

2018

Trade Analysis Series

Pakistan Sports Goods Sector (2017-18)



Turn Potential into Profit!



Small and Medium Enterprises Development Authority (SMEDA)
Ministry of Industries and Production
Government of Pakistan

www.smeda.org.pk

UAN: 111 111 456

1. Product Description

Sports Goods are referred to items and equipment used in sports. These goods range from balls to nets and protective gears like helmets etc.

The Harmonized Commodity Description and Coding System (referred as HS Codes) designated for trade of Sports Goods is 9506. The brief description of sub-categories falling in this product category mainly includes the following:

Table 1: Sports Goods Product Details

Product Category HS Code	Product Description
950611	Winter Sports Equipment
950612	Ski Bindings
950629	Water-skis, Surfboards and Related Equipment
950631	Complete Golf Club
950632	Golf Balls
950639	Golf Equipment
950640	Table-Tennis Articles and Equipment
950651	Tennis Rackets
950659	Badminton Rackets
950662	Inflatable Balls
950669	Other Balls
950670	Ice and Roller Skates
950691	Exercise, Gymnastics and Athletics Equipment
950699	Swimming and Paddling Pool Equipment

2. Global Trade of Sports Goods

Sports Goods are one of the most valuable and important commodities in international trade. During the year 2017, the international trade value of Sports Goods was USD 25 Billion. The exports have shown an



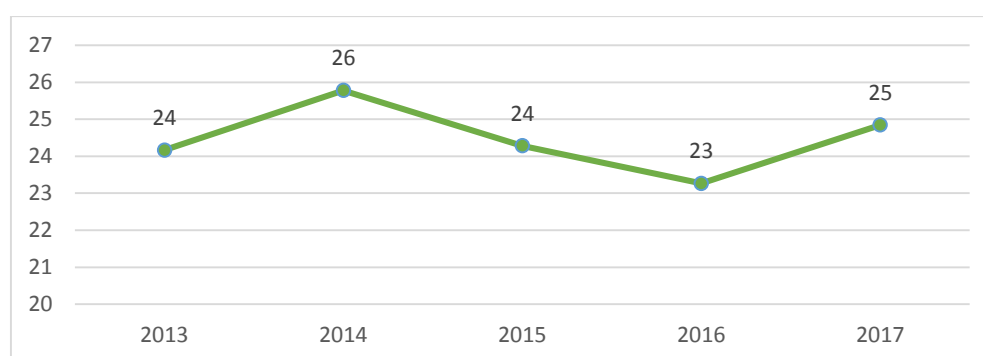
slightly upward growth trend with an average growth rate of 2 % from the year 2013 ~ 17. The last five years exports of Sports Goods in global trade are as follows:

Table 2: Global Exports of Sports Goods- Last 5 Years

Description	2013	2014	2015	2016	2017
World Exports (Value in US \$ Billion)	24	26	24	23	25
Growth %age	6%	6%	-6%	-4%	6%

Source: Trade Map

Figure 1: Growth Trend of Sports Goods Exports (Value US \$ Billion)



Major Exporters

During the last 5 years, the exports of Sports Goods have been dominated by China followed by USA. The percentage share of the five biggest exporting countries is given in the following table:

