SGEPC newsline
Xsports
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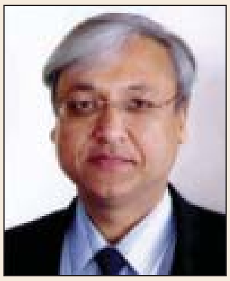
August 2010

Chairman's word...



Dear Members,

I heartily felicitate the winners of Export Awards for 2008-09. They are being recognised for their achievements and contribution to the sports goods & toys sector, at a special function on August 18, 2010. Despite global recession, this industry could maintain growth momentum in 2008-09. However, there is a slight decline in exports during 2009-2010. All the exporters would have to strive harder to maintain the growth of the sector in the current year.

I am pleased to note that enthusiastic participation has been received for the b2b meet being organised by the Council in Australia & New Zealand. These markets account for sizeable share of exports of Indian sports goods and hence are very important for our members. Also special thrust is being given by the Govt. to promote India's exports to this region, these being the focus markets. I am sure these promotional efforts of our members will help in turnaround of our exports, back on the growth trajectory.

Your Sincerely,

(Anil Mukim)

Export Awards

SGEPC would felicitate top Sports Goods and Toys Exporters on 18th August 2010, New Delhi, in recognition of their achievements in export of Indian sports goods and toys during the year 2008-2009. Dr. M S Gill, Hon'ble Minister of Youth Affairs and Sports, has kindly consented to present the awards. The 4 categories for awards are: Highest Export Awards; Outstanding Export Awards; Export Excellence Awards and Indian Brand Promotion Awards. Brief profiles of the Highest Export Award winning companies appear below:

Gold Trophy

Mr. S N Bhatt

Inca Hammock Manufacturing & Export (P) Ltd.

Since the last 19 years Inca Hammocks, has been one of the best known sources of hammocks & swings, worldwide. A 100% EOU, excelling in service, export and quality, it is spearheaded by Mr. S N Bhatt who ran the largest Cork business in Asia and gradually turned to manufacturing of Hammocks with the help of his son, Mr. D S Bhatt. By 2003, Inca became the largest hammock manufacturer in Asia. With the powerful team at Inca, he keeps innovating and improvising the way Hammocks swing - worldwide.

Silver Trophy

Mr. Vinod Mahajan

Soccer International Pvt. Ltd.

Established in1976, Soccer International is very well known for hand and machine sewn Inflatable Balls, Soccer Shinpads, Sports Kitbags & Latex Bladders. The turnover of the company in 2008-09 was approximately Rs.40 Crores. Soccer International has a dedicated team of 500 skilled professionals and 5 production facilities spread over 3,00,000 sq. ft. area that are upgraded with the latest state-of-the-art technology. The company's 100 plus strong customer base includes some of the world's biggest sporting goods brands. An ISO 9001:2008 Certified Company, Soccer International also has a CSR initiative to prevent and rehabilitate child labour.

Bronze Trophy

Mr. Rajan Mayor

Mayor & Co. Jalandhar

Mayor & Co., part of Mayor World is an ISO 9000:2001 & 14001:2004 company having 49 years of experience in working with multinational giants. The company in its state-of-the-art facilities manufactures machine and hand sewn Inflatable Balls, Boxing Gear and Gloves. The Company is a FIFA Licensee and is also a member of WFSGI & SGFI. Mayor & Co. follows Corporate Social Responsibility. As part of vertical integration the company has recently set up its own Artificial Leather and Bladder manufacturing unit. The company has been recognised by the Directorate of Factories & Industrial Safety Council for largest reduction in Accident Frequency Rate in the Sports Industry.

