

*Chairman's word...*

Dear Members,

Export Promotion Activities for the year 2010-11 have been finalized by the Council and circulated to all members. I am pleased to note that very encouraging response has been received from members for participation in Buyer-Seller Meet proposed to be organized in Austria, Poland and Czech Republic. The Council has also started working on special promotion projects for sports goods & toy sectors, approved under Market Access Initiative Scheme of the Govt. for the year 2010-11. The activities to be undertaken during these projects include Buyer Contact Programme, Publicity, participation in renowned fairs as well as BSMs.

The meeting with Drawback Committee to review drawback rates on sports goods items was held recently. SGEPC made a presentation to the Committee members on the present state of industry, export performance and the problems being faced by the industry with respect to rates/caps on certain items.

Your Sincerely,

A.G. Mukim
(A.G. Mukim)

Performance and Credit rating of MSME units

Awareness Seminars conducted in Jalandhar and Meerut



SGEPC organized an awareness Seminar on "Performance and Credit Rating of MSME Units" in coordination with NSIC-ONICRA on 11th June, 2010 at Jalandhar and on 17th June, 2010 at Meerut.

While the Jalandhar seminar saw the presence of Mr. R S Rana, Regional Director - SGEPC; Mr. Rajesh Katoch, Regional Sales Manager-ONICRA; Mr. Guralp Singh, Branch Manager -NSIC Jalandhar and Mr. Tarun Dewan, Secretary-SGEPC, the Meerut event was graced by Mr. K C Anand, Vice Chairman- SGEPC; Mr. Shailesh Waghmare, Head Marketing Manager-ONICRA; Mr. Rajiv Kapoor, Branch Manager -NSIC Meerut and Mr. Tarun Dewan, Secretary-SGEPC.

Mr. Tarun Dewan initiated the seminar and spoke on the objective of the event. He urged all the participating exporters to draw maximum advantage of the seminar towards their future growth & opportunities. He outlined the fact that Micro, Small and Medium Enterprises (MSME) contribute around 45% to GDP and employ nearly 45 million of its people, yet face challenges like securing credits from banks and financial institutions, lack of faith shown by buyers/suppliers, doubts on creditworthiness & capabilities, etc.

Through the seminars the exporters were informed that understanding the urgency & need to address challenges faced by MSMEs as well as that, the Ministry of MSME, Government of India, through NSIC, provides Credit Rating Schemes. This has been approved by the Government of India through Ministry of MSME and also has the approval of Indian Banks' Association.

The participants also learnt that ONICRA Credit Rating Agency of India Ltd. is one of the selected agencies appointed by NSIC to provide Performance and Credit Rating for MSME units. The Ministry of MSME provides a subsidy of 75% on NSIC-ONICRA rating fees to registered MSME units. ONICRA evaluates the current business model and provides input for growth in terms of profit and revenue, as well as to meet the opportunities & challenges in the changing Scenario.



Mr. Rajesh from ONICRA termed the rating as the "General health check-up" of the unit which adds to the credibility of MSME's. He explained the following benefits of the rating to MSME's :

- Enhances acceptability with Banks and Financial Institutions. This gives access to faster and cheaper credit.
- Ensures reliability and enhances the goodwill of the company.
- Provides input for the growth in terms of market, revenue and profit. ONICRA helps in upgrading the current profile of the client.
- Helps in marketing and supports in creating interest in potential buyers and business partners.
- Creates awareness about the strengths, weaknesses, opportunities & threats, helps in identifying areas of improvement.
- Helps in Risk Management by highlighting parameters measuring operational, financial, business & management risks.

Mr. Gurpal Singh from NSIC, Jalandhar and Mr. Rajiv Kapoor from NSIC, Meerut, made a brief presentation on various activities/schemes like Raw Material Assistance, Registration under Government Purchase Program, Infomediary Services, Participation in International & Domestic Exhibitions, Export Assistance, Credit Performance Rating of MSME's, Tender Marketing, etc.

Further, all the exporters and the dignitaries had a very interactive session and all queries concerning credit rating and other NSIC schemes were answered.

Mr. R S Rana, Regional Director, SGEPC and Mr. K C Anand, Vice Chairman, SGEPC proposed a vote of thanks at Jalandhar and Meerut respectively. ■

CAUTION NOTICE

Four small Indian exporters have been cheated by an unidentified buyer in Latin America, M/s Rodrigo Corporation.

