Korea (0.3%), Switzerland (0.2%), Japan (0.1%), Hong Kong (0.1%)	1.2
	68	81	70	DC*: China (49.4%), Bangladesh (1.6%), Vietnam (0.9%), Serbia (0.8%), Brazil (0.5%), Indonesia (0.4%), Colombia (0.4%), Pakistan (0.3%), India (0.3%), El Salvador (0.1%)	55.5
Balls	27	29	25	Intra EU: The Netherlands (21.2%), Denmark (4.1%), Italy (1.8%), Belgium (1.3%), Czech Republic (1.1%)	32.2
	3	3	2	Extra EU ex. DC*: Taiwan (2.2%), USA (0.4%), Hong Kong (0.4%), Japan (0.1%), Canada	3.4
	62	51	50	DC*: China (25.7%), Pakistan (25.5%), Thailand (7.2%), India (3.4%), Philippines (0.9%), Vietnam (0.8%), Indonesia (0.7%), Brazil, Malaysia, Bangladesh	64.4
Saddlery	6	15	18	Intra EU: Austria (3.0%), France (2.9%), Poland (2.9%), The Netherlands (2.8%), Romania (2.6%)	23.7
	18	12	9	Extra EU ex. DC*: USA (4.8%), Taiwan (3.6%), Switzerland (3.2%), Hong Kong (0.4%), S Korea (0.2%)	12.9
	26	35	48	DC*: China (28.4%), India (23.6%), Vietnam (3.9%), Argentina (3.1%), Paraguay (1.5%), Pakistan (0.8%), Thailand (0.8%), Bosnia Herzegovina (0.4%), S Africa (0.4%), Turkey (0.3%)	63.4

Source: Eurostat (2008)
*Developing Countries

Fitness
This was the largest of the selected product groups. Valued at € 211 million in 2007, this represented 21% of all sports and camping goods imports to Germany (39% by volume or 84

thousand tonnes). This compared with a share of 18% in 2003 or € 184 million (40% by volume or 43 thousand tonnes). Hence this product group was increasing in significance in its value contribution to imports. Intra-EU trade represented approximately one third of the value of supplies (20% by volume or 17 thousand tonnes), up proportionally in value since 2003, but down marginally in volume from 21% or 15 thousand tonnes. The Italian, Dutch, Belgian, Slovak and Hungarian shares of supplies all increased since 2003, while Austrian and Polish shares decreased.

Developing country suppliers represented over half of all imports by value (73% by volume or 62 thousand tonnes), up from 44% in 2003, (63% by volume or 46 thousand tonnes). China (€ 105 million or 60 thousand tonnes) dominated the developing country supply of equipment for fitness. China's share was significantly up from 2003. Of the other developing country suppliers, supplies from Malaysia, Pakistan and Thailand decreased, while supplies from Philippines increased.

In terms of product groups, exercise apparatus with adjustable resistance mechanisms represented 57% of the product group or € 120 million (41% by volume or 35 thousand tonnes), while articles and equipment for general physical exercise made up the remainder. This was marginally up from 56% or € 103 million (down from 50% by volume or 56 thousand tonnes) in 2003.

Team sports
This was the second largest of the selected product groups. Valued at € 149 million in 2007, this represented 15% of all sports and camping goods imports to Germany (19% by volume or 41 thousand tonnes). This compared with a share of 13% in 2003 or € 131 million (18% by volume or 33 thousand tonnes). Hence this product group was increasing in significance in its value and volume contribution to imports. Intra-EU trade represented approximately 40% of the value of supplies (39% by volume or 16 thousand tonnes), up proportionally in value since 2003, and also up in volume from 37% or 12 thousand tonnes. The Dutch, Austrian, French and Swedish share of supplies increased since 2003, while of the other leading intra-EU importers, the Polish, Spanish, Danish and especially Czech shares decreased.

Developing country suppliers represented almost half of all imports by value (57% by volume or 23 thousand tonnes), up significantly from 30% in 2003, (33% by volume or 11 thousand tonnes). China (€ 64 million or 22 thousand tonnes) dominated the developing country supply of equipment for team sports. China's share was well up from 2003. Of the other developing country suppliers, supplies from Pakistan, India and Philippines increased, while supplies from Malaysia and Mexico decreased.