Australia

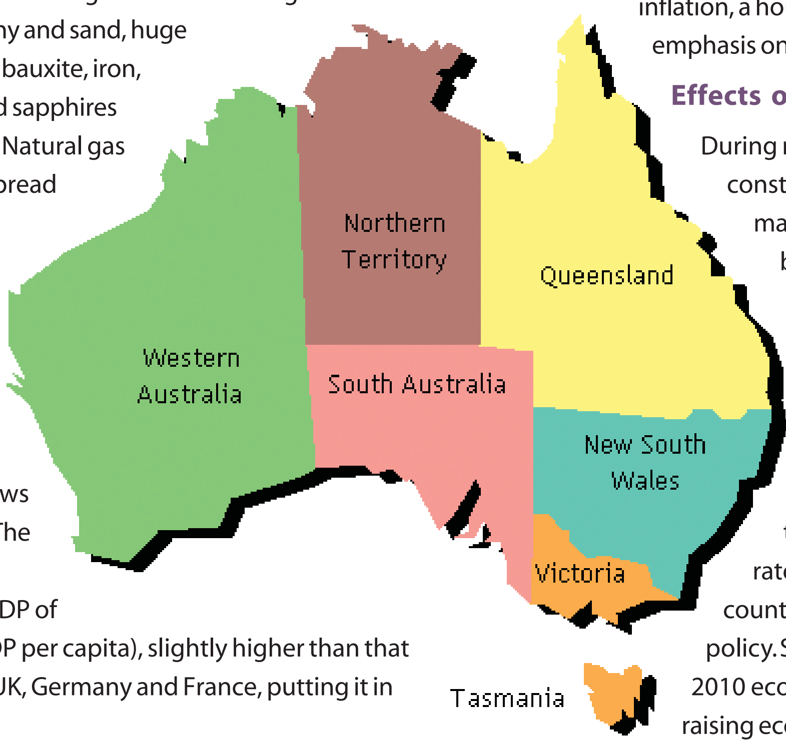
Economy sees positive reforms

Over the last two decades, Australia's economy has experienced positive reforms that have boosted its economy, and raised its standard of living. Australia is today riding the commodity boom, in particular signing massive contracts with China to feed the fastest growing large economy in the world, with the raw materials and energy it so badly needs.

Thirteenth largest economy in the world

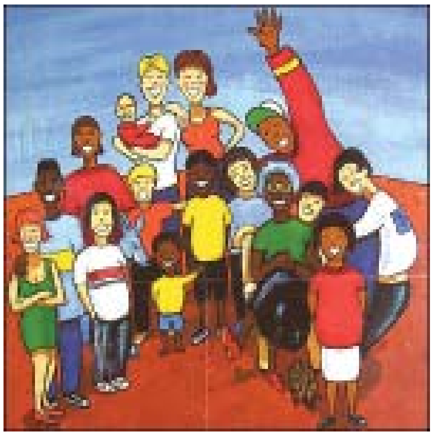
As of 2009, its GDP was estimated to be $920 billion. This nation has managed an impressive 18 years of continuous growth since 1992. Even during the Financial Crisis, Australia kept growing, managing 0.732% thanks to its commodity exports. **Forecasts suggest continued growth for next five years, peaking at 3.4% in 2012.**

Indeed, being both a country and a continent, the only one in the world, Australia is a land of huge natural resources and beautiful coastlines. Being a land with enough variation in topography and sand, huge deposits of gold, iron, bauxite, iron, manganese, opals and sapphires have been identified. Natural gas deposits are evenly spread throughout the continent. Given these factors, it is no wonder that the Australian economy is one of the strongest economies in the world and follows a laissez-faire policy. The country features an enviable per capita GDP of $37,302 (Australia GDP per capita), slightly higher than that of the United States, UK, Germany and France, putting it in 15th position.



Small Population

This is partly due to the small Australian population of 22,175,475 (2010 estimates) in a large country. A majority of the population resides in the vicinity of Sydney, Melbourne, Adelaide, Perth and Brisbane.



Australia has a western-style market economy. The services sector is the largest, accounting for 71% of GDP in 2008 (Australia Gross Domestic Product by Sector). Although the agricultural and mining sectors are small, 4.7% of GDP combined, they contribute approximately 65% of exports. The key contributing factors to make the Australian economy strong are demand for commodities, growing ties with China, low inflation, a housing market boom and emphasis on reforms.

Effects of Recession

During mid-2008, growth was constrained due to a tight labor market and infrastructure bottlenecks. However, the country managed to somewhat escape the bayonet of the Great Recession, which many other developed economies could not. In October 2009, their central bank raised its key rate, making Australia the first G20 country to constrict its monetary policy. Some of the major plans for the 2010 economic development include raising economic productivity, passing the emissions trading legislation and furthering economic relations with China. The government also plans to focus on drought, devastating bushfires and other climate-related issues.■

Adidas Outdoor to launch in US in Fall 2011

Effective fall 2011, adidas will enter the US Outdoor market with a newly developed range of footwear, apparel and accessories, including the TERREX concept, which debuted in Europe in 2009 to great reviews.

