



SGEPC  
APRIL 2016

# SGEPC Newsline *Xsports*

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## Dear Members,

The last three months have been very eventful for the Sports Goods and Toys industry.

Council congratulates members on their successful participation in the recently held events, Hong Kong Toys & Games Fair, ISPO Munich 2016, Spielwaremesse International Toy Fair, Nurnburg and Buyer Seller Meet in Australia.

Export Promotion (EP) Activities for the year 2016-17 have been finalized by the council and submitted to Government of India for approval. The list of approved EP activities will be shared with members shortly.

**Team SGEPC**

## Toy Manufacturing Movements

**Steve Reece, CEO of Kids Brand Insight,** takes a look at how the world of toy sourcing is accelerating away from China, following the diminishing factory output spurred the fall of the Yuan.

Things seem to have moved on rapidly in the world of toy sourcing. There has been a general trend over the past decade or so for companies

to look at alternative sources outside the toy manufacturing heartlands of South Eastern China. There have also been some moves to set up new facilities in other Asian countries, albeit limited in scale thus far.

However, as with all things, necessity often accelerates things, which sit in the 'important but not urgent' pile. It is predicted that this may well be the year that leads to an acceleration of toy manufacturing moving away from China.

Factory output figures in China down by a dou-

ble figure percentage year on year for some key months of the year, which is at least partially due to a drop in demand from the Euro zone due to the weakness of the Euro against the USD.



The recent devaluation of the Yuan currency by way of reaction to this diminished factory output will certainly supply some short term respite, and protect demand to a degree, but it can only be a temporary measure, and sadly offers little hope of a long term solution to the fact that China's manufacturing driven economy can no longer be relied upon for the highly competitive costing we were so used to in the past.

When we come to look at viable alternatives, the first factor we need to look for is cheaper labour

costs than China, which brings **India**, Vietnam, Thailand, The Philippines and other Asian countries into the frame.

The challenge of course is how these countries can

quickly fill the void in terms of education, expertise, supply chain and QA. We're finding that those audit friendly factories who can prove that they are reliable and more cost effective are quickly

filling spare capacity, to the degree that some of them are even turning business away.

There are some amazing opportunities ahead for manufacturing entrepreneurs in these countries in the next decade or so. For now China remains the dominant force in toy manufacturing, but for how long it can remain so is an ever more uncertain question.

Source— Toy-News

## Croatian President Appoints PM-designate



### Do You Know?

*India has Preferential Trade Agreement with Chile. Under this agreement Chile has offered India a tariff preferences on 296 tariff lines at the 8 digit level with margin of preference ranging from 10% to 100%. In this list we have three item codes of Chapter 95 listed below with 20% margin of preference.*

**9506 6210**

**9506 6220**

**9506 6290**

President Kolinda Grabar-Kitarovic appointed Tihomir Oreskovic as PM-designate, the candidate jointly proposed by the Croatian Democratic Union (HDZ)-led coalition and the Bridge of Independent Lists (MOST). Oreskovic was a non-partisan candidate, and last employed as Chief Financial Officer (CFO) for Global Generic Medicines at Teva Pharmaceuticals, an international pharmaceutical company based in Israel. Reportedly, Croatia is under EU pressure to overhaul its costly and inefficient public sector and liberalize its economy to spur investment and tame high public debt, now close to 90% of GDP. The first test of the new government will be the 2016 budget, which should make savings worth at least 1% of GDP, or HRK 3.5 billion (\$500.64 million).

**World Bank Predicts 1.5% Croatian GDP Growth in 2015:** The regular half-year report of the World Bank predicted that the Croatian GDP growth rate in 2015 will be 1.5% and 1.9% in 2016 and 2017. Reportedly, it was based on an expected increase in domestic consumer demand, exports and investment and in combination with a gradual decrease in unemployment. However, the Croatian National Bank projected the GDP growth as 1.7% and 1.8% for 2015 and 2016 respectively.

**Croatian Exports Increases by 11.2% and Imports by 6.4%:** The State Bureau of Statistics' export-import data for January-September'15 showed that exports of physical goods increased by 11.2% over the same period in 2014, while imports grew by 6.4%. The EU continued to be the most important export market, while Germany was the single most important foreign trade partner.

Import from India in Sports Goods (HS Code) category has witnessed a growth in its sector, in the year 2013 where import from India was registered 37 Thousand USD, the next year it was recorded 152 thousand USD a 334% increase.

Source—Economic and Commercial Report from Embassy of India Zagreb

## Ethiopia- World Bank Forecasts Sustain Rapid Growth in 2016

According to the World Bank 2016 global economic prospects, Ethiopia's economic growth of 10.2 percent in 2015 was lifted by good harvests, rising public investment, and booming manufacturing and construction. The

Bank also forecasts that public investment, consumer spending and mining production will help Ethiopia sustain rapid growth in 2016 and beyond.

Source— Economic & Commercial Report Ethiopia January.15

# River information system of India



India is now equipped with River Information System (RIS) System the first of its kind in India, the new system will facilitate safe and accurate navigation on National Waterway – 1 on the Ganges River. RIS is being implemented under the overall responsibility of Inland Waterway Authority of India, a statutory body administered by the Ministry of Shipping.

