

# NEWS ALERT



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ON THE WORLD SPORTING GOODS INDUSTRY!

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## WFSGI - official partner of the *BLUETOOTH* Innovation World Cup 2010

The *Bluetooth* Innovation World Cup 2010 has kicked off on June 1, 2010. Once again, the Bluetooth SIG is calling on developers, entrepreneurs and students to submit concepts for applications making use of the new *Bluetooth* low energy wireless technology. The 2010 *Bluetooth* Innovation World Cup will focus on applications for the sports & fitness, health care and home information and control markets.

For the second time, the WFSGI is official partner of the *Bluetooth* Innovation World Cup and is looking forward to exciting and promising ideas!

Due to its extremely low energy consumption, *Bluetooth* low energy technology is very suitable for the transfer of data in sports & fitness. Today's athletes, amateurs as well

as professionals, are eager to improve their results. And they know that wireless technology is making it possible to get accurate feedback and a clear record of their training efforts. Therefore, devices that transmit data via *Bluetooth* wireless technology, such as heart rate monitors, pedometers, odometers and monitors that are built into clothing and watches are being used more and more.

In 2009, the winning idea was the "Fit Companion" by Edward Sazonov, Physical Activity Innovations, a small sensor device measuring and then evaluating all kinds of movement to keep you fit and healthy – we are excited to see what's coming up this year!

Innovators from all over the world can submit their concepts through

the online IWC database. Submissions will be accepted from June 1 through September 15, 2010. Concepts will be evaluated based on the criteria available at the competition web site. The concepts of the three finalists for each of the three categories will be presented at electronica trade fair in November 2010. The official award ceremony will take place @ ispo 11 in February 2011, where the Innovator of the Year 2010 will receive a prize of USD 5,000, a *Bluetooth Qualification Program Voucher (QDID)* worth an additional USD 5-10,000, and *Bluetooth* SIG marketing support. If you have any questions, please don't hesitate to contact Angelika Daniels: [a.daniels@navispace.de](mailto:a.daniels@navispace.de)

Source : *navispace*

### Sustaining Members



## World Cup to give UK retail £1.3bn boost

UK retail expenditure is expected to receive a £1.3bn boost during this summer's FIFA World Cup in South Africa, according to Verdict, but the uplift will only be in certain retail sub-sectors. Verdict, the retail analysts, forecasts that total retail spend during the tournament will increase by £1.3bn over last year. The equivalent boost during the 2006 tournament was £1.5bn. The research firm believes the growth will be driven primarily by inflation, especially in food and grocery, rather than the tournament itself. Joseph Robinson, retail analyst at Verdict Research, believes that the sector will be reliant on the success of the England team at the tournament. 'Any potential fillip

that the tournament provides will inevitably be heavily reliant on the successes of the English national team and the ensuing feel good factor that these generate. 'However, the benefits will be far from blanket. Town centres are set to suffer from declining footfall, with department stores in particular being adversely affected as shoppers stay home for the games, and spend their money elsewhere.' £1.1bn extra is predicted to be spent on food and groceries during June and July 2010, which is an uplift of 5.2%, compared with 2009. In the alcoholic drinks sub-category, expenditure during June and July is set to grow by 7.2% (£164m) with grocers using alcohol as a key foot-

fall driver. The retail analysts have also warned electrical retailers not to expect a repeat of their good fortunes during 2006, when the demand for new technology was higher. Verdict forecasts that expenditure on clothing and footwear will increase by 5.8% (£380m) during June and July with Sports Direct and JJB Sports likely to be the biggest beneficiaries, due to replica strips and other football paraphernalia. Homewares, furniture and DIY are expected to suffer the most as interest and spend is directed elsewhere.

Source : *sportindustry*

newbalance.com

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Sustaining Members



## American Heart Association endorses Nintendo Wii

The American Heart Association's 'Heart Check' logo will appear on the Nintendo Wii and select software titles' packaging in an exclusive arrangement. The health organization cites the Wii's fitness focus and the need to reach out to gamers as its reasons for the endorsement. Nintendo Co. is donating \$1.5 million to the AHA as part of the partnership. Nintendo and the American Heart Association have combined forces to create a website called

Active Play Now that provides more detail on the alliance. The AHA's 'Heart Check' logo will appear on the boxes of the Wii console as well as Wii Fit Plus and Wii Sports Resort. The partnership will also be present in several events, as 'active-play' Nintendo Wii games will be set up at the AHA's Start Heart Walk events, and the two organizations will be hosting an 'Innovation Summit' aimed at further discussing the role of gaming in fitness. The American

Heart Association states that it chose the Wii because of its more active fitness focus among gaming consoles. The organization hopes to be able to reach millions of gamers, some of whom may not have fitness as a priority in their lives. The unlikely partnership comes amid growing concern about obesity among kids who spend much of their time with television and video games.

