



BTC TRADE FOR DEVELOPMENT



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

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CONSUMPTION

The United Kingdom is one of the promising EU countries for sports balls producers from developing countries. This chapter provides information on the UK market for sports balls, fairtrade in the United Kingdom and fairtrade/FSC sports balls in the United Kingdom. UK imports of sports balls and the most important distribution channels for sports balls in the United Kingdom will also be discussed, together with the most important players on the UK (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.

> UK MARKET FOR SPORTS BALLS

The UK sports goods retail market had an estimated value of €6.4 billion in 2010 and is expected to have between 4% and 6% annual growth from 2011. The market is especially driven by clothes and footwear which together account for about 75% of the UK sports goods retail market. The other 25% consists of sports equipment (including sports balls), which showed a decrease of 12% in 2009.

Especially individual sports like fitness, swimming and cycling are popular in the United Kingdom. Regarding ball sports, the most practiced sports in the United Kingdom are field football, golf, indoor football, tennis, cricket and basketball. Adidas, Nike and Mitre are the leading football brands in the United Kingdom.

CODES OF CONDUCT

Doing business in an ethical way is becoming increasingly important in the United Kingdom. It is estimated that more than 70% of UK sports balls suppliers have an own ethical code of conduct which producers of sports balls have to comply with. Of course, some of these codes of conduct are more elaborate than others.

> FAIRTRADE IN THE UK

In 2009, 72% of UK consumers were familiar with the Fairtrade certified label. The United Kingdom is the largest consumer of fairtrade products, not only in the EU, but also globally. Despite the recession, UK consumers continued to buy fairtrade products. In 2009, UK sales of fairtrade products reached an estimated value of €897 million, a growth of almost 12% compared to 2008. More than 70% of UK households bought at least one fairtrade product in 2008, which were more than 18 million families.

There are more than 4.500 fairtrade certified products available on the UK market. Fairtrade bananas obtained the highest sales in 2009, followed by fairtrade coffee. Cacao, wine and honey showed the strongest growth between 2008 and 2009. The two most important barriers for purchasing fairtrade products in the United Kingdom are the lack of availability or visibility in stores and price perceptions.

> UK MARKET FOR FAIRTRADE/FSC SPORTS BALLS

According to experts, less than 1% of sold sports balls in the United Kingdom are fairtrade and the market for sports balls that are FSC certified is even smaller. Sports balls are the smallest fairtrade

product group in the United Kingdom with a sales value of approximately €1.8 million in 2008.

There are two importers of fairtrade sports balls in the United Kingdom. The first company is Fair Deal Trading, who is the largest fairtrade sports balls importer in the EU. Many other EU importers of fairtrade sports balls buy their balls through Fair Deal Trading. The company imports sports balls that are produced in Pakistan and that are all fairtrade certified. FSC certification is optional. The second company that sells fairtrade sports balls is Umbro Ltd. However, Umbro currently only supplies fairtrade sports balls to schools and municipalities in Sweden and does not have any customers in the United Kingdom.

IMPORTS

In 2009, UK was a large importer of sports balls, ranking third in the EU, behind Germany and France, but ahead of Belgium and Italy. Between 2005 and 2009, total import value annually decreased by an average 3.2% to €44 million in 2009. In the same period, imports from DCs annually decreased by 3.8% in value. Compared to 2005, the total share of DCs in import value decreased slightly to 69% in 2009.

In 2009, leading suppliers to the UK were China, India, Belgium and Pakistan. Belgium recorded highest growth in the period mentioned (+130% per year; due to relocation of transit trade from the Netherlands to Belgium), only followed by Ireland (+6.5%) and China (+0.7%). Imports from India declined (-1.9%), as did imports from Pakistan (-17%). Refer to Table 1 for more information.