River Information Services (RIS) are combination of

modern tracking equipment related hardware and software designed to optimize traffic and transport processes in inland navigation. The system enhances swift electronic data transfer between mobile vessels and shore (Base stations) through advance and real-time exchange of information. RIS aims to streamline the exchange of information between waterway operators and users. This would facilitate enhancement of Inland navigation safety in ports and rivers. Better use of the inland waterways and environment protection.

The River Information System is a major step in realizing the dream of waterways. Installation of an efficient and effective River Information Service (RIS) system on the Sagar- Farakka stretch of NW-1 is similar to the systems under operation in countries like the Netherlands, Belgium, Germany, China & USA.

Source: Indo-Asian News Service (IANS)

## India To Remain Bright Spot Of Global Economy: World Bank

India will continue to be the bright spot of the global economy and is projected to grow at a robust 7.8 per cent in fiscal 2016-17, more than a percentage point higher than China's, according to the World Bank.

In its latest Global Economic Prospect report which is released every six months, the World Bank marginally reduced India's growth rate - 0.2 per cent in 2015 and 0.1 per cent in both 2016 and 2017. However, India continues to be the bright spot of the global economy as Chinese growth is projected to slow further. India, the dominant economy in Asia, is projected to grow by a robust 7.8 per cent this year and 7.9 per cent in the next two years. The World Bank estimates that China grew at an estimated 6.9 per cent in 2015 (0.3 per cent less than its June projection).

According to the report, China is estimated to grow at 6.7 per cent in 2016 and 6.5 per cent each in 2017 and 2018. The growth rate projection is 0.3 per cent

in 2016 and 0.4 per cent in 2017. Russia and Brazil are expected to remain in recession in 2016.

"In contrast to other major developing countries, growth in India remained robust, buoyed by strong investor sentiment and the positive effect on real incomes of the recent fall in oil prices," the World Bank said.

In the report, South Asia is projected to be a bright spot in the outlook for emerging and developing economies, with growth speeding up to 7.3 per cent in 2016 from seven per cent in the year just ended.

Source : Businessworld

## Insufficient physical activity is 1 of the 10 leading risk factors for death worldwide- WHO



throughout the week, or a n equivalent combination of moderate- and vigorous-intensity activity.

Insufficient physical activity is 1 of the 10 leading risk factors for global mortality and is on the rise in many countries, adding to the burden of NCDs and affecting general health worldwide. People who are insufficiently active have a 20% to 30% increased risk of death compared to people who are sufficiently active. Insufficient physical activity is a key risk factor for non-communicable diseases (NCDs) such as cardiovascular diseases, cancer and diabetes. WHO defines physical activity as any bodily movement produced by skeletal muscles that requires energy expenditure – including activities undertaken while working, playing, carrying out household chores, travelling, and engaging in recreational pursuits.

### WHO recommends:

#### Children and adolescents aged 5-17 years

Should do at least 60 minutes of moderate to vigorous-intensity physical activity daily.

Physical activity of amounts greater than 60 minutes daily will provide additional health benefits.

#### Adults aged 18–64 years

Should do at least 150 minutes of moderate-intensity physical activity throughout the week, or do at least 75 minutes of vigorous-intensity physical activity

For additional health benefits, adults should increase their moderate-intensity physical activity to 300 minutes per week, or equivalent.

Muscle-strengthening activities should be done involving major muscle groups on 2 or more days a week.

### Benefits of physical activity and risk of insufficient physical activity

Regular physical activity of moderate intensity – such as walking, cycling, or doing sports – has significant benefits for health. At all ages, the benefits of being physically active outweigh potential harm, for example through accidents. Some physical activity is better than doing none. By becoming more active throughout the day in relatively simple ways, people can quite easily achieve the recommended activity levels.

Regular and adequate levels of physical activity, improve muscular and cardiorespiratory fitness, improve bone and functional health, reduce the risk of hypertension, coronary heart disease, stroke, diabetes, breast and colon cancer and depression,

reduce the risk of falls as well as hip or vertebral fractures and are fundamental to energy balance and weight control.

### Levels of insufficient physical activity

Globally, around 23% of adults aged 18 and over were not active enough in 2010 (men 20% and women 27%). In high-income countries, 26% of men and 35% of women were insufficiently physically active, as compared to 12% of men and 24% of women in low-income countries. Low or decreasing physical activity levels often correspond with a high or rising gross national product. The drop in physical activity is partly due to inaction during leisure time and sedentary behavior on the job and at home. Likewise, an increase in the use of "passive" modes of transportation also contributes to insufficient physical activity.

Globally, 81% of adolescents aged 11-17 years were insufficiently physically active in 2010. Adolescent girls were less active than adolescent boys, with 84% vs. 78% not meeting WHO recommendations.

Both, society in general and individuals needs to take action to increase physical activity. In 2013, WHO Member States agreed to a target of reducing insufficient physical activity by 10% by 2025 and included strategies to achieve such in the "Global Action Plan for the Prevention and Control of Non-communicable Diseases 2013-2020".

