



BTC TRADE FOR DEVELOPMENT



***SWEDISH MARKET FOR
FAIR (AND SUSTAINABLE)
SPORTS BALLS***

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CONSUMPTION

Sweden is one of the promising EU countries for sports balls producers from developing countries. This chapter provides information on the Swedish market for sports balls, fairtrade in Sweden and fairtrade/FSC sports balls in Sweden. Swedish imports of sports balls and the most important distribution channels for sports balls in Sweden will also be discussed, together with the most important players on the Swedish (fairtrade/FSC) sports balls market. For more information on sports balls consumption on a global and EU level, please refer to chapter 4 Consumption of the main document. For consumption in other promising EU countries, please refer to the separate documents.

> SWEDISH MARKET FOR SPORTS BALLS

It is estimated that in total more than 300,000 sports balls are sold in Sweden annually. Unfortunately, no organisation is able to give specific figures.

Over 2.5 million Swedes (27% of the population) are members of a sports club. Of all sports, football is the most popular sport. Swedish football clubs together have more than 1 million members. The second and third most popular ball sports are handball and basketball.

CODES OF CONDUCT

Many Swedish buyers have their own code of conduct with which sports balls suppliers need to comply. It is estimated that over 90% of all Swedish companies have a code of conduct. This is, together with Denmark, one of the highest shares in Europe. The codes of conduct can however differ much per company. While several have their suppliers undersign a statement claiming that they do not involve child labour in their production process, without ever checking this at the factory premises, others have developed extensive social compliance programmes.

UEFA WOMEN'S EURO 2013

In Sweden, women's football is almost as equally popular as regular football. In 2013, the Women's European Football Championships will be held in Sweden. Not only will this boost sales of footballs, it is also a chance to heavily promote fairtrade footballs.

> FAIRTRADE IN SWEDEN

There is an ever-increasing interest in fairtrade (or 'rättvisemärkt') products in Sweden. In 2009, fairtrade products worth €82 million were sold in Sweden. This meant an increase of around 25% compared to 2008 and an average value of €8.92 per capita. An awareness of fairtrade is also increasing. 84% of the population was familiar with fairtrade, compared to 78% in 2009.

Coffee is by far the largest fairtrade product group and around €31 million of fairtrade coffee was sold in 2009, which is almost 40% of total fairtrade sales in Sweden. When comparing share in total, the most popular (% share in total sales) fairtrade product is roses. According to Fairtrade Sweden, Sweden sells most fairtrade sports balls (or more specifically footballs) in the world, with 68,853 pieces in 2009. In value terms, it is around 1% of all fairtrade purchases made

in Sweden. Sweden is also supposed to consume the most fairtrade coffee and wine per capita in the world.

> **SWEDISH MARKET FOR FAIRTRADE/FSC SPORTS BALLS**

In 2009, 68,853 fairtrade footballs were sold in Sweden, which means a value of around €900,000. According to Fairtrade Sweden, this is the highest number in the world. Although sales decreased slightly compared to 2008 (6%), good results are expected for 2010.

CHURCH OF SWEDEN AND THE SWEDISH FOOTBALL ASSOCIATION

The success of fairtrade footballs can be partly attributed to year-long lobbying of the Church of Sweden (Svenska Kyrkan) with the Swedish Football Association (SvFF). As a result, the SvFF decided to buy around 50,000 fairtrade footballs for childrens' summer football camps (<http://www.landslagetsfotbollsskola.se>) in 2008. This was repeated in 2009 and 2010.

In addition to football camps, many (both domestic as international) children's football cups are also organised. An increasing number of organisers are also buying fairtrade footballs for their events. Examples are the Gothia Cup (<http://www.gothiacup.se> - around 1,500 youth teams from more than 70 countries participate in it) and the Piteå Summer Games (<http://www.piteasummernames.se>).

STADIUM

In January 2010, the country's largest sports retail chain, Stadium, introduced fairtrade footballs in their assortment. All their private label footballs are currently fairtrade. As a result of this success, Stadium also decided to include fairtrade hand balls in their assortment during the summer of 2010.

WORLD CUP 2010

Ahead of and during the Worldcup 2010, the two largest supermarket chains in Sweden, COOP and ICA, sold fairtrade footballs. However, these were temporary products in their assortment.

UMBRO

Umbro is the sponsor of the Swedish National Team. As a result, Umbro is a very popular sportsball in Sweden. Umbro currently has two different fairtrade footballs in its assortment. However, it can be observed that fairtrade footballs are mainly used for children and not in adult football at the moment.

So far, the Swedish market for FSC sports balls has remained undeveloped.

IMPORTS

In 2009, Sweden was a medium-sized importer of sports balls, ranking tenth in the EU, behind Denmark and Poland, but ahead of Greece and Ireland. Between 2005 and 2009, total import value annually decreased by an average 0.6% to €9.0 million in 2009. In the same period, imports from DCs annually decreased by 10% in value. They decreased faster than total imports, thus the total share of DCs in import value decreased from 58% to 38% in 2009. The main cause of the lower DC share was the growth in intra-EU imports from Germany and Denmark.

In 2009, leading suppliers to Sweden were China, Germany, Denmark and Pakistan. China recorded a decline in the period mentioned (-8.2% per year), as did Pakistan (-14%), Thailand (-4.7%) and India (-32%). The only DC that experienced growth was Vietnam (+46%). Other countries that recorded high growth were Belgium (+115% per year), followed by Germany (+38%) and Denmark (+19%). Refer to Table 1 for more information.