Source : SportsOneSource

## TYR becomes Official Supplier to German Swimming Federation

TYR Sport, Inc. extended its international footprint with the sponsorship of the German Swimming Federation (DSV). TYR becomes the "Official Deck Apparel Supplier" to the largest federation in the world (580,000 members). The partnership extends through 2013. TYR will outfit the national team on deck, during public and personal appearances and will provide Tracer technical suits to all federation members that choose to compete in TYR. Germany holds the third highest amount of swimming world records

(seven). At continental European Championships (LEN), the country consistently places in the top three amongst the 51 participating European national federations. At the most recent European championships, Germany captured five gold medals. The country is also amongst the top nations in international competition. At the 2009 FINA World Championships, Germany's Britta Steffen and Paul Biedermann took two world titles with world records in each of their respective events. Olympic history runs rich for

the German swim federation, with 10-time Olympic medalist Franziska von Almsick amongst one of the most recognizable in past games. At the 2008 Olympic Games in Beijing, Steffen was the fastest female of the games winning the 50m and 100m freestyle en route to setting two Olympic records. In 2012, TYR will offer the outfit of the German swim team in the most successful technical suit collection ever offered by TYR, the Tracer series.

Source : SportsOneSource

## Europe increases retaliation against US-made apparel because of US WTO Trade Remedy Violations

The European Union (EU) on May 1 began to levy NEW additional 15 percent punitive duties on European imports of 18 types of US-MADE apparel, including overcoats, anoraks, cotton dresses and men's or boys' trousers, in response to the continued failure of the United States to fully eliminate the effects of a trade law that had been ruled illegal under the World Trade Organization (WTO). The EU will continue to impose the additional 15 percent puni-

tive duties on European imports of another 10 US-MADE apparel items. The law – the *Continued Dumping and Subsidy Offset Act of 2000* – authorized payments of trade remedy duties directly to the petitioners of the trade remedy cases. Although Congress repealed the law in 2006, Congress allowed payments to continue on US imports that entered the United States before August 1, 2007. Those payments represent a continued violation of WTO princi-

ples. As a result, the EU may continue to levy retaliatory duties until those payments stop. In 2009, the United States exported to Europe over \$20 million worth of the US-made apparel products targeted by the retaliation. Only 10 of those 28 lines represented any significant exports. Additional information can be found on the US Commerce Department website.

Source : AAFA

### Sustaining Members



## Mizuno's Revenues slide 8.2% in FY09

Mizuno Corp. reported sales fell 8.2% in its year ended March 31 to ¥148.7 billion (\$1.63bn) as revenues decreased in Japan, the Americas and Asia in local currencies. Thanks to cost cutting efforts, the Japanese sporting goods giant returned to profitability for the year. Mizuno earned ¥1.82 billion (\$20mm) versus a loss of ¥1.22 billion a year ago. Operating profits reached ¥2.8 billion (\$31mm), slightly below ¥2.9 billion a year earlier. Gross margin increased 0.2 percentage points because of inventory reduction and

enhanced purchase control. In North America, sales slid 18% to ¥18.4 billion (\$202.9 million). In currency neutral terms, sales in North America were down 8.6%. Its footwear and apparel business in the region was stable. Baseball and Golf decreased by 6% and 23%, respectively. Japan's sales slid 4.4% to ¥111.8 billion (1.2 billion). Golf sales decreased by 9% vs FY2008. Baseball and athletic sales showed a slight decline. In Europe, revenues were down 8.6% to ¥10.1 billion

(\$111mm) and were off 5.7% on a currency-neutral basis. Footwear and apparel business increased by 5% because of strong sales of running shoes. Golf increased by 4%. In Asia Oceania (excluding Japan, revenues were down 27.2% to ¥8.4 billion (\$91.7mm). Sales were down 18.9% in currency neutral terms. Taiwan business records good sales in all category. Footwear & apparel business decrease by around 30% in China.