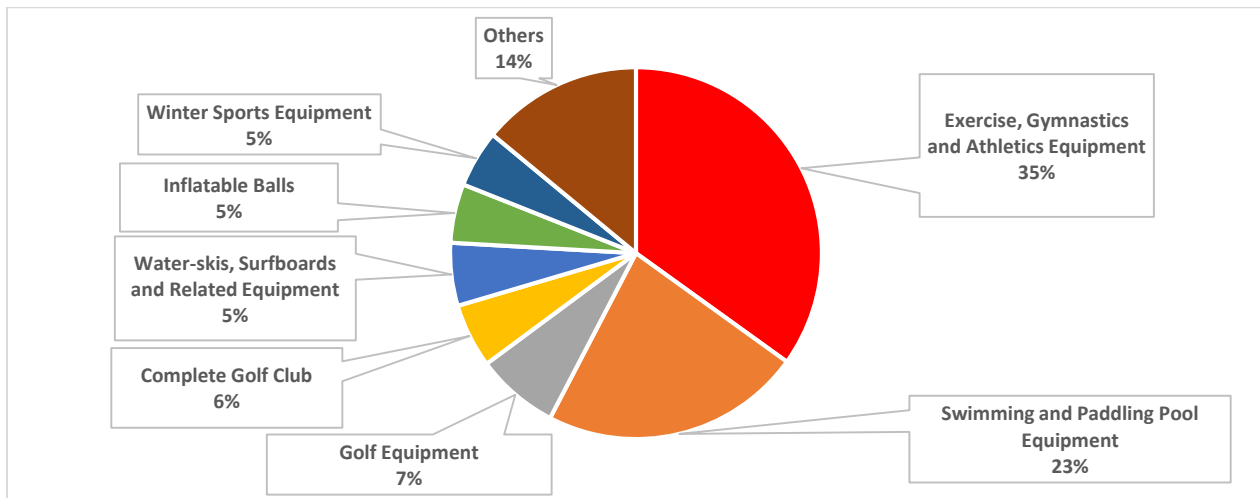
Table 3: Major Exporters in 2017

Country	Exports (Value in US \$ Billion)	% Share in Exports in World	Avg. % Growth in Last 5 Years
China	10	38.8	-2
USA	2	8.1	-1
Chinese Taipei	2	6.5	2
Germany	1	4.4	0
Italy	1	3.8	4

Source: Trade Map

Product Mix - Share in Exports

Equipment for exercise, gymnastics and athletics are the most valuable commodity of Sports Goods in terms of global trade followed Swimming and Paddling Pool Equipment. This is quite evident from the percentage share of different product categories in exports, as exhibited below:

Figure 2: Product Mix of Sports Goods Export

Source: Trade Map

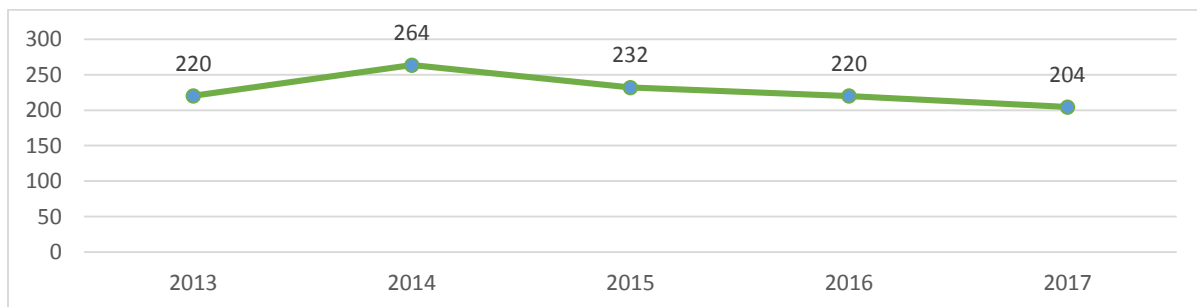
3. Pakistan's Exports

Pakistan is one of the major exporting countries of Sports Goods especially in the category of Inflatable Balls. Over the years, export figures have shown mixed growth, with a slightly negative growth trend in last 5 years from 2013 ~ 17. During the year 2017, the exports value of Sports Goods was US \$204 Million. Pakistan's last five years export figures of Sports Goods are as follows:

Table 4: Pakistan Exports Sports Goods- Last 5 Years

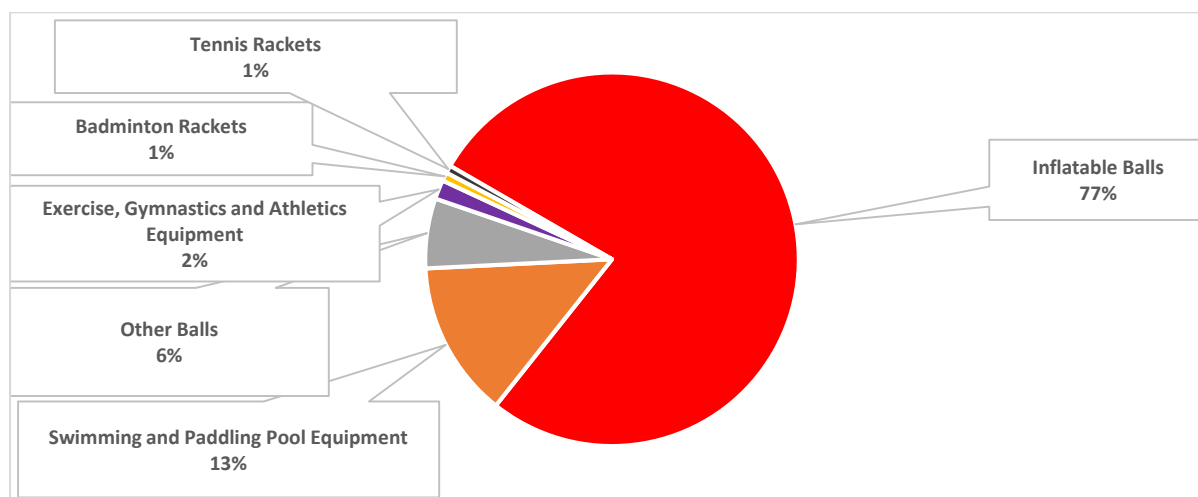
Description	2013	2014	2015	2016	2017
Pakistan Exports (Value in US \$ Million)	220	264	232	220	204
Growth %age	0%	16%	-14%	-5%	-8%