Source: WHO website



## Indian Participation at Hong Kong Toys & Games Fair

42<sup>nd</sup> edition of the Hong Kong Toys & Games fair was held in Hong Kong Convention & Exhibition centre from 11<sup>th</sup> -14<sup>th</sup> January 2016.

18 Leading Toy Manufacturers from India participated in this exhibition under the banner of “Sports Goods Export Promotion Council of India”

The fair is considered to be Asia’s largest show and second largest show of toys in the World. Around 2035 exhibitors from 41 Countries displayed their rich diversity of toys in this exhibition. The exhibition featured vast category of toys & games including Candy Toys, Educational Toys &

Games, Electronic & Remote Control Toys, Festival & Party Items, Hobby Goods, Magic Items, Vehicle Toys, Models & Figurines, War Games, Sporting items, smart Tech toys, Soft Toys & Dolls etc.

Total visitors recorded in the fair were 45269, where 23941 were from Asia (excluding Hong Kong) and Europe.



Indian Pavilion was organized in 5 different halls in the total area of 165 sqmts. A good footfall in the Indian pavilion was recorded and worth of Rs. 6.11 Crores business is anticipated. Next edition of this fair is scheduled to be held from 9<sup>th</sup> to 12<sup>th</sup> January 2017.

Ms. Simran Kaur

## Indian Participation at ISPO Munich 2016



The leading international exhibition for the Sports Goods Industry “ISPO Munich” held on 24<sup>th</sup> to 27<sup>th</sup> January 2016.

From 120 Countries and around 2645 exhibitors displayed their product in total 16 exhibition halls.

49 leading manufacturers with varied product profile displayed their products under the aegis of

Sports Goods Export Promotion Council.

Indian participants displayed their products ranging from Table Tennis equipments, inflatable balls, Hockey equipments, boxing equipments, track and field equipments, protective equipments, cricket equipments, training accessories, sports bags, Sportswear, Ski equipments, sports shoes, sports water bottle etc in 4 different halls with total area of 1022 sqmtr.

The event was organized under “Market Access initiative” Scheme and USD 8 Million business is expected from this event.

The next ISPO Munich will be held from 5<sup>th</sup> to 8<sup>th</sup> February 2017.

Ms. Preeti Sharma

# Spielwarenmesse International Toy Fair 2016



A total of 71,000 trade visitors (2015: 70,084) from 125 nations visited the event. The 2,851 companies (2015: 2,857), who had travelled to Nuremberg from 67 countries to expand their business worldwide, certainly noticed this.

There were more trade visitors from Asia, America and Africa. But many European countries, such as the UK, Italy and the Netherlands also scored highly. 78.8 per cent of the visitors (2015: 76.9 per cent) and 83.1 per cent of the exhibitors (2015: 81 per cent) were extremely satisfied with the overall impression of the event. Of them, 91 per cent (2015: 90 per cent) of the exhibitors and 81.2 per cent (2015: 80.2 per cent) of buyers are planning to take advantage of the marketing platform in 2017 to ensure the success of their business.

Sports Goods Export Promotion Council

once again successfully organized the Indian Participation at the event. There were 24 exhibitors with varied product profile under the exclusive set up of Indian Pavilion in 5 different halls.

The event was organized under “Market Access Initiative” scheme of the Government of India.

As per the feedback received from the Indian Participants, total number of visitors to Indian stands was 780, trade enquiries were 510 and an anticipated business of Rs. 29.8 CR. is expected from the event.

The next Spielwarenmesse takes place from 1st February to 6th February 2017.

Mr. Atul Kumar

# Indian Participation at BSM Australia

Sports Goods Export Promotion Council has successfully organized Buyer Seller Meet in Australia in early March 2016.

A buyer seller meet was organized in Melbourne on 29<sup>th</sup> February at Melbourne Cricket Ground and in Sydney on 3<sup>rd</sup> March at Sydney Cricket Ground. .

27 companies participated in this meet and displayed the range of products like Inflatable balls, cricket equipments, Boxing equipments, Martial Art Goods, Speed & Agility Training Products, Sports Apparels, Sports Bags, Badminton, Carrom Boards, Sport Shoes, Beach toys, Nets etc.

To organized these meetings, Sports Goods Export Promotion Council engaged Multiconnections Pty Ltd, as its PR agency in Australia.

PR agency worked closely with the council and Indian Mission to understand the delegation's requirement and accordingly prepared a database of prospective buyers. Buyers were sent invitations through mails, flyers, listing in relevant sites and social media. A special branded web page for the event was also created and linked to the various sites including SGEPC website. Total visitors at both BSMs were 113 and business expected from these meetings is more than USD 3 Million.

During the event day Consul General of India to Melbourne Ms. Manika Jain and Consul General of India to Sydney Mr. Mr. B. Vanlalvawna along with their officials marked their presence.

On 1<sup>st</sup> March, a special business networking meeting between various Victorian Businesses and Indian Delegation was also hosted by Victorian Government.



Mr. Tarun Dewan