



INDIAN SPORTS GOODS INDUSTRY

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Abstract:

Introduction:

The sports goods industry of India has its roots in Sialkot, Pakistan. When India was partitioned in 1947, many of Sialkot's skilled Hindu craftsmen migrated across the border into Punjab, settling in Jalandhar, where the Indian sports goods industry is now based. The Indian sports goods industry has expanded to include the areas of Meerut, (Uttar Pradesh) and Gurgaon, (Haryana). Most of India's sports goods are exported to the United Kingdom, The United States of America, Germany, France and Australia. The industry is mainly concentrated in Jalandhar and Meerut.

The sports goods industry in India has witnessed a phenomenal growth over the past five decades and now occupies a place of prominence in the Indian economy in view of its massive potential for employment, growth and export. There has been an increasing emphasis on its planned development, aimed at optimal utilisation of resources for maximising the returns, particularly from exports.

The Indian sports goods industry manufactures 318 items. However, major items that are exported are inflatable balls, hockey sticks and balls, cricket bats and balls, boxing equipment, fishing equipment, indoor games like carrom and chess boards and different kinds of protective equipment. The Indian sports goods industry is a highly labour intensive industry which provides employment to the weaker sections of society and also employs a large number of women.

Sports goods industry of Jalandhar

Jalandhar acquired importance during the Mughal period. Twelve Muslim bastis (clusters of houses) came into existence

including Basti Danishmanda, Basti Guzan and Basti Nau, which are now dominant centres of the sports goods industry. Basti Nau has one of the biggest sports goods markets as well.

Jalandhar ranks second in India in the rate of urbanisation and have the highest density of population at 598 persons per square km, as per the 1991 census. The reason for this is growing industrialisation. Industrial production of sports goods began on a small scale during the late forties. Over the years, the sports goods industry has grown at an impressive rate and of late Indian sports goods are also exported to different countries. Rough estimates suggest that today Jalandhar has more than one hundred major industries and about 20,000 small-scale industries with a most conservative estimate of an annual turnover of approximately Rs 450 crores. In Jalandhar, about 60 per cent of the sports goods that are manufactured comprise of different kinds of inflatable balls. Besides inflatable balls, the other sports goods that are largely manufactured are badminton racquets and shuttle cocks, cricket bats and balls, different kinds of gloves and protective equipment.

In Jalandhar, three kinds of establishments are usually found:

- Big establishments: These are generally geared to exports besides catering to the domestic market.
- Small establishments: These usually manufacture sports goods for the domestic market. Both the big establishments as well as the small establishments are registered either under the Factories Act, 1948, or under the Shops and Establishment Act of the state of Punjab.

- The unregistered units: These are found particularly in the urban pockets of Jalandhar. These units are mostly small home-based units which are usually run by the family members, but at times with the help of a couple of hired employees. These units do not have a direct access to market. It has been seen that many a times when the big establishments - especially exporters - are not able to cope with large orders from their foreign clients, distribute a share of the production to these small unregistered, home-based units.

The Indian Sports Goods Industry

- The sports goods industry in India is nearly a century old and has flourished due to the skills of its workforce
- A robust growth rate of 14.7 per cent in exports indicates a sizeable opportunity for India in this sector
- Being labour-intensive in nature, the Indian sports goods industry provides employment to more than 5,00,000 people
- The sports and leisure goods retail market in India was valued at US\$ 17.7 billion for 2007-2008. The market grew at the rate of 18 per cent over 2006-2007 in value terms, primarily due to outlet expansions by industry players
- The nucleus of the industry in India is in and around the states of Punjab and Uttar Pradesh; Jalandhar (Punjab) and Meerut (Uttar Pradesh) together account for nearly 81.8 per cent of total domestic production with more than 3,000 manufacturing units and 130 exporters present in these two towns

About 60 per cent of the sports goods manufactured in Jalandhar are different kinds of inflatable balls and provide direct employment to more than thousands of workers.

The industry also has a presence in Mumbai, Kolkata and Chennai, albeit at a lower scale

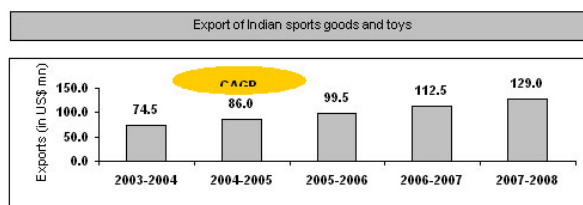
Key Markets & Export Destinations

- Industry exports were valued at approximately US\$ 129 million¹ in 2007-2008, growing from US\$ 74.5 million in 2003-2004 at a rate of 14.7 per cent.

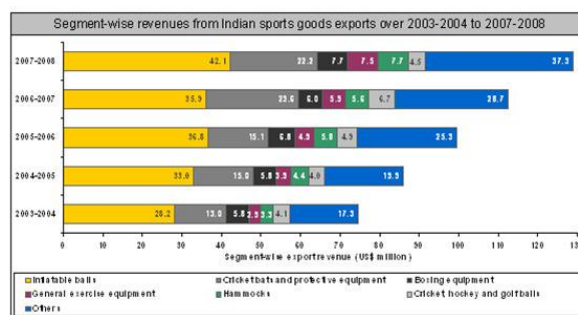
- India’s share of the global sports goods exports market is expected to grow manifold, with the country establishing the credibility of its goods in the global market

- In recent years, India has emerged as the leading international sourcing destination for inflatable balls and other sports goods for international brands such as Mitre, Lotto, Umbro and Wilson

Today, Indian sports goods manufacturers are exporting products under their own brand names, in addition to being original equipment manufacturers (OEM) suppliers for international sports brands



Source: Sports Goods Export Promotion Council



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- For the period 2003-2004 to 2007-2008, general exercise equipment emerged the category leader in the export products segment, witnessing the highest growth rate of 27.3 per cent. Hammocks have emerged as one of the leading export products, growing at a rate of 24.1, with India home to the leading hammock manufacturers in Asia. Inflatable balls’ exports grew at a rate of 10.6 per cent

- The EU, America and Australia are some of the key global export markets for Indian sports goods. The UK is India’s largest export market - India exported US\$ 38.4 million worth of sports and toy products to

the UK between 2006 and 2008, exhibiting a growth of 15.3 per cent

In recent years, Indian products have been exported for global sports events such as the football World Cup 2002, where India-manufactured bladders were used. Athletic equipment made in India was also used at the Atlanta Olympics (1996) and Beijing Olympics (2008).

International and domestic sports brands have become immensely popular among the youth in India as a result of an increasing awareness about fitness and healthier lifestyles.

Some of the key global players are:

- Reebok India Pvt. Ltd. (520 outlets)¹
- Adidas India Marketing Pvt. Ltd. (220 outlets)
- Nike India (150 outlets)
- Royal Sporting House (60 outlets)
- Planet Retail Holdings Pvt. Ltd. (36 outlets)

Some of the key domestic players are:

- Cosco India Ltd.
- Enkay (India) Rubber Co. Pvt. Ltd.
- Sanspareils Greenlands Pvt. Ltd.
- BDM
- Stag International
- Nivia Sports

Advantage India

The sports goods sector is a major contributor to the Indian economy in terms of employment and enjoys a clear competitive edge.

- Custom-made products
- Indian products have the distinct advantage of being tailor-made to individual product specifications, with hand-crafted goods such as cricket balls carving a niche in the global market.
- Strong workforce
- Indian industry has a highly-skilled workforce for designing and producing high volumes of sport goods.
- Competitive labour costs
- India's average labour cost for manufacturing is much lower than the rest of the world