The collection will be available in the US at selected outdoor specialty retailers and in adidas own Sport Performance stores starting fall 2011. Long-time adidas partner Agron Inc. will be the official and exclusive distributor for adidas outdoor products in the US. Retail partners in the US will be able to preview the adidas Outdoor Fall/ Winter 2011 collections at the January 2011 Outdoor Retailer Show in Salt Lake City, Utah. ■

Source : SportsOneSource Media

US sports participation trends

Sporting Goods Manufacturers Association's annual sports participation report has recently been released. It details participation trends in sports in America and provides insight into what sports are growing and what sports are not.

- The biggest increase in participation in team sports in 2008 was ultimate Frisbee, up 20.8 percent.
- Hunting and target shooting with a handgun was up 10.7 and 13.9 percent, respectively, this year.
- There were 17 million people playing table tennis last year, a 15.5 percent increase from 2007.
- The worst decline in participation in team sports in 2008 was roller hockey, down 15.4 percent.
- Last year, 15 percent of cheerleaders and 29 percent of gymnasts were male.
- Last year, 6 percent of tackle football players and 18 percent of paintball players were female.
- Archery participation was up 7.7 percent.
- Skateboarding participation was down 7.4 percent in 2008 and is now down 20.8 percent since 2000.
- Interest in the UFC might be skyrocketing, but mixed martial arts participation actually went don 1.4 percent last year. That has nothing on boxing, which is down 42.3 percent as compared to participation in the sport eight years ago.
- Lacrosse has long been called the fastest growing sport in America, as it has grown 117 percent since 2000. Still, only 1.9 million people played lacrosse in 2008 compared to something like slow pitch softball, which had 9.8 million participants. ■ *Source: CNBC*

Outdoor activity

Study identifies active segment of population

While more than 50% of all Americans are considered 'frequent' sports participants, 12% are classified as 'regular' sports participants and 15% are active on a 'casual' basis. Unfortunately, 23% of all Americans are not active at all, according to the Sporting Goods Manufacturers Association's Sports Participation in America (2010 edition) report.

In all, 92 activities are featured in the annual report on athletic, recreational and exercise trends in the United States. From a national perspective, the 33.6 million Americans who are active on a 'regular' basis and the 41.9 million Americans who are active on a 'casual' basis are a strong potential market for additional sales of sporting goods. Combined, there are more than 75 million Americans who are involved in some type of athletic activity, recreational endeavor, team sport or exercise program on a fairly regular basis. And potentially, those individuals could be exercising more, buying more sports products and improving their overall level of physical fitness.

'Pick-up' play in team sports continues to suffer. In 2009, there were only five team sports where 'casual/pick-up' play exceeded organised/sanctioned play. Those sports were basketball, ice hockey, field hockey, touch football and beach volleyball. A reason why participation in most team sports is dominated by organised/sanctioned play is because more young athletes are specialising in one sport at an earlier age. Sports participation in America also notes that makers of video games are now producing games which encourage the end users to be active, rather than inactive while playing. These new games are described to as "motion game experiences."

Listed below are highlights from the report:

Senior Appeal - Fitness activities which have the highest percentage of participants, at age 55 and above, are walking for fitness, tai chi and water aerobics.

Sweaty and Sociable - In 2009, there was a significant increase in participation for class-oriented activities such as high impact aerobics, low impact aerobics and step aerobics.

Economic Indicator - The elliptical motion trainer has the highest percentage of participants whose annual household income exceeds $100,000.

Fitness 'Rookies' - Of all the fitness, conditioning and strength-building activities, yoga, cardio kickboxing and Pilates Training have the highest percentages of first-time participants.

Ladies Dominate - Females represent the majority of participants in just four team sports- gymnastics, fast-pitch softball, court volleyball and cheerleading.

Favourite Team Sports for Girls - The three team sports which attract the largest number of female participants are basketball (5.5 million), outdoor soccer (5.1 million) and court volleyball (4.2 million).

Kids' Games - The three team sports which have the largest percentage of children participating (aged 6-17) are cheerleading (69%), gymnastics (64%) and track & field (61%).

Team Sports Trend - The five team sports which attract the largest percentage of participants, who are ages 25-44, are roller hockey (50%), beach volleyball (47%), ice hockey (44%), slow-pitch softball (43%) and rugby (42%).