This company uses different names from different countries like Venezuelan, Colombian, etc. This company Rodrigo Corp. (changes name frequently) requests that documents be sent to their bankers in such countries, and the goods be sent to a port of destination in Chile, generally Arica or Lquique. In all such cases the names, addresses and contact details of both, buyers and bankers have turned out to be false. Since the terms of payment are "Documents against Payment at Sight", technically the buyer can take possession of the cargo on presentation of the original Bill of Lading. The buyers have taken advantage of this provision to get the original shipping documents, collect the cargo, and disappear. Payment, therefore, is never made.



Sweden

A growing & challenging market for sports goods

Sweden is one of the world's top most sporting nations. Almost half of all Sweden's inhabitants are members of a sports club. Well over half of these are active sportsmen and women. Young people in particular are very keen sports enthusiasts. Two third of children aged 10-18 take part in team sports or through a club on a weekly basis. There is roughly the same number of girls engaged in sports as there are boys. The largest percentage of those playing sports is among 10-12 year olds.

Team sports are clearly most common among boys, more than half of the boys between ages 7 and 15 play some form of team sport. More than one third of the girls are engaged in some form of team sport. In contrast, there are more girls than boys that are engaged in some other kind of sport. The sports hall that most children usually visit the public swimming pool.

Football is the most popular sport, but golf has increased in popularity and is now the second most popular. Apart from walking, the other most popular activities are strength training, aerobics, running, cycling, swimming and dance. Other popular activities are Nordic and alpine skiing, and floorball. Ice-skating has also seen an increase in popularity.

Lack of free time has resulted in more exercising being done on an individual basis, or not at all. The 20-50 year-old age groups say that lack of time is the reason why they do not exercise as much as they would like. However, the over 50 group are increasing the amount of sporting and leisure activities in which they participate.

Consumption Trends

In terms of product groups and individual sports, including golf, it accounts for 27% of the market, followed by outdoor activities, including camping, fishing and horse riding (23%), snow sports (18%), fitness (16%), team sports (14%) and water sports (2%).



According to the Swedish Retail Institute, the sporting goods market will perform better than the economy as a whole,

as Swedes prioritise their spending in this direction.

Production

Sweden is a medium-sized producer of sports and camping goods. Its production levels have stabilised after

experiencing large decreases earlier in the decade. It is still an important producer in certain product groups. In 2006, there were 320 companies employing 733 people. The number of companies has increased while employment level have fallen, indicating either increased competitiveness or a reduction in the average size of companies.

Swedish companies have looked to lower cost sources of supply, while maintaining much design and marketing within the country. Swedish industry has a high reputation for quality, but this comes with higher prices, which many people are not prepared to pay. It is likely that production will decrease in the coming years, due to more outsourcing to other countries, particularly in Asia.

Opportunities and Threats

+ Fitness, outdoor activities and golf are the major opportunity areas. The levels of affluence, as well as a positive attitude towards health and fitness in Sweden make this a market of continuous opportunity.

+ As young school children are particularly active, exporters should target this consumer group via their parents to encourage upgrades in kit and equipment.

- Local production and imports from other countries may make market entry challenging, although some manufacturers are still looking for outsourcing partnerships.

Trade Channels for Market Entry

The Swedish sporting goods market is quite concentrated, and specialist chains and buying groups are dominant. There are, however, a large number of independent sporting goods retailers that are supplied by agents and wholesalers. These retailers are spread throughout the country and some of them are difficult to supply due to their remote locations. Exporters from developing countries would be advised to use a suitable wholesaler or distributor to reach the retail market. ■



Source: CBI, Netherlands



Fishing catches on as times get tough

Sees growth as families seek inexpensive pastime

At a time when the economy has shaken big-time sports from the PGA to the NFL, the low-key pastime of fishing has enjoyed a quiet resurgence.

One report commissioned by The Outdoor Foundation found that, in a decade during which the number of anglers generally dropped, 2009 bucked the trend and saw an increase of 1.6 percent or 630,000 participants. A separate study found one of the largest bumps since the 1970s in fishing license purchases, based on a 12-state index.

Americans already fish in big numbers (almost 41 million, according to The Outdoor Foundation), but the sport has been declining among young people.

Fortunately, there are programs to get youth off the couches, away from computer screens and out on the water. ■

Source: Associated Press



Global running shoe market sees modest gains Women consumers drive growth

According to The NPD Group, Inc., a leading market research company, overall sales of running shoes are showing signs of softening in some key global markets, but sales of running shoes used by runners are posting modest gains globally.

The key markets where total sales of running shoes are softening are in the U.S. and in Europe. In the U.S. after three years of gains/sales of running shoes fell slightly, by -0.9 percent in 2009. Sales also fell slightly in the European Big 5* countries, by -0.1 percent for the year. The international markets still posting growth are Canada where overall sales of running shoes were up by 4.6 percent and in Japan sales were up by 1.0 percent for 2009.