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

Camping goods
This was next largest of the selected product groups. Valued at € 127 million in 2007, this represented 13% of all sports and camping goods imports to Germany (19% by volume or 40 thousand tonnes). This compared with a share of 10% in 2003 or € 103 million (16% by volume or 29 thousand tonnes). Hence this product group was increasing in significance in its value and volume contribution to imports. Intra-EU trade represented over 40% of the value of supplies (34% by volume or 14 thousand tonnes), up significantly in value since 2003, and in volume from 14% or 4 thousand tonnes. The Polish and Belgian share of supplies increased, while of the other leading intra-EU importers, the Czech, Dutch and Hungarian shares decreased, and the Austrian share was unchanged.

Developing country suppliers represented over half of all imports by value (66% by volume or 27 thousand tonnes), well down from 66% in 2003, (80% by volume or 23 thousand tonnes). China (€ 63 million or 25 thousand tonnes) was the leading developing country supplier of camping goods. China's share was significantly down from 2003. Of the other developing country suppliers, supplies from Bangladesh, Vietnam and Brazil decreased, while Indonesian supplies increased.

In terms of product groups, tents accounted for 43% of the group (€ 54 million, 92% of which were made of synthetic material); other camping goods were valued at € 53 million, 91% of which were made of textile material; sleeping bags were valued at € 20 million. There was no data for pneumatic mattresses, although they valued € 7 million in 2006. There was a major move towards tents of synthetic material, particularly away from cotton tents. The share of sleeping bags decreased while the share of other camping goods increased since 2003.

Balls
Balls were valued at € 77 million in 2007. This represented 8% of all sports and camping goods imports to Germany (5% by volume or 10 thousand tonnes). This compared with a share of 9% in 2003 or € 91 million (6% by volume or 11 thousand tonnes). Hence this product group was decreasing in significance in its value and volume contribution to imports. Intra-EU trade represented one third of the value of supplies (24% by volume or 2 thousand tonnes), up proportionally in value since 2003, and in volume from 15% or 2 thousand tonnes. The Danish, Italian, Belgian and Czech share of supplies increased since 2003, while of the other leading intra-EU importers, the Dutch share decreased.

Developing country suppliers represented almost two thirds of all imports by value (73% by volume or 7 thousand tonnes), down from 68% in 2003, (82% by volume or 9 thousand tonnes). China (€ 20 million or 4 thousand tonnes) was the leading developing country supplier of balls, closely followed by Pakistan (€ 20 million or 3 thousand tonnes). Both China's and Pakistan's shares decreased from 2003. Of the other developing country suppliers, supplies from India increased, while supplies from Thailand, Vietnam, Philippines and Indonesia decreased.

In terms of product groups, inflatable balls accounted for 69% of the group (€ 53 million, 96% of which were non-leather); tennis balls were valued at € 13 million, and other balls were valued at € 11 million, of which cricket or polo balls were negligible. There was a trend away from leather balls. Tennis balls were also reducing in importance, from 22% of all balls in 2003, to 17% in 2007.

Saddlery
Saddlery items were valued at € 75 million in 2007. This represented 8% of all sports and camping goods imports to Germany (3% by volume or 7 thousand tonnes). This compared with a share of 5% in 2003 or € 50 million (2% by volume or 4 thousand tonnes). Hence this product group was increasing in significance in its contribution to imports. Intra-EU trade represented less than one quarter of the value of supplies (19% by volume or 1 thousand tonnes), up proportionally in value since 2003, and in volume from 8% or 0.3 thousand tonnes. The Austrian, French and Dutch share of supplies increased since 2003, while of the other leading intra-EU importers, the Italian, UK, Romanian, Polish and Czech shares decreased.