Emerging Team Sports - The three team sports which had the highest percentage of first-time participants in 2009 were rugby (31.6%), field hockey (28.2%) and lacrosse (24.8%).

The Gym's #1 Attraction - With 51.4 million participants, the treadmill continues to be the most popular fitness machine.

Court Sport Combinations - Forty percent of racquetball players also play tennis and 32% of table tennis participants play tennis.

Home Sweet Home - Roughly 36% of all boxers say they participate in the activity at home, indicating their focus is on fitness and not competition.

Gone Fishin' - Of the 40.9 million freshwater fishermen, 10% also participate in fly fishing. And 55% of the 12.3 million saltwater fishermen also go freshwater fishing. ■

Source : SGMA

Shift in the Toybox

digital playthings spreading, but dolls, action figures hold their own

Children fascinated by adult gadgets are putting aside time-honored playthings in favor of tech toys. The Toy Industry Association Inc. says youth entertainment is becoming more digital as children move away from traditional toys. A bevy of touchscreen devices, smart phones, motion simulator games and other high-tech products has caused a shift in the toy box.

For instance, toy researchers say parents better brace for an onslaught of iPhone, iPod Touch and iPad game applications - all designed to draw a younger customer base. Traditional toymakers are on alert. The Toy Industry Association's website reports that US video game sales decreased 8 percent to $19.7 billion last year, compared with $21.4 billion in 2008.

Some parents might view giving a child a cell phone with preloaded games as killing two birds with one stone. This way, they have a way to keep in touch and they have a gaming device without having to spend money on a separate portable console.

For some parents, keeping it simple means sticking with traditional toys. A spokeswoman for the New York-based Toy Industry Association, said girls aren't waving bye-bye to Barbie. The traditional toys are never going to go away and boys still get excited over action figures. It's just that they can role play with their favorite superhero through video games as well.

There's no doubt more options are out there, but games like Lego, Monopoly and Crayola will still have a place. The past two holiday seasons, throwback toys such as the Etch A Sketch have been popular. Nonetheless, retailers have to be relevant and that means keeping shelves stocked with the latest gizmos.■ *Source: www.toyassociation.org*

Decline in number of US consumers buying gifts for children

According to Juvenile Products: 2010 Edition, the most recent report from leading market research company, The NPD Group, since 2007 when the original Juvenile Products report was published, there has been a decline from 47 to 40 percent in the number of US consumers who buy gifts for kids ages 0-2 in an average year.

According to the report, which provides an updated view of the juvenile products market among gift givers and moms of young kids, while the percent of the population buying gifts in a typical year has declined, the amount spent on the two of the most popular gifting occasions: baby showers and holidays, has increased slightly, with new baby gifts experiencing the most growth from $26 to $29. Also noteworthy is that, in 2010, doting grandparents are spending most on new baby gift's- an average of $72.

“Grandparents spend the most on baby gifts by a significant margin. They are less likely to buy off a registry and report having a hard time deciding what to purchase for their grandchildren which makes them a tricky, but critical target market for juvenile products,” says an industry analyst from The NPD Group. The trend of more conservative spending continues as parents are spending notably less on their other children compared to their first child for all categories. Likely driven by the poor economy, when it comes to parents using juvenile products with other kids besides their first-born child, there are more parents borrowing/buying used clothes now than in 2007.

With 80 percent of parents still buying clothing that is new and not used, the trend of parents borrowing or buying used clothes is still relatively small, but noteworthy.

With an increase from 39 percent in 2007 to 42 percent in 2010 for "word of mouth," and a decrease from 31 percent in 2007 to 28 percent in 2010 for "health professional," the parenting and/or baby product information that moms obtained via word of mouth trumps what health professionals think, even more so now than in 2007.

Companies that compete in the juvenile products arena have noticed the power of mommy bloggers who can serve as important, even critical, evangelists for their products, and are actively courting them as part of their marketing strategies.