Source: Trade Map

Figure 3: Growth Trend of Pakistan's Exports (Value in US \$ Million)

Pakistan's Major Product Mix

Pakistan's exports of Sports Goods are mainly concentrated in Inflatable balls, followed by Swimming and Paddling Pool Equipment. The product mix of Sports Goods Exports from Pakistan is exhibited below:



Source: Trade Map

Pakistan's Exports Destinations

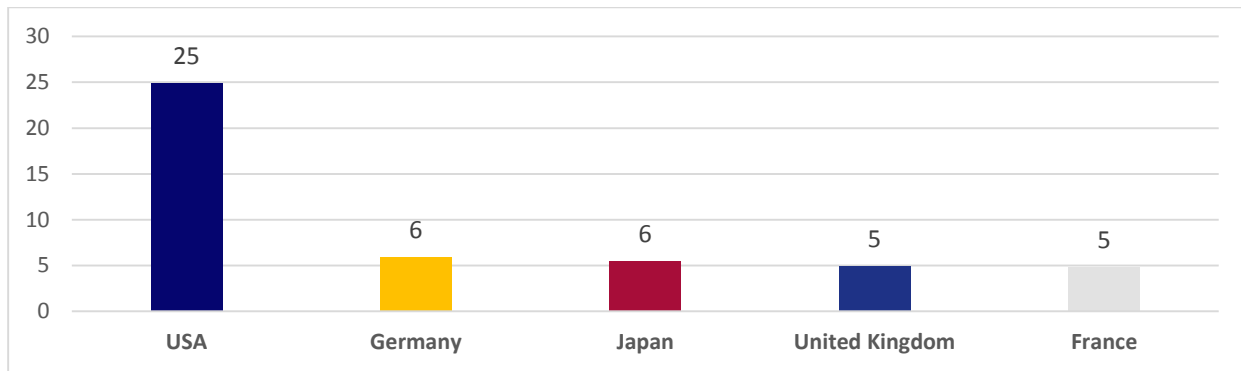
In last five years, Pakistan's major export partner for Sports Goods was Germany, followed by United States of America. The percentage share of top five importing countries of this commodity from Pakistan is given in the following table:

Table 5: Pakistan's Top Five Export Partners – Last 5 Years (Percentage)

Country	2013	2014	2015	2016	2017
Germany	12	14	14	17	15
USA	10	8	10	9	10
United Kingdom	7	10	10	9	8
Netherlands	5	7	5	5	6
Belgium	8	7	6	7	6

4. Import Destinations of Sports Goods

The largest importing country of Sports Goods is USA, followed by Germany and Japan. The percentage share of five biggest importing countries are given below:

Figure 4: World Top 5 Importers (Percentage Share in 2017)

Source: Trade Map

Partner Countries of Top 3 Importers

The trade partners of the world's top 3 importing countries of Sports Goods are discussed in the following section. The average percentage share of exported value of Sports Goods to top 3 importing countries is evaluated and presented in the following graphs:

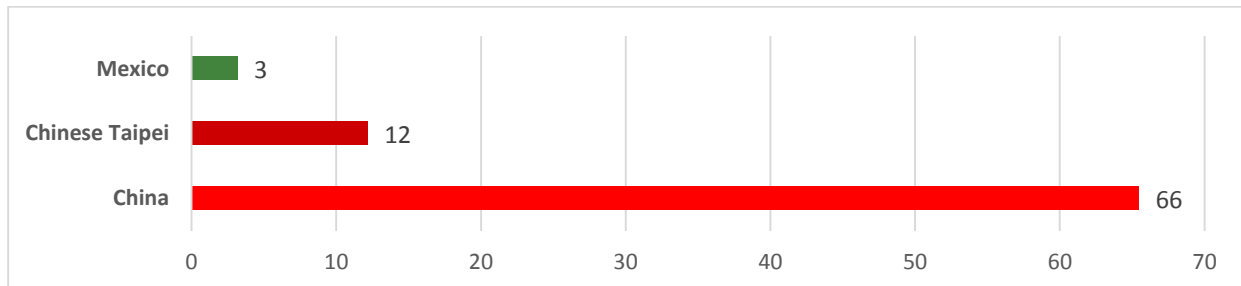
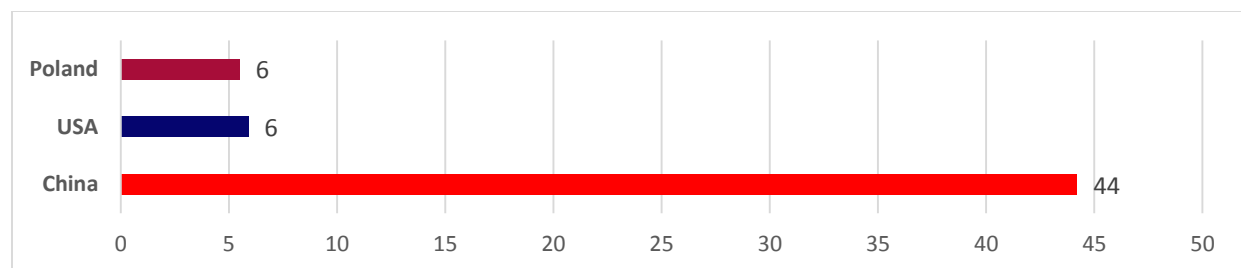
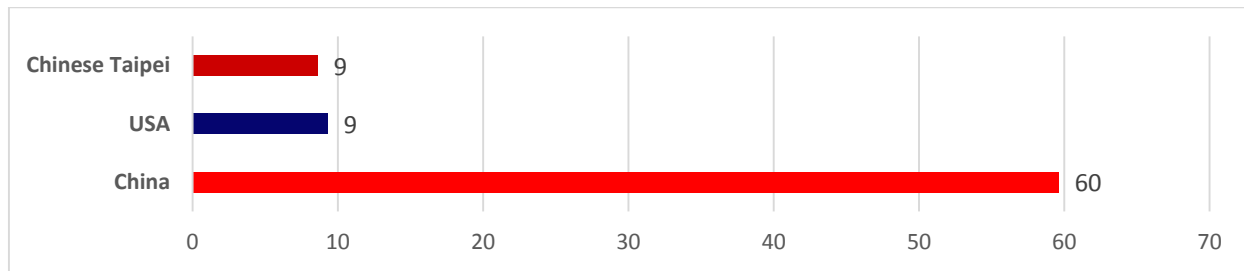
Figure 5: Trade Partners of USA (Avg. % Share in Export Value – Last 5 Years)**Figure 6: Trade Partners of Germany (Avg. % Share in Export Value – Last 5 Years)**

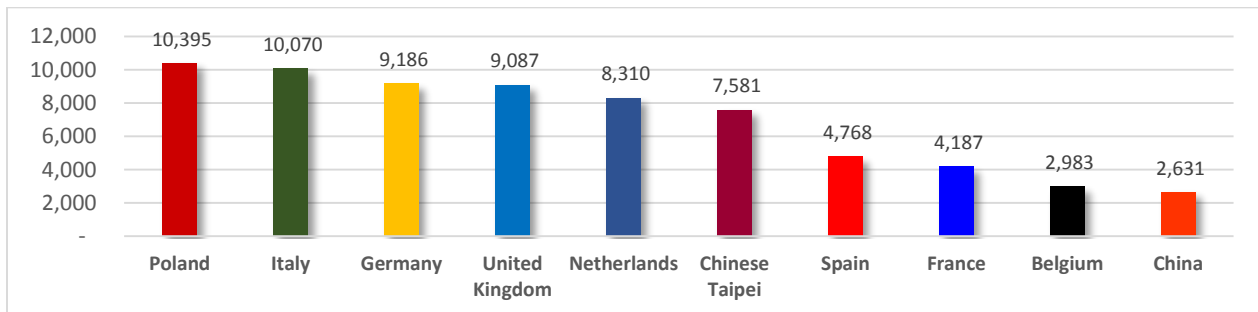
Figure 7: Trade Partners of Japan (Avg. % Share in Export Value – Last 5 Years)