Table 1 Imports by and leading suppliers of sports balls to Sweden, 2005-2009, share in % of value in 2009

Supplier group	2005 € mln	2007 € mln	2009 € mln	Leading suppliers in 2009	Share
Total	9	10	9		
Intra-EU	3	5	4	Germany (23), Denmark (14), Belgium (8.2), Czech Republic (2.4), France (0.8)	51
Extra-EU excl. DCs*	1	1	1	Taiwan (6.3), Norway (1.8), USA (1.4), Hong Kong (0.8), Switzerland (0.4)	11
DCs	5	4	3	China (23), Pakistan (9.9), Thailand (3.0), Vietnam (1.0), India (0.9), Malaysia (0.3), Philippines (0.3)	38

Source: Eurostat (2010)

*DCs=Developing Countries

DISTRIBUTION CHANNELS IN SWEDEN

The most important distribution channels for sports balls in the EU are multinationals (like adidas and Nike, but also regional brands), sporting goods importers and wholesalers and sports retail chains. Some non-specialised retail chains, such as supermarkets, hypermarkets and department stores also have sports balls in their assortment. In the case of fairtrade/FSC/sustainable sports balls, specialised fairtrade importers are also an important distribution channel.

Sports balls demand in Sweden can be divided, like any other, into sports clubs, schools and private persons. Although the shares of the different buyers are not known, sports retail chains have a prominent position in Sweden. Not only do they dominate the consumer market, but they also play a key role in the sports clubs market. In general, importers and wholesalers in Sweden sell to schools and businesses (mainly promotional materials).

> SPORTS RETAIL CHAINS

The sports retail chains are very important in Sweden. Besides dominating the consumer market, they are also the most important trade channels for the Swedish sports clubs. Sports retail chains sell to Swedish consumers through their (web) shops. Cheaper balls worth €10-25 are mainly sold in shops.

Furthermore, each retail chain has their own sales team who closes long-term agreements with sports clubs. These are usually sponsor agreements of around three years in length. It is a very brand dominated business with a focus on price.

The retail chains import directly from the large sports brands such as adidas and Nike. When it comes to private label products, imports go through their headquarters. So it depends on whether or not the headquarters are located in Sweden, for the Swedish purchasing manager to have influence on what is bought. Three sports retail chains dominate the Swedish market. They are:

- > **Intersport** - <http://www.intersport.se> - international sports retail chain. Intersport offers fairtrade balls passively, which means that a customer can order a fairtrade sportsball at their counter. They have around 150 shops in Sweden.
- > **Stadium** - <http://www.stadium.se> - Scandinavian sports retail chain with headquarters in Sweden. Most of their private label balls are fairtrade. They have around 110 shops in Scandinavia.
- > **Team Sportia** - <http://www.team sportia.se> - Swedish sports retail chain. They have around 110 shops in Sweden. They do work with fairtrade certified suppliers, but currently do not sell fairtrade sports balls.

> SPORTING GOODS IMPORTERS/WHOLESALERS

Importers and wholesalers in Sweden mainly sell to schools. Most of them do not sell to private persons or sports clubs. Examples are:

- > **Jo Sport** - <http://www.josport.se> - small importer of sports balls. Suppliers of sports balls need to undersign that they are Child Labour Free.
- > **Rantzows Sport** - <http://www.rantzows.com> - one of the largest sports equipment wholesalers in Sweden. One of the two players who dominate the schools market. Rantzows does not sell any fairtrade balls; however, suppliers need to be child labour free. Price is the main reason for not selling fairtrade balls.
- > **Tress Sport & Lek** - <http://www.tress.com> - large sports equipment wholesaler in Sweden. The other player who dominates the Scandinavian schools market.

> OTHERS

Other distribution channels for sports balls are specialised importers and general retail chains, such as supermarkets. Examples are:

- > **Coop** - <http://www.coop.se> - one of the biggest supermarket chains in Sweden. Sold fairtrade footballs during the Worldcup 2010.
- > **ICA** - <http://www.ica.se> - one of the biggest supermarket chains in Sweden. Sold fairtrade footballs during the Worldcup 2010.
- > **Sportssystem** - <http://www.sportssystem.nu> - only sells fairtrade sportsballs, mainly to companies and private persons.

> HOW TO DO BUSINESS IN SWEDEN

Swedish people are quite open to international business. Although purchasing managers are usually very busy, it is possible to get into contact with them through e-mail or by phone. Always prepare yourself properly before picking up the telephone.

For more information about how to do business in Sweden, also refer to <http://www.kwintessential.co.uk/etiquette/doing-business-sweden.html>.

> USEFUL SOURCES

- > **Church of Sweden** - <http://www.svenskakyrkan.se> - lobbies for fairtrade products in Sweden.
- > **Fairtrade Sweden** - <http://www.fairtrade.se> - fairtrade sales figures, product groups and campaigns.
- > **Sportfack** - <http://www.sportfack.se> - Swedish sports magazine with many interesting articles.
- > **Swedish Football Association** - <http://svenskfotboll.se> - responsible for large share of football purchases in Sweden.
- > **Swedish Handball Association** - <http://www.handboll.info>.