There is a bright spot of note and that is, in every geographic region NPD tracks the athletic footwear market sales of shoes 'used for running' outpaced the growth for overall running shoe sales.

Both in the U.S. and Europe, runners are willing to pay a premium; in the U.S., runners spend an average of \$14.04 USD more on their footwear than leisure wearers, and in European Big 5* they pay Euro 9.80 more. Women runners are the drivers of this trend on both continents, paying even more than the overall trend.

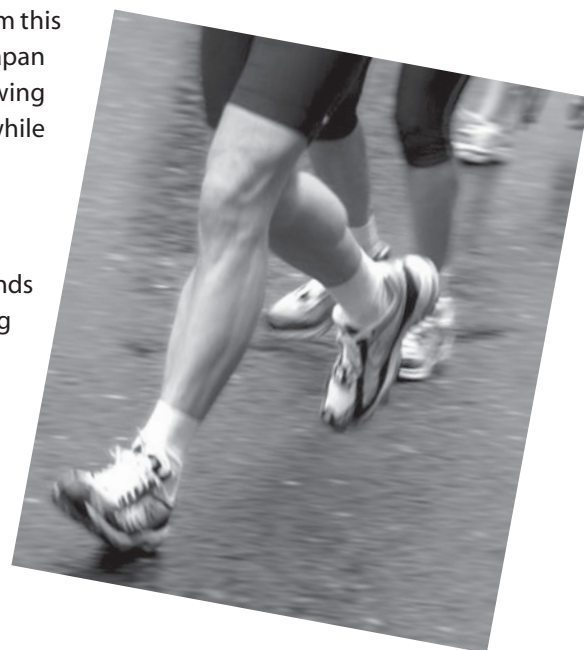
Despite slight declines in the European Big 5* overall, France, Italy and Germany posted modest single digit increases. In the U.S., the slight overall decline was mitigated by higher average sale prices. In Japan, growth was driven by males, in all age groups, purchasing shoes at price points below \$100 USD. In Canada, growth in sales was mainly driven by men, in addition to growth in the over \$120 USD price points for both men and women.

"Purchases of running shoes that are 'used for running' continue to show strength as core runners around the globe remain passionate about their lifestyle," said Marshal Cohen, Chief Industry Analyst, The NPD Group, Inc., "While purchases of 'running shoes used for leisure' are being challenged by new product offerings as well as some lingering economic pressures."

The brands that have benefited most from this growth varied by geographic region, in Japan and the European Big 5*. The fastest growing brands included adidas, asics, and Nike, while Saucony, Puma, and Brooks were more successful in the U.S.

"With motivation being the number one driving factor for sports participation, brands need to have a 'multi-message' marketing strategy in place," noted Cohen, "One message for the hard-core athletes and the other to reach the consumer that is the more casual wearer." ■ Source: NPD

*European Big 5 Countries Include: France, Germany, Italy, Spain and the United Kingdom





UK Toy Industry

sees double digit revenue increase

According to a leading market research company, The NPD Group, traditional toy sales in the UK were up by 11 percent in the first quarter of 2010 (January - March), topping £241.5 million vs. The £218.3 million generated during the same time period last year. Unit sales saw a 2 percent increase to 42.8 million units. While positive growth can be attributed in large part to an increase in price points, UK consumers were also purchasing more traditional toys in 2010 than they were in 2009.

Looking at monthly sales of traditional toys in the UK, January, February and March all experienced positive revenue growth, with respective increase of 3 percent, 14 percent and 13 percent. Unit sales were down by 5 percent in January, but saw an increase in February and March by 3 percent and 7 percent, respectively.

Price points for traditional toys priced at £5 saw a less average increase of 4 percent, followed by toys in the £10-£20 range, which experienced an average increase of 8 percent. Toys in the £5-£10 and £20+ ranges saw respective price point increase of 16 percent and 15 percent.

"The current growth in the UK toy market is very welcomed following a difficult year in 2009 with the closure of Woolworths together with the economic conditions," said Jez Fraser-Hook, UK Toys Director, The NPD Group. "The remaining retailers continue to benefit whilst a number of manufacturers are starting to see a turnaround of fortunes, contributing to a very strong start to the year" he added.

In terms of super-category sales performance, besides Action Figures & Accessories, Vehicles and Youth Electronics, which saw respective declines of 10 percent, 5 percent, and 31 percent, all super-categories realized increase during the first quarter of the 2010. The most significant increase were within Building Sets and Plush, which saw respective increase of 65 percent and 77 percent.