Developing country suppliers represented almost two thirds of all imports by value (74% by volume or 5 thousand tonnes), up from 52% in 2003, (69% by volume or 3 thousand tonnes). China (€ 21 million or 3 thousand tonnes) was the leading developing country supply of saddlery items, having recently overtaken India. China's share increased significantly from 2003. All the other leading developing country suppliers increased their supplies.

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

Other product groups
The value of other product groups not selected was as follows: snow sports (€ 104 million or 6.1 thousand tonnes), water sports (€ 60 million or 6.1 thousand tonnes), skates (€ 53 million

or 7 thousand tonnes), fishing (€ 48 million or 4.3 thousand tonnes), golf (€ 33 million or 1.9 thousand tonnes), ski/snow boots (€ 32 million or 1.9 thousand tonnes), rackets (€ 16 million or 1.5 thousand tonnes), table tennis (€ 8 million or 1.1 thousand tonnes) and sports gloves (€ 6 million or 0.3 thousand tonnes).

Exports

In 2007, Germany exported sports and camping goods valued at € 778 million, or 95 thousand tonnes. This represented an average annual increase of 4.8% in value (from € 646 million), and 5.3% in volume (from 77 thousand tonnes) since 2003.

Germany was the third largest exporter by value, after Italy and France, but the second largest by volume after Belgium. 66% of German exports by value were intra-EU (71% by volume), the majority of which were to Austria, France, USA, Switzerland and the Netherlands.

In terms of product groups, fitness equipment accounted for 19% by value (€ 144 million), down from 21% in 2003. The main destinations were Switzerland, the Netherlands, Austria and France. The next largest group was snow sports, which accounted for 15% of all exports (€ 120 million), down from 24% in 2003. Austria, Italy, France and Switzerland were the main destinations.

Team sports represented 15% of all exports (€ 116 million). This was up from 12% in 2003. Austria, Switzerland, the Netherlands and France were the leading destinations. Saddlery was the next largest group at 12% (€ 95 million).

The remaining groups of exports were as follows: camping goods (€ 77 million), balls (€ 40 million), fishing (€ 39 million), table tennis (€ 37 million), water sports (€ 37 million), then in descending order skates, rackets, golf, ski/snow boots and sports gloves.

Opportunities and threats

+ Germany is an interesting market for exporters from developing countries. Sports participation is high, combined with the fact that local production was in decline in recent years. Germany is a big market, and imports are an increasingly important part of the market.
+ 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. All 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 camping goods, team sports, fitness and saddlery 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 Germany offers a genuine export opportunity.

See also Chapter 7 of the CBI market survey ‘The sports and camping goods market in the EU’ for a more general analysis.

Useful sources

- EU Expanding Exports Helpdesk
  ➔ http://exporthelp.europa.eu/
  ➔ go to: trade statistics
- Eurostat – official statistical office of the EU

- ➔ http://epp.eurostat.ec.europa.eu;
- ➔ 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’

- Understanding eurostat: Quick guide to easy comext
  - ➔ http://epp.eurostat.ec.europa.eu/newxtweb/assets/User_guide_Easy_Comext_20080117.pdf

4 Price developments

Prices of sports and camping goods in Germany have fallen over the review period. Prices were over 4% lower in 2007, compared to 2005, and 13% lower compared to 2002. On the other hand, the all-price index in Germany was 4% higher in 2007 compared to 2005, and almost 9% higher than 2002. Meanwhile average prices of sports and camping goods items in the EU27 were just over 2% lower in 2007, compared to 2005, and 8.5% lower than 2002. Hence prices of sports and camping goods in Germany have been decreasing while other prices have been increasing. Sports and camping goods prices have fallen by more than sports and camping goods prices in the EU as a whole.

Consumer prices of skates have fallen by more than any other sports or camping goods, as highlighted by Table 4.1. While the price of fitness equipment is broadly unchanged, prices of items in all other categories have also fallen.