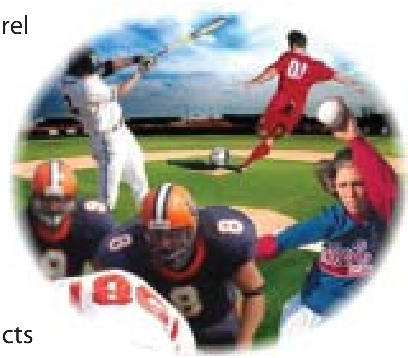
Mass merchants continue to be most popular channel for juvenile product purchases among gift givers, while baby stores capture the highest average amount of money spent on gifts. Out of all channels, discount stores showed the most dramatic increase for buyers, increasing from 8 percent in 2007 to 11 percent in 2010, while Toy Stores showed the most dramatic decline, from 23 percent in 2007 to 17 in 2010.■ *Source: www.toyassociation.org*

Decline in worldwide overall sports market: Research

The NPD Group, Inc., a leading market research company, released the results of its fifth annual study on the global sports market, Global Sports Estimate 2010. This year's report shows that the worldwide sports market has declined for the first time since 2005. Accordingly, global sales of sports equipment, apparel and footwear is valued at 282 billion USD (Euro 213 billion) for 2009, which is a 2 percent decline from 2008.

The state of the global economy and its subsequent impact on consumers worldwide has had an impact on the sport market, as well. The market declined 4 percent in the US and 5 percent in Japan which are keys to understanding the global decline.

While the overall sport market suffered declines, there are pockets of growth; Middle East (+3 percent), North Africa (+5 percent), equipment in Europe (+1 percent), and footwear in Asia (+1 percent).



Looking at footwear, apparel and equipment products purchased for 'sport use' the Global Sports Estimate found they performed better in Europe (-1 percent) and Asia (+1 percent) than in the US (-4 percent). Products purchased for 'sport style' where down everywhere, -3 percent in Europe & in the US and -1 percent in Asia.

As there are signs of recovery in 2010, so too is there evidence that the global sports market will bounce back in 2010 with a forecast of an increase of 1 percent globally.

In addition, the US market is expected to stabilise and potentially grow in 2010. ■ *Source : NPD*

Refund of 4% Additional Duty of Customs
Disposal of claims in respect of cases where assessments are provisional

Copy of Customs Circular, dated 29th July, 2010

Your kind attention is invited to the Notification No.102/2007-Customs dated 14.9.2007, Notification No.93/2008-Customs dated 1.8.2008 and Board's Circulars No. 6/2008-Customs dated 28.4.2008, No.16/2008-Customs dated 13.10.2008, No.6/2009-Customs dated 9.2.2009 and No.18/2010-Customs dated 8.7.2010 containing instructions on the procedure to be followed by the Customs field formations in case of 4% CVD refund claims.

2. References have been received by the Board pointing out that divergent practices are being followed as regards sanction of 4% CVD refund claims in the cases where assessments are provisional. It has been reported that in some Custom Houses, 'date of payment' of duty is being considered as date for determining the prescribed period of one year in terms of the Notification No.93/2008-Customs dated 1.8.2008, whereas in other Customs Houses, the relevant date is the date of finalization of provisional assessment and accordingly, the importers in those Customs Houses are filing refund claim within one year of finalization of assessment. It was requested that a suitable clarification be issued by the Board in order to ensure uniformity in procedure.

3. The matter has been examined in the Board. As per the Board Circular No.6/2008-Customs dated 28.4.2008, the limitation of time under Section 27 of the Customs Act, 1962 is not applicable in cases relating to refund claims of 4% CVD. The refund of 4% CVD is admissible in terms of Notification No.102/2007-Customs dated 14.9.2007 read with Notification No.93/2008-Customs dated 1.8.2008 issued under Section 25(1) of the Customs Act, 1962 subject to fulfillment of certain conditions as envisaged in the said notifications. The time limit prescribed for the purpose of 4% CVD refund claim is one year from the date of payment of duty as per the said Notifications. Hence, in cases where the assessment is provisional, for the purpose of sanction of refund of 4% CVD, the date of payment of duty would be, the date of payment of CVD at the time of import of goods and not the date of finalization of provisional assessment. The Importer, therefore, would be eligible to get the refund, if the claim is filed within one year of the date of actual payment of 4% CVD i.e. the date of payment of duty at the time of clearance of imported goods.

4. Board, has, accordingly decided that all pending 4% CVD refund claims under Notification No.102/2007-Customs dated 14.9.2007 and Notification No. 93/2008-Customs dated 1.8.2008 should be disposed of despite the fact that the assessment continues to be provisional without awaiting for finalization of assessments.