Source : SportsOneSource

## NIKE, Inc. announces Strategic Management Changes

NIKE, Inc. announced strategic management changes to continue to drive growth and reinforce its commitment to developing management talent around the world. Nike is pleased to announce global brand and general management veteran Joaquin Hidalgo as Vice President of Emerging Markets reporting to President of Nike Global Operations, Gary DeStefano. Hidalgo brings over 20 years of Nike experience to the role, and most recently served as Vice President of Global Brand Marketing, where he was instrumental in building and expanding Nike's brand globally through innovative product launches and highly successful marketing strategies. He previously built and grew Nike's global football (soccer) business as Vice President of Global Football and also led the Nike Brand in the USA as the Vice President of the USA Brand Management team.

Jayme Martin, a strong and strategic business leader with 13 years of Nike experience, becomes the company's Vice President of Global Running reporting to Global Brand & Category Management Vice President, Trevor Edwards. Martin has held various senior key global and geographic management roles across the Nike senior management team including: VP of the Americas Region, VP of EMEA Footwear, USA Brand Marketing, Global Strategic Planning and Global Footwear. He most recently served as Vice President of Emerging Markets, which saw strong revenue growth under Martin's leadership. Davide Grasso, a proven and seasoned brand leader becomes Vice President of Global Brand Marketing reporting to Global Brand & Category Management Vice President, Trevor Edwards. Grasso brings 15 years of experience in various senior global and geographic

marketing management roles in the U.S., Europe and Asia Pacific regions. He most recently served as the Vice President of Nike's Global Football category driving consumer and brand innovation worldwide. Leslie Lane becomes the Managing Director and Vice President of the Nike Foundation, reporting to Nike Foundation CEO and President Maria Eitel. He will be responsible for leading the team to deliver the Foundation's next exciting chapter of global impact. Lane joined the company in 2003 to lead the acquisition and integration of Converse into the Nike portfolio. He also previously managed Nike's Global Footwear strategy, finance and costing activities. Lane has spent the past few years as Vice President of Global Running where he has driven tremendous innovation and growth.

Source : Nike

## First quarter of 2010 sees trade value rise by about 25%

The value of world merchandise trade was around 25% higher in the first three months of 2010 than in the same period of 2009, according

to WTO figures released on 2 June 2010. Global exports rose by 27%, while imports rose slightly less, at 24%. These are "year-on-year" quar-

terly comparisons.

Source : WTO

### Sustaining Members



## Umbro signs up as England 2018 sponsor

The FA and England team sponsor, Umbro, has announced it has become an official partner of the England 2018 bid with the launch of a video viral campaign called 'I'm In,' - encouraging everyone to back the bid. Celebrities from across sport, music and the world of entertainment, including Noel Gallagher, Fatboy Slim, Trevor Nelson, Michael Owen and Alan Shearer all showed their support by creating an 18 second video to tell the world why they are backing England's bid. The vid-

eos, which focus on why they think England should host the World Cup in 2018, aim to inspire members of the public to post their own 18 seconds of support for the England 2018 campaign through [www.umbro.com](http://www.umbro.com). The campaign will run until the decision is made by FIFA in December on who will host the 2018 World Cup. To encourage people to post their videos Umbro will be offering the chance to win a VIP trip to watch a Euro Qualifying match at Wembley, the competition

will run until the end of September. Further celebrities and public figures will be adding their video messages to those of the public as the campaign progresses over the next few months. Umbro's support for England's 2018 bid means they join current partners Morrisons, BT, British Airways and PriceWaterhouseCoopers.

Source : *sportindustry*

## Asics Corp.'s sales slide 7.3% in FY10, Americas Sales Gain

Asics Corp. reported sales slid 7.3% in its year ended March 31, to ¥224.4 billion (\$2.4 billion) versus a year ago. Net income declined 36.4% to ¥8.3 billion (\$89.8 million). In the Americas, sales of running shoes "remained brisk" but sales growth was held back by foreign exchange rates. Sales in the Americas increased 0.2% (an increase of 11.1% using the previous fiscal year's foreign exchange rate) to ¥53 billion (\$571 million) and operating income decreased 5.2% (an increase of 5.2% using the previous fiscal year's foreign exchange rate) to ¥3.09 billion (\$33.2 million). Companywide, operating income in the full