"The play value and increased offering from the Building Sets category has seen this category

go from strength to strength, even through the recession; whilst for the Plush category, new and interesting items are the key drivers to success, with Waybuloo and Zhu Zhu Pets being two examples," said Fraser-Hook. "However, for some categories, such as Youth Electronics, the trend of children moving into video games at an earlier age has impacted sales in recent times.

"Based on NPD's toy market research, top properties for the quarter based on total revenue sales (in alphabetical order) included Ben 10, Lego City, Star Wars, Thomas and Friends, and Transformers. Licensed toys represented 25 percent of total industry sales in Q1 2010, compared to 2009's 31 percent. ■

Source: NPD

IMPORTANT NOTICE

According to a local rule in Syria, there is a total ban on import of any material that has Hebrew writing or Hexa-star mark, like the Star of David on the Israeli flag.

The rule has been in existence for a long time whereby the goods had to be returned to the exporter, with a fine of 400 per cent of the value of goods payable by the exporter. The rule has recently been liberalized in February, 2010 and the penalty clause has been dropped.

Recently, a prominent exporter's product from India that bore the Hexa-star mark on it, has been advised to take back the consignment as the Syrian authorities did not agree to any relaxation in the existing rule.

It is been advised that no consignment of goods containing material with Hebrew writing or Hexa-star mark be exported to Syria.





China losing luster as export platform for rest of Asia

Multinational manufacturers are increasingly focused on accessing the growing China market while the number of companies viewing China purely as an export base continues to decline, according to the third annual China Manufacturing

Competitiveness survey, jointly conducted by the American Chamber of Commerce in Shanghai (Am Cham Shanghai) and management consulting firm Booz & Company.

"China can no longer be viewed solely as a hub for low cost exports. The growing domestic market in China offers rich opportunities to foreign invested manufacturers."

The survey of 202 foreign manufacturers in China shows that while respondents still consider China a hub for exports to the Asia Pacific region and beyond, nearly 83% of the companies surveyed said that their primary motive for locating manufacturing operations in China was to access the Chinese marketplace, up by 71% two years ago. Meanwhile, the percentage of respondents planning to use China primarily as a base to supply other Asian markets has slipped from 54.6% in 2008 to 50.5% in 2009.

Multinational Corporations (MNCs) are responding to rising costs, as well as labor availability challenges, by relocating or expanding their manufacturing operations from well developed areas in the south and east of China. The survey found that 28% of respondents are considering moves to lower cost areas in southwest or central China, up by 17% in 2008.

In addition, 8% of respondents reported plans to relocate or expand outside of China, and of those, more than half are evaluating to emerge with Asian countries like India (most preferred), Vietnam, Indonesia and Thailand.■

Source: Sports One Source



Hockey and Yoga top participation list among fastest growing sports in 2009



According to the National Sporting Goods Association (NSGA), USA, Hockey and Yoga were the two fastest growing sports in terms of participation last year. Participation in hockey grew 60.0% while participation in yoga, which grew 21.9% in 2008, grew 20.9%.

Data contained in NSGA's annual "Sports Participation – Series I and II" reports, which are now available, shows yoga with 15.7 million participants in 2009, an increase of 20.9% compared to the 13.0 million in 2008. Since the Association began surveying yoga in 2007 (10.7 million participants), participation has grown by 46.7%.

Among sports and activities with 10 million or more participants, fitness activities occupied five of the next six spots on the list. Exercising with equipment (57.2 million participants) showed a 4.0% increase, followed by aerobic exercising (33.1 million) and camping (50.9 million), 3.0% each. Next in line were hiking (34.0 million), 2.8%, and weight lifting (34.5 million), 1.8%, and running/jogging (32.2 million), 1.0%.

The overall percentage leader was Ice hockey, which showed a 60.0% increase amounting to 3.1 million participants. Several other activities with fewer than 10 million participants showed increases in 2009, including muzzle loading (3.8 million), 11.6%; cross country skiing (1.7 million), 7.4%; alpine skiing (7.0 million), 7.3%; snowboarding (6.2 million), 5.7%; and air gun target shooting (5.2 million), 4.3%.

Exercise walking, the No. 1 sports and recreation activity on the survey with 93.4 million participants, showed its first ever decline, 3.4%. Other fitness activities to decline were and working out at a club, which slipped 2.6% to 38.3 million participants.