5. A suitable Public Notice and Standing Order may be issued for the guidance of the trade and staff.

Yours faithfully,

(R. P. Singh)
Director (Customs)

Service Tax Notification dated 28th June, 2010

G.S.R. (E).- In exercise of the powers conferred by sub-section (1) of section 93 of the Finance Act, 1994 (32 of 1994) (hereinafter referred to as the Finance Act), the Central Government, on being satisfied that it is necessary in the public interest so to do, hereby exempts the following services when provided wholly within the port or other port or airport :

(i) (i) taxable service provided by a cargo handling agency in relation to, agricultural produce or goods intended to be stored in a cold storage;

(ii) (ii) taxable service provided by storage or warehouse keeper in relation to storage and warehousing of agricultural produce or any service provided for storage of or any service provided by a cold storage;

(iii) (iii) taxable service in relation to transport of export goods in an aircraft by an aircraft operator;

(iv) (iv) taxable service of site formation and clearance, excavation and earthmoving and demolition and such other similar activities.

2. This notification shall come into force on 1st day of July, 2010.

(K.S.V.V.Prasad)
Under Secretary to the Government of India

Free baggage allowance under Baggage Rules, 1998 for persons returning from Hong Kong Special Administrative Region (SAR), People's Republic of China

Copy of Circular No.25 / 2010-Customs, dated 4th August, 2010

The Consulate General of India in Hong Kong has brought to the notice of the Board that the divergent practices are being followed at different airports in India for allowing free allowance under the Baggage Rules, 1998, as amended, for the passengers coming from Hong Kong Special Administrative Region (SAR), P.R. China. At some airports, the passengers from Hong Kong are being given full free allowance of Rs.25,000/- while at some other airports, they are allowed only Rs.6,000/- as free allowance. It was, therefore, requested that the Board should issue suitable clarification in this regard.

2. As per the Baggage Rules, 1998, as amended, the passengers returning from Nepal, Bhutan, Myanmar or China, other than by land route, are allowed clearance free of duty articles in their bonafide baggage to the extent mentioned in column (2) of Appendix-B. As per Appendix-B, the passengers of and above 10 years of age and returning after stay abroad of more than three days, are allowed for clearance free of duty on articles other than those mentioned in Annexure I upto value of Rs.6,000/-. Whereas passengers of and above 10 years of age and returning after stay abroad of more than 3 days, coming from any country other than Nepal, Bhutan, Myanmar or China shall be allowed free baggage allowance Rs.25,000/-, on articles other than those mentioned in Annexure - I as per Rule 3 read with Appendix 'A' of the Baggage Rules.

3. The matter has been examined in consultation with the Ministry of External Affairs. The Ministry of External Affairs has clarified that Hong Kong Special Administrative Region (SAR) is a separate Customs territory from China. Therefore, they are not to be treated as one.

4. Accordingly, it is clarified that an Indian resident or a foreigner residing in India of and above 10 years of age and returning after stay abroad of more than 3 days, returning from Hong Kong Special Administrative Region (SAR), P.R. China shall be allowed clearance free of duty upto Rs.25,000/- on articles other than those mentioned in Annexure - I under the Baggage Rules, 1998, as amended.

Yours faithfully,

(R. P. Singh)
Director (Customs)

SGEPC's Export Promotion Activities 2010-11

Event	Sector	Dates
Buyer Seller Meet in Austria, Poland & Czech Republic (under MDA)	Sports Goods & Toys	7-14 October 2010
Buyer Seller Meet in Australia & New Zealand (under MAI)	Sports Goods & Toys	9-16 November 2010
Hong Kong Toys & Games Fair, Hong Kong (under MDA)	Sports Goods & Toys	10-13 January 2011
Speilwarenmesse Intl. Toy Fair, Nurenberg, Germany (under MAI)	Sports Goods & Toys	3-8 February 2011
ISPO Winter , Munich, Germany (under MAI)	Sports Goods	6-9 February 2011
American International Toy Fair (under MAI)	Toys	13-16 February 2011
Play World middle East, Dubai (under MDA)	Toys	7-9 March 2011
Buyer Seller Meet in Argentina, Chile & Brazil (under MDA)	Sports Goods & Toys	March 2011

Applications for the participation in individual events will be invited separately. Meanwhile members are requested to plan their participation in above events during the year 2010-11. It may be noted that if Council does not receive sufficient participation in any event, the respective activity may not be organised by the Council in the current financial year.

Editor: Tarun Dewan
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