Source: Trade Map

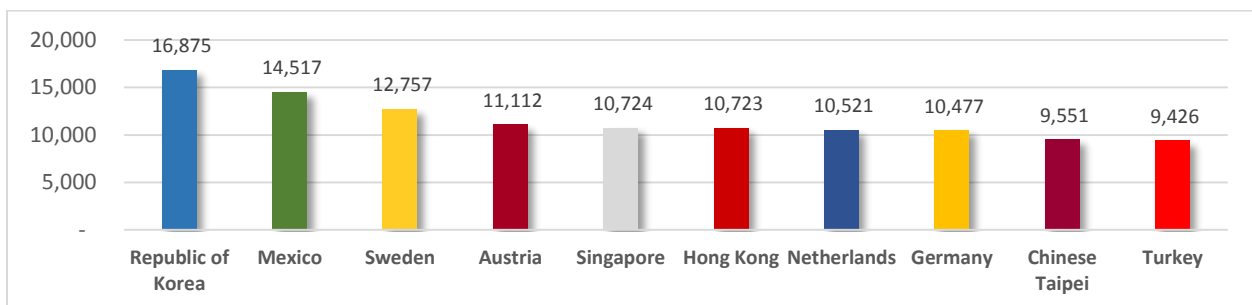
From the above graphical descriptions, it is clear that Pakistan is not among the top exporters of Sports Goods. In fact, Pakistan's share in exports to these high potential markets is quite low i.e 12th in the world for USA with 1 % share, 9th in the world for Germany with share of 3.2 % and 15th in the world for Japan with a meagre share of 0.4 %. Keeping this in view, Pakistani exporters should target the biggest markets with huge export potential by offering high value products.

Price Comparisons

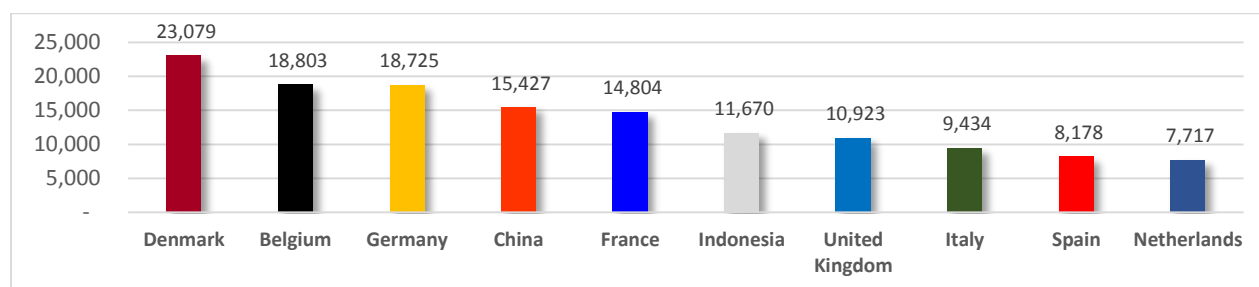
The following price comparison of Sports Goods shows the prices charged by the top exporting countries for major product mix.

Figure 8: Price Comparison for Instruments for Exercise, Gymnastics and Athletics Equipment (HS950691, US \$ / Ton)

Pakistan's export price for this category is not available on ITC Trade Map.

Figure 9: Price Comparison for Swimming and Paddling Pool Equipment (HS950699, US \$ / Ton)

Pakistan's export price for this category is not available on ITC Trade Map.

Figure 10: Price Comparison for Inflatable Balls (HS950662, US \$ / Ton)

Pakistan's export price is 4.11 US \$ per unit as compared to 4.69 US \$ per unit of Thailand and 2.71 US \$ per unit of India.

5. Export Trade and Tariff for Sports Good in Pakistan

There are certain conditions that apply on exports of Sports Goods from Pakistan.

- There is a 3% Drawback of Local Taxes and Levies (Non-Textile) to the exporters of Sports Goods. As per the procedure, 50 percent of the rate of drawback will be provided to exporters without condition of increment in exports of goods. While, the remaining 50 percent will be provided, if the exporter achieves an increase of 10 percent or more in exports during the certain financial year 2018-19, as compared to the exports of previous financial year.
- In order to encourage exporters to target new and far-flung destinations for exports, there is additional 2 percent Duty Drawback facility for exports to non-traditional destinations in Africa, South America, Oceania, CIS countries and Non-EU countries.
- General Sales Tax of 17% is applied on import of raw material for Sports Goods, while a 5% custom duty is applicable on exports of these commodities.

6. Prominent International Trade Fairs

Name of Trade Shows	Location	Frequency	Web Links
ISPO Munich	Messe München GmbH, Messegelände Munich, Germany	Annual	https:// www.messe-muenchen.de/
PGA Merchandise Show	Orange County Convention Center Orlando, USA	Annual	http:// www.pgashow.com/
IWA Outdoor Classics	Exhibition Centre Nürnberg, Germany	Annual	https://www.iwa.info/en
Taipei International Sports Goods Show	Taipei World Trade Center, Taipei, Taiwan	Annual	https://www.taispo.com.tw/
China Sport Show	National Exhibition and Convention Center, Shanghai, China	Annual	http://www.chinaexhibition.com/Official_Site/11-9566-China_Sport_Show_2018_-_The_36th_China_International_Sporting_Goods_Show_2018.html