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

Supplier group	2005 € mln	2007 € mln	2009 € mln	Leading suppliers in 2009	Share
Total	50	52	44		
Intra-EU	12	12	11	Belgium (12), Luxembourg (3.4), Ireland (2.8), Germany (2.4), The Netherlands (1.6)	25
Extra-EU excl. DCs*	3	4	3	Australia (1.9), Taiwan (1.8), Hong Kong (1.7), USA (0.6), Japan (0.1)	6.2
DCs	36	36	30	China (39), India (17), Pakistan (9.2), Thailand (1.6), Philippines (0.5), Vietnam (0.4), Colombia (0.2), Malaysia (0.2),	69

Source: Eurostat (2010)

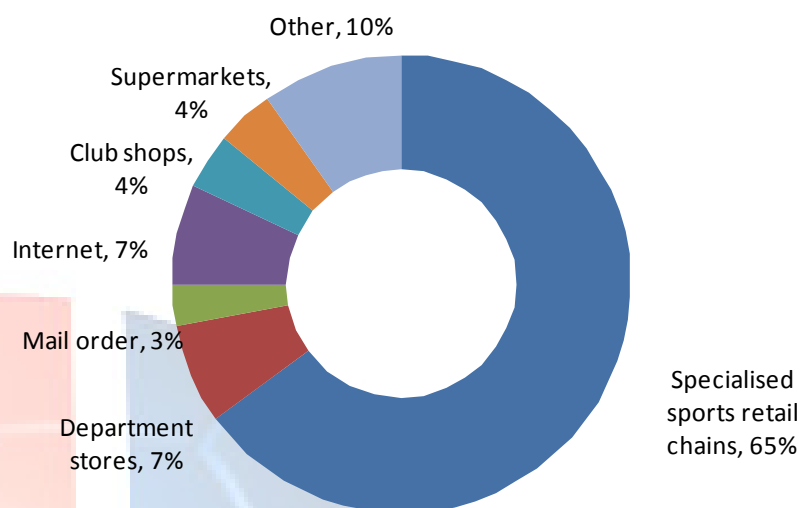
*DCs=Developing Countries

DISTRIBUTION CHANNELS IN THE UNITED KINGDOM

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.

Demand for sports balls in the United Kingdom comes from professional sports clubs, amateur sports clubs, schools and private persons. Figure 1 gives an estimation of market shares of retail trade channels for sports articles in the United Kingdom in 2008.

Figure 1 Market shares of retail trade channels for sports articles, 2008, in %



Source: Trade sources (2009)

> SPORTS RETAIL CHAINS

Specialised sports retail chains are the most important retail trade channel for sports articles in the United Kingdom. Retail sports chains generally sell well-known sports ball brands like adidas and Nike and often import directly from these large sports brands. The main customers of sports retail chains are sports clubs and private persons who purchase sports articles in the retail stores themselves or through their web shops. Schools sometimes purchase sports goods through sports retail chains as well. Important sports retail chains in the United Kingdom are:

- > **JD Sports** - <http://www.jdsports.co.uk> - UK sports retail chain with approximately 432 shops in the United Kingdom. Sells foot, rugby and basket balls of adidas and Nike and also markets footballs under its own brand Garbrini.
- > **JJB Sports** - <http://www.jjbsports.com> - UK sports retail chain with more than 250 establishments in the United Kingdom. Sell sports balls of well-known brands like Nike and adidas. Has an own code

of business ethics, a supplier code of practice and a factory code of conduct.

- > **Intersport** - <http://www.intersport.co.uk> - international sports retail chain with more than 100 establishments in the United Kingdom. Intersport does not have fairtrade sports balls in its standard assortment. However, it does have an own code of conduct.
- > **Sports Direct** - <http://www.sportsdirect.com> - international sports retail chain with headquarters and about 470 establishments in the United Kingdom. Sells sports balls of well-known brands such as adidas, Nike, Puma and Mitre. Does not have fairtrade balls in its assortment.
- > **STAG Sports** - <http://www.stagbuyinggroup.com> - large UK buying group of sporting goods with over 450 members. Buys large quantities of sporting goods of many well-known brands, including sports balls.

> **SPORTING GOODS IMPORTERS/WHOLESALERS**

Most sports clubs and schools purchase their balls through importers and wholesalers in the United Kingdom. The most important importers/wholesalers in the United Kingdom are:

- > **Cartasport** - <http://www.cartasport.com> - UK importer of sporting goods, including sports balls (mainly of the brand Mitre).
- > **Grays International** - <http://www.grays-int.com> - supplier of sports equipment for netball, cricket, rugby and hockey, including balls. Sells the balls under its own brands: Gilbert (for netballs and rugby balls), Gray Nicolls (for cricket balls) and Steeden (for rugby balls). Steeden is the official match ball for many rugby league competitions.
- > **Maudesport** - <http://www.maudesport.com> - supplier of sports equipment. Sells different types of sports balls of well-known brands but also of its own brand Central. Does not have a code of conduct.
- > **Mitre** - <http://www.mitre.com> - imports football, rugby, net and cricket balls and sells them under its own brand Mitre. The balls are produced in China and Pakistan, but are not fairtrade certified. However, Mitre has its own ethical code of conduct regarding the production of sports balls which can be downloaded from their website. Mitre is the official supplier of footballs for the UK Football League.
- > **Reydon Sports** - <http://www.reydon sports.com> - UK wholesaler in sporting goods, including sports balls of well-known brands. Only supplies to retail channels.
- > **Stadia Sports** - <http://www.stadia-sports.co.uk> - distributor of sports equipment, including foot, basket, cricket, hand, net, rugby and volley balls. Does not sell private label sports balls. Has an own code of conduct and mainly sells to sports clubs, schools and counsels.
- > **Umbro Ltd** - <http://www.umbro.com> - importer of sporting goods. Umbro is a licensee for fairtrade soccer balls, but currently only supplies fairtrade balls to schools and municipalities in Sweden and not to customers in the United Kingdom. Umbro mainly sells to sports clubs and sports retail chains.

> **OTHERS**

Other distribution channels for (fairtrade) sports balls in the United Kingdom are specialised fairtrade importers and non-specialised retail

chains such as department stores and supermarkets. The most important ones are:

- > **Fear Deal Trading** - <http://www.fairdealtrading.com> - specialised importer of fairtrade and FSC certified foot, rugby, volley, basket and net balls of the brand Ethletic and its own private label Fair Deal.
- > **John Lewis** - <http://www.johnlewis.com> - UK chain of department stores with 28 establishments in the United Kingdom. Also sells sporting equipment such as sports balls. Although it does not have fairtrade sports balls in its assortment, it does sell fairtrade certified jewelry, textiles and flowers.
- > **Newitts** - <http://www.newitts.com> - mail order company specialised in sports equipment. Sells many types of sports balls of different brands.
- > **Nigel's Eco Store** - <http://www.nigelsecostore.com> - web shop specialised in eco products. Also sells fairtrade and FSC certified sports balls of the brands Ethletic and Fair Deal.
- > **Oxfam** - <http://www.oxfam.org.uk> - specialised importer of fairtrade products, but does not sell sports balls.
- > **Traidcraft** - <http://www.traidcraft.co.uk> - fairtrade organisation that imports fairtrade products. During the 2010 Worldcup Football, Traidcraft also sold fairtrade footballs.
- > **Tesco** - <http://www.tesco.com> - UK chain of supermarkets that sells sports balls through its web shop. Tesco has fairtrade products in its fixed assortment and is the UK's leading retailer for fairtrade cotton school uniforms. However, they do not sell fairtrade sports balls.

> HOW TO DO BUSINESS IN THE UNITED KINGDOM

Companies in the United Kingdom are very open to international trade and familiar with dealing with foreign companies. The UK culture is renowned for its politeness and courtesy. It is important to prepare yourself before approaching companies in the United Kingdom. For practical tips on how to approach UK trading partners, please refer to <http://www.kwintessential.co.uk/etiquette/doing-business-uk.html>.

> USEFUL SOURCES

- > **British Association of Fair Trade Shops (BAFTS)** - <http://www.bafts.org.uk> - provides links to fairtrade shops in Britain. Some fairtrade shops, for example One World Shop Hull (www.oneworldhull.co.uk) sell fairtrade sports balls.
- > **Fairtrade UK** - <http://www.fairtrade.org.uk> - information about fairtrade products, fairtrade figures and fairtrade research.
- > **Federation of Sports and Play Associations (FSPA)** - <http://www.sportsandplay.com> - federation of UK sports associations. Provides links to different sports associations in the United Kingdom.
- > **Genesis Football club** - <http://www.genesisfc.org> - football club that is using fairtrade training and match balls.
- > **UK Football Association** - <http://www.thefa.com>.
- > **UK Football League** - <http://www.football-league.co.uk> - Mitre is the official supplier of competition and training balls to the UK football league.
- > **UK Premier League Football** - <http://www.premierleague.com> - Nike is the supplier of the official competition ball for the UK Premier League. The clubs can choose their own training balls.
- > **UK Sporting Goods Industry Association** - <http://www.sgiauk.com>.