year slid 23.2% to ¥17.6 billion (\$189 million) a year ago. For the current year, Asics Corp. expects sales to climb to 2.9% to ¥231 billion (\$2.5 billion). Earnings are expected to climb 38.1% to ¥11.5 billion (\$126.5 million) while operating income is expected to advance 16.6% to ¥20.5 billion (\$225.5 million). For the fiscal first half, revenues are expected to climb 5.2% to ¥116.5 billion (\$1.28 billion). Earnings are expected to jump 128.9% to ¥6 billion (\$66 million) and operating earnings to gain 21.7% to ¥11.5 billion (\$126.5 million.) In a statement, Asics said that in its year ended March 31, 2010, "the global

economy recovered at a moderate pace but remained negative. The Japanese economy also staged a steady recovery, but severe conditions continued due to deterioration in the employment situation, weak personal consumption, and other issues. In the sporting goods industry, rising health consciousness led to consumers' greater interest in sports. However, the business condition remained challenging because of the severe impact of consumer reluctance toward making expenditures."

Source : *SportsOneSource*

## Trek absorbs Gary Fisher Brand

Trek is eliminating Gary Fisher as a stand-alone brand and folding it in as a subbrand in a bid to cut design costs and expand distribution of the brand, several cycling news outlets report. Going forward Trek will offer the Gary Fisher Collection of bikes through Trek dealers, which outnumber Gary Fisher dealers eight to

one. The move saves Trek from having to finance parallel development of 29er and dual sport bikes under two separate brands. Fisher, who has been working with Trek since 1996, was quoted as approving the new arrangement because it will expose many more people to his bike designs. Fisher is widely credi-

ted with helping create the mountain biking category when he stripped parts from a motorcycle to retrofit a cruiser and began bombing down mountains.

Source : *SportsOneSource*

### Sustaining Members



## Organic Cotton sales sustained robust growth in 2009

Retail sales of organic cotton apparel and home textile reached an estimated \$4.3 billion in 2009, up a whopping 35% from a year earlier, according to the Organic Cotton Market Report 2009 released by the non-profit organization Organic Exchange. The growth shows the recession failed to temper demand for organic cotton. Retail sales of organic cotton grew at an annual average rate of 40% from 2001-2009. It also demonstrates considerable growth at a time when the overall global apparel and household textiles market decreased almost 7% from 2008. Companies reported significant, and in some cases phenomenal, growth of their organic cotton programs and increased adoption of standards addressing organic product traceability and sustainable textile processing. According to the results of OE surveys and interviews, the Top Twelve organic cotton-using brands and retailers globally in 2009 were: C&A (Belgium), Nike, Inc. (Oregon, USA), Walmart (Arkansas, USA), Williams-Sonoma, Inc. (California, USA and recorded last year as Pottery Barn), H&M (Sweden), Anvil Knitwear (New York, USA), Coop Switzerland, Greensource Organic Clothing Co. (Washington, USA), Levi Strauss & Co. (California, USA), Target

(Minnesota, USA), adidas (Germany), and Nordstrom (Washington, USA). "Many people thought the recession would mean an end to all things organic, but the market reacted in quite the opposite way," said LaRhea Pepper, OE senior director and co-author of the report. "Consumers dug in their heels and continued to support the use of organic cotton and other sustainable fibers, while brands and retailer maintained or even expanded their commitments to making their product lines more sustainable by continuing to increase their use of such fibers and safer manufacturing processes," she continued. OE projects the global organic cotton market will grow 20 to 40 percent in both 2010 and 2011 to result in an estimated \$5.1 billion market in 2010 and \$6.0 billion market in 2011.

The continued rapid expansion of the global organic cotton market was driven in large measure by consumer interest in 'green' products, significant expansion of existing organic cotton programs by brands and retailers, and the launch of organic cotton programs by new entrants to the market. Companies increasingly became certified to traceability standards such as the OE Blended or OE 100 standard as it

helps users track their actual use of organic fiber from the field to the finished product, contributing to the increasing integrity of the organic fiber market. Many manufacturers also became certified to the Global Organic Textile Standard (GOTS) which addresses textile's processing stages and includes strong labor provisions. Organic cotton production in 2008/09 grew an impressive 20 percent over 2007/08 from 145,872 metric tons (MT) to 175,113 MT (802,599 bales) and was grown on 625,000 acres (253,000 hectares) in 22 countries. Organic production is based on a system of farming that maintains and replenishes soil fertility without the use of toxic and persistent pesticides and fertilizers or genetically modified seeds. Founded in 2002, Organic Exchange facilitates expansion of the global organic cotton fiber supply by working closely with the entire value chain, from farmers to retailers, to help develop organic cotton programs. OE has hosted numerous organic cotton conferences and trainings in supply chain centers around the world, including Brazil, China, India, South Africa, Thailand, Turkey, Uganda, the United Kingdom, and the United States.