Among traditional team sports, basketball participation was down 5.0% to 24.4 million; tackle football, down 6.2% to 8.9 million; softball, down 7.9% to 11.8 million, volleyball, down 11.7% to 10.7 million, and baseball, down 13.5% to 11.5 million. That contrasts with 2008 increases in soccer (12.5%), basketball (6.4%), softball (3.6%) and volleyball (1.0%). Gymnastics (3.9 million) and wrestling (3.0 million) were surveyed in 2009 but not in 2008. ■

Source: SportsOneSource

SGEPC's Export Promotion Activities 2010-11

Event	Sector	Dates
Buyer Seller Meet in Austria, Poland & Czech Republic (under MDA)	Sports Goods & Toys	Early October
Buyer Seller Meet in Australia & New Zealand *	Sports Goods & Toys	Early November'10
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

*Yet to be approved under MAI for the year 2010-11

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

Amendment in MDA Guidelines

The existing MDA guidelines provide no minimum eligibility limit in respect of f.o.b. value of exports in the preceding years for the individual exporters/companies for availing MDA assistance. However, owing to audit observations and in view of the fact that MDA resources are limited, it has been decided by the competent authority that in future, it would not be appropriate to provide assistance to exporters with nil or negligible exports in the preceding years. The Council has been advised to evaluate the profile of an exporter including his/her export turnover during the preceding 2-3 years, so that MDA assistance is available to exporters who deserve it.



Payment of Refund Amount Directly to Bank Account of Importers

Copy of Public Notice No. 18/2010, dated 9th June, 2010

Attention of all importers, CHAs and trade concerns are invited to the procedure for payment of refund amount, sanctioned under Section 27 of the Customs Act, 1962 and various notifications issued from time to time.

2. As per the existing procedure, once the Order-in-Original/Refund Order sanctioned is issued by the Deputy/Asstt. Commissioner, the inspector prepares the cheque and submits it to the Deputy/Asstt. Commissioner for signature. Thereafter, Order in Original and Refund Order along with the cheque is either handed over to the applicant or his authorized representative or is dispatched by speed post. The applicant/authorized representative puts his dated signature on the note sheet of refund file and Refund Receipt Register in token of having received the refund order and cheques.

3. In the present procedure of issue/dispatch of Refund Orders and cheques by post takes time to reach the applicant. Apart from this, there are occasions where cheques are returned back by the postal authorities owing to the address of Importer being changed. Also many a times, there are cases of signature mismatch or human error in writing of amount in words or figures or other particulars on the cheques. All these factors led to considerable delay in realization of refund amount by the claimants. To avoid hardship to the claimants on this account, a facility for payment of refund amount directly to the Importer's Bank Account instead of cheques is being introduced.

4. Salient features of the new facility are as under:-

(a) The facility shall be available in respect of refund claims sanctioned after issuance of this facility Notice. The claimant should make a specific request with necessary authorization on duplicate in the format as per Annexure-I for past as well as new claims. Any importer who does not want to avail this facility should make a specific request in this regard. No cheques against any sanctioned amount will be issued unless this information has been provided.

(b) There shall be no changes in the existing procedure till the refund is sanctioned and the order in original, for refund is issued. However, under the new facility, the Refund Order would bear remark as "for payment of refund amount to Importer's Bank Account" and it would not be handed over/dispatched to the applicant or his authorized person but the Inspector, earlier assigned the job of preparing cheques will take possession of the authorization letter from the importers and the refund file. He will verify that no payment has been made in the past and prepare Scroll of Refund. Order/letters of weekly basis will forward the scroll to the Punjab National Bank, Parliament Street, New Delhi on every Friday in a soft copy and two hard copies along with a cheque for the consolidated refund amount under signature of the Dy/Asstt. Commissioner (Refund).

(c) Upon receipt of the scroll and cheques for the consolidated refund amount, the Bank would make payment to the respective claimant in their accounts through NEFT/RTGS after deducting their service charges/NEFT/RTGS charges as per RBI guidelines and would intimate the importer concerned about the payment through e-mail.

5. In view of this, it is requested that the claimants and their representatives will not crowd in the Refund Section or pressurize the officers for early settlement of their claims. In case, a claim is not received within 90 days of its submission, the claimants or their representatives may send an email the concerned Dy./Asstt. Commissioner of Refund Cell at the following mailing address refundicdtkd@gmail.com.

6. There will be no hand delivery of cheques under any circumstances. Any difficulty in these regards may be brought to the notice of the Additional Commissioner (Refund) on the Telephone No. 011-26368850.

Sd/-

Commissioner of Customs
ICD, Tughlakabad, New Delhi

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