Table 4.1 Price movements of selected sports and camping goods, 2004 – 2007, indexed vs 2005

	2004	2005	2006	2007
Football or other sports balls	103.3	100	97.1	95.6
Ski or other winter sport item	105.2	100	97.5	95.3
Tennis racket, hockey stick, golf club or similar	108.4	100	95.1	92.9
Fitness equipment	101.1	100	99.6	99.6
Inline skates, sledge or roller skates	108.5	100	92.6	88.3
Other sporting goods	102.0	100	96.5	96.6
All prices	98.5	100	101.6	103.9

Source: German National Statistics

Consumer price indices are published on the German National Statistical website (http://www.destatis.de). Information on broad price changes can also be obtained from the German National Bank (http://www.bundesbank.de). Consumer prices of sports and camping goods can also be found at the websites of the department store group Karstadt (http://www.karstadt.de), the sports retailer SportScheck (http://www.sportscheck.com) and the sports buying group Sport 2000 (http://www.sport2000.de).

Table 4.2 Developments in German average import prices, 2003 – 2007, €

	2003 ave price per 1,000 tonnes	2005 ave price per 1,000 tonnes	2007 ave price per 1,000 tonnes	ave. annual % change
Total imports	5.56	5.21	4.69	-4.2%
Intra-EU	8.93	7.47	6.56	-7.4%
Developing countries	3.84	3.58	3.51	-2.2%

Source: Eurostat (2008)

Import prices to Germany have been decreasing over the period, as indicated by Table 4.2. DC import prices are above the EU average, but intra-EU import prices are below the EU average.

DC import prices are just over half the value of intra-EU import prices. These trends should be interpreted with care, as changes in imports do not reflect the demand in Germany.

5 Market access requirements

As a manufacturer in a developing country preparing to access Germany, you should be aware of the market access requirements of your trading partners and the German 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 Germany in the category search, click on the search button and click on market access requirements.

Additional information on packaging can be found at the website of ITC on export packaging: http://www.intracen.org/ep/packit.htm

Information on tariffs and quota can be found at http://exporthelp.europa.eu

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.

Developing a relationship
The most important ways to develop a business relationship are to either exhibit at one of the main sporting goods fairs, or to make a direct approach to wholesalers or major retailers. In Germany, 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. A very aggressive price driven approach will not be effective, although price is very important in the German market.

Trade Fairs
There are more sporting goods trade fairs in Germany than any other EU country. The main trade fair organising body for the sporting goods industry in Germany is called ISPO. They operate a winter fair in February (combined with sports sourcing), a golf fair in October and a running fair in July. Each one takes place in Munich (http://www.ispo.com). Additional fairs in Germany include SPOGA (Sporting, Camping and Garden Products) in September and SPOGA Horse in October, both in Cologne (http://koelnmesse.de), FIBO, the fitness products fair in Essen in April (http://www.fibo-messe.de) and the Outdoor Fair at Friedrichshafen in July (http://www.european-outdoor.de).

Promotion
Advertising in trade magazines can sometimes be an effective means of reaching a small target group. The main trade publications for the sporting goods industry are the monthly Saz Sport (http://www.saz.de) and Sport und Mode (http://www.spomo.de). The specialist magazines for the fitness industry can be reached at http://www.fitnesstribune.com and http://www.bodylife.com. It is also possible to advertise in the German Sporting Goods Directory (http://www.kern-verlag.de or http://www.sport-adressbuch.de). There is a new

sports magazine specifically targeted at the outdoor market (http://www.outdoormarkt.com). A useful site to find links to other sports trade magazines is http://www.fachzeitungen.de.

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'.

Useful sources

There is information on the sporting goods industry in Germany at the website of the German Association of Sporting Goods Industries (http://www.bsi-ev.de) and the Union of Sporting Goods Retailers (http://www.vds-sportfachhandel.de). Some manufacturers featured may be looking to develop relationships with developing country exporters. Other useful contacts include:

- The German Sports Federation (http://www.dsb.de).
- Inspection for sports equipment (http://sichere-sporthalle.de/).
- LEX, the association of running and walking retailers (http://www.laufexperten.de).
- The business platform for making sports contacts in Germany (http://www.sports-contacts.com).
- Sportsella provide advice and training to help manufacturers understand how to sell products in an instore environment (http://sportsella.info).

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

Disclaimer CBI market information tools: http://www.cbi.eu/disclaimer