Source : *SportsOneSource*

### WFSGI QUIZ

Participate and win prizes!

1. See page 81 of the WFSGI Handbook (also available on WFSGI website here)
2. Answer question 2 (deadline 31 June 2010)
3. Send it back to [quiz@wfsgi.org](mailto:quiz@wfsgi.org)

#### Sustaining Members



## Patagonia's sales reach \$340MM in FY10

Patagonia had its "two best years ever" during the downturn, according to an interview by Entrepreneur Magazine with founder and owner Yvon Chouinard. Sales are expected to reach near \$340 million in its year ended April 2010, up from \$315 million over the same period a year ago. In its year ended April 2008, Patagonia's sales reached \$270 million. Asked by the magazine how the company fared so well during the recession, Chouinard, who founded Patagonia in 1974, said, "Well, I think the key to survi-

ving a conservative economy is quality. The No. 1 reason is that in a recession, consumers stop being silly. Instead of buying fashion, they'll pay more for a multifunctional product that will last a long time. They'll buy one jacket from us that works for skiing and on top of a suit in a rainstorm." He added, "Another reason is that we're out of debt. We can extend credit to our wholesale accounts that are hurting and can't get loans. These accounts are kicking out the little brands that they thought would be fun to put in favor

of the stuff they know will sell, from a company that will deliver." Chouinard also highlighted the success of the "1 percent for the Planet" program he co-founded that donates profits to environmental organizations, as well as Patagonia's new Common Threads Recycling Program that promises that none of Patagonia's products ever end up in a landfill.

Source : SportsOneSource

## TERI HSBC Award for SGFI

About a year back, Sports Goods Foundation of India (SGFI) of which Mr. Satish Wasan (Wasan Exports) is the Chairman and Ravi Purewal, is the Project Director, had applied for the TERI (The Energy Resource Institute) HSBC (Hong Kong Shanghai Banking Corporation) Living Business SME (Small & Medium Enterprise) Award. The award was to recognize SME's at national level who have made outstanding contribution to the environment and community in India to sustain long term business success. Sports goods foundation of India (SGFI), was one of the 67 applicants from all over India. The awards ceremony was held at New Delhi on the Creativity and Innovations Day on 21st April, 2010.

Only 3 awards were presented by Honorable Minister of Corporate Affairs and Minorities Affairs, Mr. Salman Khurshid at a function organized at India Habitat Centre, New Delhi. Chairman Mr. Satish Wasan

and Project Director Mr. Ravi Purewal received this SPECIAL AWARD. The minister made a special mention of the creditable achievements made by SGFI in reaching out to the children who at one point of time stitched footballs and were now rehabilitated to study in formal schools and undergo tuitions to improve their academics.

This award was the only one wherein the jury made an exception to recognize the collective effort of 32 SME exporters of sports goods industry Jalandhar for their exceptional contribution. Mr. Satish Wasan in his speech credited the good will of all the exporters and their strong belief in the cause and thanked all the organizations attached.

**Special Prize:** Sport Goods Foundation of India for working towards the prevention and rehabilitation of child labour in the sporting goods industry. It has also set up transitional schools for children, and has created 52 SHGs covering 1000 fa-

milies.

Small and medium-size enterprises (SMEs) in India constitute more than 90% of the total economy and are in a phase of transition. The SME sector encourages the innovative spirit and entrepreneurship in the economy that helps in laying the foundation for rapid industrial development. It also serves the vital objectives of employment generation and balanced regional development. Today, the concept of CSR has gone beyond the traditional philanthropic approach and looks into strategic cooperation. However, the SME sector is yet to consider CSR as a tool for business enhancement. This is mainly because they are forced to prioritize short-term survival over longer-term strategic measures, and they often have few managerial and financial resources to invest in such measures.

Source : SGFI

### Sustaining Members



## Anti-Dumping Procedure for China & Vietnam

The latest news on the anti-dumping procedure for bikes and parts imported from China (and bikes from Vietnam) is about the 'Notice of Initiation of an expiry review of the anti-dumping measures applicable to imports of bicycles from China'. That 'Notice of Initiation of an expiry review' will be published on July 15, 2010 or a couple of days before this date on which the current anti-dumping measures on bicycles and parts imported from China and bicycles imported from Vietnam expire. Contrary to earlier reports, the deadline for the publication in the Official Journal of the European Union of this Notice of Initiation was not April 15, 2010; three months before the expiry date of the measures. That deadline was for the lodging of the request for an expiry review. Gerhard Schobersberger of EU's Directory General (DG) for Trade confirmed to Bike Europe

that the Notice of Initiation is to be published around the expiry date of the current anti-dumping measures on bicycles & parts. He said also that the timing of such a publication is according to the EU procedure for dumping cases. He confirmed that the deadline for submitting the request for an expiry review was April 15 and added: "But that deadline is not applicable to the Notice of Initiation. The procedure stipulates that this Notice is to be published around the expiry date of July 15. But, I have to make some reservations here. Publication of the Notice of Initiation depends on whether we have received a request for an expiry review by the Union producers. The procedure stipulates that I am not at liberty to disclose this." According to several members of the European Bicycle Manufacturers Association (EBMA) that request has been submitted to DG Trade. Ger-

hard Schobersberger further notes: "Publication of the Notice of Initiation also depends on the fact whether DG Trade accepts the arguments put forward by the Union producers to start an expiry review. In case the Union producers did not submit the review request; or if DG Trade rejects the request, then around July 15 the publication on the withdrawal of the dumping measures will take place." If DG Trade accepts EBMA's request then the expiry review is started. Normally such reviews are completed within 12 months, but they may take up to 15 months. If it takes the European Commission 15 months to decide for a withdrawal or continuation of the anti-dumping measures, the duties will remain in force up to January 1, 2012.

Source : [bike-eu.com](http://bike-eu.com)

## Hockey and Yoga Top Participation Growth in 2009

Hockey and yoga were the two fastest growing sports in terms of participation last year, according to the National Sporting Goods Association (NSGA). 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 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 airgun 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](http://SportsOneSource)

### Sustaining Members





## EU uses WTO China Trade Policy Review to encourage Beijing towards continued reform and greater transparency

A two-day review of China's trade policy and practice has concluded in Geneva with the EU praising China's impressive role in world trade and its swift rebound from the crisis. The EU believes China could have a positive knock-on effect on other economies if it uses its vast stimulus package to boost internal demand and sticks to its WTO promise for an open economy. China, as a leading trading nation, is subjected every two years to this comprehensive multilateral peer-review.

In addition, the EU has called on China to shoulder its responsibilities in the multilateral trading system and stick to WTO rules and its accession commitments such as non-discrimination. For example, China now needs to take on an increased leadership role, especially in the Doha talks, that reflects its global economic weight. The EU has also expressed concerns about a slow-down in reform and less transparency. Furthermore, it has submitted more than 200 technical questions to China on many aspects of its trade policy.

In its opening statement to the Trade Policy Review (TPR) meeting in Geneva on 31 May, the EU drew

attention to some specific concerns:

- The continued problem of non-tariff barriers in China. EU pointed to the burdensome regulatory regime, which is characterised by low alignment to international standards, the recurrent use of export barriers, and investment restrictions to foreign companies. For the EU it is also essential that China's innovation policy ensures open and fair competition without restrictions in terms of market access.
- EU acknowledged improvements in Intellectual Property Rights protection in China, but emphasised the urgent need for greater enforcement efforts, including effective customs controls and criminal prosecution.
- The unjustified state interference in the economy persists. This is true notably in the manufacturing sectors, in which China has become a leader worldwide, such as automobiles. The Chinese government's guidance in allocating resources and official trade finance support are other examples.
- The need for greater transparency in policy-making and regular public consultations with foreign and do-

mestic stakeholders. EU urged China to make its trade regime significantly more predictable and transparent.

### Background

The third Trade Policy Review (TPR) of China has taken place in Geneva on 31 May and 2 June 2010. Trade Policy Reviews are an important part of the transparency function of the WTO, alongside its negotiation and dispute settlement functions. They allow WTO members to review openness to trade and raise questions and concerns over market barriers. The EU has submitted over 200 detailed written questions to China as part of the 2010 TPR exercise. The full list of questions and China's final responses are expected to be published by the WTO in 60 days' time. China is the EU's fastest growing export market. Europe exported €81.6 billion worth of goods to China in 2009 - up by 4% in 2008, while EU imported more than €214 billion of goods from China. China is the world largest exporter and second largest importer. China is set to overtake Japan as the world's second largest economy in 2010.

Source : European Commission

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#### Sustaining Members



## Online Golf equipment counterfeiters arrested in Shanghai

The U.S. Golf Manufacturers Anti-Counterfeiting Working Group, comprised of Acushnet Company, Callaway Golf, Cleveland Golf/Srixon, Nike Golf, PING and TaylorMade, reports that on May 20, 2010, the Shanghai Municipal Public Security Bureau (PSB) issued formal arrest warrants charging two shop owners with selling counterfeit golf equipment at the Shanghai Longhua Apparel Market. PSB officers conducted simultaneous raids of three golf stores, A Liang Golf, Hao Bei Golf and Orient Golf, and seized more than 630 counterfeit golf clubs, 1,540 counterfeit golf balls, and a number of counterfeit accessories from the golf stores and the shop owners' residences. The seized goods were illegal copies of authentic products made by all of the Group's members. According to information provided to the PSB by

the Anti-Counterfeiting Group, the retail stores also conducted online sales of golf equipment through Taobao.com. In an attempt to retrieve the sales records of the online stores, PSB officers visited Taobao headquarters in Hangzhou shortly after the retail store raids. Records indicate that since the opening of the three online stores one year ago, sales of counterfeit golf equipment totaled approximately \$30,000. The PSB has now frozen the accounts of the three "online" shops. This enforcement action was conducted after complaints were filed with PSB by the Anti-Counterfeiting Group. The Anti-Counterfeiting Group was formed in 2004 to petition governments to enforce their country's laws against counterfeiters of golf equipment products. As a result of the Anti-Counterfeiting Group's petitioning

efforts, dozens of successful raids of manufacturing, warehouse, assembly and retail facilities have been executed by Chinese law enforcement and civil enforcement authorities over the past five years. Many business operators have been arrested and have now been prosecuted and sentenced in the Chinese courts. The U.S. Golf Manufacturers Anti-Counterfeiting Working Group consists of the world's leading golf equipment manufacturers. Its members and brands include Acushnet Company, which is comprised of the Titleist and FootJoy brands; Callaway Golf, including the Odyssey, Top-Flite and Ben Hogan brands; Cleveland Golf/Srixon; Nike Golf; PING; and TaylorMade-adidas Golf and Ashworth.

Source : SportsOneSource

## NPD looks at the impact of World Cup Competition on the business of Football

Nothing gives the global football market a better boost than a World Cup Tournament. As the 2010 World Cup is about to commence, The NPD Group, Inc. a leading market research company, takes a look at the global football market.

### Global Football Footwear and Apparel Market post 2006 World Cup-

Germany hosted the previous World Cup in 2006 boosting the European economy.

According to The NPD Group, Inc., Consumer Tracking Service, the Football Footwear and Apparel market grew 13 percent from 2005 in the European Big 5\* countries. The total value in Euros was estimated at €1.7 billion\*\*.

- Great Britain and Germany Foot-

ball Apparel sales drove the increase.

Largest National Kit purchases were seen with England's Three Lions Shirt.

For 2006, total retail sales were almost €200 million.

Purchases of Germany's national shirt totaled almost €50 million by the end of 2006.

- The French market saw sizeable increases but along with Italy & Spain are not historically large replica shirt buyers.

### NPD's Global Sports Estimate 2008 and the Football Market

The Global football market is valued at 10.9 billion USD according to The NPD Group, Inc.'s Global Sports Market Estimate<sup>†</sup>. Individually some

of the world's markets are valued accordingly<sup>††</sup>:

- U.S.A. football market is valued at 900 million USD
- Brazil football market is valued at 535 million USD
- Great Britain market is valued at 1400 million USD
- German market is valued at 800 million USD
- French market is valued at 500 million USD

\*European Big 5\* = France, Germany, Great Britain, Italy, Spain

\*\*2006 exchange rate £1 - €1.32

†††Exchange rate calculation: 1€=\$1.3

Source : NPD

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## CPSC again extends certified test deadline for Bike makers

The Consumer Product Safety Commission opted to extend until mid-August its stay of enforcement of certain testing and certification provisions affecting bicycles due to a continued lack of third-party labs certified to do the work. The stay applies to section 14 of the Consumer Product Safety Act (CPSA) as amended by section 102 of the Consumer Safety Improvement Act of 2008 (CPSIA), which was passed largely in response to a public outcry over the discovery of lead tainted toy imports from China. The Commission is extending the stay for bicycles under 16 CFR part

1512 until Aug. 14, 2010, with two exceptions. First, the Commission is extending the stay related to reflectors (16 CFR 1512.16) until Nov. 14, 2010. Second, bicycles with non-quill-type stems are excluded from certifying compliance to 16 CFR 1512.6(a) - handlebar stem insertion mark - until further notice. Section 14 of the CPSA requires that every manufacturer of a product (and the private labeler, if the product bears a private label) that is subject to a consumer product safety rule, ban, standard, or regulation enforced by the Commission certify, based on testing, that its product complies with the applicable safety rule, ban,

standard, or regulation. For nonchildren's products, the certification must be based on a test of each product or a reasonable testing program. For children's products, the certification must be based on testing conducted by a CPSC-accepted third-party laboratory. The Commission announced the criteria and process for accepting accreditation of third party labs under 16 CFR part 1512 in a notice of requirements that appeared in the Federal Register on Sept. 2, 2009 (74 FR 45428).

*Source : SportsOneSource*

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**SPECIAL****WFSGI HANDBOOK 10 EXTRACT****Concentrate or specialize? This is the question in the sports retail trade**

*By Eugenio Di Maria, editor of Sporting Goods Intelligence Europe*

To consolidate its leadership, Intersport has announced a new integrated product, marketing and merchandising strategy based on a more universal, dynamic and emotional brand image. We are featuring here an exclusive interview with Franz Julen, who has been running Intersport International Corporation for the last ten years. Among many other interesting elements, the interview highlights the fact that retailers want to work more closely with fewer key suppliers. In contrast with e-tailers, which technically have no such limitations, they have limited space in their stores, so they are forced to make choices.

The conditions for doing business between suppliers and retailers are being redefined as part of this selection process. For both, the goal is to guarantee a certain level of profitability. Suppliers want to work with retailers that will give them the right exposure and boost the sell-out of their products. In return, retailers are asking suppliers for better mark-ups, higher quantity discounts and ways to improve inventory turns and to finance inventories of unsold products at the end of the selling season.

This concentration of the sporting goods retail trade is a natural response to the concentration of the trade at the supply stage, with big groups such as Adidas, Nike or Amer Sports aggregating more and more

brands. Yet, this concentration process is running in parallel with a less visible trend toward specialization. Going hand in hand with the increasing sophistication and segmentation of the market, it is offering opportunities for everybody – not just for the major brands and the bigger multi-sport retail banners. The expert sportsman will not hesitate to look for new brands and new high-tech products in ultra-specialized stores, like those of Globetrotter, instead of buying a generalist brand at a generalist sporting goods store.

It's all a question of posturing. Even the more universal sporting goods stores are creating special departments for specific categories. Some sports retailers like the John David Group have successfully set themselves apart by positioning themselves in the vast sports fashion segment. Some others, like Sports Direct, have been projecting an aggressive discount image.

Independently of the degree of specialization and their price orientation, retailers are trying to develop more buying power in order to obtain the best possible conditions from the suppliers. We think that more of alliances and mergers will take place in the future like the recent establishment of a new common international purchasing organization between Go Sport and the French Sport 2000, which are

both growing beyond the French borders.

Because of the peculiar tastes of consumers in certain parts of the world, international alliances, mergers and expansion plans will tend to have more of a regional nature, as illustrated by the recent moves of Portugal's SportZone into Spain and Norway's XXL Sport into Sweden. On the other hand, some major sporting goods retailers such as Décathlon or Hervis have been looking at emerging markets in Eastern Europe, Asia or Latin America because of the high long-term growth prospects in these markets.

In fact, the market research that we have conducted in every single European country over the past few years has clearly shown that the presence of modern sports retail structures in shopping malls and in high-traffic downtown areas – be it mono-brand or multi-brand stores – is the biggest driver for the growth of the local sporting goods market. There are still plenty of opportunities around the world to include sport into the shopping experience of the local population.

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